ABSTRACT

This study aims to determine the effect of corporate governance on company performance. In this study a proxy for Return on Assets (ROA) is used to find out how effective the company is in utilizing its assets so as to generate profits and attract investors to invest. The mechanism of good corporate governance is expected to reduce conflict of interest and agency costs that occur. Therefore, the sense of investor confidence and the performance of the company produced can increase.The population in this study were companies registered in LQ-45 for 5 consecutive years (2013-2017). The sampling method used in this study was purposive sampling method. The total number of samples in this study were 120 study samples. This study uses a multiple linear regression analysis tool. Before the regression test, the classical assumption test is done first.The results of this study indicate that managerial ownership, board of commissioner meetings and the independence of audit committees have no effect on company performance. While the board size of commissioners has a positive effect on company performance.

Keywords : Corporate Governance, Firm Performance, ROA.