

ABSTRACT

The purpose of this study is to examine the effect of managerial ownership, institutional ownership and the board of commissioners on agency cost. The dependent variable is agency cost which proxied as asset (ATO). The independent variables are managerial ownership, institutional ownership and the board of commissioners.

This study used a purposive sampling method. From this method obtained 20 mining companies. This study uses secondary data from annual reports of mining companies listed on the Indonesia Stock Exchange in 2015-2018. The analysis model used is descriptive statistical analysis, classic assumption test, panel data regression analysis, simultaneous testing proved by F test and partial testing by t test.

The result of this study showed that simultaneous, managerial ownership, institutional ownership and board of commissioners had an effect on the agency cost. Partially, managerial ownership has a significant effect and a positive direction on the agency cost.

Based on the result of this study, the company is expected to limit its managerial ownership of the company in order to prevent the opportunistic behavior and to utilize the effectiveness of asset by management and to mitigate agency cost.

Keyword: *Agency Cost, Board of Commissioners, Institutional Ownership and Managerial Ownership*