ABSTRACT

Financial distress is a situation when a company is unable to pay its obligations, which in turn will increase costs due to a conflict of interest in running a business unit. Conflicts occur when shareholders no longer maximize the overall market value of the company. They sacrifice creditors by not paying debt obligations that should be fulfilled. Factors that can affect financial distress include company size, ownership concentration, institutional ownership, foreign ownership, independent commissioners and gender diversity.

This study aims to determine how much influence the independent variable has on financial distress in the trade, service and investment sector companies listed on the Indonesia Stock Exchange in 2008-2018 either partially.

This study uses quantitative research methods using survival analysis techniques as data analysis techniques. The sampling technique used in this study was a purposive sampling technique obtained by 73 trading, service and investment sector companies listed on the Indonesia Stock Exchange (BEI) in 2008-2018 with a period of 11 years as a research sample. Data analysis techniques in the form of panel data regression and data processed using SPSS.

The results showed that firm size variables had a significant negative effect on financial distress, while ownership concentration, institutional ownership, foreign ownership, independent commissioner and gender diversity did not have a significant effect on financial distress.

Suggestions for further researchers is to add other independent variables that might affect financial distress for the company. Suggestion for companies is to increase and optimize the total assets of the company so as to increase the size of the company so that it is easier to get funds from outside parties so as to avoid financial distress.

Keywords: *Company Size, Financial distress, Foreign Ownership, Gender Diversity Independent Commissioners Institutional Ownership, Ownership Concentration.*