

ABSTRACT

The purpose of this study is to empirically examine the effect of good corporate governance to corporate performance (Tobin's Q) in the property, real estate and building construction companies. Corporate governance components in this study are institutional ownership, managerial ownership, independent board composition, independent audit committee composition, and the quality of audit, with leverage and firm size as a control variable.

Population in this study are property, real estate and building construction companies which listed on BEI in periode 2010-2012, with the sampling method is purposive sampling method. This research was conducted by using documentation method which used data from annual financial statements listed in Indonesia Stock Exchange (BEI) and the data from Indonesian Capital Market Directory (ICMD). The method of data analysis is used a multiple regression analysis. The sample used in this study amounted to 96 property, real estate and building construction companies listed on the Indonesia Stock Exchange in the period 2010-2012.

The results of this research demonstrate that good corporate governance has a significant effect on firm performance with independent board composition. The higher independent board composition, it will improve the performance of a company. Institutional ownership, managerial ownership, independent audit committee composition, and the quality of audit have no significant effect on firm performance (Tobin's Q). Leverage and firm size as control variables also have no significant effect on firm performance (Tobin's Q).

Keyword: *good corporate governance, institutional ownership, managerial ownership, independent board composition, independent audit committee composition, and the quality of audit, leverage, firm size, firm performance (Tobin's Q).*