# The Influence of Dividend Yield on Sales Volume of Sharia Constituent Shares Jakarta Islamic Index 70

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ABSTRACT

Stock trading is something that is observed and occupied by stock investors, especially retail investors. The large trading volume indicates that the stock is in great demand by investors. Information about stock trading volume is a signal that investors will consider in making decisions. Shareholders can decide to invest by looking at the dividend yield. Investors trying to invest funds with stocks that have high dividend yields. The purpose of this study is to determine whether the dividend yield variable has a significant effect on the stock trading volume of the constituents of the Jakarta Islamic Index 70. This research method uses descriptive quantitative method with secondary data collection in documentation. The results of this study indicate that the dividend yield has no significant effect on the trading volume of the constituent shares of JII 70. These results indicate that there are other variables that should be suspected to be influenced by other variables, especially the company's fundamental variables. Some improvements in data collection criteria also seem to need to be done for further research in order to obtain optimal results.

Keywords: Investment, Dividend Yield, Stock Trading Volume

## INTRODUCTION

Stock trading is something that is observed and occupied by stock investors, especially retail investors (Shah et al., 2019; Wen et al., 2019). Quoted from ruangmenyala.com (2021), retail investors are those who do funding with privately owned accounts. The amount of stock trading volume varies between issuers on the Indonesia Stock Exchange. Stocks that are traded with high volumes certainly have important meaning for investors and it is possible to have important meaning as well as issuers themselves.

Stock trading volume is information important for investors. Investors will consider stock trading volume information in making investment decisions (Kengatharan & Kengatharan, 2014; Parveen et al., 2020). The volume of stock trading also reflects the condition of the shares (securities) being traded. Share-stocks that are sought after by investors will be seen in the volume stock trading, so that investors will use it as a benchmark for liquid stocks and this will affect the volatility of stock prices. (Estuti & Hendrayanti, 2020).

PT Bisi International Tbk. (BISI) throughout June 2021 its shares were traded as many as 2,863,100 shares. In June 2021, dividend distribution from BISI was announced. PT Gihon Telekomunikasi Indonesia Tbk. (GHON) throughout May 2021 its shares were traded as much as 219,700 shares. In May 2021, dividend distribution from GHON was announced. The trading volume of BISI and GHON shares is respectively below the trading volume of PT Smartfren Telecom Tbk. (FREN) and PT Bumi Resources Minerals (BRMS) in the same month. FREN throughout June 2021 had more than 43,921,000,000 shares traded. BRMS throughout May 2021 had more than 11,207,000,000 shares traded. FREN has never distributed dividends since its initial offering in 2006 and BRMS has not issued dividends since its initial offering in 2010.

Quoted from accurate.id (2021) which was accessed on December 1, 2021, dividends are very important for investors who want to get sustainable passive income from their investments. The dividend yield ratio will give investors the productivity of their investment. Dividends are also considered a sign of a stable company because only profit-making companies distribute dividends. Historically, in addition, companies that offer dividends on a regular basis are considered mature companies because they show a controlled liquidity position.

"Indonesian sharia stock investors scored the latest milestone, namely the achievement of 102,426 investors, an increase of 734 percent in the last five years, with an active level of 30.7 percent," Hasan said at the Sharia Investment Week 2021 event, Thursday (11/11/2021). Which was reported by Safitri (2021) at money.kompas.com which was accessed on December 1, 2021. Safitri (2021) in money.kompas.com explained that the data as of October 2021 shows that the composition of the Islamic stock market in Indonesia is still dominant, with the number of Islamic shares reaching 56.9 percent of the total shares listed on the Indonesia Stock Exchange (IDX).

Based on search engines on the internet, namely google.com and scholar.google.com, both of which were accessed on December 1, 2021, research examining the effect of dividend yield on stock trading volume has yet to be found. This can happen due to the lack of research on the topic or the limitations of the authors in searching. Based on background in Due to and the wide scope of time for the required data, the limitation of this research is that the first limitation of this research is that the stock trading volume data is taken within one month which coincides with the distribution of dividends in one year during 2020 . The second limitation of the problem is that the object of research is only carried out on the shares of issuers who are members of Jakarta Islamic Index 70 (JII70). The purpose of this study is to determine whether the dividend yield variable has a significant effect on the stock trading volume of the constituents of the Jakarta Islamic Index 70

**METHODS**

This research is an associative research. Associative research is research that aims to determine the relationship between two or more variables (Paramita et al., 2021). With this research, it will be able to build a theory that can function to explain, predict, and control a phenomenon in research. In this study, the scope of the object determined by the author in accordance with the problems studied is the dividend yield and trading volume of shares in companies whose shares are constituents of Jakarta Islamic Index 70 on the Indonesia Stock Exchange in 2020. The research method used in this research is descriptive quantitative research method.

In this study using one independent variable and one dependent variable. The operational limitations of the variables in this study are:
a. Independent variable is Dividend Yield. Dividend yield is the amount of income return that will be obtained by shareholders or investors in the distribution of dividends.
   Formula: Dividend Yield = Dividend per share divided by share price.

b. Dependent variable, namely the volume of stock trading. The stock trading volume in this study is the number of shares traded daily for 1 month approaching the issuance of dividend from the constituent stocks of Jakarta Islamic Index 70 on the Indonesia Stock Exchange in 2020.

The population in this study were 70 constituent companies of Jakarta Islamic Index 70 on the Indonesia Stock Exchange in 2020. The sampling technique used is purposive sampling technique , which is taking a predetermined sample based on certain considerations and criteria. The criteria used in determining the sample in this study are: 1) The company issued dividends during 2018 to 2020. 2) The company did not experience a loss during the year 2020.

The type of data used in this study is quantitative secondary data sourced from the publications of various related parties such as the Indonesia Stock Exchange (IDX) and idnfinancial.com. Data was collected by means of a documentation study. Data were collected from literature, journals, articles, and reference books to get an overview of the problem being studied. Meanwhile, secondary data is collected from reports published by the Indonesia Stock Exchange (IDX).

Data analysis technique is a method used to process research results in order to obtain a conclusion. The data that has been collected is then analyzed to be able to provide answers to the problems discussed in this study. In analyzing the data, the researcher used the SPSS 16 program. The data analysis method used in this study is the classical assumption test, simple linear regression test and t test. To find out whether the regression model really shows a significant and representative relationship, the model must meet the classical assumptions of regression. The classical assumption test used is the normality s test and heteroscedasticity test.

Test normality used to determine whether the data obtained is normally distributed or not. The normality test is intended to test whether the residual value that has been standardized in the regression model is normally distributed or not. The residual value is said to be normally distributed if the standardized residual value is mostly close to the average value. The normality test used is Komolgorov-Smirnov with a significance level of 5%, so if it is significant > 0.05 then the variable is normally distributed and vice versa if it is significant < 0.05 then the variable is not normally distributed.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. This test is carried out by the Glejser test, which is the regression of each independent variable with the absolute residual as the dependent variable. The Glejser test is used to regress the absolute value of the residual on the independent variable. If the results of the Glejser test confidence level > 0.05 then there is no heteroscedasticity.

This analysis aims to determine how much influence the independent variable has on the dependent variable. Regression is used to measure the influence of the independent variable on the dependent variable and predict the dependent variable using the independent variable. Regression analysis used in this research is simple linear regression.

## RESULTS AND DISCUSSION

In this study, based on the purposive sampling used, it was found that 37 companies had always issued dividends in the last 3 years and did not experience a loss in 2020. Based on the calculations produced in the table of variable calculation results, it can be seen that issuers with dividend yields the highest is PT Puradelta Lestari Tbk. (DMAS) with a dividend yield of 24.21%. During 2020 DMAS distributed dividends of Rp 46,- per share. Meanwhile, the issuer with the lowest dividend yield is PT Semen Baturaja (Persero) Tbk. (SMBR). During 2020 SMBR distributed dividends of Rp 46,- per share.

Variable calculation results, it can also be seen that issuers with stock trading volumes the highest is PT Telkom Indonesia (Persero) Tbk. (TLKM) with a stock trading volume (rounded result) of 3,597,100,000 shares for one month prior to the distribution of dividends. Meanwhile, the issuer with the lowest trading volume is PT Metrodata Electronics Tbk. (MTDL) with a stock trading volume (rounded result) of 14,300,000 shares during the month leading up to the distribution of dividends.

**Table 1 Normality Test Results With One-Sample Kolmogorov-Smirnov**

|  |  | Unstandardized Residual |
|---|---|---|
| N |  | 37 |
| Normal Parameters [a] | mean | .0000000 |
|  | Std. Deviation | 9.11058519E2 |
| Most Extreme Differences | Absolute | .205 |
|  | Positive | .205 |
|  | negative | -138 |
| Kolmogorov-Smirnov Z |  | 1,250 |
| asymp. Sig. (2-tailed) |  | .088 |

Source: Data processed 2021

Based on the results of the normality test using the Kolmogorov-Smirnov One-Sample above, it is known that the significance value is $0.088 > 0.05$, so it can be concluded that the residual value is normally distributed. Based on the heteroscedasticity test, it can also be confirmed through the Glesjer test in table 2 Glesjer test results. Based on table 2 of the Glesjer test results, it can be seen that the dividend yield variable has a significance value of 0.658 which is greater than 0.05 so that it can be concluded that the data is free from heteroscedasticity.

**Table 2 Glesjer . Test Results**

|  | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
|  | B | Std. Error | Beta | t | Sig. |
| (Constant) | 645.062 | 140,626 |  | 4,587 | .000 |
| Dividend Yield | 9.412 | 21,096 | .075 | .446 | .658 |

Source: Data processed 2021

This study uses a simple linear regression analysis test to predict how much positive dividend yield is on the trading volume of the Jakarta Islamic Index 70 constituency sharia shares and predicts the value of the stock trading volume if the dividend yield value increases or decreases. This test calculation was carried out using SPSS version 16. The results of the simple linear regression analysis test can be seen in table 3 Simple Linear Regression Test Results.

**Table 3 Simple Linear Regression Test Results**

|  | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
|  | B | Std. Error | Beta | t | Sig. |
| (Constant) | 626,272 | 220,351 |  | 2.842 | .007 |
| Dividend Yield | 30,778 | 33.056 | .155 | .931 | .358 |

Source: Data processed 2021

The regression coefficient is positive, so it can be said that the direction of the effect of dividend yield (variable X) on stock trading volume (variable Y) is positive. However, if viewed based on the significance value obtained from the table above, it is 0.358 > 0.05 , it can be concluded that the variable dividend yield (X) has no significant effect on the stock trading volume variable (Y).

**Table 4 T . Test Results**

|  | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
|  | B | Std. Error | Beta | t | Sig. |
| (Constant) | 626,272 | 220,351 |  | 2.842 | .007 |
| Dividend Yield | 30,778 | 33.056 | .155 | .931 | .358 |

Source: Data processed 2021

In Table 4. 5 the results of the T test it is known that the value of t count of 0.931 is smaller than the value of t table of 2 , 438 with a significance value of 0.358 > 0.05. It can be concluded that dividend yield does not significantly affect the volume of stock trading because the value of t count < t table and the significant value is greater than 0.05. so that H 0 accepted and H1 rejected. This shows that the dividend yield from the constituent issuers of JII70 does not have a significant effect on the volume of stock trading.

**Table 5 Results of the Coefficient of Determination**

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| 155 [a] | .024 | -.004 | 923.98198 |

a. Predictors: (Constant), Dividend Yield

b. Dependent Variable: Volume

Source: Data processed 2021

From the results of Table 4. 6 The result of the Coefficient of Determination test explains that the value of the relationship (R) is 0.155 and the output is a coefficient of determination (R Square) of 0.024 which implies that the effect of the independent variable ( dividend yield ) on the dependent variable ( stock trading volume ) is 2.4 % , while the rest should be suspected to be influenced by other variables not examined in this study.

Based on the test results, it is known that the dividend yield has no significant effect on stock trading volume. These results indicate that there are other variables that should be suspected to be influenced by other variables, especially the company's fundamental variables. Some improvements in data collection criteria also seem to need to be done for further research in order to obtain optimal results. The comparison of stock price ranges that are quite far between each issuer deserves special attention so that in future research it can be classified as stocks with low prices and stocks with high prices. In addition to price classification, profit classification as reflected in Earning Per Share seems to also need to be done, this could be related to the behavior pattern of investors in buying shares, both investors who want dividends and investors who only want capital gains . Other variables are also still open to be classified as issuers. For example, some of them are market capitalization, amount of sales, to the strength of a good name of the issuer.

**CONCLUSION**

Based on the results of data analysis obtained from testing the effect of dividend yield on the stock trading volume of the constituents of the Jakarta Islamic Index 70 (JII70) and the discussion conducted by researchers, it can be concluded that: 1) dividend yield variable has no significant effect on the stock trading volume variable. 2) It should be suspected that there are other variables that affect the volume of stock trading and need to be proven through further research. 3) Changes or additions to criteria in data sampling can be an alternative solution so that research results are more optimal and convincing.

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