

ABSTRACT

SRI REJEKI. The effect of corporate governance on the profitability of companies manufacturing sectors listed in Indonesian Stock Exchanges 2010-2013 period guided by Andrie Putra, SE, MM.

This research purposed to test the influence of 'Good Corporate Governance' toward profitability of manufacturing companies that listed in Indonesian Stock Exchange. 'Good Corporate Governance' represented by managerial ownership structure, institutional ownership structure, commissioner council and audit committee whereas profitability proxied with ROA (Return On Asset).

This research use the secondary data , they are the companies in manufacturing category on sub-sector foods and drinks, that noted in Indonesian Stock Exchange. Samples that used amount 10 companies on manufacturing category implicit sub-sector foods and drinks in year period 2010 – 2013, through purposive sampling Method . Analysis Method that used is multiple regression linear with level significant 5%.

Based on research can be concluded that commissioner council influence negative and significant toward return on asset (ROA). This result proves that commissioner capable of increasing manufacturing companies profit. Whereas managerial ownership variable, institutional ownership variable, commissioner council variable, audit committee variable aren't proven influenced with significant toward return on asset (ROA).

Key words : good corporate governance, ownership structure, institutional ownership structure, commissioner council and audit committee, profitability, ROA.