

ABSTRACT

The objective of the study was to know the factors that are influenced the survival of company, especially in companies that are implementing ESOP or Innovation. The independent variables tha used in thestudy are the proportion of ESOP, innovation, profitability ratio, activity ratio and liquidity ratio.

This study uses cox regression analysis as a data analysis tool so that the dependent variable is expressed in the time survival. In estimating the value of time survival of each company, we use the Distance to Default Method (in monthly, with $T = 60$). This study uses secondary data derived from the financial statements of companies implementing ESOP program and/or innovations in period 2008-2012. The sample amounted to 56 companies.

The result of this study showed that the proportion of ESOP, innovation and activity ratios affect the company survival not significantly. While the profitability and liquidity ratios showed a positive and significant influence on the level of significant 5%.

Keywords : ESOP, Innovation, survival, default, profitability, activity, liquidity, cox regression analysis