ABSTRACT

At this time, the application of the structure of corporate ownership in a company will provide good performance, which will reduce the likelihood of financial distress. Many researchers have examined the factors that influence the occurrence of financial distress by using financial ratios as variables, but only a few are using the company's ownership structure.

The purpose of this study was to determine the effect of ownership structure of the company to financial distress. This study used logistic regression, in which the hypothesis indicates that the company's ownership structure affect the financial distress. Ownership structure variables used in this study is the managerial ownership, institutional ownership, and foreign ownership. The sample used in this study were 40 non-financial sector companies listed on the Indonesia Stock Exchange, the number of observation data are 86 observations in the period 2007-2012, which consists of 40 companies and 46 non- distress distress company. Sample selected by purposive sampling method. The analysis begins with statistics deskriptiv, two log likelihood test, Cox and Snell R square, Hosmer and Lemeshow test .

The results show that the two log likelihood test, Cox and Snell R square, Hosmer and Lemeshow test states that the models used either (goodness of fit). The results showed that the company ownership structure variables that negatively affect the financial distress is managerial ownership, while institutional ownership and foreign ownership a positive effect.