

ABSTRACT

In addition, differences in the results of previous studies made with the GCG (Good Corporate Governance) variable profitability of a company pushing for research conducted in accordance with current conditions. Companies that have been proven to pay attention to the organization of the system will tend to have a good system of corporate governance. When it was created, the company can establish a good relationship with stakeholders. Good relationships will lead to high trust from the stakeholders expected to have an impact on increasing the profitability of the company.

The population of this research is companies listed in Corporate Governance Perception Index (CGPI) in 2012, while the sampling method using purposive sampling method. Total observation of this study is 58 companies. Data analysis techniques performed by hypothesis testing using multiple linear regression or OLS (Ordinary Least Square).

The purpose of this study is to determine whether the GCG has a significant effect on the profitability of the company. GCG in this case is proxied with the size of the board of directors, board of commissioner and audit committee. While the profitability variable is proxied by ROE (Return On Equity). Based on the survey results revealed that corporate governance variables do not have significant impact to the profitability of the company.

Keywords: corporate governance, board of directors, board of commissioners and audit committee, profitability of company, ROE