

CORPORATE GOVERNANCE AND FINANCIAL DISTRESS IN INDONESIA (The Study of Bank Go Public In Indonesia Stock Exchange (IDX) Year 2013-2016)

Rizkia Vionanda*, Yudha Aryo Sudibyo, Rini Widyaningsih
Faculty of Economics and Business
Universitas Jendral Soedirman

*Email Corresponding author : rizkiavionanda928@gmail.com

Abstract

Corporate governance is the mechanisms that are used by the company as the procedure for carrying out their company performance. Company oftenly used corporate government to strengthen their own company especially to strengthen the internal system of company in order to face the possibility of financial difficulties and how to prevent those problem. However, corporate governance mechanism believed has strong impact on the company performance. Company in running their performance has different between one and another therefore, this study examine the influence of corporate governance mechanism toward the financial distress in banking companies go public in Indonesia Stock Exchange (IDX) year 2013-2016. The corporate governance mechanism that used in this study are managerial ownership, institutional ownership, audit committee, board of directors, proportion of independent commissioners board. This study using Almant Z-Score as the proxy of financial distress The result of this study indicates that board of directors and independent commissioners has negative and significant effect toward financial distress.

Key words: *Corporate governance, financial distress, managerial ownership, institutional ownership, audit committee, board of directors, independent commissioners board*

Abstrak

Tata kelola perusahaan adalah mekanisme yang digunakan oleh perusahaan sebagai prosedur untuk menjalankan kinerja perusahaan. Perusahaan sering menggunakan corporate government untuk memperkuat perusahaan mereka terutama untuk memperkuat sistem internal perusahaan dalam rangka menghadapi kemungkinan kesulitan keuangan dan bagaimana mencegah masalah tersebut. Namun, mekanisme corporate governance yang terpercaya memiliki dampak yang kuat terhadap kinerja perusahaan. Perusahaan dalam menjalankan kinerjanya berbeda antara yang satu dengan yang lain oleh karena itu, penelitian ini menguji pengaruh mekanisme corporate governance terhadap perusahaan perbankan financial distress di Bursa Efek Indonesia (BEI) tahun 2013-2016. Mekanisme tata kelola perusahaan untuk kepemilikan manajerial, kepemilikan institusional, komite audit, proporsi dewan komisaris independen. Penelitian ini menggunakan Almant Z-Score sebagai proxy financial distress. Hasil penelitian ini menunjukkan bahwa direksi dan komisaris independen memiliki pengaruh negatif dan signifikan terhadap financial distress.

Key words: *Corporate governance, financial distress, managerial ownership, institutional ownership, audit committee, board of directors, independent commissioners board*