

ABSTRACT

This research was conducted to examine the influence of the company's financial performance through ROE, insider ownership, investment opportunity set, firm size, cash flow, and debt ratio of dividend payout ratio manufactur companies listed in Indonesia Stock Exchange (IDX) in the period 2004 to 2007. Problems of this research is that the contradiction between theory and facts about the effect of ROE, insider ownership, investment opportunity set, firm size, cash flow, and debt ratio of dividend payout ratio during the observation period in 2004-2007.

The sample of this research was extracted with method of purposive sampling with 16 sample companies that adjusted with determined criterias for 2004-2007. Data come from Indonesian Capital Market Directory and Annual Report. Analysis Method by using multiple regression analysis with ordinary least square uses t-statistic to examine partial regression coefficient and F-Statistic to examine simultaneous effect, with level of significant is 5%. Before do those, this examination also examine Normality, Multikolinearity, Heteroskedastisity, and Autocorrelation Tests.

The results show that not found deviations of classical assumption test. It means that available data was conform with criterias of multiple regression analysis. Regression equation is $DPR = 6,676 + 1,475 ROE - 3,032 IOS + 1,100 SIZE + 1.950 DR - 0,272 LnCS + 0,028 INSD$. According to analysis indicates that Return on Equity has a significant positive influence on Dividend Payout Ratio. IOS has significant negative influence on Dividend Payout Ratio. Size, debt ratio, insider ownership has a positive influence on Dividend Payout Ratio but it failed to show its significant effect. And cash flow has a negative influence on Dividend Payout Ratio but it failed to show its significant effect. All of independent variable has a significant effect simultaneously. In the other hand, the result of regression estimation of 6 independent variables on DPR shows the prediction ability 53,7%, and 46,3% remains are affected from other factors outside of this model.

Keyword : Return On Equity, Insider Ownership, Investment Opportunity Set, Size, Cash Flow, Debt Ratio, Dividend Payout Ratio