ABSTRACT

The purposes of this study is to provide empirical evidence about the effects of corporate governanve which proxied with independent commissioner, board size, audit committee on firm's profitability. This study also tested one moderated variables, industry performance with independent commissioner and board size on firm's profitability.

Data used in this study is secondary, financial reporting 2011-2015 from Indonesia Stock Exchange. The population of this study are manufacturing, automotive,and components companies listed in Indonesia Stock Exchange from 2011-2015. The sample of this study are 14 companies in five years, total are 71 observations. The sample drawn by purposive sampling and fulfill sample selection criterion. Statistical analysis used data panel regression analysis with Common Effect Model and Fixed Effect Model.The appropriate model of this study is Fixed Effect Model.

The results of statistical test with Fixed Effect Model showed that: independent commissioner, ROAt-1, and gearing has a significant positive effect on profitability, board size and audit committee has a significant negative effect on profitability, and the result for moderated variables are industry performance strengthens the influence between independent commissioners and firm's profitability and industry performance strengthens the influence between board size and firm's profitability

Keywords: corporate governance, board size , independent commisioner, audit committee, industry performance