

ABSTRACT

The aim of this study is to examine the influence of changes in firm performance on changes in board structure. Dependent variable used in this study is changes in the number of commissioners. Independent variables used in this study are changes in ROA and ROE. This study used two control variables which are firm size and institutional ownership.

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange from 2007 to 2012. Sampling method used in this is purposive sampling method. Samples of this study consist of 91 companies. Hypothesis are tested by the use of logistic regression analysis.

The result shows that changes in ROA have significantly positive impact on the changes in the number of commissioners, while changes in ROE have significantly negative impact on the changes in the number of commissioners.

Keyword : board of commissioners, firm performance, ROA, ROE.