

ABSTRACT

This research aims to examine the effect of company size, leverage, and institutional ownership to dividend policy with profitability as intervening variable in Consumer Goods company for 2011 – 2016 period. The population of the research is 40 compnies and then by purposive sampling get 17 companies as sample of the research.

Hypothesis are based on some theories such as Agency Theory, Trade-Off, Economic Scale, and Du Pont Analysis. The research used quantitative method and time series data. This research is using software SPSS version 23.0 with multiple regression analysis to examine the effect of independent variables to dependent variable and sobel test for examining the effect of intervening variable.

The results are company size has positive insignificant effect to profitability but significant to dividend policy. While leverage and institutional ownership have positive significant effect to both of profitability and dividend policy. For the intervening variable, profitability can mediate the influence of leverage and institutional ownership to dividend policy. Hopefully, this research can give contribution for company who want to increase their profitability and arranging their dividend policy.

Keywords: company size, leverage, institutional ownership, profitability, dividend policy.