ABSTRACT

This study aims to analyze the effect of institutional ownership, board of commissioners, independent commissioners, remuneration and nomination committees, and executive compensation on financial performance. The sample of this research is banking companies listed on the Indonesia Stock Exchange from 2017 to 2019. This study uses secondary data, namely the company's annual financial report data with a sample size of 51 companies involving 24 banking companies. The analysis technique in this study is multiple linear regression analysis using a statistical application program. The results of the study statistically indicate that institutional ownership has no significant effect on financial performance, the board of commissioners, independent commissioners, the remuneration and nomination committee has a negative and insignificant effect on financial performance. Executive compensation has a positive and significant effect on financial performance. Meanwhile, simultaneously institutional ownership, board of commissioners, independent commissioner, remuneration and nomination committee, and executive compensation have a significant effect on financial performance. The magnitude of the influence of the predictor variable on financial performance using a coefficient of determination of 23.1%, while the remaining 76.9% is influenced by other variables outside of this research method.

Keywords: Institutional Ownership, Board of Commissioners, Independent Commissioner, Remuneration and Nomination Committee, Executive Compensation, Return on Assets (ROA)