ABSTRACT

The purpose of this study is to examine the factors of corporate governance that affect the company's performance through capital structure as an intervening variable. The independent variables of this study are the size of the board of commissioners, the independence of the board of commissioners, and the financial expertise of the board of commissioners. Dependent variable used in this study is the company's performance, measured by ROA, ROE, and EPS. This study uses capital structureas an intervening variable, which is measured by the Debt to Equity Ratio and Debt to Asset Ratio.

This study uses secondary data from the annual reports of manufacturing companies listed on the Indonesian stock exchange in 2019-2020. The method used in this research is purposive sampling. The analytical test tool used is SmartPLS v.3.2.7 with the SEM (Structural Equation Modeling) analysis method.

The results of this study indicate that the size of the board of commissioners, the independence of the board of commissioners, and the financial expertise of the board of commissioners have no effect on capital structure. The size of the board of commissioners, the independence of the board of commissioners, and the financial expertise of the board of commissioners also have no effect on company performance. While the capital structure has a significant positive effect on company performance. Other results from this study also showed that capital structure does not affect the relationship between corporate governance and company performance indirectly.

Keywords: *Company performance, size of the board of commissioners, independence of the board of commissioners, financial expertise of the board of commissioners, and capital structure.*