THE EFFECT OF INDEPENDENT BOARD OF COMMISSIONERS, MANAGERIAL OWNERSHIP, AND INSTITUTIONAL OWNERSHIP ON THE PERFORMANCE OF MANUFACTURING COMPANIES LISTED ON THE IDX 2018-2020

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ABSTRACT

This study aims to analyze the influence of the Independent Board of Commissioners (DKI), Managerial Ownership (KM), and Institutional Ownership (KI) on the Performance of Manufacturing Companies Listed on the IDX for the 2018-2020 Period. This study used purposive sampling to collect population data from the financial statements of Manufacturing Companies listed on the Indonesia Stock Exchange for the 2018-2020 period of 60 companies.

Data analysis using descriptive statistics, classical assumption tests, multiple regression analysis, hypothesis testing and determination analysis (R^2). The results showed that partially the Board of Independent Commissioners (DKI), and Institutional Ownership (KI) affected the Company's Performance and the Managerial Ownership (KM) variable had no effect. Meanwhile, simultaneously variabel Independent Board of Commissioners (DKI), Managerial Ownership (KM), and Institutional Ownership (KI) affect the Performance of Manufaktu Companyr. Based on the results of the value of 25.3% of the coefisein determination (R^2).

Keywords: Independent Board of Commissioners (DKI), Managerial Ownership (KM), Institutional Ownership (KI) and Company Performance (TOBINS'Q)

INTRODUCTION

The technology of making business competition is getting tighter, causing every public company to constantly evaluate its performance and make improvements in order to continue to grow and be able to compete. The emergence of the concept of governance for companies, making a system or rule with the aim of improving the economic condition of the company, by focusing on how an organization or company can manage its company well, which is expected to provide benefits to the company itself. A related phenomenon regarding the performance of companies where according to sources k ontan.co.id (2019), the manufacturing sector index (*manufacturing*) has not been able to show excellent performance. Some of the factors that affect the company's performance such as an independent board of commissioners. Anindependent omisary board is a person who is not qualified in all respects in the controlling shareholder, has no affiliation with the board of directors or with the board of commissioners and does not serve as a director in a company related to the owner's company. The next factor is managerial ownership which also affects the company's performance, where this managerial ownership is the ownership of company shares by the manager or manager as well as shareholders, Imanta and Satwiko (2011: 68). According to Jensen and Meckling (1976) conflicts of interest between agents and principles can be done by increasing managerial ownership in a company. Jensen et al (1992) explained that managerial ownership makes the manager one of the owners of the company so that it will help equalize the interests between managers and shareholders, but have little voting rights towards the company. The last factor is institutional k epemilikan institution, institutional ownership is the proportion of company shares owned by institutions in various fields. (Imanta and

Satwiko, 2011). Nabela (2012) explained that institutional ownership is the proportion of shares owned by institutions at the end of the year as measured by percentage. Cornett et al (2007) say the greater the institutional ownership, the better the company's performance will be. *Corporate Governance* is closely related to how to make investors believe that managers will provide benefits for them, namely that managers will not embezzle or invest in unprofitable projects related to the capital that has been invested by investors.

THEORETICAL FOUNDATIONS

Company Performance

Company performance is defined as the company's ability to achieve its goals through the efficient and effective use of resources and describes how far a company has achieved its results after comparison with previous performance *of previous perfomance* and performance of other benchmarking organizations, as well as how far it has achieved the goals and targets that have been set (Muhammad, 2008: 14 in Nugrahayu and Retnani, 2015)

Independent Board of Commissioners

According to the Board anindependent omisary is a member of the board of commissioners who is not affiliated with management, other members of the board of commissioners and controlling shareholders, and is free from business relationships or other relationships that may affect his ability to act independently or act solely in the interests of the company. The proportion of independent boards of commissioners is measured using indicators of the percentage of members of the board of commissioners who come from outside the company from all members of the company's board of commissioners (Ujiyantho and Bambang, 2007).

Managerial Ownership

According to Hardiyanti Adi Asna (2017), managerial ownership is the ownership of shares by the company's management which is measured by the percentage of the number of shares owned by the management actively participating in decision making. This variable is measured by the percentage of shares owned by management from the entire share capital of the company outstanding.

Institutional Ownership

According to Hardiyanti Adi Asna (2017), Institutional Ownership is a share ownership by the government, for example, financial institutions, incorporated institutions, foreign institutions, trust funds and government institutions at the end of the year.

HYPOTHESES

According to the Minister of Finance of the Republic of Indonesia based on decree No. 740 / kmko / 1989 dated June 30, 1989, states that performance is the company's achievement in a period that reflects the level of health of the company. This reinforces the results of previous research, namely Hardiyanti Adi Asna (2017) and Ilham Maulana (2020) which concluded that the board of commissioners is independent, managerial ownership and institutional ownership have an effect to the performance of the company. So it can be concluded that:

H1 : Independent Board of Commissioners, Managerial Ownership and Institutional Ownership Simultaneously Affect Company Performance.

According to research by Hardiyanti Adi Asna (2017), the Board of Commissioners is a party that has an important role in supervising reliable reports. With regard to independence, the board of independent aristocratic commissionerswho are part of the board of commissioners generally has better oversight of management.

H2 : The independent board of commissioners affects the company's performance.

(Bhagat & Bolton, 2013; Hermiyetti & Katlanis, 2017; Saifi, 2019) who found that when the interests of company owners and managers are in line will generate a positive influence on the company. Therefore, from some of these studies, it can be concluded that with managerial ownership , it will be able to reduce agency conflicts that may occur within the company.

H3 : Managerial ownership affects the company's performance.

According to Sekaredi (2011),institutional management can prevent waste by management, because institutional ownership also acts to monitor the company's running more effectively and efficiently with proper compliance. Therefore, in his research, it is stated that there is a significantly positive influence of institutional ownership with the performance of the company.

H4 : Institutional ownership affects the performance of the companyn

METHOD

The research method used in this study is descriptive quantitative. The population in this study is the entiretyof manufacturing companies listed on the Indonesia Stock Exchange (IDX). Then thesampling technique used in this study was *purposive sampling*. In this study, the type of data used was a documentary.

RESULTS AND DISCUSSION

1. Multiple Linear Regression Analysis

Model		Unstandardized Coefficients
		B
1	(Constant)	-117.565
	DKI	-0.797
	KM	1.701
	KI	4.512

Dependent Variable: Tobins Q

Source: data processed from the SPSS version 26 program

It is known the results of multiple linear regression analysis, namely:

$Y = -117.565+0.797X_1+1.701X_2+4.512X_3+e.$

The above equation can be intersected as follows:

The value of the negative constant is -117.565. This shows that if there is no variab le DKI, KM, and KI, then the value of TOBINS'Q will decrease by 117,565. The DKI variable regression coefficient is positive, which is 0.797. This shows that every time there is an addition of v a riable DKI, it will cause the occurrence of yes tobins'q s e besa r 0.797. The regression coefficient of the KM variable is positive, which is 1.701. This shows that every time there is an addition of var iable KM, it will cause an increase in TOBINS'Q of 1,701. The regression coefficient of the KI variable is positive, namely 4,512. This shows that every time there is an addition of a vari able KI, it will cause an increase in TOBINS'Q of a magnitude of 4,512.

2. Correlation Coefficient

Model	R
1	0.503[a]

The table above shows a multiple correlation (R) of 0.503. And the R value can be interpreted to mean that the influence of the correlation between DKI, KM, and KI on Tobins Q (Y) is 0.5 03 which has a strong and significant correlation value.

3. Coefficient of Determination

Model Summary[b]

Model	R Square	Adjusted R Square
1	0.253	0.213

a. Predictors: (Constant), DKI, KM, KI.

b. Dependent Variable: TOBINS'Q

Source: data processed from the SPSS programm version 26

The table above can be seen that the magnitude of the influence of free variables on bound variables based on *R Square* is 0.253 so it can be concluded that 25.3% of TOBINS'Q is influenced by DKI, KM and

KI, while the rest were influenced by other variables that were not studied in this study.

4. Partial Test (T test)

T test (Partial)

Model		t	Sig.
1	(Constant)	-2.611	0.012
	DKI	2.029	0.047
	KM	1.226	0.225
	KI	3.453	0.001

a)Dependent Variable : TOBINS'Q

Source: data processed from the SPSS version 26

Based on Tabel 4 it can be concluded that : A partial test between DKI and TOBINS'Q obtained a calculated t value = 2.029 and sig = 0.047. Because the sig value is 0.047< 0.05, it can be concluded that DKI has a significant effect on TOBINS'Q.A partial test between KM and TOBINS'Q obtained calculated t values = 1.226 and sig = 0.225. Since the sig value of 0.225> 0.05 it can be concluded that KM has no significant effect on TOBINS'Q. A partial test between KI and TOBINS'Q obtained a calculated t value = 3.453 and sig = 0.001. Since the sig value is 0.001< 0.05 it can be concluded that KI has a significant effect on TOBINS'Q.

5. Simultaneous Test (Test F)

F Test (Simultaneous)

Model	Sum of Squares	F	Sig.
1 Regression	238.625	12.424	.000a
Residual	480.188		
Total	718.814		

Source: data processed from the SPSS program version 26

Based on Table, a significant value of 0.001 was obtained because the significant value was less than 0.05, so H0 was rejected so that it can be concluded that a da simultaneous influence of DKI, KM and KI on TOBINS'Q Manufacturing Company of Food and Beverage Consumer Goods Sector Listed on idX for the 2018-2020 period.

CONCLUSION

Based on the research that the author has done, the following conclusions can be drawn:

1. The variables of independent board of commissioners (DKI), managerial ownership (KM), and institutional ownership (KI) simultaneously affect the performance of manufacturing companies listed on the IDX for the 2018-2020 period.
2. The variables of the Independent Board of Commissioners (DKI) have a positive and significant effect on the Performance of Manufacturing Companies Listed on the IDX for the 2018-2020 Period.
3. The Managerial Ownership Variable (KM) has no significant effect on the Performance of Manufacturing Companies Listed on the IDX for the 2018-2020 Period.
4. Institutional Ownership (KI) Variables have a positive and significant effect on the Performance of Manufacturing Companies Listed on the IDX for the 2018-2020 Period.

Suggestion

With all the existing limitations, researchers can provide several suggestions as follows:

1. Furthermore, researchers are expected to be able to examine other variables beyond this in order to obtain more varied results that can describe the company's performance as measured in addition to the Variables of the Board of Commissioners Independent (DKI), Managerial Ownership (KM), and Institutional Ownership (KI)
2. To make it more varied, researchers can then compare the company's performance before and after the COVID-19 pandemic.

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