

## **ABSTRACT**

*This research was conducted by the tendency of companies to set the dividend payout policy in order to attract investors to invest in the company. Some of the factors believed to be a factor that affects the magnitude of the ratio of dividend to its shareholders, including the debt to equity ratio, insider ownership, business risk, and the company's growth.*

*This study aims to determine the effect of insider ownership, business risk, and the company's growth to the dividend payout ratio with the mediation of debt to equity ratio. Samples of the research consists of 21 manufacture companies listed on the Indonesia Stock Exchange during the period 2011 - 2013. The analysis technique used is multiple linear regression analysis and path analysis.*

*The results showed that simultaneously insider ownership, business risk, and the company's growth affect the debt to equity ratio, the results also showed that simultaneously insider ownership, business risk, the company's growth and the debt to equity ratio affect the dividend payout ratio. Test proved that the partial effect of business risk, the company's growth and DER significantly influence the DPR, while insider ownership has no influence on the DPR. Hypothesis test also proved that only the growth of the company affecting DER while insider ownership and business risk has no effect. The path analysis test results showed that the DER can only mediate the effect of the company growth, while the influence of insider ownership and business risk could not be mediated by DER.*

*keyword: Dividend Payout Ratio, Debt to Equity Ratio, insider ownership, business risk, company's growth*