ABSTRACT

Dividend policy is a company's decision to withhold profits or distribute profits in the form of dividends. However, in determining dividend policy, companies often experience difficulties. This is because the company wants to retain profits with the aim of developing the business, but the company also wants to distribute profits in the form of dividends to gain shareholder confidence in the company. Differences in interests that occur in determining dividend policy can also be called agency theory.

The purpose of this study was to determine the effect of institutional ownership, liquidity, company growth and inflation on dividend policy in non-bank financial companies listed on the Indonesia Stock Exchange in 2018-2021.

The population of this study is non-bank financial companies listed on the Indonesia Stock Exchange in 2018-2021 with purposive sampling as a sample collection technique, obtained 10 companies with a research period of 4 years so that the data in this study amounted to 40 sample data. The data analysis method in this study is panel data regression analysis using Eviews 12 software.

The results of this study indicate that simultaneously institutional ownership, leverage, company growth and inflation have a significant effect on dividend policy. While partially institutional ownership and leverage have a significant positive effect on dividend policy. The company growth does not have a significant negative effect on dividend policy. Inflation has no significant effect in a positive direction on dividend policy.

Keywords: *dividend policy, company growth, inflation, institutional ownership, leverage*