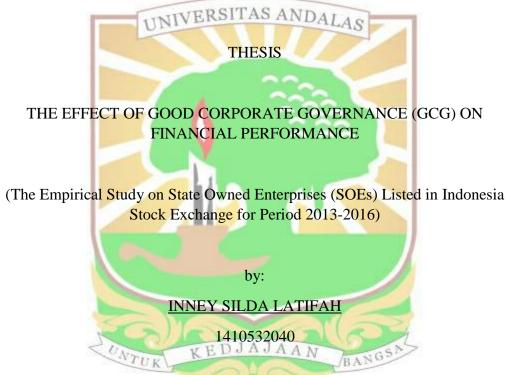


FACULTY OF ECONOMICS

ANDALAS UNIVERSITY



Thesis Advisor: Prof. Dr. Eddy R Rasyid, SE, M.Com(Hons), Ak

Submitted to fulfill the requirements in order to obtain Bachelor Degree of **Economics**

> PADANG 2018



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The Effect of Good Corporate Governance (GCG) on Financial Performance (The Empirical Study on State-Owned Enterprises (SOEs) Listed in Indonesia Stock Exchange for Period 2013-2016)

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ABSTRACT

Recently, many companies have been realized the importance of Good Corporate Governance (GCG) and believed that it may bring influence significantly to financial performance of companies. This research aims to examine the influence of corporate governance on financial performance of State-Owned Entities (SOEs). GCG is proxied by the size of Board of Director, Board of Commissioner, Independent Commisioner, and Audit Committee while financial performance of SOEs are proxied by Return on Assets (ROA) and Return on Equity (ROE). Sample of this research is State-Owned Entities (SOEs) listed in Indonesia Stock Exchange for period 2013-2016. Sample was determined by purposive sampling technique. Data analysis technique used is multiple linear regression. The result of this research is the Board of Directors has negative significant effect on ROA and negative insignificant effect on ROE, Board of Commisioners has positive significant effect both on ROA and ROE, Independent Commisioners has positive insignificant effect both on ROA and ROE.

Keywords: Good Corporate Governance (GCG), Board of Directors, Board of Commisioners, Independent Commisioners, Audit Committee, Return on Assets, Return on Equity

