

ABSTRACT

THE EFFECT OF CORPORATE DIVERSIFICATION ON COMPANY PERFORMANCE USING MANAGERIAL OWNERSHIP AS A MODERATING VARIABLE

By

Nova Berliana

The purposes of this study are to analyze the effect of corporate diversification on company performance and the moderating effect of managerial ownership on the relationship between corporate diversification and company performance. Using manufacturing company that listed on Indonesia Stock Exchange for the period 2016-2019, the empirical results indicate that product diversification and geographic diversification show insignificant and positive effect on company performance. Furthermore, managerial ownership as a moderating variable between product diversification and company performance shows significantly negative. However, managerial ownership as a moderating variable between geographic diversification and company performance shows significantly positive.

Keywords: Product Diversification, Geographic Diversification, Corporate Diversification, Company Performance, Managerial Ownership