ABSTRACT

Dividend policy is one of the management policies for making decisions on the profits generated by the company in one period, whether the profits will be distributed entirely to shareholders in the form of dividends or only partially distributed for dividends and partly allocated as retained earnings. Dividends in cash are dividends that are in great demand by investors, because they are considered to be easier to obtain profits.

This study aims to determine the variables that influence decision-making regarding dividend policy in various industry sector companies listed on the Indonesia Stock Exchange in 2015-2019. Factors that can affect dividend policy are liquidity, leverage, and profitability. The data used in this study were obtained from the annual financial statements for the 2015-2019 period.

The population in this study is the Miscellaneous Industry sector listed on the Indonesia Stock Exchange in 2015-2019. The sampling technique used purposive sampling method in order to obtain a sample of 15 companies from 50 listed companies. The data analysis method in this research is using panel data regression.

The results of this study explain that the combination of liquidity, leverage, and profitability simultaneously affects dividend policy. While partially the liquidity variable has no effect on dividend policy, the leverage variable has a positive effect on dividend policy and the profitability variable has a negative effect on dividend policy.

The results of this study are expected to be used as a reference, as well as to provide additional information to companies related to the determinants of factors that can affect dividend policy to be used as a consideration in making decisions for better dividend distribution.

Keywords: dividend policy, liquidity, leverage, profitability.