

CHAPTER V

CONCLUSION AND RECCOMENDATION

5.1. Conclusions

Based on the results and hypothesis testing explained on previous chapter. Thus, it concluded that:

1. Managerial ownership has a positive significant influence on the financial distress. It proved that, the greater managerial ownership, the greater financial distress.
2. Institutional ownership has a positive significant influence on the financial distress. It proved that, the greater institutional ownership, the greater financial distress.
3. Audit committee does not influence towards financial distress. It proved that, the greater or the smaller total audit committee, it will not affect the condition of financial distress.
4. Independent commissioner board has a significant influence towards financial distress. It proved that, rate the higher proportion of independent commissioners will be very influential to the lower of probability a company experiences financial distress.
5. Firm size does not influence towards financial distress. It proved that, the big company or newly developing of the company, it will not affect the condition of financial distress.

6. Sales growth does not influence towards financial distress. It proved that, the amount of sales growth will not affect the conditions of financial distress.

5.2.Limitations

1. This research only uses a sample companies that are in the mining sector. So, the result cannot be applied to other sectors.
2. This research is relatively short period which is only three years, then the level of accuracy of information was relatively small.

5.3.Recommendations

In order to overcome the research limitation as stated above, the researcher recommends the following recommendations for future research:

1. In order to the generalize the result that can uses in all sectors, the samples that uses come from multi industries
2. Longer observation period is needed to reach the accuracy of the information.
3. The future research is expected to use other measurement such as Altman model, Logistic Regression Model to assess the company's financial distress.