Abstract

This research aims to analyze the effect of institutional ownership, capital structure on R&D investment in companies listed on the Indonesia Stock Exchange. The independent variables to be analyzed in this research namely institutional ownership, capital structure, firm size, liquidity, firm performance and capital intensity and R&D investment as dependent variable.

This research used a sample of 59 firms listed in Indonesia Stock Exchange for the period of 2012-2016, which selected by using purposive sampling method. Software SPSS version 21.0 and Eviews Version 7 for windows are used to test in this research.

The results of this research showed that institutional ownership and firm size negatively significant on R&D investment. And capital structure, liquidity, firm performance and capital intensity insignificant on R&D investment.

Keywords: R&D investment, institutional ownership, capital structure, firm size, liquidity, firm performance, capital intensity