The Effect of Dividend Policy, Profitability, and Reporting Timeliness on Share Price Fluctuations of Listed Primary Consumer Goods Sector Companies on The Idx 2019-2023 Period

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Abstract

Keywords: *dividend policy, profitability, timeliness of reporting, stock price.*

This study aims to analyze the effect of dividend policy, profitability, and timeliness of reporting on stock price fluctuations in primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019-2023 period. This study uses a panel data regression method with the Random Effect Model (REM) approach processed through EViews software. The sample consists of 15 companies with a total of 75 observations (balanced panel). The F-test results show that simultaneously the three independent variables have a significant effect on stock price fluctuations (F-statistic = 15.713; Prob = 0.000). Meanwhile, the t-test results show that only the ROA variable has a positive and significant partial effect on stock prices (t = 6.645; Prob = 0.000), while the DPR variables (t = -1.483; Prob = 0.142) and timeliness of reporting (t = 0.698; Prob = 0.487) have no significant effect. The R-squared value of 0.399 indicates that the model can explain 39.9% of the variation in stock price fluctuations, while the rest is influenced by other factors outside the model. This finding emphasizes the importance of profitability as a key indicator in influencing stock price movements, compared to dividend policy and timeliness of reporting. This study provides practical implications for company management and investors in financial performance-based decision making.

INTRODUCTION

The Indonesian economy has also faced a number of challenges in recent years, particularly related to inflation and its impact on the consumer goods sector. Inflation, recorded at 5.51% in 2022, has significantly put pressure on people's purchasing power, particularly for basic necessities.(Central Statistics Agency, 2023).In its latest report, Bank Indonesia observed that despite the implementation of inflation control efforts through tight monetary policy, food price pressures are increasingly global, and energy factors are also a source of inflation that may still occur until the end of 2024. Fluctuations in the prices of daily goods, namely food and fuel, have caused the cost of living to increase, resulting in a decline in people's purchasing power in the market and a reduction in consumption, especially for primary consumers.(Bank Indonesia, 2025).

Indonesia's inflation rate declined to 2.61% in 2023 after a significant spike in 2022, driven by several key factors. One factor is the significant decline in core inflation, with the annual core inflation rate reaching only 1.8%, significantly lower than the previous year. This reflects

weakening aggregate demand for goods and services, largely due to a decline in purchasing power due to price increases in the previous year. Furthermore, government-managed prices (administered prices), such as subsidized fuel and other staple foods, also contributed to the decline in inflation after a sharp price spike in November 2022.(Damayanti, 2024).

High inflation can affect the production and distribution costs of primary consumer goods, which in turn can potentially affect the selling prices of these goods. Rising production costs due to inflation can cause companies to raise selling prices to maintain profit margins, which can ultimately reduce consumer purchasing power. Research by(Pangestuti & Said, 2024)revealed that high inflation can reduce demand for consumer goods, especially those in the basic needs category.

Although the primary consumer goods sector is considered a defensive sector that has low volatility due to the nature of its products as basic necessities, but researchAri & Hudaya (2025) This study shows that stock price volatility in this sector can be significantly influenced by a company's dividend policy. Furthermore, company profitability is also a crucial factor that needs to be examined in the context of stock price fluctuations. The results show that profitability has a negative effect on stock price volatility, indicating that companies with high profitability tend to have more stable stock prices.(Siti Maysaroh & Handayani, 2025)This is relevant considering that companies in the primary consumer goods sector, such as ICBP and AMRT, are struggling to maintain profit margins amid inflationary pressures and rising operating costs.(Kontan.co.id, 2024).

Stock price fluctuations are a phenomenon that is influenced by various internal and external factors of the company. Theoretically, stock prices are determined by the mechanism of supply and demand in the capital market where these fluctuations occur due to daily changes in the demand or supply of the shares.(Bakhri et al., 2023). Factors influencing stock price fluctuations are crucial for investors when making investment decisions. Assessing business aspects through stock prices can be done by analyzing various fundamental components of a company. Timely reporting can reduce information asymmetry regarding company performance and decrease stock price volatility. Through stock market analysis, investors can assess the value of securities and evaluate investment potential, both in specific sectors and the market as a whole.(Esther Bilbao, 2020).

METHODS

This research adopts a case study strategy, which involves collecting data and information related to ongoing problems. The unit of analysis in this study is group data, namely primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) in the 2019-2023 period. The background of this research is non-contrived (not manipulated), meaning the

research was conducted in a natural and frequently occurring environment. The population studied is companies listed on the Indonesia Stock Exchange (IDX) in the primary consumer goods sector for the 2019-2023 period, based on the IDX-IC (Indonesian Stock Exchange Industrial Classification) classification. Based on the sample selection criteria, the list of primary consumer goods sector companies included in the sample selection criteria in this study is 23 companies.

RESULTS AND DISCUSSION

1. Descriptive Statistical Analysis

Table 1.
Descriptive Statistical Analysis

Information	Minimum	Maximum	Mean	Standard Deviation
Dividend Policy	0.404344	182.3238	35.11378	34.33929
Profitability	0.015331	0.269563	0.084488	0.044144
Stock Price Fluctuations	156,0000	6525,000	1553,920	1393,428

Source : *Data processed by the author (2025)*

Based on the results of the descriptive statistical analysis above, it shows the minimum, maximum, mean, and standard deviation values. The dividend policy variable has an average value (mean) of 35.11378 with a standard deviation of 34.33929. This means that the data is homogeneous or does not vary because the average value (mean) is greater than the standard deviation of the minimum value of the dividend policy of 0.404344, while the maximum value of the dividend policy is 182.3238. The profitability variable has an average value (mean) of 0.084488 with a standard deviation of 0.044144. This means that the data is homogeneous or does not vary. The minimum value of profitability is -0.015331 while the maximum value of profitability is 0.269563.

The final dependent variable, Stock Price Fluctuation, has a mean value of 1,553,920 with a standard deviation of 1,393,428. This indicates that the data is homogeneous, meaning it does not vary, as the mean value is greater than the standard deviation. The minimum value of stock price fluctuation is 156,000, while the maximum value is 6,525,000.

2. Classical Assumption Test

Table 2.
Multicollinearity & Heteroscedasticity Test

	DPR	ROA	KWP
DPR	1,000,000	-0.032811	0.038927
ROA	-0.032811	1,000,000	0.049645
KWP	0.038927	0.049645	1,000,000

Heteroskedasticity Test: Breusch-Pagan-Godfrey
Null hypothesis: Homoskedasticity

F-statistic	1.054846	Prob. F(3,71)	0.3738
Obs*R-squared	3.200185	Chi-Square Prob.(3)	0.3618
Scaled explained SS	11.76217	Chi-Square Prob.(3)	0.0082

Source: Data processed by the author (2025)

Based on table 2, it shows that the correlation value between each independent variable of Dividend Policy (DPR), Profitability (ROA), and Timeliness of Reporting (KWP) on Stock Price Fluctuations is lower or less than 0.90. So based on the above test, it can be concluded that each independent variable does not experience symptoms of multicollinearity. The results of the heteroscedasticity test show that the chi-square probability value is higher than 0.05, which is 0.3618. So based on the above test, it can be concluded that the distribution of data in the regression model does not occur Heteroscedasticity.

3. Panel Data Regression Analysis

Table 3.
Test ResultsRandom Effect Model

Dependent Variable: CLOSSING_PRICE
Method: Panel EGLS (Cross-section random effects)
Date: 07/05/25 Time: 21:00
Sample: 2019 2023
Periods included: 5
Cross-sections included: 15
Total panel (balanced) observations: 75
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	916.1798	380.6058	2.407162	0.0187
DPR	-2.388380	1.610043	-1.483426	0.1424
ROA	8382.633	1261.391	6.645548	0.0000
KWP	91.15393	130.5276	0.698350	0.4872

Effects Specification

		Elementary School	Rho
Random cross-section		1383.280	0.9508
Idiosyncratic random		314.5576	0.0492

Weighted Statistics

R-squared	0.399026	Mean dependent var	157.2170
Adjusted R-squared	0.373633	SD dependent var	395.6236
SE of regression	313.1098	Sum squared residual	6960680.
F-statistic	15.71386	Durbin-Watson stat	0.993823
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.062740	Mean dependent var	1553,920
Sum squared residual	1.34E+08	Durbin-Watson stat	0.051446

Source: Data processed by the author (2025)

Based on table 3, the results of testing the random effect model produce the following panel data regression equation:

$$Y = 916.1798 - 2.388380DPR + 8382.633ROA + 91.15393KWP + e$$

The panel data regression equation can be interpreted as follows:

1. The constant value of 916.1798 shows that the dividend policy, profitability and timeliness of reporting variables all have a value of 0 (zero), so the constant representing the dependent variable of stock price fluctuation is916.1798.
2. The value of the dividend policy coefficient (DPR) is-2.388380shows that if the dividend policy increases by one unit and the other variables are constant or zero, then the stock price fluctuation will decrease by-2.388380
3. The profitability coefficient (ROA) value is8382.633shows that if ROA increases by one unit and other variables are constant or zero, then stock price fluctuations will increase by8382.633.
4. The value of the reporting timeliness coefficient (KWP) is91.15393shows that if KWP increases by one unit and the other variables are constant or zero, then the stock price fluctuation will increase by91.15393.

4. Hypothesis Testing

1. Simultaneous Test (F Test) & Partial Test (T Test)

Table 4. Simultaneous Test (F Test) & Partial Test (T Test)

Weighted Statistics

R-squared	0.399026	Mean dependent var	157.2170
Adjusted R-squared	0.373633	SD dependent var	395.6236
SE of regression	313.1098	Sum squared residual	6960680.
F-statistic	15.71386	Durbin-Watson stat	0.993823
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Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	916.1798	380.6058	2.407162	0.0187
DPR	-2.388380	1.610043	-1.483426	0.1424
ROA	8382.633	1261,391	6.645548	0.0000
KWP	91.15393	130.5276	0.698350	0.4872

Source: Data processed by the author (2025)

Based on Table 4, the probability value (F-statistic) is 0.000000, which means it is lower than 0.05. This indicates that the independent variables of dividend policy, profitability, and

timeliness of reporting simultaneously influence the dependent variable of stock price fluctuation. The results of the t-statistical test indicate that variable C2.407162, variable DPR -1.483426, ROA 6.645548 and KWP 0.698350.

The results of the t-test show thatThe dividend policy variable has a probability value of 0.1424, which means it is higher than 0.05. Therefore, it can be concluded that the dividend policy variable partially has no significant effect on stock price fluctuations. And the profitability variable has a probability value of 0.0000, which means it is lower than 0.05. Therefore, it can be concluded that the profitability variable partially has a significant positive effect on stock price fluctuations. The reporting timeliness variable has a probability value of 0.4872, which means it is higher than 0.05. Therefore, it can be concluded that the reporting timeliness variable partially has no significant effect on closing prices.

2. Determinant Coefficient Test

Table 5. R. Square Table

R-squared	0.399026	Mean dependent var	157.2170
Adjusted R-squared	0.373633	SD dependent var	395.6236
SE of regression	313.1098	Sum squared residual	6960680.
F-statistic	15.71386	Durbin-Watson stat	0.993823
Prob(F-statistic)	0.000000		

Source: Data processed by the author (2025)

Based on table 5, the results of the coefficient of determination (adjusted R-squared) of 0.37 or 37% indicate that the variables of dividend policy, profitability, and timeliness of reporting can explain the closing price variable by 37% and the remainder is explained by other variables outside of this study.

DISCUSSION

1. The Effect of Dividend Policy on Stock Price Fluctuations

   Based on the partial test results (t-test) and the probability value of the dividend policy variable (DPR) of 0.1424, which is greater than 0.05, it means that the dividend policy variable partially has no significant effect on stock price fluctuations. The dividend policy coefficient value (DPR) of -2.383880 can be interpreted as meaning that if the dividend policy increases, the stock price fluctuation will decrease by 2.383880 units. Therefore, it can be concluded that H₀ is accepted, so that dividend policy has no significant effect on stock prices.

2. The Effect of Profitability on Stock Price Fluctuations

   Based on the partial test results (t-test) and the probability value (ROA) of 0.0000, which is smaller than 0.05, it means that the ROA variable partially has a significant positive effect on stock price fluctuations. The ROA coefficient value of 8382.6331 can be interpreted that if ROA increases, then stock price fluctuations will increase by 8382.6331 units. Therefore, it can be concluded that H₀ is rejected, so that profitability has a significant effect on stock price fluctuations.

3. The Effect of Timeliness of Reporting on Stock Price Fluctuations

   Based on the results of partial testing (t-test) on the variable of timeliness of reporting, it has

a probability value of 0.4872 which is greater than the significance rate of 0.05 and obtains a

coefficient value which is positive of *91.15393*. So thereforeAccording to the researcher's hypothesis, the decision was made to accept Ho. In this case, the variable of timeliness of reporting does not have a positive effect on stock price fluctuations, as measured using a dummy variable. Therefore, this study contradicts the research framework that suggests that timeliness of reporting has a positive and significant effect on stock price fluctuations. Neither the accuracy nor the delay in submitting a company's financial reports can always affect stock price fluctuations in that company.

CONCLUSION

This study aims to determine the effect of dividend policy, profitability and timeliness of reporting on stock price fluctuations in primary consumer goods sector companies listed on the Indonesia Stock Exchange in 2019-2023 consisting of 15 research companies in Indonesia for 5 years with a total of 75 samples so that several conclusions are obtained as follows:

1. The Stock Price Fluctuation variable has a mean value greater than the standard deviation. This indicates that the data is homogeneous or does not vary because the mean value is greater than the standard deviation. The dividend policy variable test has a mean value greater than the standard deviation. This indicates that the data is homogeneous or does not vary because the mean value is greater than the standard deviation. Meanwhile, the profitability variable has a mean value greater than the standard deviation. This means that the data is homogeneous or does not vary. Meanwhile, the reporting timeliness variable shows that 85.33% of observational data reported on time and 14.67% of observational data reported on time. This shows that overall, more than 80% of companies can submit reports on time, which indicates a fairly high level of compliance with existing regulations.

2. The results of simultaneous tests of independent variables consisting of dividend policy, profitability and timeliness of reporting simultaneously or jointly influence stock price fluctuations in primary consumer goods sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

3. The partial influence of independent variables on stock price fluctuations is that dividend policy does not have a significant influence on stock price fluctuations in primary consumer goods sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

4. Profitability has a significant positive effect on stock price fluctuations in primary consumer goods sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

5. Timeliness of reporting does not significantly affect stock price fluctuations in primary consumer goods sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period.

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