ABSTRACT

Manufacturing company is the main proper of the industrial development in Indonesia, as well as in term of dividend payment to shareholders. This research aimed to examine the influence of Return on Asset (ROA), Debt to Equity Ratio (DER), Growth, Firm Size dan Free Cash Flow (FCF) to Dividend Payout Ratio (DPR) in manufacturing companies which listed in Indonesian Stock Exchange (IDX) from 2008 to 2011.

The research sample consisted of 25 companies of 123 manufacturing companies listed on IDX by the observation numbers of 100 observational data. The sampling method was done by using purposive sampling. The researched data was obtained from ICMD, IDX and Financial Statements in 2008-2011, and all of them were audited. The data analysis technique used in this research is multiple linear regression. Hypothesis testing using t statistics used in this research to test the partial regression coefficients as well as f-statistics to test the significance of the influence together, with the level of significance of 5%. Other than that, all the variables had been tested with the Normality test, Multicollinearity test, Heteroskidastity test and Autocorrelation test.

The results showed that all variables passed the classical assumption test and suitable to be used as research data. T-test statistical on Dividend Payout Ratio (DPR) indicated that the Debt to Equity Ratio (DER) has significant negative influence on Dividend Payout Ratio (DPR). Firm Size has positive influence on Dividend Payout Ratio (DPR). Free Cash Flow (FCF) has negative influence on Dividend Payout Ratio (DPR). Return on Asset (ROA) and Growth has insignificant positive influence on Dividend Payout Ratio (DPR). F test stated that all variables in this research has positive influence and significant to the Dividend Payout Ratio (DPR). We suggest to investors in Indonesia Stock Exchange pay more attention to information released by company in making their investment decisions. Moreover, estimation regression result indicate the predictive ability of all the independent variables to the Dividend Payout Ratio (DPR) by 10,5%. While as many as 89,5% are influenced by other factors outside the research.

Keywords : Return on Asset (ROA), Debt to Equity Ratio (DER), Growth, Size Free Cash Flow (FCF), Dividend Payout Ratio (DPR)