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The Effect Of The Ratio Of Operating Cash Flow To Profit And Its Relationship With The Dividend Payment Ratio In Times Of Economic Uncertainty

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Abstract

This study aims to analyze the effect of the operating cash flow ratio on profit and its relationship with the Dividend Payout Ratio (DPR) in companies during economic uncertainty. The study uses a quantitative approach with secondary data from the financial statements of companies listed on the Indonesia Stock Exchange over a specified observation period. The operating cash flow ratio is measured by comparing cash flow from operating activities with current liabilities. Profit is measured using Return on Assets (ROA), while dividend policy is measured using the Dividend Payout Ratio (DPR). The data is analyzed using descriptive statistics, classical assumption tests, and linear regression. The results show that the operating cash flow ratio has a positive and significant effect on profit with a significance value of 0.000 and on DPR of 0.028. Profit also has a positive and significant effect on DPR with a significance value of 0.000. These results show that a company's ability to generate cash from its operations is important for boosting profits and supporting dividend payments. Therefore, the company needs to maintain a balance between cash flow, profits, operational needs, and shareholder interests. This study also provides input for companies on managing cash flow and dividend policies well, as well as for investors to consider cash flow information in addition to profits when assessing the company's financial condition.

Keywords: **Operating Cash Flow Ratio, Profit, ROA, Dividend Payout Ratio, Economic Uncertainty.**

INTRODUCTION

Economic uncertainty is one of the factors that companies need to pay attention to in maintaining business sustainability and financial stability. Uncertainty can be caused by changes in global trade, financial market volatility, changes in economic policies, commodity price pressures, and trade policies between countries. In the context of Indonesia, the

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International Monetary Fund (IMF) estimates that economic growth remains relatively stable, but there are still downside risks due to increased trade tensions, prolonged uncertainty, and global financial market volatility (IMF, 2026). These conditions require companies to not only be able to generate profits, but also maintain the availability of cash to meet the company's operational needs, investments, and liabilities. Therefore, the ability to generate cash from operational activities is increasingly important in the face of uncertain economic conditions.

Operating cash flow is cash derived from the company's main activities in generating revenue. Based on the IAS 7 Statement of Cash Flows, cash flow from operating activities shows the company's ability to generate cash from its main activities (IFRS Foundation, 2026). This ability can be measured through the ratio of operating cash flows, namely by comparing cash flow from operating activities with current liabilities. The higher the ratio, the greater the company's ability to meet short-term liabilities through cash generated from operational activities (CFI, 2019). In addition to cash flow, profit is also an important indicator in assessing company performance. However, profit uses an accrual basis so that not all income and expenses are directly related to cash receipts or expenses. This condition causes companies to have high profits but low operating cash flows. Dechow (1994) and Dechow et al. (2022) show that profit and cash flow information have different characteristics so it needs to be analyzed together in assessing the company's financial condition.

In addition to the ability to generate cash and profit, dividend payment decisions are also an important part of a company's financial decisions. Dividends are part of the profits distributed to shareholders as a form of return on investment. However, dividend payments do not only depend on profits, but also on the availability of cash and the company's fund needs. Dividend policy can be assessed through the Dividend Payout Ratio (DPR), which is a ratio that shows the share of the company's profits distributed to shareholders as dividends. Rahmawati and Narsa (2021) in their research proved that operating cash flow has a positive influence on dividend policies in companies that are members of the LQ45 index on the Indonesia Stock Exchange. These findings indicate that the greater the company's ability to generate cash flow through operational activities, the greater the company's ability and opportunity to distribute dividends to shareholders.

Economic uncertainty makes companies have to be wiser in managing their cash. Cash needs to be allocated to meet operational needs, investments, company liabilities, and dividend payments. Denis and Osobov (2009) show that companies that face high cash flow uncertainty tend to distribute dividends in smaller amounts because companies need to keep internal funds as reserves to maintain their financial condition. However, Attig et al.

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(2021) found different results, namely higher economic policy uncertainty is actually related to an increase in dividend payments. These differences show that the relationship between cash flow, profit, economic uncertainty, and dividend policy is not completely consistent. Research by Rahmawati and Narsa (2021) shows the positive influence of operating cash flow on dividend policy, while Wahyuni et al. (2021) did not find the effect of operating cash flow on profitability. The difference in the results of the study shows that there is room to review the relationship between cash-based performance, profit, and dividend policy.

Based on this explanation, this study was conducted to find out the extent to which the cash flow ratio from operational activities affects the company's profit. In addition, this study also aims to test the influence of the ratio of operating cash flow and profit on the company's Dividend Payout Ratio (DPR) in the face of uncertain economic conditions. This research is expected to enrich the study of the relationship between cash flow, profit, and dividend policy in uncertain economic conditions. Practically, the results of the study can help management in evaluating operational cash capabilities and determining dividend policies that are in accordance with the company's conditions. For investors, this research can be additional information in assessing the company's performance by not only paying attention to profits, but also the ability to generate cash and the consistency of dividend payments.

THEORETICAL FOUNDATIONS AND HYPOTHESIS DEVELOPMENT

Signaling Theory

Signal theory explains that information in the company's financial statements and financial policies can provide investors with an overview of the company's condition, performance, and prospects in the future. In dividend policy, information about profit, cash flow, and dividends can indicate a company's ability to generate profits and meet its financial needs. Stable dividend payments can be a positive signal, while a decline in dividends can be seen as a signal of a company's poor condition. Herbowo et al. (2023) show that profitability has a positive effect on the Dividend Payout Ratio. Therefore, signal theory is used to explain the relationship between operating cash flow, profit, and DPR in providing information to investors.

Agency Theory

Agency theory describes the relationship between shareholders (principals) and management (agents) that can give rise to differences of interest. When a company has large profits and cash, management must determine whether the funds are used for operations,

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investments, liabilities, or distributed as dividends. Dividend payments can reduce funds that are under management's control, thus helping to reduce conflicts of interest with shareholders. Nabila et al. (2025) and Tania et al. (2024) show that dividend policy is related to profitability and corporate governance. Thus, agency theory is relevant to explain that dividend policy is not only influenced by financial conditions, but also by the relationship between management and shareholders.

Operating Cash Flow

Operating cash flow is cash derived from the company's main activities in generating revenue. This cash flow indicates the company's ability to generate cash to finance operational activities and meet short-term liabilities. In this study, this ability was measured using the ratio of operating cash flow to current liabilities with the formula AKO = Operating Cash Flow / Current Liabilities. The higher the ratio, the greater the company's ability to meet its current liabilities using cash from operating activities. On the other hand, the low ratio value indicates that the company's ability to meet short-term liabilities is still limited. Zebua et al. (2024) and Rachman (2025) use this ratio as one of the measures to look at the company's financial condition.

Profit

Profit is one of the important measures in determining a company's performance and its ability to make a profit. The calculation of profit uses an accrual basis, while cash flow describes all cash receipts and expenses that occur in a period. Therefore, a company can have a positive profit but not necessarily have a strong operating cash flow. In this study, profit is measured using Return on Assets (ROA) which shows the company's ability to generate profits based on the assets it owns. ROA is calculated using the formula ROA = Net Profit / Total Assets × 100%. Herbowo et al. (2023) show that profitability has a positive influence on the Dividend Payout Ratio.

Dividend Policy

The dividend policy is a company's decision regarding the share of profits distributed to shareholders and the share of profits held for the company's needs. The policy can be influenced by profitability, liquidity, investment needs, and the company's financial condition. One of the measures of the dividend policy is the Dividend Payout Ratio (DPR), which is the percentage of profit distributed to shareholders. The higher the DPR, the greater the share of profits distributed as dividends. In this study, the DPR is calculated with the

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formula DPR = (Dividend per Share / Profit per Share) × 100% (Darmawan, 2022). Thus, the DPR is used to describe a company's decision to distribute profits to shareholders.

Economic Uncertainty

Economic uncertainty is a condition when it is difficult for companies to estimate economic developments and their impact on business decisions. Uncertainty can be caused by changes in government policies, global economic conditions, inflation, interest rates, exchange rates, and international trade. These conditions can affect investment decisions, funding, and corporate cash management. Juselin and Juliana (2021), Juliana (2022), and Djulianto and Nugroho (2022) show that economic uncertainty can affect investment and funding decisions for companies. In this study, economic uncertainty is used as a context or research period, not as a variable that is directly tested. These conditions are the background for looking at the relationship between operating cash flows, profits, and dividend policies.

PREVIOUS RESEARCH

Operating Cash Flow and Profit

The results of previous research on the relationship between operating cash flow and profit still show differences. Wahyuni et al. (2021) and Herlambang and Arifin (2022) stated that operating cash flow does not have a significant influence on profitability or profit. Meanwhile, Abdalla et al. (2025) and Minggasari et al. (2024) found that there is a positive and significant influence of operating cash flow on profitability. The difference in findings shows that the relationship between a company's ability to generate cash from operating activities and profit still needs to be further researched. In this study, the ratio of operating cash flow to current liabilities was used as a measure of cash flow, while Return on Assets (ROA) was used to measure profit.

The results of previous research related to operating cash flow with dividend policies still show mixed findings. Suistiyaningsih and Rodhiyah (2025) stated that operating cash flow has a positive and significant influence on dividend policy. On the other hand, Ritonga and Purba (2026) and Khoerunnisa and Hariyanti (2024) show that cash flows from operating activities do not have a significant influence on dividend policy. Differences can also be seen in research on the relationship between profit and dividends. Herbowo et al. (2023) found that profitability has a positive effect on the DPR, while Kusuma et al. (2023) and Khoerunnisa and Hariyanti (2024) state that profitability and profit growth do not have a significant influence on dividend policy.

Research on economic uncertainty and dividends shows that economic conditions can influence a company's decision to distribute dividends. Kusuma et al. (2023) found that

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in conditions of uncertainty due to the COVID-19 pandemic, cash flow and profitability do not have a significant effect on the DPR. Tannama and Kuswanto (2024) show that there are differences in dividend policies between the pre- and post-pandemic periods, while Tinungki et al. (2025) found that companies tend to maintain lower dividend rates during and after the crisis period. The findings suggest that uncertain economic conditions can affect dividend policies, although the effect can differ based on the characteristics of the company.

Research Gap

Based on previous research, there are still inconsistent results regarding the relationship between operating cash flow and profit, operating cash flow with the DPR, and profit with the DPR. In addition, research that examines the relationship between these three aspects in the context of economic uncertainty is still limited and focuses a lot on the COVID-19 pandemic or certain sectors. Therefore, this study seeks to fill the research gap by examining the relationship between the operating cash flow ratio → profit (ROA) → Dividend Payout Ratio (DPR) in companies in periods of economic uncertainty.

Table 1. Summary of Previous Research and Research Gap

No.	Researcher	Key Variables	Object/Period	Research Results
1	Wahyuni et al. (2021)	Operating cash flow → Profitability	67 manufacturing companies	**It has no effect** on profitability.
2	Herlambang & Arifin (2022)	Operating cash flow → Profit prediction	Consumer goods sector companies	**It has no significant effect** on profit predictions.
3	Minggasari et al. (2024)	Operating cash flow → Profitability	Telecommunications subsector companies	**It has a significant effect** on profitability.
4	Abdalla et al. (2025)	Operating cash flow → Profitability	Customer cyclicals, EIB 2021–2024	**Has a positive effect** on profitability.
5	- Stuart O'Neill (2025)	OCF → Dividend Policy; Profitability → Dividend	Food & beverage manufacturing 2021–2023	**OCF and profitability have a significant positive effect** on dividend policy.

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No.	Researcher	Key Variables	Object/Period	Research Results
6	Khoerunnisa & Hariyanti (2024)	Profit growth & growth OCF → Dividend	Sharia Commercial Banks	**OCF's profit and growth have no significant effect** on dividend policy.
7	Ancient & Ancient (2026)	OCF → Dividend policy	77 manufacturing companies, 2022–2024	**OCF has no significant effect** on dividend policy.
8	Kusuma et al. (2023)	Cash flow, profitability → DPR	LQ45 companies in economic uncertainty	**Cash flow and profitability do not have a significant effect** on the DPR.
9	Tannama & Kuswanto (2024)	Financial performance & pandemic → Dividend policy	Companies with high dividends	Pandemic conditions/uncertainty are an important context in changes in dividend policy.
10	Cincinnati et al. (2025)	Economic conditions/crisis → Dividend policy	SRI-KEHATI Company	Dividends tend to be lower during and after crises; dividend policies are sensitive to macroeconomic conditions.

Research Position

From the table, your research gap can be formulated more robustly as follows:

The results of previous studies show different findings regarding the relationship between operating cash flow and profit and dividend policy. Several studies state that the ability to generate cash from operating activities can increase profitability and support dividend payments. However, other studies have found that operating cash flow does not have a significant influence on these two aspects. Inconsistencies are also found in the relationship between profitability and Dividend Payout Ratio. In addition, research on dividend policy in conditions of economic uncertainty tends to focus on the COVID-19 pandemic or certain sectors. Therefore, this study builds on previous research by simultaneously examining the relationship between the ratio of operating cash flows to

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profit and Dividend Payout Ratio, and placing it in the context of economic uncertainty. The novelty of the research lies in integrating these three aspects in one research framework, so that it can provide a more comprehensive picture of the relationship between the ability to generate cash, profit performance, and the company's dividend payment decisions.

HYPOTHESIS DEVELOPMENT

The Effect of Operating Cash Flow Ratio on Profit

The operating cash flow ratio shows the company's ability to generate cash from its main activities to meet current obligations. The higher the ratio indicates the better the company's ability to generate cash and support business activities. Based on signal theory, good operating cash flow can provide positive information about the company's financial condition. Research by Minggasari et al. (2024) and Abdalla et al. (2025) found that operating cash flow has a positive effect on profitability, while Wahyuni et al. (2021) found different results. These differences are the basis for re-examining the relationship between operating cash flow and profit measured using ROA. Based on this description, the first hypothesis is H1: The operating cash flow ratio has a positive effect on the company's profit.

The Effect of the Operating Cash Flow Ratio on the House of Representatives

Strong operating cash flow indicates the company's ability to provide cash to meet operational needs and pay dividends. Based on signal theory, the ability to generate cash and pay dividends can provide positive signals to investors. Meanwhile, agency theory explains that dividend payments can reduce funds under management control, thereby helping to reduce conflicts of interest with shareholders. Suistiyaningsih and Rodhiyah (2025) found that operating cash flow has a positive effect on dividend policy, while Khoerunnisa and Hariyanti (2024) and Ritonga and Purba (2026) found that operating cash flow does not have a significant effect. These differences in results show that the relationship between operating cash flow and the DPR still needs to be retested. Based on this description, the second hypothesis is H2: The operating cash flow ratio has a positive effect on the Dividend Payout Ratio (DPR).

The Effect of Profit on the House of Representatives

Profit is one of the internal sources that companies can use to pay dividends. The higher the profit indicates the greater the company's ability to distribute profits to shareholders after meeting operational and investment needs. Based on signal theory, profit and dividend payments can provide information about the company's performance and prospects. Herbowo et al. (2023) found that profitability has a positive effect on the DPR. On

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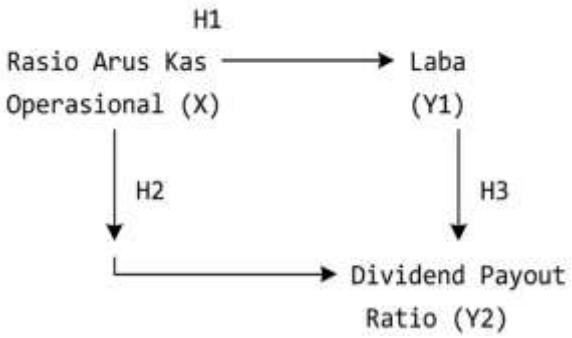
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the other hand, the research of Kusuma et al. (2023) and Khoerunnisa and Hariyanti (2024) shows that profitability and profit growth do not have a significant influence on dividend policy. The difference in these findings shows the need for further testing of the relationship between profits, measured by ROA, and the DPR. Therefore, based on this description, the third hypothesis in this study is formulated as follows: H3: Profit has a positive effect on the Dividend Payout Ratio (DPR).

FRAME OF MIND

The framework of thought in this study explains the relationship between the Operating Cash Flow Ratio, Profit, and Dividend Payout Ratio (DPR) in uncertain economic conditions. The operating cash flow ratio is estimated to be able to support the increase in the company's profit, so that the relationship becomes the basis for the preparation of the first hypothesis (H1). Good operating cash flow can also provide a greater ability for the company to pay dividends so that H2 is formulated. Furthermore, higher profits are expected to increase the company's ability to distribute dividends so that H3 is formulated. The three relationships are analyzed in the context of economic uncertainty, which is a condition that can affect the company's ability to generate cash, earn profits, and determine dividend policies.

Figure 1. Frame of Mind



RESEARCH METHODS

This study uses a quantitative approach with an explanatory research design to examine the effect of the Operating Cash Flow Ratio (AKO) on profit as well as the effect of AKO and profit on the Dividend Payout Ratio (DPR). The research population includes all companies listed on the Indonesia Stock Exchange (IDX) during the observation period. The sample selection was carried out by purposive sampling technique, which is based on certain criteria, such as companies that publish complete and consecutive financial statements and

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have data on operating cash flows, current liabilities, net profit, total assets, and dividend payments. The data used are secondary data obtained from the company's financial statements and annual reports published through the IDX and the company's official sources. AKO is calculated with the formula AKO = Operating Cash Flow / Current Liabilities, profit is proxied by Return on Assets (ROA) = Net Profit / Total Assets × 100%, while DPR is calculated by DPR = Dividend per Share / Profit per Share × 100%. Economic uncertainty is used as a context or research period and not as a variable that is tested directly.

The research data were analyzed using descriptive statistics and linear regression. Descriptive statistics were used to describe the characteristics of each variable through minimum, maximum, mean, and standard deviation values. The test was carried out through two regression equations, namely ROA = $\alpha + \beta_1 AKO + \varepsilon$ to test the effect of AKO on profit and DPR = $\alpha + \beta_2 AKO + \beta_3 ROA + \varepsilon$ to test the influence of AKO and ROA on DPR. Hypothesis testing used a significance level of 5% ($\alpha = 0.05$), with the hypothesis stated to be influential if the significance value < 0.05. Before regression was carried out, the model was tested through classical assumption tests which included normality, multicollinearity, heteroscedasticity, and autocorrelation.

RESULTS OF RESEARCH AND DISCUSSION

RESEARCH RESULTS

Overview of Research Objects

The object of this study is manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The selection of the period is based on the consideration that the observation period reflects economic conditions that are still facing various forms of uncertainty after the COVID-19 pandemic, so it is relevant to the research focus on the relationship between operating cash flow ratios, profits, and dividend payment policies. The research population consisted of 226 manufacturing companies listed on the IDX during the observation period. The sample was selected using purposive sampling techniques based on the criteria that companies must be listed consecutively during the 2021–2024 period, publish complete annual financial statements, present cash flow information from operating activities, current liabilities, net profit, total assets, and have information about dividend payments required to calculate the Dividend Payout Ratio (DPR). Based on these criteria, 35 companies were obtained that met all the requirements as a research sample. With an observation period of 4 years, the number of observations used was 140 observations (35 companies × 4 years). Research data was obtained from the

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company's annual financial statements and annual reports published through the IDX and the official sources of each company.

Table 1. Research Sample Selection Criteria

No.	Sample Selection Criteria	Quantity
1	Manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period.	226
2	Companies that are not consistently listed on the IDX during the 2021–2024 period are excluded from the sample.	-18
3	Companies that do not provide complete annual financial statements during the study period are not sampled.	-27
4	Companies that do not have complete data on operating cash flow, current liabilities, net income, or total assets are not included in the research sample.	-31
5	Companies that do not have the dividend payment data required to calculate the DPR	-115
6	**Number of companies that meet the sample criteria**	**35**
7	Observation period	4 years
8	**Number of research observations**	**140**

Source: Secondary data processed by researchers, 2026.

Based on Table 1, the total research population consists of 226 companies. After screening according to predetermined criteria, some companies cannot be used as samples because they do not meet the research requirements. The selection was carried out by considering the completeness of the recording period, financial statements, operating cash flow data, profits, assets, current liabilities, and dividend information. From this process, 35 companies were obtained that met all criteria and were used as research samples. With an observation period of four years, namely 2021–2024, as many as 140 observations were obtained which were then used in statistical analysis and hypothesis testing.

Descriptive Statistics

Descriptive statistics are used to describe the condition of the research data through minimum, maximum, mean, and standard deviation. The variables used include Operating Cash Flow Ratio, Profit measured by Return on Assets (ROA), and Dividend Payout Ratio (DPR). Based on the processing of 140 observations, the following descriptive statistical results were obtained.

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Table 2. Descriptive Statistics

Variable	N	Min	Max	Red	Std. Dev.
Operating Cash Flow Ratio	140	-0,85	8,72	1,2845	1,37621
Laba (ROA)	140	-0,18	0,36	0,0748	0,08952
DPR	140	0	1,25	0,3846	0,27483
Valid N	**140**				

Source: Secondary data processed by researchers, 2026.

Based on Table 2, the Operating Cash Flow Ratio shows the lowest value of -0.85 and the highest of 8.72. The average value is 1.2845 with a standard deviation of 1.37621, which means that the average company is able to generate operating cash flow of about 1.28 times of its current liabilities. ROA as a measure of profit has a minimum value of -0.18 and a maximum value of 0.36, with an average of 0.0748 and a standard deviation of 0.08952. Meanwhile, DPR has the lowest value of 0.00 and the highest of 1.25, with an average of 0.3846 and a standard deviation of 0.27483. The average shows that the company in the study period distributes about 38.46% of the profits earned to shareholders in the form of dividends.

Classic Assumption Test

The classical assumption test is carried out to ensure that the regression model has met the necessary statistical requirements so that the results of the analysis can be used in hypothesis testing. In this study, the tests include normality, multicollinearity, heteroscedasticity, and autocorrelation tests.

Normality Test

The normality test aims to see if the residual resulting from the regression model has a normal distribution. The test is carried out with the One-Sample Kolmogorov-Smirnov Test. The model is declared to meet the assumption of normality if the significance value is more than 0.05.

Table 3. Normality Test Results

Models	N	Asymp. Sig. (2-tailed)	Remarks
Model 1	140	0,2	Normal
Model 2	140	0,087	Normal

Source: Secondary data processed by researchers, 2026.

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Based on Table 3, the significance value of Model 1 is 0.200 and Model 2 is 0.087. Both values are greater than 0.05 so it can be concluded that the residual in both regression models is normally distributed.

Multicollinearity Test

The multicollinearity test was performed to see whether or not there was a strong relationship between the independent variables in the regression model. The model was considered to have no multicollinearity if the Tolerance value was greater than 0.10 and the VIF value was less than 10.

Table 4. Model 2 Multicollinearity Test Results

Variable	Tolerance	VIVID	Remarks
Operating Cash Flow Ratio	0,824	1,214	Multicollinearity does not occur
Laba (ROA)	0,824	1,214	Multicollinearity does not occur

Source: Secondary data processed by researchers, 2026.

The test results showed that all independent variables had a Tolerance value of 0.824, which is greater than 0.10, and a VIF value of 1.214, which is less than 10. Thus, it can be concluded that there are no symptoms of multicollinearity in the regression model.

Heteroscedasticity Test

The heteroscedasticity test aims to see whether the residual variance in the regression model differs between observations. The test is carried out using the Glejser test. The regression model is declared not to experience heteroscedasticity if the significance value of each variable is greater than 0.05.

Table 5. Heteroscedasticity Test Results

Models	Variable	Sig.	Remarks
Model 1	Operating Cash Flow Ratio	0,317	Heteroscedasticity does not occur
Model 2	Operating Cash Flow Ratio	0,428	Heteroscedasticity does not occur
Model 2	Laba (ROA)	0,156	Heteroscedasticity does not occur

Source: Secondary data processed by researchers, 2026.

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Based on Table 5, the significance value of all variables is above 0.05. These results show that Model 1 and Model 2 do not experience heteroscedasticity problems, so they both meet these assumptions.

Autocorrelation Test

The autocorrelation test is used to find out whether or not there is a correlation between the interference error in a given period and the previous period. The test can be performed using Durbin-Watson. A Durbin-Watson value that is around 2 indicates that the model does not have autocorrelation problems.

Table 6. Autocorrelation Test Results

Models	Durbin-Watson	Remarks
Model 1	1,873	No autocorrelation occurs
Model 2	1,921	No autocorrelation occurs

Source: Secondary data processed by researchers, 2026.

The Durbin-Watson value for Model 1 is 1.873 and Model 2 is 1.921. Both values are close to 2 so it can be concluded that there is no autocorrelation problem in both regression models.

Regression Analysis Results

Regression analysis was carried out to determine the direction and magnitude of the influence of independent variables on dependent variables. This study used two regression models because there were two relationships tested. **Model 1** was used to test the effect of the Operating Cash Flow Ratio to Profit (ROA), while **Model 2** was used to test the effect of the Operating Cash Flow Ratio and Profit (ROA) on the DPR.

Model 1 ROA = $\alpha + \beta_1 ME + \varepsilon$

Table 7. Model 1 Regression Results

Variable	B	t	Sig.
Constant	0,042	4,126	0
Operating Cash Flow Ratio	0,025	3,684	0
R^2	**0,089**		
Adjusted R^2	**0,082**		
F	**13,572**		**0**

Source: Secondary data processed by researchers, 2026.

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Based on Table 7, the Operating Cash Flow Ratio coefficient is 0.025 with a significance value of 0.000. The positive coefficient shows that the increase in the Operating Cash Flow Ratio is followed by an increase in ROA. The Adjusted R^2 value of 0.082 indicates that the Operating Cash Flow Ratio is able to explain the variation in ROA of 8.2%, while the remaining 91.8% is explained by other factors outside the research model.

Model 2 DPR = $\alpha + \beta_1$AKO + β_2ROA + ε

Table 8. Model 2 Regression Results

Variable	B	t	Sig.
Constant	0,185	4,327	0
Operating Cash Flow Ratio	0,041	2,214	0,028
Laba (ROA)	1,387	4,716	0
R^2	**0,214**		
Adjusted R^2	**0,202**		
F	**18,647**		**0**

Source: Secondary data processed by researchers, 2026.

The results of the Model 2 regression showed that the Operating Cash Flow Ratio had a coefficient of 0.041 with a significance value of 0.028, while Profit (ROA) had a coefficient of 1.387 with a significance value of 0.000. Both coefficients had positive values, so that the increase in the Operating Cash Flow Ratio and ROA tended to be followed by an increase in the DPR. The Adjusted R^2 value of 0.202 showed that the Operating Cash Flow Ratio and ROA together were able to explain 20.2% of the variation in the DPR, while the other 79.8% was explained by other factors outside the research model.

Hypothesis Test Results

Hypothesis testing is carried out by looking at the significance value of each regression coefficient at a significance level of 5% (0.05). The hypothesis is accepted if the significance value is < 0.05 and the direction of the coefficient is in accordance with the direction that has been formulated.

Table 9. Hypothesis Testing Results

Hypothesis	Variable	Coefficients	Sig.	Verdict
H1	Ratio of Operating Cash Flow → Profit	0,025	0	**Accepted**

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Hypothesis	Variable	Coefficients	Sig.	Verdict
H2	Operating Cash Flow Ratio → DPR	0,041	0,028	**Accepted**
H3	Profit → DPR	1,387	0	**Accepted**

Source: Secondary data processed by researchers, 2026.

Based on Table 9, H1 is accepted because the Operating Cash Flow Ratio has a positive and significant influence on Profit with a significance value of 0.000 < 0.05. H2 is accepted because the Operating Cash Flow Ratio has a positive and significant effect on the DPR with a significance value of 0.028 < 0.05. Furthermore, H3 is accepted because the Profit proxied by ROA has a positive and significant effect on the DPR with a significance value of 0.000 < 0.05.

DISCUSSION

The Effect of Operating Cash Flow Ratio on Profit

The test results show that the Operating Cash Flow Ratio has a positive and significant effect on the Profit proxied by ROA. The results of the Model 1 regression show a coefficient of 0.025 with a significance of 0.000 < 0.05, so that H1 is accepted. This means that the better the company's ability to generate cash from operating activities to meet current obligations, the greater the tendency of the company to generate profits. This result is in line with the signal theory because good operating cash flow can be positive information about the company's financial condition. This finding is also in line with Rerung (2025) and Aminin (2024) who found that operating cash flow has a positive effect on profitability. Thus, the ability to generate cash from key activities can help the company maintain business activities and support the achievement of profits, although profits are also influenced by other factors such as sales, costs, debt, and asset efficiency.

The Effect of the Operating Cash Flow Ratio on the House of Representatives

The test results showed that the Operating Cash Flow Ratio had a positive and significant effect on the Dividend Payout Ratio (DPR). Model 2 produced a coefficient of 0.041 with a significance of 0.028 < 0.05, so H2 was accepted. This means that the better the company's ability to generate operating cash, the greater the company's tendency to distribute dividends. This condition occurs because dividend payments require sufficient cash after the company meets its operational needs and obligations. These results support signal theory and agency theory because strong cash flow can be a signal of good financial

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condition, while dividend payments can help reduce funds under management's control. The results of this study are in line with Suistiyaningsih and Rodhiyah (2025), but different from Khoerunnisa and Hariyanti (2024) and Ritonga and Purba (2026) who found that operating cash flow does not have a significant effect on dividend policy.

The Effect of Profit on the House of Representatives

The test results showed that the profit proxied by ROA had a positive and significant effect on the DPR. The results of the Model 2 regression showed a coefficient of 1.387 with a significance of 0.000 < 0.05, so that H3 was accepted. This means that the higher the company's ability to generate profits from the assets it owns, the greater the tendency of the company to distribute dividends to shareholders. This result is in line with the signal theory because profit and dividend payments can provide information about the company's performance to investors. This finding also supports Herbowo et al. (2023) who found that profitability has a positive effect on the DPR. However, these results are different from Kusuma et al. (2023) who found that profitability does not have a significant effect on the DPR. This difference shows that even though profit is one of the bases for dividend payments, the company still considers investment needs, liabilities, liquidity, and financial conditions.

Cash Flows, Profits, and Dividends in Economic Uncertainty

The findings of the study show that cash flow from operational activities has a positive influence on profit and Dividend Payout Ratio (DPR). In addition, company profits have also been proven to have a positive influence on DPR. These findings show that the company's ability to generate cash from key activities can support profit performance while providing room for the company to pay dividends. In conditions of economic uncertainty, companies need to maintain a balance between cash needs, operational activities, liabilities, investments, and the interests of shareholders. This condition is different from the research of Kusuma et al. (2023) which found that cash flow and profitability did not have a significant effect on DPR in LQ45 companies during the COVID-19 pandemic. Differences in results can occur due to different company characteristics and economic conditions. Thus, this study shows that in conditions of economic uncertainty, the strength of operating cash flow and profit is an important aspect in supporting dividend payment policies.

CONCLUSION

The results of the study show that the Operating Cash Flow Ratio has a positive and significant effect on Profit (ROA), with a coefficient of 0.025 and a significance value of 0.000 < 0.05. Thus, H1 is declared accepted. This finding shows that the better the company's

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ability to generate cash from operational activities, the greater the chance of increasing profits obtained by the company.

Furthermore, the Operating Cash Flow Ratio had a positive and significant effect on the DPR with a coefficient of 0.041 and a significance of 0.028 < 0.05, so that H2 was accepted. This shows that companies with better operational cash capabilities have more room to pay dividends. Profit (ROA) also has a positive and significant effect on the DPR with a coefficient of 1.387 and a significance of 0.000 < 0.05, so H3 is accepted. Overall, the results of the study show that operating cash flow and profit are important factors related to dividend payment policies in conditions of economic uncertainty.

ADVICE

For the Company, it is recommended that the company improve its ability to generate and manage operating cash flow and maintain profitability. In uncertain economic conditions, dividend policies need to be set by considering the availability of cash, profit, liabilities, investment needs, and business sustainability.

For investors, investors are advised not only to look at profits in valuing companies, but also to pay attention to operational cash flow and the consistency of dividend payments. This is important because high profits do not necessarily indicate strong cash availability.

For the next researcher, the research can be developed by adding variables such as liquidity, leverage, company size, company growth, inflation, interest rates, or economic uncertainty index. Economic uncertainty can also be tested directly as an independent or moderation variable so that it can be known whether uncertainty strengthens or weakens the relationship between cash flow and profit to the DPR.

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