

ABSTRACT

This study aims to analyze the influence of variable size of the board of commissioners, the size of the board of directors, the proportion of independent board of commissioners, institutional ownership, and empirical leverage on the determination of financial performance (ROA) on manufacturing companies listed on the Indonesia Stock Exchange in the 2014-2017 period.

This study uses secondary data collected from company annual reports and Bloomberg financial data. The data used in the form of financial statements of manufacturing companies from 2014-2017. From 167 manufacturing companies, 97 companies were sampled in this study. The data of this study were further analyzed using multiple linear regression analysis.

Based on the results of hypothesis testing through the F test, the variable size of the board of commissioners, the size of the board of directors, the proportion of independent board of commissioners, and institutional ownership simultaneously influence ROA. Furthermore, the t test proves that the board size variable is not significantly negative effect on ROA and institutional ownership does not have a significant positive effect on ROA. The variable size of the board of directors and independent board of directors has a significant positive effect on ROA. The leverage variable which is the control variable in this study has a negative and significant effect on ROA.

Keywords: financial performance, board size, board size, institutional ownership, and the proportion of independent boards of commissioners, leverage.