ABSTRACT

Wijayanti, Tria. 2013. The Effect of Profitability, Leverage, and Liquidity on Dividends Policy with Good Corporate Governance (GCG) as the Intervening Variables (The Study on the Companies listed in CGPI 2007-2011). Thesis.Undergraduate Program.Management Department. State Islamic University Maulana Malik Ibrahim Malang. Advisor: Muhammad Sulhan, SE, MM.

Keywords: Profitability, Leverage, Liquidity, Dividen Payout Ratio and Good Corporate Governance (GCG).

The uncertainty risks of income which will be received in the future make the investors think carefully before investing their funds in securities, especially in the form of shares. The investors who prefer dividends as a form of investment income should pay more attention to the company's financial performance. This research is conducted to examine the effect of profitability, leverage and liquidity variable on either direct or indirect effect of dividend policy, through Good Corporate Governance (GCG) as an intervening variable in the companies listed in the CGPI ranking in the period of 2007-2011.

The population of the research is all companies listed in the CGPI ranking in the period of 2007-2011. The sampling technique used is purposive sampling, with the following criteria: non-finance companies listed in the CGPI during the period of 2007-2011, companies that present the financial statements also have the variable which will be examined during the observation period and consistent dividend. The sample obtained is 8 companies over the past 5 years which are taken from the IDX publication. The data analysis techniques employed is path analysis.

The results show that only Debt to Asset (DTA) and Current Ratio of the independent variables that affect the implementation of Good Corporate Governance (GCG). Whereas, the variable of Return on Equity (ROE) and Cash Ratio directly affect dividend policy. The indirect effect of DTA and the Current Ratio variable on dividend policy through GCG is shown by the value of the indirect effect of -0.549 and -0.214. The implication that can be taken from this research is that the investors who expect a return in the form of dividends, and the managers who want to increase the value of the company should consider financial factors such as: profitability, leverage and liquidity and also take a notice on the company's skills in implementing GCG.