

ABSTRACT

THE EFFECT OF POLITICAL CONNECTIONS, BOARD OF DIRECTORS' COMPENSATION AND OWNERSHIP STRUCTURE ON COMPANIES PERFORMANCE

By:
DEGI REINSA JANUBIAN SYAH

This research aims to determine the effect of political connections on company performance and knowing the effect of directors' compensation on company performance company and also to find out the ownership structure of the performance company. The sample used in this research were companies that listed in the LQ 45 index, namely 45 companies in the 2020 – 2022 period. The data collection method used is quantitative descriptive. The sample used is purposive sampling technique. In this research, the data analysis process used multiple linear regression by using a program Statistical Product Service Solutions (SPSS) computer. Results of this research showed that political connections did not affect company performance that has been measured using the Dummy method and the directors' compensation did not affect company performance with the cash and directors' compensation ratio, and finally the results of the managerial ownership structure affected the company's performance measured by the number of shares of directors, commissioners, and managers divided by the total outstanding shares.

Keywords: Company Performance, Political Connection, Directors' Compensation, Ownership Structure.