

ABSTRACT

The aim of this research was to examine the effect of ownership structure and characteristics of nomination and remuneration committee on financial distress. The dependent variable of this research is financial distress which is proxied as dummy variable. The independent variable of this research are institutional ownership, managerial ownership, foreign ownership, government ownership, size of nomination and remuneration committee, independence of nomination and remuneration committee, and frequency of nomination and remuneration committee meeting. Control variable of this research are net profit margin, firm size, payout ratio, leverage, and sales growth.

Population of this research were nonfinancial firms listed on IDX. Samples were taken for the year 2015-2017 and was collected by purposive sampling. Total samples are 217 companies. Logistic Regression on Eviews 10 was used to test the research data.

The results of analysis prove that institutional ownership, size of nomination and remuneration committee and independence of nomination and remuneration committee have negative effect and significant on financial distress. Frequency of nomination and remuneration committee meeting have positive effect and significant on financial distress. While managerial ownership, foreign ownership, and government ownership insignificant on financial distress.

Keywords: *financial distress, institutional ownership, managerial ownership, foreign ownership, government ownership, size of nomination and remuneration committee, independence of nomination and remuneration committee, and frequency of nomination and remuneration committee meeting.*