

ABSTRACT

Mining sector companies in Indonesia are experiencing difficult time during 2012 – 2015, earning decreased significantly in 2012. Declining commodity prices and an uncertain world economy are some of the reasons for that. To increase financial performance as well as bringing back investor's trust in the mining sector, the mining company began to improve the management of the company both internally and externally by applying good corporate governance which is currently becoming one of the focuses of Otoritas Jasa Keuangan (OJK). GCG implementation also aims to increase stock prices so firm value would be increase accordance to the stock prices. Firm value became one of the investment decision-making factors, increasing the value of the company is expected to attract investors to invest to the company.

This research aims to determine the effect of good corporate governance (GCG) implementation on firm value. The GCG implementation variables are proxied by the audit committee (KA), board of directors (DD) and independent board of commissioner (DKI). While the value of the company is proxied by Tobin's Q. Companies in the mining sector listed in the Indonesia Stock Exchange (IDX) within period 2012-2015 are used as objects in this research and 24 mining sector companies are sampled. The sample selection using non-probability purposive sampling technique with three criterias. The analysis technique used to process this research data is panel data analysis. Based on the analysis result that audit committee has no significant effect on firm value, board of director has significant effect on firm value, independent board of commissioner has significant effect on firm value. Good corporate governance implementation has significant effect on firm value.

Keyword : Good corporate governance (GCG), firm value, audit committee, board of directors, independent board of commissioner, Tobin's Q