ABSTRACT

The company's main objective is not only for public benefit in the form of providing goods and/or services of high quality, but also to seek maximum profit, one of which is through investment from shareholders. The company should provide maximum profit to shareholders. A good company can be seen from how the company implements corporate governance, which will impact the company's financial performance to attract more shareholders to invest in the company. State- Owned Enterprises (SOE) have also established corporate governance under applicable regulations, but there are still companies that have not capable of implementing it correctly; this is caused by several multi-level interest cases reportedly in the company.

This research aims to determine the influence of Good Corporate Governance on financial performance in State-Owned Enterprises (SOE), namely PT Krakatau Steel (persero) Tbk using the Multiple Regression Model. The type of research is included in descriptive verificative using quantitative method. The sample of this research is PT Krakatau Steel (persero) Tbk in 2010-2020.

The research results found that Institutional Ownership and Independent Commissioner do not significantly influence financial performance measured by ROA and ROE. Meanwhile, Audit Committee and Managerial Ownership significantly influence financial performance measured by ROA and ROE. Furthermore, Institutional Ownership, Audit Committee, Independent Commissioner, and Managerial Ownership in Good Corporate Governance simultaneously significantly influence financial performance measured by ROA and ROE.

Keyword: Good Corporate Governance, Return on Assets (ROA), Return on Equity (ROE)