ABSTRACT

Sharia stock has become one of the biggest concerns for investors in economic development. One of the things to be considered by investors and companies listed on stock exchange is firm performance. Firm performance is an effective mechanism to maintain a competitive advantage. This study aims to determine the effect of good corporate governance aspect on the level of firm performance in companies listed in Indonesia Sharia Stock Index during 2012-2014.

Hypothesis in this research uses independent commissioner, gender diversity, institutional ownership and managerial ownership as independent variables as well as firm size and growth opportunity as control variables. Variable used as dependent variable is return on equity (ROE). The sample used in this study is sharia stock listed in Indonesia Sharia Stock Index (ISSI) 2012-2014 with purposive sampling method analyzed for 270 data of 90 companies. The data used is secondary data obtained from Indonesia Stock Exchange and Indonesian Capital Market Directory. The analyticial method used is multiple linear regression analysis. Result of the research shows that institutional ownership has a significant negative effect on return on equity, managerial ownership and independent commissioner have an insignificant negative effect on return on equity and gender diversity has an insignificant positive effect on return on equity.

Keywords: *Board of Independent Commisioner, Gender Diversity, Institutional Ownership, Managerial Ownership, Return On Equity, Sharia Stock, Firm Performance.*

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