

ABSTRACT

This study was conducted to examine the factors that affect the characteristics of corporate governance. Independent variable used is leverage, asset composition, size, investment opportunities and sales growth, while the dependent variable used is characteristic of corporate governance as measured by the proportion of commissioners, board number and concentration of ownership. This research is the development of research conducted Waweru (2014), there is a difference with previous research on two variables are replaced with the composition of assets and sales growth, and the selection of the sample used.

This study specifically describe the factors that can affect the characteristics of corporate governance. The population in this research were 242 companies listed in Indonesia Stock Exchange during the period 2013 to 2015. The determination of the sample using purposive sampling method and obtained a sample of 96 manufacturing companies during the period 2013 to 2015 to obtain a total sample of 288 companies.

These results indicate that, leverage, asset composition and size have a significant positive direction on the characteristics of corporate governance. Meanwhile, investment opportunities and sales growth did not show a clear direction of the relationship and no significant effect on the characteristics of corporate governance.

Keywords: corporate governance characteristics, moral hazard, agency theory