ABSTRACT

This study aims to analyze the effect of managerial ability on company performance with mergers and acquisitons based on the economic area division as moderating variable. Managerial ability is calculated using Data Envelopment Analysis (DEA) and Tobit Regression Analysis. Company performance is proxied by ROA, while mergers and acquisitions based on the economic area division are grouped with dummy variable, divided into domestic mergers and acquisitions along with cross-border mergers and acquisitions. In addition, this study also used sales growth, leverage, and company size as the control variable.

The sample used in this study is non-financial public company located in ASEAN-5 countries and has completed merger and acquisition transactions in 2013 – 2017. The research period is carried out for three years after the company completed merger and acquistion transactions. Determination of the sample is done by purposive sampling method. The number of samples used in the study is 49 samples. The research data are obtained from Bloomberg and the company's financial statement. The analysis in this study used Ordinary Least Square (OLS) Regression Analysis and Sub-group Analysis and the data processing using Eviews 9 Software.

The result of the study shows that managerial ability has a significant positive effect on company performance. However, mergers and acquisitions based on the economic area division cannot moderate the effect of managerial ability on company performance. Sales growth has a significant positive effect on company performance, while leverage and company size have no effect on company performance.

Keyword: Managerial Ability, Mergers, Acquisitions, Company Performance, ASEAN-5