

Audit Company Performance: The Impact of Ownership Structure and Committee Attributes

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Article Info	Abstract
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Key words: size of the audit committee; audit committee meetings; managerial ownership; institutional ownership; foreign ownership; earnings quality	This study aims to analyze the impact of management ownership, institutional ownership, foreign ownership, audit committee size, meeting frequency, and ownership on corporate performance. The relationship between ROA and Tobin's Q is used to gauge company performance. The manufacturing businesses registered on the Indonesia Stock Exchange in 2019–2021 make up the study's population. 44 businesses were sampled using the principles of purposive sampling. Multiple linear regression analysis was performed for data analysis. The findings demonstrated that, when considering ROA rather than Tobin's Q, the size of the audit committee had an impact on corporate performance. Both corporate performance metrics are impacted by the volume of audit committee sessions. Managerial ownership has an impact on company performance when Tobin's Q is used to measure performance rather than ROA, which has no effect. While it has no impact on company performance when using Tobin's Q measurement, institutional ownership has an impact on ROA-based measures of firm performance. Foreign ownership has no impact on firm performance as assessed by ROA, but it does have an impact on firm performance using Tobin's Q measurement.

INTRODUCTION

According to Helfert (1999), the company performance is the outcome of several individual decisions made regularly by management. As a result, in order to evaluate the company's performance, it is required to analyze the whole financial and economic effects of actions and take into account using comparable metrics. The majority of earlier studies on business performance simply utilized one performance measure variable. Return on Assets (ROA) and Tobin's Q were employed as performance indicators in this study (Q Ratio). *Return on assests* (ROA) is A metric of financial success based on profitability ratios. Tobin's Q is a performance indicator that demonstrates the connection between a company's market value and intrinsic worth.

The composition of the audit committee, as determined by its size and the frequency of its meetings in this study, is one of the elements that affects a company's performance. The total number of audit committee members in a single organization is the audit committee's size. The effectiveness of the committee's internal oversight can also boost business performance, particularly when it comes to implementing financial performance, as the audit committee's size increases. Members of the audit committee serve as a monitoring link between management and external parties. The audit committee will have stronger control over the business as a result of its efficient operation, minimizing agency conflicts that arise from management's desire to enhance their personal welfare. This is in line with the findings of studies by Rahmawati and Handayani (2017), Musallam (2020), and Adiati (2017), which found a strong correlation between audit committee size and corporate performance. In contrast to the studies of Alim & Destriana (2019), Hariati & Rihatiningtyas (2016), Ruslim & Santoso (2018), and Mulyati & Muslih (2020), it was discovered in their research that the size of the audit committee had no appreciable impact on the performance of the company.

The frequency of Audit Committee meetings will also have an impact on how well the business performs. The Audit Committee holds regular meetings at least once every three months, in accordance with Financial Services Authority Regulation Number 55/Pojk.04/2015 concerning the Establishment and Guidelines for Implementing the Work of the Audit Committee. The more often the audit committee meets and the more actively it performs its tasks, roles, and obligations, the more it can monitor management and thwart tactics that manipulate earnings. In addition, the audit committee can discuss issues and potential solutions with the business to enhance performance through frequent meetings. According to study by Musallam (2020), Murray *et al.* (2020), Sitompul and Muslih (2020), audit committee meetings have a big impact on how well a company performs. However according to studies by Widyatama & Wibowo (2015) and Mulyati and Muslih (2020), the quantity of audit committee meetings had no impact on the success of the company.

The ownership structure of the business also has an impact on how well it performs. According to Jensen & Mackling (1976), this ownership structure is significant because it can reduce the appearance of agency problem brought on by conflicts of interest between managers and owners or shareholders of the business. On the one hand, the business owner wants to make sure that managers run the organization in accordance with his or her wishes in order to safeguard the owner's interests. Management ownership, institutional ownership, and foreign ownership make up the study's variable ownership structure.

When a manager is both a manager and a stakeholder of a company, this is known as managerial ownership. Because managers are also shareholders in the firm in addition to their roles as managers, having managerial ownership in the business will undoubtedly strengthen supervision because this will allow for tighter oversight, which in turn will improve the company's performance. The management's activities are more effective at optimizing company performance the more stock the manager owns in the company. Because it pertains to the manager's personal interests, managers will typically manage the company better. Lestari & Juliarto (2017), Ardianingsih & Ardiyani (2010), Fadillah (2017), Basyith *et al.* (2015), Lestari & Juliarto (2017), and Ardianingsih & Ardiyani (2010) have all done studies that support this claim that managerial ownership has a major impact on corporate success. It contrasts with the findings of studies by Widyatama & Wibowo (2015) and Cecilia & Hendi (2014), which claim that managerial ownership has no impact on a company's success.

The percentage of a company's stock that is owned by institutions. These organizations may be public, private, or international. Institutional ownership will promote improved management oversight, will be stricter in managing the business, so as to limit opportunities for managers' behavior, and shareholder rights will be protected, so as to be able to enhance business performance. The presence of institutional ownership will raise the level of professionalism in the workplace since management will be under more pressure to improve the quality of work that can boost organizational performance if the company's owner is a commercial entity. This is supported by study by Haryono *et al.* (2017), Lestari & Juliarto (2017), Ardianingsih & Ardiyani (2010), Cecilia & Hendi (2014), and Darwis (2009), which found a substantial correlation between institutional ownership and corporate performance. Institutional ownership has a detrimental impact on corporate performance, according to studies by Hariati & Rihatiningtyas (2016) and Fadillah (2017). The performance of a company was not significantly impacted by institutional ownership, according to research by Alim & Destriana (2019).

A domestic corporation that has a percentage of its shares and voting rights held by foreign parties is said to be under foreign ownership. Because foreign companies bring resources like professional staff, cutting-edge technology, better corporate governance, as well as managerial skills and global networks, companies with a portion of foreign ownership will appear prestigious and will be perceived as being more focused in directing their company's operations. If the percentage is high, it will have an impact on the company's ability to increase performance. This is due to the fact that international investors take on a lot of risk when making investments in developing nations, such as political risk, and as a result, they pay a lot more attention to managerial control. In order to improve firm performance, managers can be effectively monitored in order to reduce agency costs or internal costs brought on by the conflict between shareholders (principals) and management (agents). According to Chaerunisa, Dini Wahjoe, and Priyanto's (2018) and Priyanto, Qibthiyyah's (2020) findings, foreign ownership

has an impact on corporate performance. Darmawan's (2017) research revealed that foreign ownership has a detrimental impact on a company's performance. Foreign ownership, according to study by Dewata et al. (2018) and Zulkarnain & Kusuma (2019), had no impact on company performance.

LITERATUREREVIEW

Agency Theory

Agency theory is the foundation on which corporate governance is explained. According to agency theory, a business is made up of a number of agreements between its shareholders (the primary) and the managers (the agents) who oversee the use and control of its resources. Due to the unequal distribution of information between shareholders and managers, there are asymmetrical information needs between managers and investors. This results in a lack of transparency in agent performance and opens the door for agent manipulation. The two parties' contractual arrangement may be manipulated in order to maximize the usefulness of each party (Jensen & Mackling, 1976).

Stewardship Theory

Stewardship theory is a theoretical approach which is an alternative paradigm for *Good Corporate Governance*. According to this view, there is no conflict of interest between managers and shareholders, and the primary objective of *corporate governance* is to identify the frameworks and procedures that enable the most efficient and adaptable cooperation between the two sides (Donaldson & Davis, 1991). Because managers act in a way that serves the interests of the owners, it is important to emphasize this premise.

Stakeholder Theory

According to Ferrell *et al.* (2010), firms have obligations to a variety of stakeholders, including customers, suppliers, governments, employees, and the general public. As a result, issues pertaining to diverse parties' interests are covered in the debate of *stakeholder theory*. *Stakeholder theory* views businesses as being obligated to assist their *stakeholders* rather than just being entities that pursue their own interests. As a result, a company's action is to seek the support of *stakeholders*, particularly investors, whose support is crucial to the company's ability to exist.

Audit Committee Size

Audit committee size is the total number of audit committee members in a single organization. The size of the audit committee in Indonesian public companies consists of at least three members and is known by the company's independent commissioners with two external people independent, according to article 29 of the regulation from the Financial Services Authority Number 55/POJK.04/2016 concerning the formation and guidelines for implementing audit committee work.

Audit Committee meeting

Audit committee meetings are held in accordance with the needs of the Company, according to chapter 31 of Financial Services Authority regulation number 55/POJK.04/2016 concerning the creation and procedures for carrying out the work of the audit committee. Meetings of the Audit Committee may be convened if a majority of its members are present.

Managerial Ownership

Managerial ownership is a situation when a manager is both a manager and a stakeholder of a company. The manager will serve as both the company's owner and controller under this managed ownership structure. Because managers directly experience the effects of their decisions, ownership of manager shares helps align the interests of managers and other shareholders. So, managers will take greater care to avoid doing anything to hurt the business. Yet, if this managerial share ownership exceeds the permitted level, managers are more likely to put their own interests ahead of that of the shareholders.

Institutional Ownership

Institutional ownership is the proportion of share ownership owned by a company. These organizations may be public, private, or international. Because institutional share ownership

represents a source of power that can be used to support management performance, this is one of the factors that can affect company performance. The presence of institutional share ownership will encourage an increase in more optimal monitoring of management performance.

Foreign Ownership

Foreign ownership is a domestic corporation that has a percentage of its shares and voting rights held by foreign parties. Article 1 number 6 of Law No. 25 of 2007 defines foreign ownership as investments made in Republic of Indonesian territory by foreign governments, businesses, and individuals.

Company Performance

The company undoubtedly has goals, but in order to reach those goals, the company must have good performance. When a company compares its results to *previous performance* and the performance of other organizations (*benchmarking*), as well as how far it achieves the goals and targets set, it is defining its performance as its capacity to achieve its objectives through the effective and efficient use of resources. The examination of financial ratios is one method for gauging business performance. In this study, ROA and Tobin's Q, two financial performance indicators, are used in financial ratio analysis.

Hypothesis Development

The Effect of Audit Committee Size on Company Performance

The *monitoring* role of the audit committee on management will expand with the audit committee's size (Putri, 2011). It will be simpler for the audit committee to oversee management activity if there are more audit committees. The management will reduce information asymmetry by having additional supervisors. Management will make an effort to raise the performance of the business, which includes raising its own performance. The size of the audit committee has an impact on the performance of the company, according to studies by Adiati (2017), Rahmawati and Hanadayani (2017), and Musallam (2020).

H1: The size of the audit committee affects the company's performance

The Effect of Audit Committee Meetings on Company Performance

The audit committee must hold meetings as a means of communication and coordination between its members in carrying out the reporting and supervision activities of the organization. The number of meetings depends on the audit committee members' availability to collaborate, ask questions, and so on (Widyatama & Wibowo, 2015). You can talk about what the corporation should do to improve its performance at these audit committee sessions (Sitompul and Muslih, 2020). There will be discussion of a range of issues that arise in the organization during the audit committee meeting. The performance of the business will be further enhanced by the increased number of meetings held to discuss business challenges. According to the findings of the studies by Musallam (2020), Murray et al (2020), Sitompul and Muslih (2020), the frequency of audit committee meetings affects business performance.

H2: Audit committee meetings affect the company's performance

The Effect of Managerial Ownership on Company Performance

The manager will serve as both the company's owner and controller under this managed ownership structure. Because managers immediately experience the effects of their decisions, manager share ownership can align the interests of managers and other shareholders. So, managers will take greater care to avoid doing anything to hurt the business. Because managers are shareholders in the firm in addition to being managers, the presence of management ownership will undoubtedly maximize oversight because this will allow managers to tighten up supervision, which will improve the performance of the company. According to studies by Basyith *et al.* (2015), Fadillah (2017), Lestari & Juliarto (2017), and Ardianingsih & Ardiyani (2010), managerial ownership has a big impact on how well a company performs.

H3: Managerial ownership affects the company's performance

Effect of Institutional Ownership on Company Performance

With institutional ownership, supervision of managers will be tighter so that shareholder rights are protected (Lestari & Juliarto, 2017). Institutional ownership will promote increased

management oversight to be stricter in running the business, preventing opportunity managers' behavior and protecting shareholder rights, which will enhance business performance. They naturally have a lot of expertise overseeing management because they are on the institutional side. This is supported by research by Hariati and Rihatiningtyas (2016), Lestari and Juliarto (2017), Ardianingsih and Ardiyani (2010), Cecilia and Hendi (2014), Fadillah (2017), and Haryono et al. (2017), which finds that institutional ownership significantly affects corporate performance.

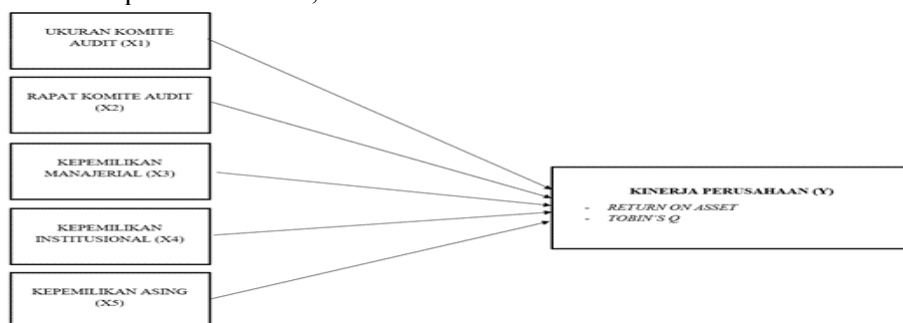
H4: Institutional Ownership affects the company's performance

Effect of Foreign Ownership on Company Performance

Foreign investors are regarded as capable and brave enough to speak up on behalf of investors broadly, which results in higher levels of management oversight in high foreign ownership companies than in non-multinational corporations (Chaerunisa & Dini Wahjoe) (2018). Because foreign companies bring resources like professional staff, cutting-edge technology, better corporate governance, as well as managerial skills and global networks, companies with a portion of foreign ownership will appear prestigious and will be perceived as being more focused in directing their company's operations. If the percentage is high, it will have an impact on the company's ability to increase performance. This is consistent with findings from studies by Chaerunisa and Dini Wahjoe (2018) and Priyanto and Qibthiyyah (2020).

H5: Foreign ownership affects the company's performance.

Based on the explanation above, are search model can be drawn as follows:



Source: Developed by the authors, 2022

METHODS

Data

Manufacturing firms that trade on the Indonesia Stock Exchange and submit annual company reports for 2019–2021 make up the population of this study. The sampling method used in this study is known as a *purposive* sampling method, and it bases its decisions on three factors: (1) manufacturing companies listed on the Indonesia Stock Exchange in 2019-2021; (2) annual reports and financial reports on manufacturing companies that can be accessed in 2019-2021 (3); Businesses with institutional, managerial, and foreign ownership.

Operational Definition of Variables and Variable Measurements

Dependent Variable

Company Performance

ROA (*Return On Assets*). To obtain profitability, it is measured by the *Return On Assets* (ROA) formula which is used as research by Lestari & Juliarto, (2017), Adiati (2017), Khatib and Nour., (2020), Sitompul and Muslih (2020), Ardianingsih & Ardiyani (2010), Ferdy Putra (2020)

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Tobin's Q, To see market measurements in the company, it is measured using Tobin's Q with the formula used as research by Lestari & Juliarto, (2017), Musallam (2020), Rahmawati and Handayani (2017), Cecilia & Hendi (2014), Natalylova (2019), Ardianingsih & Ardiyani (2010).

$$mve-Debt$$

$$Tobin's\ Q = \frac{Market\ Value + Debt}{Book\ Value}$$

Independent Variable

Audit committee size

The number of members on the audit committee served as the primary metric for the audit committee size variable in this study. The annual reports of manufacturing companies that are listed on the IDX and made available on the corporate website show this size.

Audit Committee meeting

The number of meetings held during a certain time period is a good indicator of the audit committee meeting variable. The annual reports of manufacturing companies that are listed on the IDX and made available on the corporate website show this size.

Managerial Ownership

Managerial ownership variables can be calculated using the same formula as research conducted by and Ardianingsih & Ardiyani (2010), Cecilia & Hendi (2014), Ferdy Putra (2020). The annual reports of manufacturing companies are listed on the IDX and made available on the corporate website.

$$\text{Managerial Ownership} = \frac{\text{The number of shares from the management}}{\text{Number of shares outstanding}}$$

Institutional Ownership

Institutional ownership variables can be measured using the same formula as research conducted by Ardianingsih & Ardiyani (2010), Cecilia & Hendi (2014), Ferdy Putra (2020), Lestari & Juliarto (2017), and Haryono *et al.* (2017). This size can be seen from the annual reports of manufacturing companies listed on the IDX and posted on the company's website.

$$\text{Managerial Ownership} = \frac{\text{The number of shares from the institution}}{\text{Number of shares outstanding}}$$

Foreign Ownership

The foreign ownership variable can be measured using the same formula as research conducted by Chaerunisa & Dini Wahjoe (2018), Lestari & Juliarto (2017), and Priyanto & Qibthiyyah (2020). This size can be seen from the annual reports of manufacturing companies listed on the IDX and posted on the web.

$$\text{Foreign Ownership} = \frac{\text{The number of shares from foreign parties}}{\text{Number of shares outstanding}}$$

RESULTS

Descriptive Statistical Test Results

Descriptive statistics provide an overview or description of a data seen from the mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness. This analysis is a descriptive technique that provides information about the data that is owned and does not intend to test the hypothesis. The results of descriptive statistical analysis can be seen in the following table:

Table 1. Descriptive Statistics before outlier

N		Minimum	Maximum	Mean	Std.Deviation
UKA	132	2	5	3.04	.287
RKA	132	0	73	7.02	9.606
KM	132	.000	.722	.10947	.171865
KI	132	.000	.976	.45149	.317369
KA	132	.000	.932	.22633	.285152
ROA	132	-.631	.658	.03020	.128675

Source: Computed Data SPSS (2022)

Table 2. Descriptive Statistics after ROA outlier

N		Minimum	Maximum	Mean	Std.Deviation
UKA	102	2	5	3.02	.281
RKA	102	0	9	4.69	1.671
KM	102	.000	.455	.07676	.111523
KI	102	.000	.976	.46936	.319359
KA	102	.000	.932	.23545	.296524
ROA	102	-.163	.206	.03444	.058317

Table 3. Descriptive Statistics after Tobin's Q outlier

N		Minimum	Maximum	Mean	Std.Deviation
UKA	80	2	3	2.99	.112
RKA	80	0	9	4.81	1.758
KM	80	.000	.284	.06971	.083157
KI	80	.000	.976	.57690	.290826
KA	80	.000	.632	.12459	.160545
TOBIN'SQ	80	.206	2.976	1.33066	.683407

Normality Test Results

The normality test results with ROA and Tobin's Q performance measurements are presented in the following table:

Table 4. ROA Data Normality Test Results on One-Sample Kolmogorov-Smirnov Test

Unstandardized Residual		
N		102
Normal Parameters ^{a,b}	Mean	.0000000
	Std.	.05369009
	Deviation	
Most Extreme Differences	Absolute	.066
	Positive	.063
	Negative	-.066
Test Statistic		.066
Asymp. Sig. (2-tailed)		.200 ^{c,d}

From the table above it can be seen that the data on ROA is normally distributed. With a significant value of 0.200.

Table 5. Data Normality Test Results Tobin's Q One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		80
Normal Parameters ^{a,b}	Mean	.0000000
	Std.	.61124642
	Deviation	
Most Extreme Differences	Absolute	.079
	Positive	.079
	Negative	-.053
Test Statistic		.079
Asymp. Sig. (2-tailed)		.200 ^{c,d}

From the table above it can be seen that the data on Tobin's Q are normally distributed, with a significant value of 0.200.

Hypothesis Test

Multiple Regression Analysis Results

The results of multiple regression analysis with ROA performance measurements are presented in the following table:

Table 6. Multiple Regression (ROA)

		Coefficients ^a			
		Unstandardized Coefficients	Standardized Coefficients		
Capital		B	Std. Error	Beta	t
1	(Constant)	-.171	.064		-2.650
	UKA	.050	.020	.241	2.487
	RKA	.007	.003	.203	2.137
	KM	.009	.056	.017	.159
	KI	.049	.023	.266	2.144
	KA	-.011	.024	-.058	-.469

The aforementioned table indicates that institutional ownership, audit committee meeting size, and audit committee meetings all affect business performance as measured by ROA. Foreign ownership and managerial ownership, however, have little impact on a company performance (ROA).

The results of multiple regression analysis with Tobin's Q performance measurement are presented in the following table:

Table 7. Multiple Regression (TOBIN'S Q)

		Coefficients ^a			
		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error	Beta	t
Capital					Sig.
1	(Constant)	-1.057	1.938		-.545
	UKA	.556	.638	.091	.871
	RKA	.109	.042	.281	2.583
	KM	-2.465	.936	-.300	-2.634
	KI	.306	.272	.130	1.126
	KA	1.581	.489	.371	3.235

The audit committee meetings, managerial ownership, and foreign ownership are determined to have an impact on company performance using the Tobin's Q measure in the table above. With the Tobin's Q measure, however, the size of the audit committee and institutional ownership have no discernible impact on the success of the company.

DISCUSSION

The Effect of Audit Committee Size on Company Performance

It can be inferred from the outcomes of statistical tests that the size of the Audit Committee significantly affects firm performance as measured by ROA. This is due to the fact that the audit committee's size will improve its ability to monitor management and the efficacy of its internal supervision, both of which will enhance corporate performance, particularly in the execution of financial performance. Members of the audit committee are positioned as a supervisory mechanism between management and outside parties. If the audit committee is functioning properly, the company will be better under *control*, minimizing agency conflicts that arise from management's desire to improve their own welfare. The findings of this study are consistent with those of earlier studies, like Rahmawati and Handayani (2017), Musallam (2020), and Adiati (2017), which found a strong correlation between audit committee size and corporate performance. In contrast to studies by Alim & Destriana (2019), Hariati & Rihatiningtyas (2016), Ruslim & Santoso (2018), and Mulyati & Muslih (2020), it was discovered in their research that the size of the audit committee had no appreciable impact on the performance of the company.

But the size of the Audit Committee has little bearing on Tobin's Q measurements of firm performance. Based on the findings of statistical testing, it can be said that the Audit Committee's size has no appreciable impact on the performance of the company by measuring Tobin's Q. This contradicts the hypothesis that says that the audit committee's ability to monitor management's implementation of firm performance will increase with increased committee size. The table of descriptive statistics used in Tobin's Q calculations demonstrates that 2.9 people on average make up an audit committee, which is a sufficient quantity. Because the audit committee may not do its duties to the best of its ability, the size of the committee does not guarantee the caliber of the company's performance. The findings of this study are consistent with those of earlier studies conducted by Alim & Destriana (2019), Hariati & Rihatiningtyas (2016), Ruslim & Santoso (2018), and Mulyati and Muslih (2020), which found that the size of the audit committee had no discernible impact on the performance of the company. However, in contrast to research conducted by Rahmawati and Handayani (2017), Musallam (2020), Adiati (2017), stated that audit committee size is significantly related to company performance.

The Effect of Audit Committee Meetings on Company Performance

It can be inferred from the multiple regression findings in the preceding table that audit committee meetings have a sizable impact on firm performance when ROA and Tobin's Q are measured. This is because the audit committee holds regular meetings, and the more actively it performs its duties, functions, and obligations, the better it will be able to monitor management and stop the practice of earnings management. The audit committee can address business issues and what needs to be done to enhance corporate performance in addition to holding regular meetings.

The findings of this study support those of earlier studies, including those by Musallam (2020), Murray *et al.* (2020), Sitompul and Muslih (2020), which found that audit committee meetings have a significant impact on business performance. However according to studies by Widyatama & Wibowo (2015) and Mulyati and Muslih (2020), the quantity of audit committee meetings had no impact on the success of the company.

The Effect of Managerial Ownership on Company Performance

The multiple regression test findings in the table above indicate that managerial ownership has no effect on company success as measured by ROA. This defies the hypothesis that claims that the presence of managerial ownership will undoubtedly optimize oversight because managers, in addition to serving as managers, also own stock in the company, allowing them to tighten up supervision and boost business performance. The overall managerial ownership in the calculation of ROA is 0.076, or 7.6%, as can be seen in the table of descriptive statistics. This demonstrates the little managerial ownership of the business. Because managers don't feel like they directly own the gains that will be acquired, they are less motivated to increase the performance of the organization than they should be. The findings of this study are consistent with those of other studies by Widyatama & Wibowo (2015) and Cecilia & Hendi (2014), which found no relationship between managerial ownership and firm performance. Lestari & Juliarto, (2017), Ardianingsih & Ardiyani (2010), Fadillah (2017), Basyith *et al.*, (2015), and this study's findings contradict those of those studies, which found a substantial relationship between management ownership and firm performance.

It is clear from the multiple regression analysis results table above that managerial ownership affects business success by using Tobin's Q measurement. According to the statistical test results, managerial ownership has an impact on company performance using Tobin's Q measurement. This is due to the fact that management ownership will, of course, maximize oversight because managers, in addition to being managers, are also shareholders in the firm. As a result, they can tighten up supervision, which raises the performance of the company. The management tends to manage the firm better because it pertains to the manager's interests, so the more the share ownership by managers in the company, the more productive the manager's activities in optimizing company performance. Lestari and Juliarto (2017), Ardianingsih & Ardiyani (2010), Fadillah (2017), Basyith *et al.* (2015), Lestari & Juliarto (2017), and Ardianingsih & Ardiyani (2010) also found a substantial relationship between managerial ownership and company performance. It contrasts with the findings of studies by Widyatama & Wibowo (2015) and Cecilia & Hendi (2014), which claim that managerial ownership has no impact on a company's success.

Effect of Institutional Ownership on Company Performance

It can be deduced from the outcomes of several regression analysis tests that institutional ownership has an impact on corporate performance using ROA measurement. This is due to the fact that institutional ownership will promote enhanced management oversight, will be stricter in administering the company, and will safeguard shareholder interests, all of which will prevent opportunity managers from acting in an unprofessional manner. The presence of institutional ownership will raise the level of professionalism in the workplace since management will be under more pressure to improve the quality of work that can boost organizational performance if the company's owner is a commercial entity. These findings are in line with earlier studies conducted by Darwis (2009), Lestari and Juliarto (2017), Ardianingsih and Ardiyani (2010), Cecilia and Hendi (2014), and Haryono *et al.* (2017). The performance of a company was not significantly impacted by institutional ownership, according to research by Alim & Destriana (2019).

It is clear from the multiple regression analysis results table above that institutional ownership has no effect on company performance by using Tobin's Q measurement. This contradicts the assumption that institutional ownership will promote enhanced management oversight and better corporate governance, which will prevent managers from taking advantage of opportunities and protect shareholders' interests while enhancing business performance. Institutional ownership has a pretty high number in the Tobin's Q calculation's descriptive statistics table, precisely 0.57 or 57%. The prevalence of institutional ownership does not ensure that managerial oversight plays the best possible role in running the business. They might

completely rely on firm management to run the business without getting their input, particularly on crucial policies. These findings are in line with Alim and Destriana's research (2019). The findings of this research disagree with those of Darwis (2009), Lestari & Juliarto (2017), Ardianingsih & Ardiyani (2010), Cecilia & Hendi (2014), and Haryono et al (2017).

Effect of Foreign Ownership on Company Performance

It is clear from the results of many regression analysis tests that foreign ownership has no impact on a company's ROA measure performance. This goes against the theory that claims that businesses with a portion of foreign ownership will appear more respectable and be seen as being more focused in managing their operations because foreign businesses bring resources like qualified personnel, cutting-edge technology, better corporate governance, managerial expertise, and global networks. The ROA calculation for foreign ownership has a total of 0.23 or 23% in the descriptive statistics table. Based on these circumstances, there is a chance that there will be little foreign ownership and that foreign investors who become shareholders will only invest in foreign companies in order to avoid paying corporation taxes in their own countries. This study's findings are consistent with those of earlier research by Dewata *et al.* (2018) and Zulkarnain & Kusuma (2019). This, however, conflicts with findings from studies done by Chaerunisa & Dini Wahjoe (2018) and Priyanto & Qibthiyyah (2020).

The findings of the multiple regression analysis shown in the table above indicate that foreign ownership has an impact on corporate performance using Tobin's Q measurement. Because foreign companies bring resources like professional staff, modern technology, better corporate governance, as well as managerial skills and global networks, companies with a portion of foreign ownership will appear prestigious and will be perceived as being more focused in managing their company's operations. If the percentage is high, it will have an impact on the company's ability to increase performance. This is due to the fact that international investors incur comparatively significant risks when making investments in emerging nations, such as political risk, which makes them more attentive to management control. In order to improve firm performance, managers can be effectively monitored in order to reduce agency costs or internal costs brought on by the conflict between shareholders (principals) and management (agents). The findings of this study concur with those of studies by Chaerunisa & Dini Wahjoe (2018) and Priyanto & Qibthiyyah (2020). Yet, the findings of studies by Dewata et al. (2018) and Zulkarnain & Kusuma (2019) are at odds with each other.

CONCLUSION AND SUGGESTION

Conclusion

Based on the results of the analysis of hypothesis testing, and the discussion, it can be put forward some research conclusions as follows: (1) The audit committee size variable has an effect on firm performance using the ROA measurement (2) The audit committee size variable has no effect on firm performance using Tobin's Q measurement (3) Audit committee meeting variables have an effect on company performance using the ROA measurement (4) Audit committee meeting variables have an effect on company performance using the Tobin's Q measurement (5) Managerial ownership variables have no effect on company performance using the ROA measurement (6) Managerial ownership variables have an effect on performance companies use the Tobin's Q measurement (7) Institutional ownership variables affect firm performance using the ROA measurement (8) Institutional ownership variables have no effect on firm performance using Tobin's Q size (9) Foreign ownership variables have no effect influence on company performance using the ROA measurement (10) Institutional ownership variables affect company performance using Tobin's Q measurement.

Suggestion

(1) For further research, it is expected to add other variables that can affect company performance. (2) Changing the sector of the research sample and extending the year period in the sample of companies.

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