SUMMARY

RINI ADIARINI. Analysis of the Effect of Good Corporate Governance on Company Values at Sub Sector of Construction and Building. Supervised by SRI HARTOYO and KIRBRANDOKO.

Corporate failure, financial scandals and crises in various countries have focused on the importance of good corporate governance. The implementation of supervision that can be used to minimize irregularities in the management of the company can be done with corporate governance mechanisms that are expected to increase the value of the company. One of the main goals of the company is to increase the value of the company through increasing the prosperity of the owners or shareholders. This research was conducted to examine the effect of managerial ownership variables, institutional ownership, independent board of commissioners, the size of the board of commissioners and the size of the board of directors on the value of the company proxied by tobin’s q.

Sample of this study is the construction and building sub-sector companies listed on the Indonesia Stock Exchange for the period 2013-2017 with a total of 10 companies using the purposive sampling method. While the analytical method used is the classic assumption test and hypothesis testing and multiple regression analysis.

The results are the mechanism of good corporate governance has a significant positive effect on the firm value of these variables, namely managerial ownership, independent board of commissioners, the size of the board of directors and the size of the board of commissioners. Partially only the institutional ownership component that shows no significant effect in influencing the value of the company and its relationship with uncollectible accounts as a mediating variable on firm value.

Keywords: independent board of commissioners, good corporate governance, ownership, company value, and board size