ABSTRACT

This research aims to test hypotheses and produce empirical findings related to the influence of good corporate governance on financial performance. This research uses a purposive sampling technique. The data used in this research are the financial reports of non-financial companies registered on the IDX during the 2019 - 2022 period, as many as 29 companies with a sample of 91. Hypothesis testing in this research used multiple linear regression analysis with the help of the SPSS program version 27.

The independent variables used are managerial ownership, institutional ownership, company size, and independent board of commissioners. The measurement used to measure managerial ownership is the number of shares owned by management divided by the number of shares outstanding, the measurement used to measure institutional ownership is the number of institutional shares divided by the number of shares outstanding, the measurement used to measure company size is measured using the natural logarithm total assets, and the measurement used to measure the independent board of commissioners is the number of independent commissioners divided by the number of members of the board of commissioners. In addition, the dependent variable in the form of financial performance is measured using Return on Assets (ROA).

The research results show that managerial ownership has no effect on financial performance, institutional ownership and an independent board of commissioners have a negative and significant effect on financial performance, while company size has a positive and significant effect on financial performance.

Keywords: financial performance, managerial ownership, institutional ownership, company size, and independent board of commissioners.