

ABSTRACT

The era of globalization has had a significant impact on the development of the business world. The emergence of new business units with various innovations has led to intense competition among companies, they are required to implement decisions regarding effective and efficient strategies in developing their business through investment activities. To ensure that every investment activity carried out by the company obtains optimal results, the company needs to pay attention to the factors that influence it.

This study aims to determine the effect of financial reporting quality and managerial ownership on investment efficiency listed on the Indonesia Stock Exchange (IDX) in 2017-2021. The data used is secondary data obtained from Bloomberg data and the idx website and use purposive sampling method. The research sample used was 49 companies. This study uses multiple linear regression to process data analysis with IBM SPSS 25. The results showed that the financial reporting quality variable has a significant positive effect on investment efficiency. As for the managerial ownership variable, there is no evidence of an effect on investment efficiency.

Keyword: financial reporting quality, managerial ownership, investment efficiency