

## ABSTRACT

*This study intend to find out the structure of Indonesia's banking industry during the 2009-2012, make analyze the influence of the structure and behavior / strategy of the company (bank) on firm's work force. The data that used in this study are panel data from 2003-2008 with a sample of this study is 82 commercial banks. The model of analysis that used in this research is method of Fixed Effects Model (FEM). This study also aimed to compare between the three approaches / mazhab (hypotheses) that can describe the true condition of the banking industry in Indonesia. The first approach is the Structure-Conduct-Performance (SCP) approach, while the second approach is the Relative Efficiency (RE) Approach and the last is Differential Approach.*

*The results showed that the structure of the Indonesian banking industry over the last four years to change towards a more efficient level of competition. This study supports the hypothesis of efficiency for Indonesian banking industry. In this case, the market share (MS) that can affect ROA. In addition, a significant positive effect NIM variable and CAR positive effect, LDR significant negative effect. While the last variable NPL no significant effect on profitability. In addition, after using the dummy mean different levels of profitability known by the benchmark.*

***Keywords: market structure, the traditional hypothesis, the hypothesis of efficiency, differentiation hypothesis, the banking industry.***