

ABSTRACT

This study aims to examine the effect of corporate governance mechanism and Indonesian listed companies in Indonesia Stock Exchange between 2019-2021. The study relies on agency theory and resource dependence theory to build testable hypotheses and obtain the empirical findings. This study regress various performance measures (Return on Asset, Asset Utilization Ratio, Tobin's Q) regarding governance mechanism (institutional ownership, managerial ownership, board size, board meetings frequency, board independence, and female on board).

The population in this study are nonfinancial companies listed on the Indonesia Stock Exchange in 2019-2021. Purposive sampling used for selecting the sampel of the study and 380 research samples were obtained for 3 consecutive years (2019-2021). The study uses ordinary least square (OLS).

The findings of this study reveal that institutional ownership, board meetings frequency and board independence are positively and significantly affected Indonesian firm's efficiency by asset utilization measures (ROA and AUR), while managerial ownership board size, and female on board have no significant association. When using a market-based measure, Tobin's Q, managerial ownership and board meetings frequency show a negative significant association, while there is a negative insignificant correlation between Tobin's Q and institutional ownership, managerial ownership, board meetings frequency, and board independence. Other findings show that board size and female on board have no association.

Keywords: ownership structure, gender diversity, board independence, and firm performance.