ABSTRACT

The purpose of this study is to examine the effect of good corporate governance mechanism (managerial ownership, meeting of the board of commissioners, meeting of the audit committee, and nomination and remuneration committee) on companies performance. The population of this study were manufacturing companies listed on the Indonesian Stock Exchange in 2015-2016. Sample determined by using purposive sampling method, so there are 41 manufacturing companies. Hypothesis testing using multiple regression analysis method with SPSS ver. 24.

The test result showed that the first hypothesis (H1) stated that managerial ownership has no effect to companies performance. The second hypothesis(H2) stated that meeting of the board of commissioners has possitive effect to companies performance. The third hypothesis (H3) stated that meeting of the audit committee has no effect to companies performance. The fourth hypothesis (H4) stated that nomination and remuneration committee has negative effect to companies performance.

Keywords: good corporate governance mechanism, companies performance, multiple regression analysis