

ABSTRACT

Marlisa, The influence of Corporate Performance to Executive Compensation with the Strategy of Diversification as a Moderating Variable, (under the guidance of Mrs. Kusmawati, S.E., M.Si)

This study aims to prove empirically the influence of corporate performance to executive compensation with the strategy of diversification as a moderating variable on the manufacturing companies listed on the Indonesia Stock Exchange. The sample used is a manufacturing company listed on the Indonesia Stock Exchange between 2008 through 2010 that meet the criteria. The technique of determining the sample used nonprobability sampling method is purposive sampling technique with a sample obtained as many as 35 companies. Hypothesis testing methods used method of multiple regression analysis with moderating variables with the test results, the first hypothesis (H_1) is rejected showed a significant negative effect of diversification on firm performance relationship and executive compensation.

Key words: Corporate Performance, Executive Compensation, Diversification.