ABSTRACT

Dividend policy is one of the most important decisions of the company's management. Not infrequently the distribution of dividends becomes a problem or conflict that occurs between the management and shareholders. The trigger is a difference in interests, where the management of the company needs to decide whether the profit obtained will be allocated as retained earnings or will be distributed to shareholders.

The purpose of this study is to determine the company's growth, leverage, free cash flow, institutional ownership, and inflation to dividend policy and to find out whether there is a simultaneous and partial relationship with the variables of company growth, leverage, free cash flow, institutional ownership, and inflation. to the dividend policy on non-family companies listed on the Indonesia Stock Exchange LQ45 Index in 201 3-2020.

This research uses a quantitative approach. The population of this study is all non-family companies listed on the LQ45 Index of the Indonesia Stock Exchange in 2013-2020. The selection of research samples was carried out using purposive sampling techniques. So that it was obtained by as many as 11 companies for 8 years. The analysis technique in this study used panel data regression using Eviews 12.0 software.

The results of this study found that company growth, leverage, free cash flow, institutional ownership, and inflation simultaneously affected dividend policy. Partially the company's growth, leverage, and institutional ownership have a significant and negative effect on dividend policy. Meanwhile, free cash flow and inflation have no effect on dividend policy.

Based on this research, companies need to pay attention and evaluate related to the company's growth rate, leverage ratio and the amount of institutional ownership. Where the higher or larger the ratio of the three variables will tend to be small the dividend payment ratio.

***Keywords**: Company growth, Leverage, Free Cash Flow, Institutional Ownership, Inflation, Dividend Policy.*