
ABSTRACT

This study investigates the impact of corporate governance, financial indicators and size on financial distress. The corporate governance in this study using the indicator size of the board of directors, the board size, managerial ownership and institutional ownership. While financial indicators use liquidity, leverage, profitability, and size.

The population in this study are all of the manufacturing companies listed on the Indonesia Stock Exchange and is continously published financial statements in the year 2011-2015. Based on purposive sampling method, samples obtained is 108 companies in the period 2011-2015 so obtain 512 observations. The criteria of financial distress in this study was measured by using interest coverage ratio. This study used logistic regression as a data analysis tool.

The result of this research showed that director size, manajerial ownership, institutional ownership, leverage, profitability and size have significant impact on the financial distress condition. This research failed to prove effect of the board size and liquidity with probability of experiencing financial distress.

Keywords: financial distress, corporate governance, financial indicators, interest coverage ratio