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***ANALYSIS THE EFFECT OF CORPORATE GOVERNANCE AND FIRM
CHARACTERISTIC TO DIVIDEND PAY-OUT RATIO OF LISTED
COMPANIES ON INDONESIAN STOCK EXCHANGE***

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Abstract

The purpose of this study is to examine the effect of corporate governance and firm characteristic influence in explaining dividend pay-out ratio on listed companies in Indonesia Stock Exchange (IDX). The factors are corporate governance (represented by board size, board independence, board meetings, board gender diversity and audit committee size) and firm characteristic (represented by profitability, liquidity, tangibility, growth opportunity, size, age, leverage, dividend volatility and business risk). To reduce bias on this study also added some control variable such as cash flow per share and return on assets.

This research is based on 599 companies listed on IDX from 2013 to 2017. Data used for this research is financial statement of each public companies. Data obtained will be tested using panel regression. Statistical software were used in this research test.

The results revealed that profitability, liquidity, growth opportunity, dividend volatility and business risk have significant influenced to dividend pay-out ratio on listed company's in Indonesia. On other hand, board size, board independence, board meetings, board gender diversity, audit committee size, tangibility, firm size, age and leverage are insignificant to dividend pay-out ratio on listed company's in Indonesia.

Keywords: *dividend pay-out ratio, corporate governance, firm characteristic*