

**THE EFFECT OF INSIDER OWNERSHIP, INSTITUTIONAL
INVESTOR, PROFITABILITY AND DIVIDEN PAYMENTS ON
CORPORATE DEBT POLICY**

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ABSTRACT

The purpose of this research is to identify the effect of insider ownership, institutional investor, profitability and dividend payments on corporate debt policy in Indonesia capital market. This research employs debt ratio as dependent variable and insider ownership, institutional investor and dividend payments as independent variable.

The sample technique used was purposive sampling and the analysis method used was multiple regression method. Besides that, the sample in this research is Indonesia companies listed in Indonesia Stock Exchange during 2009 – 2011.

The result proves that Profitability influence corporate debt policy. Insider ownership, institutional investor and dividend payments does not significant influence towards corporate debt policy.

Keywords : *Insider Ownership, Institutional Investor, Dividen Payments, Profitability, Debt Ratio.*