

**ANALYSIS OF OWNERSHIP STRUCTURE'S IMPLICATION
FOR FINANCIAL PERFORMANCE
(CASE OF STUDY: PRIVATISATION AND STOCK BUYBACK
FROM CONSTRUCTION GO PUBLIC STATE OWNED
ENTERPRISES)**

ABSTRACT

Most of empirical studies examining privatization effects find that privatisation yields improvement in operating and financial performance, but only a handful document find empirical evidences about the affection of stock buyback to operating nor financial performances. Government, as the policy maker should have the accurate and valid justification about the implication of ownership structure for performance of state owned enterprises (SOE) in Indonesia known as BUMN. This research has the different with the similar researches before because used the affection of privatisation and stock buyback of SOE which reflect the change of ownership structure to financial performance (proxied by current ratio, leverage ratio, and operating profit margin). It was predicted to be significantly negative correlation.

The objective of this research is to analyse the ownership structure's implication for financial performance from construction go public SOE. This research used secondary data from annually report of all listing SOE construction sector. The total population as research object are 2 units consist of PT Adhi Karya, Tbk. and PT Wijaya Karya, Tbk.

The result of this research find that ownership structure variables have positive relationship with firm financial performance. Privatisation have positive and significant relationship with firm financial performance. Stock buyback have negative but no significant relationship with firm financial performance. There is no significant differences between the affection of privatization and stock buyback to firm financial performance.

Keyword: ownership structure, privatisation, stock buyback, state owned enterprises, financial performance