ABSTRACT

Industry has an important role for the growth and development of the national economy. The food and beverage industry is one of the industrial sectors that is able to contribute greatly to the Gross Domestic Product (GDP) in Indonesia with performance achievements in the food and beverage industry ranging from increasing productivity, investment, exports to labor absorption, which is consistently positive. Therefore, companies both in the food and beverage sector and in other sectors must have good profits and also have to think about what strategies must be made to produce good financial performance.

Good financial performance is not the only basis for assessing a company, it also requires good management performance in the form of good corporate governance. The implementation of good corporate governance in a company can attract potential investors to invest because the company is considered to have made efforts to maximize decision making so that the company's assessment will increase.

This study aims to determine how the influence of the implementation of Good Corporate Governance proxied by institutional ownership, independent commissioners, and audit committees on the company's financial performance as proxied by the Return on Asset (ROA) ratio in the food and beverage sub sector companies listed on the IDX in 2015-2019. The population used in this study is the food and beverage sub sector companies listed on the IDX in 2015-2019. The sample selection technique in this study using purposive sampling and obtained 8 company samples. This study uses secondary data in the form of annual reports and financial statements.

The result of this study explains that partially, institutional ownership has no significant effect on financial performance, independent commissioners and audit committee have a significant effect on financial performance. Simultaneously, institutional ownership, independent commissioners, and the audit committee have a significant effect on performance.

Keywords: Good Corporate Governance, Independent Commissioners, Institutional Ownership, Audit Committee, and ROA.