



**International Journal of Education, Social Studies,  
And Management (IJESSM)**

e-ISSN : 2775-4154

Volume 3, Issue 2, June 2023

The International Journal of Education, Social Studies, and Management (IJESSM) is published 3 times a year (**February, June, November**).

**Focus** : Education, Social, Economy, Management, And Culture.

**LINK** : <http://lppipublishing.com/index.php/ijessm>

**The Effect of Dividend Payout Ratio (DPR), Company Size, And  
Debt To Equity Ratio (DER) on Glamor Stock Return in  
Manufacturing Companies Listed on The Indonesia  
Stock Exchange for the 2010-2020 Period**

Fentia Ramadhani Putri<sup>1</sup>, Mahatma Kufepaksi<sup>2</sup>

<sup>1</sup> Universitas of Lampung, Indonesia

<sup>2</sup> Universitas of Lampung, Indonesia

**ABSTRACT**

This study aims to examine the effect of the Dividend Payout Ratio (DPR) variable, firm size, Debt to Equity Ratio (DER) on the glamour stock return in manufacturing sector companies for the 2010-2020 period. The type of data used in this study is quantitative data. This research method is in the form of causal-comparative with data testing technique based on descriptive statistical tests, classical assumption tests, multiple linear regression tests and hypothesis testing. The sampling technique uses the saturated sampling technique metho in Non-Probability Sampling and produces 27 companies as research samples. Based on the analysis of this study it is known that the Dividend Payout Ratio (DPR) has a positive effect on the return of glamor stock as evidenced by the results of the regression test of 0.098 and the t test of 0.006. Firm size has a significant positive effect on glamor stock returns as evidenced by the results of the regression test of 2.542 and the t-test of 0.001. Debt to Equity Ratio (DER) has a significant negative effect on the return of glamor stock as evidenced by the results of the regression test of -0.161 and the t-test of 0.000.

*Glamour Stock, Stock Return, Dividend Payout Ratio (DPR), Firm Size, Debt to Equity Ratio (DER)*

[10.52121/ijessm.v3i2.168](https://doi.org/10.52121/ijessm.v3i2.168)

[arafentia@gmail.com](mailto:arafentia@gmail.com)

**ARTICLE INFO**

*Article history:*

Received

05 April 2023

Revised

20 April 2023

Accepted

07 Juny 2023

**Keywords**

Doi

Corresponding

Author 

**INTRODUCTION**

The 2021 PPN/Bappenas Indonesia and World Economic Development Report shows Indonesia's economy growing. The economic recovery in major trading partners, especially China and the US, boosts external sector performance. Business-wise, industry, water supply, financial services, agriculture, electricity and gas trading, and real estate drove economic recovery. Private investment, in which individuals and companies invest

capital expecting profits, is rising. Investment is a response to economic conditions like income, awareness, future, and others. Investors buy and sell financial instruments like stocks, bonds, mutual funds, derivative instruments, and others in a capital market, and companies look for capital. Investors seek short-term and long-term returns. Capital markets also affect a nation's economy (Lubis, 2015). The capital market helps investors fund companies and the public invest in financial instruments, making it vital to the Indonesian economy. 2010–2020 Indonesian Central Bureau of Statistics data. Since 2013, investment has increased to support sustainable economic development. Indonesian investment realization data from the past 11 years:



Picture 1.

### Indonesian Modal Investment Realization 2010–2020

Capital market products vary in risk and return—popular capital market stocks (Hermawan, 2012). The Indonesia Stock Exchange (IDX) offers intelligent investments. Public companies sell shares. Capital controls the company. Indonesia's Ministry of Industry said manufacturing drove economic growth in 2019. In 2021, Indonesia's manufacturing sector contributed 1.35% to economic growth. IDX production excites investors. Indonesia's rapid population growth and economic development make manufacturing a strategic sector for high returns on investment.

Glamour stock returned similarly. Hasnawati (2010) claims that glamour stocks outperform value stocks. Zhang (2005) found value premiums riskier than growth/glamour stocks. Gulen et al. (2011) found value stocks are more economically sensitive than growth/glamour stocks. New stock investors will rise. New investors need the information to choose growth/glamour or value

stocks. Growth/glamour stocks outperform value stocks. Glamor stock's limited data attracts researchers.

Glamor stock returns to 2010–2020, manufacturers. This study will assess the above stocks' glamour. Unattractive value stocks. Glamor stocks outperform value stocks in P/V. Investors ignore value stocks because they cost less (Hasnawati, 2010). Investors like glamour stocks. Glory grows. (Hasnawati, 2010). Two stocks are higher-growth. Growth stocks "grow" faster. Clendenin et al. (2016) preferred growth stocks. This study thinks growth stock traits mean profits. Growth stock indicates superior management, competitive advantage, comprehensive and progressive profit margins from investors' perspectives, and good earning power. Growth expectations drive glamour stock returns.

High PERs indicate investor growth. (Nirayanti et al., 2014). This study values glamour stocks using PER. 2010–2020 manufacturers will be glamorous and valuable. Cross-sectional analysis determines the company's industry average (Anggraeni, 2013)–quartile-ranked glamour stocks. Q1–Q4 has the lowest to highest PER values. Q1 stocks have low PERs, and Q4 stocks have high PERs (appendix 2). Athanassakos (2006). They invest multiple funds for future profits. Successful investors know their instruments. Stock investors get expected returns in various ways. Investing requires a risk-return balance. Returns increase risk. Stock returns are dividends or capital gains/losses. Estuary (2009) found that investors prefer high-return companies. Dealers, brokers, and investment managers help investors analyze stocks and get returns (Mayuni et al., 2018).

Investors who think riskier stocks make more profit prefer dividends. Investors like dividend stability. Investor confidence lowers capital investment. Funding, targets, and profit reinvestment affect a company's dividend payout ratio (Zahroh, 2009). Selling shares generates capital gains. Thus, daily speculators use capital gains more by stock price changes, and dividends depend on company policy, requiring more careful consideration. Watch processor profits because investors get dividends (Nirayanti et al., 2014). DPR informed Martono et al. (2004)'s policy. Zahroh (2009) found that dividend payout ratios affect stock returns. Nisa (2018) found that DPR does not affect stock returns.

Investors value company size. Size matters to investors. Big companies can fund all their activities to maximize profits (Handayani et al., 2019). Adawiyah et al. (2019) found that company size affects stock returns positively and significantly. Handayani et al. (2019) found that company size affected 2015–2017 stock returns. Yuliarti et al. (2018) found that company size affects stock returns. Ratio analysis evaluates company finances. This study uses DER.

Samsul (2006) divided stock return factors into macro and micro—politics, inflation, etc. Net earnings per share, book value per share, debt-to-equity ratio (DER), etc. DER calculates long-term corporate debt. More outside capital is hurting the company's performance. Thus, a profitable company will pay debts rather than dividends, lowering its stock price (Indriani, 2014). Nirayanti et al. (2014) found that DER affects stock returns, supporting this variable. Lubis (2015) found that DER did not affect stock returns.

**RESEARCH METHODE**

**Types of research**

This causal-comparative quantitative research begins with a problem and objective formulation. The Dividend Payout Ratio (DPR), company size, and Debt to Equity Ratio (DER) affect return glamor stock, making this comparative research causal. The causal-comparative method examines possible cause-and-effect relationships by observing existing effects and tracing the causal factors (Budi, 2015). The 2010–2020 manufacturing companies are the research object.

**Information Sources**

This research examines manufacturing sector companies from 2010 to 2020 using secondary data from their financial statements from the Indonesia Stock Exchange (IDX) website. This study sampled manufacturing companies registered for the last 11 years to provide a reasonably accurate year coverage from 2010 to 2020.

**Research Sample**

This study uses quantitative data. Quantitative data can be measured or calculated as numbers or variables (Pratiwi et al., 2020). This study also used secondary data, which third parties collected. This study used Indonesian Stock Exchange (IDX) financial reports for secondary data. Erlina (2011) defines a population as a group of people, events, or objects in an area that meets research problem requirements. This study includes 29 manufacturing sector glamor stock companies listed on the IDX since 2010: The population was sampled. Erlina (2011) states, "The sample is part of the population that is used to estimate the characteristics of the population." Purposive sampling was used in this study. Sample selection criteria:

Tabel 1. Sampling Criteria

| <b>Research samples</b> |  |      |
|-------------------------|--|------|
| 1.                      | Companies listed on the IDX in the manufacturing sector during the 2010-2020 research period | 135  |
| 2.                      | Companies delisted from IDX during the 2010-2020 research period                             | (18) |

|              |  |     |
|--------------|--|-----|
| 3.           | Manufacturing sector companies that were suspended during the 2010-2020 period | (2) |
| Sample total |  | 27  |

The steps for calculating the sample (glamour stock) according to Athanassakos (2006):

1. Data collection on the population of manufacturing sector companies listed on the Indonesia Stock Exchange since 2010. It is known that there have been 135 listed companies since 2010.
2. Calculation of Price to Earnings Ratio (PER) in 117 companies. The Price to Earnings Ratio (PER) formula, according to Asri et al. (2018) are:

$$PER_t = \frac{P_t}{EPS_t}$$

Information:

PER<sub>t</sub>: Price Earnings Ratio in year t

P<sub>t</sub>: closing share price at the end of the year t

EPS<sub>t</sub>: Earnings per share year t

3. Order the list of PER values for each company from the smallest to the largest.
4. Calculation of quartiles using Microsoft Excel software.
5. The division of PER values into quartiles 1 (Q1) to quartiles 4 (Q4). Company shares that enter into the fourth quartile (Q4) are stocks that contain the highest PER value and are classified as glamor stocks as many as 27 companies.

Based on the predetermined criteria and procedures, the determination of the selection of companies listed on the Indonesia Stock Exchange (IDX) for the manufacturing sector consecutively from the 2010-2020 period, which will be used as samples in this study, are as follows.

**Tabel 2.**

**List of Glamor Stock Manufacturing Companies Based on the Price to Earning Ratio (PER) Approach based on sample criteria**

| No | Company Code | Company                        | PER   |
|----|--------------|--------------------------------|-------|
| 1. | KLBF         | Kalbe farma Tbk                | 26,41 |
| 2. | KRAS         | Krakatau steel Tbk             | 26,61 |
| 3. | SMGR         | Semen Gresik Tbk               | 26,65 |
| 4. | DLTA         | Delta Djakarta Tbk             | 27,61 |
| 5. | MYOR         | Mayora Indah Tbk               | 29,78 |
| 6. | INTP         | Indocement Tungal Prakarsa Tbk | 30,21 |

|     |      |                                |         |
|-----|------|--------------------------------|---------|
| 7.  | YPAS | Yana Prima Hasta Persada Tbk   | 36,50   |
| 8   | ROTI | Nippon Indosari Corporindo Tbk | 37,10   |
| 9.  | KBLM | Kabelindo Murni Tbk            | 39,59   |
| 10. | BRAM | Indo Kordsa Tbk                | 40,01   |
| 11. | UNVR | Unilever Indonesia Tbk         | 40,43   |
| 12. | KARW | Karwell Indonesia Tbk          | 44,83   |
| 13. | BTON | Beton Jaya Manunggal Tbk       | 45,91   |
| 14. | FASW | Fajar Surya Wisesa Tbk         | 52,43   |
| 15. | INAI | Indal Aluminium Industry Tbk   | 53,02   |
| 16. | UNIT | Nusantara Inti Corpora Tbk     | 57,59   |
| 17. | SIPD | Sierad Produce Tbk             | 59,21   |
| 18. | MLBI | Multi Bintang Indonesia Tbk    | 73,53   |
| 19. | JECC | Jembo Cable Company Tbk        | 79,11   |
| 20. | NIKL | Pelat Timah Nusantara Tbk      | 109,44  |
| 21. | TFCO | Tifico Fiber Indonesia Tbk     | 164,26  |
| 22. | TPIA | Chandra Asri Petrochemical     | 215,32  |
| 23. | BRPT | Barito Pacific Tbk             | 220,46  |
| 24. | CPIN | Charoen Pokphand Indonesia Tbk | 253,85  |
| 25. | VOKS | Voksek Electric Tbk            | 388,06  |
| 26. | KAEF | Kimia Farma Tbk                | 1163,04 |
| 27. | INAF | Indofarma Tbk                  | 416.000 |

Source: *www.idx.co.id* (proceed data)

### Dividend Payout Ratio (DPR)

Rodoni et al. (2002) said that the Dividend Payout Ratio is the amount of dividend per share divided by the amount of income per share per year. Dividend per share (DPR) is the amount of dividend per share while Earning per share (EPS) is the amount of earnings per share.

According to Sundjaja & Barlian (2003) the Dividend Payout Ratio (DPR) is obtained in the following way:

$$\text{DPR} = \frac{\text{Dividend Per Share}}{\text{Earning Per Share}}$$

### Company Size

Company size is represented by natural log and total assets. Alli et al. (1993) in Zahroh (2009). Company size shows whether a company is classified as a small company, medium company, or large company. The criteria for company size can be assessed from sales turnover, number of products sold, company capital and total assets. Hartono (2008) states that company size is measured by total assets which are formulated as follows:

Company size =  $\ln$  of Total Activa

### Debt to Equity Ratio (DER)

Horne et al. dalam Nirayanti & Widhiyani (2014) mengatakan bahwa *Debt to Equity Ratio* (DER) adalah alat hitung sederhana yang membandingkan hutang jangka panjang perusahaan dibanding dengan modal pemegang saham. Rumus yang dapat digunakan untuk *Debt to Equity Ratio* (DER) menurut Farihah (2015) sebagai berikut:

$$DER = \frac{\text{Long Term Debt}}{\text{Equity}}$$

### Stock returns

Stock return is the level of profit that investors get for the results of their stock investments (Hermawan, 2012). In its activities, stock returns constantly fluctuate. These fluctuations can occur daily, even hourly. Based on the tracking results of previous studies, no one has examined or discussed the formula for determining glamor stock returns, so this research will be conducted using the same logic, namely the formula for ordinary stock returns. The stock return formula, according to Tandelilin (2001), is as follows:

$$R = \frac{P_1 - P_0}{P_0}$$

Information:

R = stock returns

P1 = final share price (sell)

P0 = initial stock price (buy)

### Data collection technique

The data collection technique in this study was carried out using a documentation study, namely by studying, classifying, and analyzing secondary data related to the scope of this research. This data was obtained from the financial reports of manufacturing sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2010 to 2020. This research uses secondary data. The data sources used are annual financial reports and stock price data during the study period obtained from Indonesia Stock Exchange (IDX), Supporting literature books related to research, [www.idx.co.id](http://www.idx.co.id), and [www.idnfinancial.id](http://www.idnfinancial.id).

### Data analysis technique

The data analysis methods used in this study include testing the classical assumptions which are then followed by testing the hypotheses (using SPSS (Statistical Product and Service Solutions) software) with multiple regression analysis.

## RESULT AND DISCUSSION

### Descriptive Statistical Test Results

The descriptive statistical method is a research test conducted to obtain an overview of the company's condition. This test will explain the variables studied' minimum, maximum, average value (mean), and standard deviation values. The variables used in this study are the Dividend Payout Ratio (DPR), Firm Size (FS), and Debt to Equity Ratio (DER) as independent variables, and Return Glamour Stock as the dependent variable. The results of the descriptive statistical tests contain the research variables from 2010 to 2020. Based on the results of the descriptive statistics in Table 1, the data to be used in this study varies widely and is very broad, which can indicate that the research data has an abnormal distribution, presented in the following table:

**Table 3.**  
**Descriptive Statistical Test Results**

|                        | N   | Minimum | Maximum     | Mean       | Std. Deviation |
|------------------------|-----|---------|-------------|------------|----------------|
| X1_DPR                 | 248 | -12.03  | 183.88      | 30.6636    | 37.61486       |
| X2_FS                  | 248 | 73,647  | 108,370,957 | 11,219,745 | 1.70130        |
| X3_DER                 | 248 | -24.56  | 183.04      | 45.3698    | 47.23230       |
| Y_Return Glamour Stock | 248 | -45.45  | 76.38       | 15.2132    | 22.29276       |

Source: SPSS 25, 2022 (proceed data)

In 2015, Fajar Surya Wisesa Tbk (FASW) had a minimum DPR of -12.03% for manufacturing companies in 2010–2020. In 2017, INTP owned the highest dividend payout ratio (DPR) of 183.88%. Table 3 shows the Dividend Payout Ratio (DPR) averages 30.6636% with a standard deviation of 37.61486. The standard deviation is greater than the mean ( $30.6636 < 37.61486$ ), indicating a large distribution of data variables or a large gap in the Dividend Payout Ratio (DPR) data. Low and high. In 2010, Karwell Indonesia Tbk (KARW) owned a minimum Company Size Variable (FS) of Rp. 73,647,754,655. In 2020, Barito Pacific Tbk (BRPT) owned the most Company Size (FS) at Rp. 108,370,957,695,000. According to Table 3, Company Size (FS) is Rp. 11,219,745,606,528.60, with a standard deviation of 1.70130. The standard deviation is smaller than the mean, which is  $1.70130 < 11,219,745,606,528.60$ , indicating a small data distribution or a lack of a large gap between the lowest and highest Firm Size (FS) data.

Karwell Indonesia Tbk (KARW) Company had a minimum DER of -24.56% in 2014. In 2017, Indal Searad Produce Tbk (SIPD) had the highest DER of 183.04%. Table 3 shows a mean DER of 45.3698% and a standard deviation of



47.23230. The standard deviation is greater than the average value (mean), 45.3698 < 47.23230, indicating a relatively large distribution of data variables or a large enough gap in the Debt to Equity Ratio (DER) data. In 2012, Barito Pacific Tbk (BRPT) owned -45.45% of the Variable Return Glamor Stock of manufacturing companies from 2010 to 2020. KBLM owns 76.38% of Return Glamor Stock. Table 3 shows that Return Glamor Stock has a mean of 15.2132% and a standard deviation of 22.29276. A higher standard deviation value indicates a relatively large distribution of data variables or a large enough gap between the lowest and highest Return Glamor Stock data. The mean is 15.2132 < 22.29276.

### Classical Assumption Test Results

Based on the tests carried out, the data used in this study have fulfilled the classical assumption requirements and passed the normality, heteroscedasticity, multicollinearity, and autocorrelation tests.

### Multiple Linear Regression Test Results

Multiple linear regression is a regression model that predicts the value of a single variable Y based on the values of several independent variables X. There are more than two independent variables in this study. Therefore, it is said to be linearly multiple because the highest rank is one. The results of multiple linear regression tests can be seen in Table 4 below:

**Table 4.**  
**Multiple Linear Regression Test**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|
|       |            | B                           | Std. Error | Beta                      |        |       |
| 1     | (Constant) | -53.792                     | 22.215     |                           | -2.421 | 0.016 |
|       | X1_DPR     | 0.098                       | 0.036      | 0.166                     | 2.756  | 0.006 |
|       | X2_FS      | 2.542                       | 0.783      | 0.194                     | 3.247  | 0.001 |
|       | X3_DER     | -0.161                      | 0.027      | -0.340                    | -5.879 | 0.000 |

Source: SPSS 25, 2022 (proceed data)

From the results of the multiple linear regression analysis above, the regression equation model developed in this study is as follows:

$$Y = -53.792 + 0.098DPR + 2.542FS + -0.161DER + \epsilon$$

The constant value of -53,792 indicates that if the independent variables, namely the Dividend Payout Ratio (DPR), Firm Size (FS), and Debt to Equity Ratio (DER), are assumed to be 0, then the Return Glamor Stock value is -53,792%. The regression coefficient value of the Dividend Payout Ratio (DPR) variable is 0.098, which means it has a positive relationship. This shows that with a 1% increase in the Dividend Payout Ratio (DPR) variable, the stock

return will increase by 0.098%, assuming all other independent variables are constant.

The regression coefficient value of the Firm Size variable (FS) is 2,542, which means it has a positive relationship direction. This shows that with a 1% increase in the Firm Size (FS), the Return Glamor Stock will increase by 2.542%, assuming all other independent variables are constant. The regression coefficient value of the Debt to Equity Ratio (DER) variable is -0.161, which means it has a negative relationship. This shows that with a 1% increase in the Debt to Equity Ratio (DER) variable, the Return of Glamor Stock will decrease by -0.161%.

**Model Test Results (Test F)**

The model test or F test is used to predict whether the independent variable can significantly be used to predict and explain the dependent variable. If the calculated F significance value is less than 0.05, then all independent variables can be used to predict and explain the dependent variable. The results of the F test can be seen in Table 4.5 as follows:

**Table 5.**  
**Model Test (f Test)**

| Model | Sum of Squares | df         | Mean Square | F        | Sig.   |                    |
|-------|----------------|------------|-------------|----------|--------|--------------------|
| 1     | Regression     | 25544.893  | 3           | 8514.964 | 21.374 | 0.000 <sup>b</sup> |
|       | Residual       | 97206.040  | 244         | 398.385  |        |                    |
|       | Total          | 122750.933 | 247         |          |        |                    |

*Sumber: SPSS 25, 2022 (data diolah)*

Based on the results of processing the F test data, a significance value is obtained; the f count is 21,374 with a probability of 0,000, so it can be seen that the significance value is less than 0.05. This shows that the variables Dividend Payout Ratio (DPR), Firm Size (FS), and Debt to Equity Ratio (DER) can be used to predict or explain the variable return glamor stock of companies in the manufacturing sector for the 2010-2020 period.

**Significance Test Results (t-test)**

The t-test determines the effect of each independent variable on the dependent variable. If the probability value of t or significance <0.05, it can be concluded that the independent variable influences the dependent variable. However, if the probability of the t value or significance is > 0.05, it can be concluded that there is no significant effect between the independent variables on the dependent variable.

The Dividend Payout Ratio (DPR) positively affects the return of glamor stock. Based on the test results from Table 4 shows a significant value in the

Dividend Payout Ratio (DPR) variable of 0.006. This value shows that the DPR affects the return of glamor stock. This can be proven by looking at a significant value smaller than the test level, which is 0.05. This condition means that the Dividend Payout Ratio (DPR) significantly affects the return of glamor stock for the 2010-2020 period, so H1 is accepted.

Firm size (FS) positively affects the return of glamor stock. Based on the test results from Table 4 shows a significant value on the variable Firm Size (FS) of 0.001. This value shows that firm size (FS) affects the return of glamor stock. This can be proven by looking at a significant value smaller than the test level, which is 0.05. This condition means that firm size (FS) significantly affects the return of glamor stock, so H2 is accepted.

Debt to Equity Ratio (DER) affects the return of glamor stock. Based on the test results from Table 4, the significant value of the Debt to Equity Ratio (DER) variable is 0.000. This value indicates that the Debt to Equity Ratio (DER) affects the return of glamor stock. This can be proven by looking at a significant value smaller than the test level, which is 0.05. However, the multiple linear regression test results show a value of -0.161, which means that the Debt to Equity Ratio (DER) variable has a negative direction toward the return glamor stock variable. This condition means that the hypothesis, which says that the Debt to Equity Ratio (DER) positively affects the return of glamor stock, is rejected even though it has a significant effect, so H3 is rejected.

#### **Determination Test Results ( $R^2$ )**

The value of R Squared ( $R^2$ ) is the coefficient of determination, namely the coefficient that explains how much the proportion of variation in the dependent can be explained by the independent variables together. The magnitude of the coefficient of determination ranges from 0 to 1. The closer to zero the magnitude of the coefficient of determination of a regression equation, the smaller the ability of the independent variable to explain the dependent variable and vice versa. The results of the determination test can be seen in Table 4.4, based on the Adjusted R square column showing the result of 0.198. This shows that only 19.8% of the variation in the return on glamor stock is explained by the variables Dividend Payout Ratio (DPR), Firm Size (FS), and Debt to Equity Ratio (DER). In comparison, 80.2% can be explained by other variables not included in the model – this research.

#### **The Dividend Payout Ratio (DPR) affects the Return of glamor stock**

According to statistical analysis, the Dividend Payout Ratio (DPR) positively impacts manufacturing company glamor stock returns for 2010-2020. This indicates that shareholder returns increase with DPR. This proves the

hypothesis that the Dividend Payout Ratio (DPR) increases glamor stock returns.

The dividend Payout Ratio is the percentage of profit distributed to shareholders. Assume higher dividends reduce retained earnings. According to the Bird in the Hand theory, investors prefer fixed dividends to capital gains that may fluctuate. According to this theory, "investors view one bird in hand as more valuable than a thousand birds in the air." Investors see a significant dividend increase as a sign that management is optimistic about the company's future. Confident investors will like the company's dividend policy. In signal theory, managers can use a good signal that their company can still execute. However, low-quality companies will be hard to copy. High dividend payouts are the best way for companies to signal profits to investors (Gumanti, 2009). Investors receive a cash dividend payout ratio (DPR). This is a good signal if the company pays or distributes dividends according to shareholder expectations. If not, it is a wrong signal. Dividend ratios increase company profits to shareholders. If this ratio rises, the company pays shareholders.

If this ratio decreases, the company uses part of its net profit for internal needs (Rodoni et al., 2002). Credible financial reports with high dividend payout rates reduce investor uncertainty. Investors prefer high-DPR companies because they appear more profitable and have a good image. The clientele effect describes this behavior. The clientele effect is a company's tendency to attract investors who like its dividend policy by catering to specific investor segments. Based on this, glamor stocks attract investors who prefer cash returns with a fixed nominal amount over capital gains returns. Zahroh (2009) found that the Dividend Payout Ratio (DPR) affects stock returns. Nirayanti and Widhiyani (2014) found that the Dividend Payout Ratio (DPR) affects stock returns.

#### **Effect of firm size on the Return of glamor stock**

According to this study, manufacturing company glamor stock returns increase with company size from 2010 to 2020. Multiple regression testing shows that firm size has a positive relationship with stock returns, and the significant value is 0.001, confirming the hypothesis. This proves that firm size positively affects glamor stock return.

This study will label 2010–2020 manufacturing sector stocks as glamour stocks. Glamor stocks are well-liked among investors. Glamor stocks have high PER values and tend to be big companies. High growth supports large company size, so a high PER value suggests that the company will make big profits in the future. Larger companies have more funding options and a better chance of winning the competition or surviving in the industry, making it easier

to get loans from creditors. Smaller companies are less competitive because they have less access to funding (Puspita, 2012).

This study found that firm size significantly affects glamor stock returns. Company sizes vary. Companies with significant total assets are mature and have positive cash flow and good prospects for a long time. They are also more stable and able to generate profits. Compared to small-asset companies. Large firms can easily access capital. Companies can raise more funds due to capital market accessibility. Investors see this convenience as a good sign and good prospects so that size can boost firm value. According to Adawiyah et al. (2019), company size positively and significantly affects stock returns. Handayani et al. (2019) found that company size affected stock returns during the 2015–2017 period.

### **Effect of Debt to Equity Ratio (DER) on the Return of glamor stock**

Glamor stock return and debt-to-equity ratio (DER)

According to statistical analysis, the Debt to Equity Ratio (DER) negatively impacts manufacturing company glamor stock returns from 2010 to 2020. Glamor stock returns decrease as a company's Debt to Equity Ratio (DER) increases. This data disproves the hypothesis that the Debt to Equity Ratio (DER) affects glamor stock returns.

A company's Debt to Equity Ratio (DER) should not exceed 100% because it indicates a high debt-to-capital ratio. DER calculates long-term debt financing for companies. A reasonably high leverage ratio indicates that the company's performance worsens because it relies more on outside capital.

The study's findings contradict the researcher's assumption that debt-funded companies will send a positive signal compared to those that issue new shares, which will increase the number of shares outstanding and reduce investor returns. High Debt to Equity Ratio (DER) indicates large long-term debt, affecting the company's debt obligations to creditors. The company's capital sources are highly dependent on external parties, and the higher the creditor burden, the higher the risk. Investors will lose interest in the company. With a relatively constant supply of shares and a decrease in investor interest in investing, the company's stock price will fall, and company returns will decrease (Sugiarto, 2011). The higher a company's DER, the lower its dividends (Nirayanti et al., 2014). DER can lower investor returns, lowering stock returns. Thus, the Debt to Equity Ratio (DER) does not positively affect glamor stock return.

## CONCLUSION

Based on the results of statistical analysis, it is known that the Dividend Payout Ratio (DPR) and Company Size have a positive effect on the glamor stock returns of companies in the manufacturing sector for the 2010-2020 period, while the Debt to Equity Ratio (DER) has no effect. Based on the research results that have been described and the conclusions obtained, there are several suggestions that the author conveys in connection with the research title, namely the Effect of Dividend Payout Ratio (DPR), Company Size, and Debt to Equity Ratio (DER) on Return Glamor Stock of Manufacturing Sector Companies For the 2010-2020 period and other related matters, it is advisable for potential investors who want to invest in the capital market, especially stocks that fall into the glamor stock category, to consider an analysis of the factors that influence the Dividend Payout Ratio (DPR) and company size because these variables affect returns—glamor stock. Future researchers are expected to increase the number of other independent variables such as Price to Earnings Ratio (PER), Earning Per Share (EPS), earnings management, and other factors to add new findings that can affect glamor stock returns.

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