Abstract

Generally, the governance of company is a structure which applied to enhance the company's performance that based on the regulation and morality values.In a modern economics, management and governance of a company are being dissociated from the company's ownership. The performance of a company can serve as a benchmark of the ability of an organization or company in achieving its objectives. The company's measurement is balanced scorecard.

This research aimed to analyze whether the good corporate governance mechanism is effective to overcome the agency problems in indonesia which is the expropriation against the companies performance by using data panel reggression.

Based on the research, the instituional ownership has negative impact to the PP, and positive impact against MLO, but has no impacts against NPM and IP. That result strongly stated that expropriatation is occuring within the companies. The leverage impact is positive and unsignificant against the IP which proved that as the company debts rises, the company profit decreases that effects the IP values which effected by the net profit, however despite the decreasing employees performance it still enables to increase the net profit. Of all the independent variables have no significant impacts against the company performance except for the commisioners composition independent variable that shows the company may optimize the performance of the independent company.

keywords : GCG, data panel regression, expropriation, company performance