

ABSTRACT

This study explains the influence of company performance, company value and institutional ownership, business diversification towards CEO compensation. The sample of this study was 343 companies registered in manufacturing companies for the period 2012-2016. Researchers use the manufacturing industry because there are currently many manufacturing companies in Indonesia. Every company produces superior products and markets them. Many manufacturing companies that produce products are not just one type related to the needs of the population in Indonesia, market share and competition in the business world. The sampling technique used is purposive sampling. In this study the SmartPLS 3.0 method was used. The results of hypothesis testing indicate that what is used to find out the ROA variable, Tobin's Q, Institutional Ownership, business diversification towards CEO Compensation proves that the proposed hypothesis is proven to be true. R2 0.41 test results. Based on the test results it was found that the company performance variables negatively affected CEO compensation, firm value positively influenced CEO compensation, Institutional Ownership negatively affected CEO compensation, diversification had a positive effect on compensation.

Keywords: CEO Compensation, Return on Assets, Company Value, Institutional Ownership, Diversification