

ABSTRACT

This paper aims to be involved in such trends through examining the link between managerial ownership and institutional ownership on firm performance. Data collection gathered are secondary data taken from www.idx.com and www.idnfinancials.com. This research used purposive sampling method that utilized 7 non-financial companies in the LQ45 within period 2013-2017. The current research used panel data regression method with random effect model. Significance level used in this study is 5% or 0.05.

The result of this research show that all independent variable simultaneously effects the firm performance (market share) on non-financial company listed in LQ45 within period 2013-2017. Therefore, based on the partial test, the finding revealed that managerial ownership has a negative impact on firm performance. On the other hand, the other finding showed no evidence to support the impact of institutional ownership on firm performance. The findings also revealed that firm size as control variable has a positive impact on firm performance. According to research findings, the companies should pay attention on the managerial ownership because it is negatively affected the firm performance. Otherwise, the control variable has the influence on firm performance. To invest in non-financial company listed in LQ45 Indonesia Stock Exchange, investors are expected to consider to those variables that affecting firm performance of the company.

Keyword: Firm Performance, Managerial ownership, Institutional ownership, firm size