

ABSTRACT

A company's policy of paying dividends is an important and integral part of the company's funding decisions. The dividend payout ratio is the percentage of profit paid in the form of dividends, or the ratio between profits paid in the form of dividends and the total profit available to shareholders. The greater the retained earnings, the less the amount of profit allocated for dividend payments, and vice versa.

This study purpose to analyze the factors that influence dividend payments in service sector companies through firm size, return on assets (ROA), sales growth, asset growth and free cash flow in service sector companies listed on the Indonesia Stock Exchange in 2016-2019.

The data used in this study was obtained from financial report data. The population in this study are service sector companies listed on the Indonesia Stock Exchange. The sample selection technique used was purposive sampling and obtained 35 companies with the 2016-2019 research period. The method of data analysis in this study is panel data regression analysis using Eviews version 9 software.

The results showed that simultaneous return on assets (ROA), firm size, free cash flow and sales growth had an effect on dividend payment. Meanwhile, asset growth has no effect on dividend payment.

Researchers advice, future research should be able to take a period of more than 5 years, so that it reflects the condition of the company in the long term. Then add sample data because in this study the sample was only service companies so that it was less representative of all issuers on the Indonesia Stock Exchange.

Keywords: *dividend policy, firm size, return on assets, asset growth, sales growth, free cash flow.*