

ABSTRACT

GCG describes how management efforts manage assets and capital well to attract investors. Asset management of a company can be seen from the profitability of the company by calculating Return on Assets. If the management is done well it is expected to increase the Return on Assets.

The purpose of this study is to determine the effect of independent board composition, institutional ownership, and audit committee as a GCG indicator of ROA on property and real estate firms listed on Indonesia stock exchanges in 2012 - 2016.

The total population of property and real estate companies listed on Indonesian stock exchanges in 2012 - 2016 is 47 companies. By using purposive sampling technique found 27 companies become sample of research. The research method used is multiple linear regression data analysis to test the influence of independent variable to dependent variable.

Based on the test results show that partially audit committee variables that have a significant positive effect on ROA with significance level ($0.003 < 0.05$). Meanwhile, independent board composition variable with significance level ($0,854 > 0,05$) and institutional ownership with significance level ($0,073 > 0,05$) have no significant effect on ROA.

The simultaneous test shows that the composition of independent board of commissioner, institutional ownership and audit committee have significant effect on ROA with significance level ($0,005 < 0,05$).

Keywords: good corporate governance, composition of independent board of commissioners, institutional ownership, audit committee, and return on asset