

## ABSTRACT

*Company performance is an important issue, especially in this era of globalization because company performance is a measure of the success of managers in running a company. Indicators that are often used to assess the performance of a company are returns to owners and company value, for this reason, good cooperation between shareholders and management is needed to obtain returns high and improve company performance. However, the unification of the interests of the two parties is difficult to achieve, resulting in a problem known as the agency problem. The implementation of the Employee Stock Option Program is one way to avoid conflicts of interest between the owners and management of the company. In this study, the researcher wanted to know whether the implementation of the Employee Stock Option Program could affect the company's performance.*

*This research is a type of descriptive research and performs calculations on quantitative data. In this study, the sampling method used was purposive sampling. The population in this study were companies listed on the Indonesia Stock Exchange in the 2015-2020 period and the samples in this study were non-financial companies. The data analysis technique used is Paired sample t-test with a research time of three years before and three years after the implementation of the Employee Stock Option Program.*

*The results of this study are that there is no significant effect on the implementation of the Employee Stock Option Program as measured by the ratio of Profitability Return On Assets, Return On Equity and Net Profit Margin because the implementation of the Employee Stock Option Program has not been able to increase employee motivation to develop their performance so that companies that implement it have not been able to increase company profits. In addition, the distribution of shares aimed at employees is relatively low from the total company shares distributed.*

*The suggestion that researchers can give is to add or replace the indicator variable under study with other variable indicators, for example changing the ratio other than Return On Assets, Return On Equity and Net Profit Margin. Then with the same topic, you can add years of research so that it will add a sample of companies implementing the Employee Stock Option program. It is expected that the company in adopting the Employee Stock Option Program considers the company's performance and the company provides a better understanding of employees so that they can have an impact on company performance.*

**Keywords:** *Employee Stock Option Program, Return On Asset, Return On Equity, Net Profit Margin*