

ABSTRACT

This study aimed to examine the effect of board characteristics, disclosure transparency, shareholders transparency, firm size, firm profitability and firm growth to dividend policy on manufacture firms listed in the Indonesia Stock Exchange.

This research uses secondary data from financial reports and annual reports from manufacture firms that listed in Indonesia Stock Exchange. This research uses purposive sampling method. Samples that choosen is manufacture firms that published their annual reports and financial reports in 2015-2016 and paid dividends. This research uses regression analysis method to examine the relation between independent variables and dependent variable.

Simultaneous testing concluded that the company profitability have a significant positive relationship to dividend policy. This study also shows that the characteristics of the board of commissioners, transparency of disclosure and firm size are positively insignificant to dividend policy, while the shareholder transparency and company growth is negatively insignificant to dividend policy.

Keywords: TDI, agency theory, firms profitability, dividend policy.