

ABSTRACT

Dividend policy is one of the main policies that are very important for the company. This policy can reflect the company's ability to manage its business to generate profits. However, in practice, companies often have difficulty determining dividend policy due to differences in interests between company management and shareholders, where this difference in interest is known as agency theory. The decision to distribute dividends can prosper shareholders and make share ownership more attractive, while the decision to withhold earnings can create growth opportunities for the company.

The purpose of this study is to determine the factors that influence dividend policy in the primary consumer goods sector for the period 2017-2020. The independent variables in this study are liquidity, leverage, managerial ownership and firm size, and the dependent variable in this study is dividend policy.

This study used purposive sampling technique and obtained a sample of 11 companies with a research period of four years, so the number of samples obtained was 44 samples. The analytical method used is panel data regression.

The test results obtained in this study are liquidity, leverage, managerial ownership and firm size simultaneously have a significant effect on dividend policy. And partially leverage and managerial ownership have a positive effect on dividend policy, while liquidity and firm size have no significant effect on dividend policy.

Based on the research that has been done, this research can be used to add insight and additional literature related to the factors that influence dividend policy. In addition to companies and investors, this research can provide input in determining dividend policy. For further researchers, the authors suggest increasing the research period, using other research objects and adding other variables.

Keywords: *Dividend Policy, Leverage, Ownership Managerial, Firm Size*