

ABSTRACT

Purpose of this research is to examine influence of Corporate Governance and firm's characteristics such as firm size, profitability, and growth to dividend policy of manufacturing companies listed at Indonesian Stock Exchange during 2012-2014. Dividend policy is calculated by using Dividend Payout Ratio, meanwhile Corporate Governance is measured by using Transparency and Disclosure Index, a proxy of corporate governance practice develop by Kowalewski, et al.

Sample used in this research are manufacturing companies listed at Indonesian Stock Exchange on period 2012-2014. This research used purposive sampling method to choose sample so it is resulted 164 companies as sample. Data is analyzed by using multiple regression method and descriptive statistics.

This study finds that firm size and profitability have significant positive effect to dividend policy. Besides, this research proves that there is significant negative influence between growth and dividend policy. Whereas, corporate governance has no significant effect to dividend policy.

Keywords: dividend policy, corporate governance, firm size, profitability, growth, dividend payout ratio, transparency and disclosure index