**ABSTRACT**

Azha Gharda Pamandu / 33150605 / 2019 / Effect of Good Corporate Governance Mechanism on Company Performance in Manufacturing Companies Listed in Indonesia Stock Exchange (IDX) from 2015 to 2017 / Advisor : Sugi Suhartono, S.E., M.Ak.

Good Corporate Governance is a mechanism of corporate control and regulation through the relationship between shareholders, company management, creditors, government, employees, and other internal and external stakeholders. For the sake of maintaining the long-term longevity of the company and creating profits for shareholders, it is hoped that public companies in Indonesia will implement good corporate governance. Researchers want to show whether there is a true influence of corporate governance on company performance.

Researchers use agency theory. This theory is used to explain how the parties involved in the company will behave, because basically between agents and principals have different interests that often cause conflicts of interest. Conflicts occur because managers' decisions are not in line with the interests of shareholders.

The study took a population of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2015-2017 period. The total sample used by 29 companies for three years. Data collection techniques by observation. The sampling technique used is the Non-Probability Sampling technique using the Purposive Sampling method. Tests carried out include multiple linear regression analysis, classic assumptions, F test, t test, coefficient of determination R2 and year dummy testing with an α value of 0.05.

The results showed that the board of commissioners had a sig value of 0.001 < 0.05 which proved to have a significant positive effect on company performance. While the audit committee has a sig value of 0.087, institutional ownership sig 0.230, a meeting of the board of commissioners sig 0.265, and an audit committee meeting sig 0.132 > 0.05 indicates that insufficient evidence influences the company's performance.

The conclusion of this study is the corporate governance mechanism, namely the board of commissioners has a significant positive effect on company performance. While the audit committee, institutional ownership, board of commissioners' meetings, and audit committee meetings had no effect on company performance.

Keywords: Good Corporate Governance, Corporate Performance, EPS