

The influence of Good Corporate Governance on the financial performance of State-Owned Enterprises listed on the Indonesia Stock Exchange

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Abstract

Purpose: This study aims to determine the effect of Good Corporate Governance on the Financial Performance of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023.

Methodology: This study used a quantitative approach. This study used 70 research samples. This study has two variables, namely: 4 independent variables (X1, X2, X3, and X4) and 1 (one) dependent variable. Institutional leadership (X1), board of directors (X2), board of commissioners (X3), and audit committee (X4) are independent variables, while financial performance (Y) is the dependent variable.

Results: Based on data analysis, it has been found that the answer to the hypothesis is that institutional ownership, board of directors, board of commissioners, and audit committee simultaneously and partially have a significant effect on financial performance in BUMN companies listed on the Indonesia Stock Exchange in 2019-2023.

Conclusion: Good corporate governance (CG) (institutional ownership, board of directors, board of commissioners, and audit committee) significantly affects the financial performance of state-owned enterprises on the Indonesia Stock Exchange (IDX) for the period 2019–2023. The effective implementation of GCG can increase ROA and company value.

Limitations: The independent variables in this study are limited to institutional ownership, board of directors, and audits. First,ee, and the dependent variable is financial performance (ROA). The research was conducted only on BUMN companies listed on the Indonesia Stock Exchange.

Contribution: Management is expected to pay more attention to Good Corporate Governance in the company in order to create good company value.

Keywords: *Audit Committee, Board of Commissioners, Board of Directors, Financial Performance (ROA), Institutional Ownership*

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1. Introduction

Technological developments can have positive or negative impacts on companies' decision-making. The benefits for companies today can provide opportunities for companies that have gone public on the Indonesia Stock Exchange (IDX) so that investors' interest in investing in shares increases if the company has good financial performance and long-term prospects. The company aims to keep moving by seeking maximum profit so that it can survive, grow, and not be liquidated. However, in its application, companies that have been operating cannot run in line with the company's plan and are

forced to liquidate. With increasing business competition, stakeholders must be smart and careful when setting company policies. Good Corporate Governance is a series of stages, policies, and regulations that influence the direction, management, and control of a company or corporation, including the relationship between stakeholders. The mechanism of Good Corporate Governance will increase company supervision, so that with this supervision, the company's performance will be better (Dao & Nguyen, 2020). The application of Good Corporate Governance (GCG) aims to increase company profits. By applying Good Corporate Governance, the company can play an important role in obtaining large profits and minimizing the negative impacts that arise for the company (Supriyanti & Istikhoroh, 2021).

Financial performance is the main benchmark for assessing the good or bad performance of a company. Management will know how much the company's expertise dominates the market from the results of the financial performance evaluation, so that decisions or steps can be taken to increase the company's performance. Financial performance can be observed in a company's financial reports. In addition to evaluating the company, the company's financial reports can also attract investors, so that the company's progress can be achieved. If all of this can be implemented by private companies, it is possible that government-owned companies can also follow their footsteps to advance their companies. As government-owned companies advance, they will indirectly impact the prosperity of the citizens who contribute to them (Sarafina & Saifi, 2017).

A company's financial performance is a measure of success in carrying out financial functions. The purpose of reviewing a company's financial statements is to evaluate and assess performance in one accounting period, especially the performance of the company's management, and to determine the strategy that will be used to achieve the company's goals in the next period. Companies play a central role in a country's economy. In addition to carrying out the function of production and distribution of goods and services, the company is also directly involved in the stage of allocating economic resources to citizens. This role is very important considering the existence of very limited economic resources that must be allocated properly (Sarafina & Saifi, 2017). State-Owned Enterprises (BUMN) are companies whose majority shares are owned by the government. BUMN play an urgent role in the national economy. BUMN are expected to make a substantial contribution to the country's economy. BUMN's contribution to the APBN comes from three sources: tax payments, dividends paid to the government as shareholders, and PNBP.

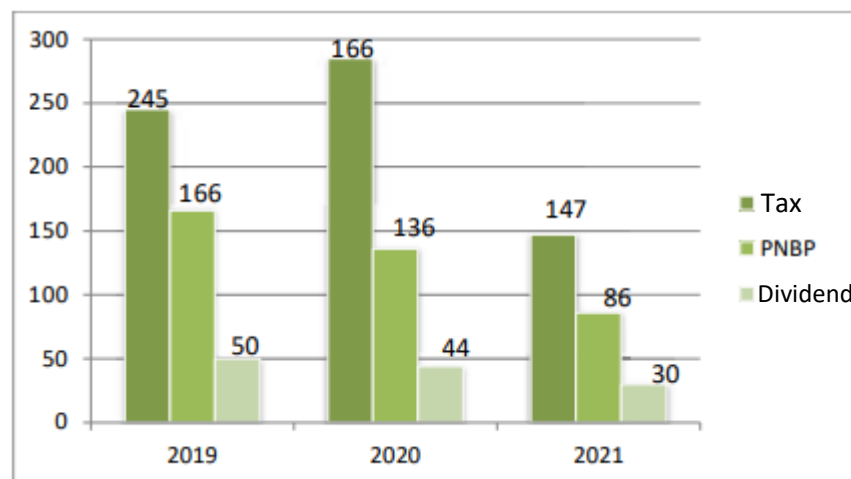


Figure 1. BUMN Fiscal Contribution 2019-2021

Source: BUMN Report (Processed data, 2024)

You can also look at the BUMN financial report, which reports the performance of BUMN each year. Graph 1 shows the unstable level of BUMN income and profit from 2019 to 2021 by calculating the revenue and net income. In assessing the performance of a company, profitability illustrates whether a business entity has good opportunities or prospects in the future (Jacobus, Gamaliel, & Datu, 2023).

The higher the profitability of a business entity, the more expertise the company must have to survive. BUMN performance, which considers income and profit, has seen an inconsistent increase from year to year, and even a substantial decline. The less-than-optimal performance of BUMN is partly due to the fact that the principles of good corporate governance have not been implemented optimally throughout BUMN. The weak application of GCG in BUMN includes a non-functioning planning and control system, mark-up practices, deviations by BUMN directors, and corporate practices in companies carried out by management.

Good Corporate Governance (GCG) is a mechanism that connects all stakeholders by providing equal authority. Although GCG systems vary worldwide, stakeholders believe that certain mechanisms are needed to reduce violations, bribery, and corruption by checking the openness and transparency of companies (Pillai & Al-Malkawi, 2018). Good Corporate Governance was discussed in Indonesia in 1997 when the economic crisis hit Asian countries, including Indonesia. In recent years, good corporate governance has become a concern because of the increasing number of bankruptcies caused by fraud or errors in financial accounting. These problems are the impact of a bad GCG system, namely the absence of corporate governance regulations in the organization (Buallay, Hamdan, & Zureigat, 2017). Weak GCG implementation results in fraudulent practices, embezzlement, and corruption. The implementation of corporate governance in BUMN is expected to increase their financial performance and minimize the risk of actions that tend to benefit oneself. By applying good corporate governance, a company's competitiveness increases and becomes more efficient (Utami & Muslih, 2018). The application of corporate governance today is not only a necessity but has become a necessity for every company.

Good Corporate governance is needed to improve performance and make the company sustainable and trustworthy. Applying good corporate governance in a company requires full and consistent commitment from the top management and board of commissioners. The application of these principles must be demonstrated through real actions by all stakeholders. Without commitment and a consistent attitude, there is concern that the attitude towards GCG practices will remain the order and will not add value to the company. Companies that apply good corporate governance need parties or groups to monitor the implementation of the board of directors' decisions. Therefore, an independent board of commissioners is a key component of a good corporate governance mechanism. An independent board of commissioners is a board that has no family or business ties with the company's controlling shareholders, members of the board of commissioners, and the board of directors. An independent board of commissioners is the core of good corporate governance, responsible for checking the implementation of the company's strategy, supervising management when running a business, and requiring accountability (Fadillah, 2017).

In this research, the research object used is a state-owned company listed on the Indonesia Stock Exchange, because state-owned companies are the main economic drivers in a country, so that state-owned companies are always required to be able to improve Good Corporate Governance well and are required to increase their financial performance so that they can be a going concern when facing an unstable economy in the past. This study aims to determine the effect of Good Corporate Governance on the financial performance of state-owned companies listed on the Indonesia Stock Exchange in 2019-2023.

2. Literature Review

2.1. Good Corporate Governance

Good Corporate Governance is a standard rule, law, and organization that drives a company's performance in the economic sector and regulates the attitude of the company's owners (Renny & Musfiari, 2019). From the definition above, it can be concluded that Good Corporate Governance (GCG) means a system that regulates and supervises the stages of controlling ongoing business to increase the value of shares so that the company's value increases and becomes an effort to be accountable to shareholders without forgetting the interests of stakeholders, including employees, creditors, and citizens (Luciana & Pertiwi, 2024).

2.2. Institutional Ownership

The ownership of shares by institutions, such as companies, is known as institutional ownership. Institutional ownership can energize more effective management, considering that the foundation of an organization can assess its performance. Because share ownership is a source of power that can be used to support or worsen management performance, institutional ownership is a factor that can affect company performance. Institutional ownership can encourage more optimal monitoring of the management's performance.

$$\text{Institutional Ownership} = \frac{\text{Total Institutional Shares}}{\text{Number of Shares Outstanding}} \times 100\%$$

2.3. Board of Directors

The board of directors is a party to an organizational element that carries out the tasks and rules of the organization. The formation and dismissal of the board of directors, determination of the amount of salary, and division of duties and authority of each member of the board of directors are resolved at the General Meeting of Shareholders (GMS). The size of the board of directors is determined according to the number of board of directors members in an organization.

$$\text{Board of Directors} = \text{Total Members of the Board of Directors}$$

2.4. Board of Commissioners

The board of commissioners is the highest internal controller and has the responsibility to monitor all top management activities (Pinontoan, Sutanto, Lesmana, & Meiden, 2022). The board of commissioners supervises and provides input to the board of directors because it does not have direct authorization to the company. If the supervision of the board of commissioners is considered ineffective, it will result in difficulties in the stages of communication and coordination in decision-making (Putra, 2016). All of this impacts the decisions made by management because the board of commissioners is also fair in decisions made by management in ensuring the sustainability of the company's strategy practices by being involved in monitoring and providing advice to management. The Board of Commissioners is proxied by a ratio measurement scale.

$$\text{Board of Commissioners} = \text{total Board of Commissioners of the Company}$$

2.5. Audit Committee

The audit committee supervises management and provides independent professional opinions to the board of commissioners regarding financial reports or matters expressed by the board of directors. The audit committee seeks to reduce fraud that may arise as a result of conflicts between interested parties in the company, both from within and outside. In addition to supervising financial reports, the audit committee also supervises the company's internal control. In addition to supervising financial reports, the audit committee also works on the company's internal controls. The existence of an audit committee can contribute to a high level of supervision by audit committee members, which can increase a company's financial performance. The audit committee is proxied by a ratio measurement scale.

$$\text{Audit Committee} = \text{total Company Audit Committee}$$

2.6. Financial Performance

Overall financial performance is a presentation of a company's achievements in good operations related to financial elements, marketing, fundraising and distribution, technology, or HR. The profitability ratio is the main ratio in all financial reports because the company's main goal is operating results (profit). The profitability ratio is crucial for all users of annual reports, especially equity investors. Profit is the only factor that determines changes in the value of securities. Measuring and estimating profits is the

most urgent task for equity investors. This ratio checks the effectiveness of overall management, which is intended by the size of the level of profit obtained in relation to sales or investment (Husain, 2021).

To check the company's financial performance in this study, the researchers used Return On Assets (ROA). Return On Assets (ROA) is a profitability ratio that indicates the percentage of profit or net profit obtained by the company concerning the average total assets. Kasmir (2014) stated that return on assets is a ratio that indicates the results (return) on the total assets used in the company. Return On Assets (ROA) indicates a company's ability to use all its assets to obtain after-tax profits (Sudana, 2011).

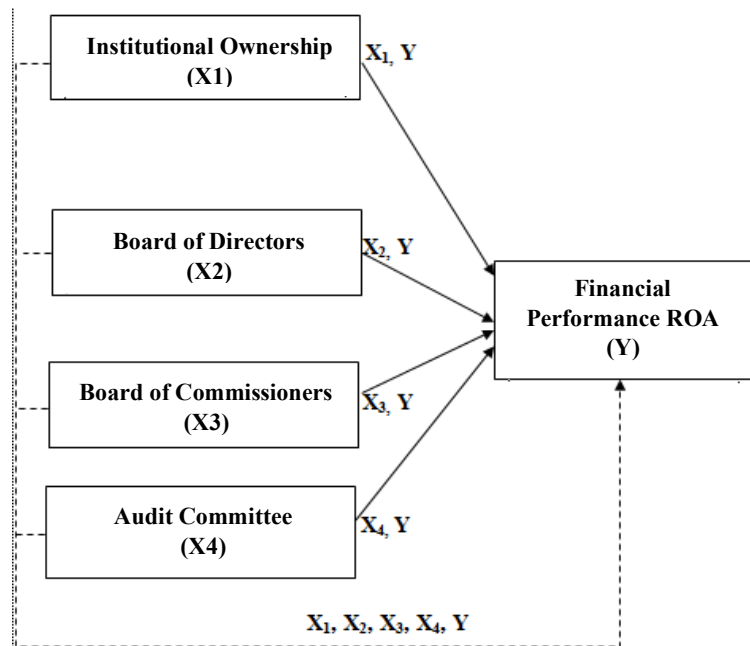


Figure 2. Thinking Framework

2.7. Hypothesis Development

2.7.1. Institutional Ownership, Board of Directors, Board of Commissioners, and Audit Committee on Financial Performance (ROA)

The Good Corporate Governance variable proxied by Institutional Ownership, Board, Board, and Audit Committee has a positive influence on the financial performance of manufacturing companies listed on the IDX in 2015-2017. Siburian, Trisnadewi, and Kawisana (2024) reported that the board of commissioners, board of directors, and audit committee have a simultaneous influence on financial performance (ROA). Meanwhile, Islam (2024) reported that the board of commissioners, board of directors, and audit committee have no influence on financial performance. The higher the ownership structure and Good Corporate Governance, the higher the financial performance of the company.

H₁ = Institutional Ownership, Board of Directors, Board of Commissioners, and Audit Committee have a simultaneous influence on Financial Performance (ROA)

2.7.2. Institutional Ownership of Company Financial Performance (ROA)

Institutional ownership refers to the ownership of shares in a company by the government, legal institutions, financial institutions, foreign institutions, and other institutions. In Indonesia, public companies have a highly institutionalized ownership structure. Instead of private individuals acting as owners of public companies, the institutions in question are the institutional owners. The majority of institutions are in the form of Limited Liability Companies (PT) (Fauzi, Mahoney, & Rahman, 2009). According to the researcher, Institutional Ownership is a tool that can be used to reduce conflict, which is measured by the proportion of shares owned by institutions at the end of the year, which is shown in the percentage of institutional shareholders who tend to have more information than individual shareholders (Rinaldo & Puspita, 2020).

H₂ = Institutional Ownership has a partial influence on Financial Performance (ROA)

2.7.3. Board of Directors on Company Financial Performance (ROA)

The description that managers are agents of shareholders or the board of directors is consistent with agency theory. The board of directors is a party in a corporate entity whose job is to carry out and manage the company's operations. The board of directors has full responsibility for all forms of operations and management of the company to carry out its interests to achieve the company's goals. The board of directors has substantial control rights in the stage of managing company resources (Sukandar & Rahardja, 2014). An increasing total number of boards of directors will certainly mean that more and more will supervise the management of company resources. Previous research conducted by Rusdi, Kartika, and Indriastuti (2021) stated that the larger the total number of boards of directors in a company, the easier it will be to coordinate and communicate, so that the company's financial performance will increase. This is in line with the research conducted by Saragi, Sianipar, and Samosir (2024), which revealed that the size of the board of directors has a positive influence on the company's financial performance.

H₃ = The Board of Directors partially influences Financial Performance (ROA)

2.7.4. Board of Commissioners on Company Financial Performance (ROA)

The board of commissioners is tasked with supervising and advising the board of directors, all of which indirectly makes the board of commissioners have an important position and authority to link the interests of the principal and increase a company's financial performance. According to Sukandar and Rahardja (2014), the board of commissioners can help increase financial performance. An increasing number of board of commissioners will increase the management monitoring mechanism because the size of the board of commissioners determines the level of effectiveness of monitoring the company's financial performance. In the context of a BUMN company, if the board of commissioners can influence the company's financial performance, because the board of commissioners works wholeheartedly in a framework that is not influenced by anyone's interests, including the CEO, the board of commissioners will provide positive input, so that in the end, the company's performance or performance will be seen so that financial performance in a company can improve or increase. In previous research According to (Rahmawati, 2017), the size of the board of commissioners has a positive and substantial influence on a company's financial performance.

H₄: The Board of Commissioners has a partial influence on Financial Performance (ROA).

2.7.5. Audit Committee on Company Performance (ROA)

The audit committee supervises internal and external auditors to check whether management is taking the necessary corrective actions in a timely manner (Liong, 2022). The audit committee represents the board of directors in overseeing financial accounting reporting. In research conducted by (Sari, Hendra Titisari, & Nurlaela, 2020), it reported the results that the audit committee has a substantial influence on financial performance (ROA). Meanwhile, Hasibuan and Sushanty (2018) found that the audit committee does not have a substantial influence on financial performance (ROA). According to researchers, the existence of an audit committee that has the responsibility as a supervisor of financial reports, external audits, and internal control systems (as well as internal audits) can reduce the opportunistic nature of management that carries out financial earnings management and carries out audit supervision effectively, so that control in the company becomes better, so that the agency conflict that exists due to management's desire to increase personal welfare can be minimized..

H₅: The Audit Committee has a partial influence on Financial Performance (ROA).

3. Research Methodology

This study used a quantitative approach. This study aims to provide empirical evidence of the influence of institutional ownership, board of directors, board of commissioners, and audit committees. In line with the existing problems, this study is classified as a type of causality research. This study uses secondary data obtained from previously released sources. The research was conducted on State-Owned Enterprises (BUMN) listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. The research downloaded the company's financial reports for 2019-2023 on the website www.idx.co.id. The research will be conducted from July 2024 to August 2024.

The type of data needed for this research is secondary data. Secondary data are data sources that do not directly provide data to data collectors, which can be obtained from other people or documents (Sugiyono, 2013). The data used in this study were in the form of financial and corporate governance reports. The data source required in the report was obtained from the source www.idx.co.id. The population in this study is all State-Owned Enterprises (BUMN) listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period, with a total of 109 BUMN companies. In line with the criteria in the sampling technique, from a total of 109 BUMN companies, the sample that meets the criteria for BUMN whose shares are listed on the Indonesia Stock Exchange (IDX) and issue financial reports (annual reports) for the 2019-2023 period is 14 BUMN companies which are public companies that have Tbk status and are listed on the capital market in 2019-2023. The analysis method used in this study was multiple linear regression analysis. Multiple linear regression analysis was used to determine whether the dependent and independent variables influenced each other. In addition, this study uses classical assumption tests using SPSS 23 software.

4. Result and Discussion

4.1. Research Results

1) Normality Test

Table 1. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		70
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,36191972
Most Extreme Differences	Absolute	,076
	Positive	,066
	Negative	-,076
Kolmogorov-Smirnov Z		,704
Asymp. Sig. (2-tailed)		,705
a. Test distribution is Normal.		
b. Calculated from data.		

In obtaining the normality test using the Kolmogorov-Smirnov (K-S) test in the SPSS program, as shown in Table 1, the asymp sig value is 0.705, so the value of $0.705 > 0.05$ can be concluded that the research data used is normally distributed.

2) Heteroscedasticity Test

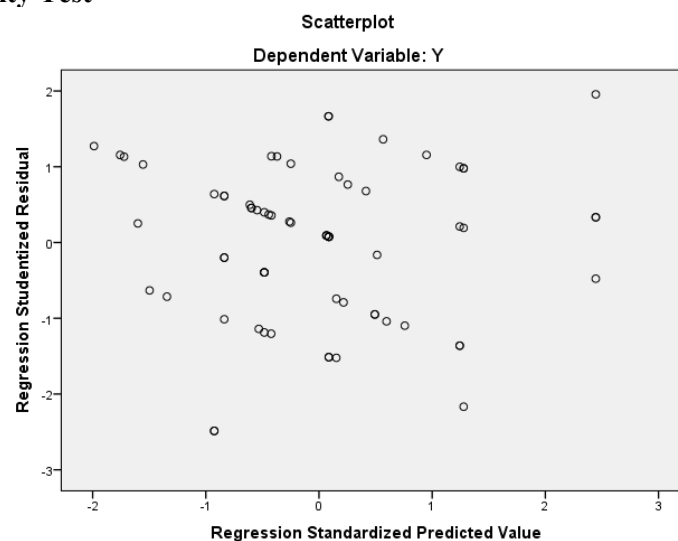


Figure 2. Heteroscedasticity Test

In line with the results of the heteroscedasticity test with the scatterplot using the SPSS program test in Figure 2, it states that if the points in the image do not appear to have a clear pattern and the points are spread above and below the number 0 on the Y-axis, which means that in this research there is no heteroscedasticity.

3) Multicollinearity Test

Table 2. Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Institutional Ownership	,924	1,082
	Board of Directors	,200	5,007
	Board of Commissioners	,184	5,425
	Audit Committee	,458	2,182

a. Dependent Variable: ROA

In line with the results of the multicollinearity test after testing with the SPSS program in Table 2 above, it is stated that each variable has a VIF value of > 10 and a Tolerance Value of > 0.1 . This indicates that there are no multicollinearity symptoms.

4) Autocorrelation Test

Table 3. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,719 ^a	,517	,496	1,72907	2,156

a. Audit Committee, Institutional Ownership, Board of Directors, Board of Commissioners

b. Dependent Variable: ROA

In obtaining the results of the autocorrelation test after the Durbin Watson (DW) test was carried out using the SPSS program in Table 3, it is reported that the Durbin Watson value obtained was 2.156. In this study, the researcher used a sample of 70 samples and four independent variables. In line with the Durbin Watson table, the Durbin Upper (dU) and Durbin Lower (dL) values were 1.7351 and 1.4943, respectively. Using the $dU < d < (4 - dL)$ criterion, it is known that $1.7351 < 2.156 < 2.5057$, so it can be concluded that the Durbin Watson value is between the dU and $(4 - dL)$ values, which indicates that the data in this research have no autocorrelation.

5) Multiple Linear Regression Test

Table 4. Multiple Regression Test

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	4,532	1,211		,007
	Institutional Ownership	,345	,000	,238	,004
	Board of Directors	,421	,001	,393	,001
	Board of Commissioners	,378	,002	,044	,009
	Audit Committee	,447	,001	,537	,001

a. Dependent Variable: ROA

In line with the results of the multiple linear regression test using the program testing in Table 4, it is stated that the multiple linear regression equation model as a financial performance variable (ROA) is influenced by the variables of institutional ownership, the board of commissioners, the board of directors, and the audit committee.

$$Y = 4,532 + 0,345X_1 + 0,421X_2 + 0,378X_3 + 0,447X_4 + e$$

The regression model equation above explains the following:

- The constant value of 4.532 indicates that the institutional ownership, board of commissioners, board of directors, and audit committee variables are equal to zero, so that the constant value or ROA is 4.532.
- Institutional ownership has a regression coefficient of 0.345. Therefore, it can be interpreted that if institutional ownership increases by one unit and the value of other variables remains the same, net profit will increase by 0.345. The regression coefficient is positive, indicating a positive relationship between institutional ownership and ROA.
- The board of directors has a regression coefficient value of 0.421, so that it can be interpreted that if the board of directors increases by one unit and the value of other variables remains the same, it can be interpreted that net profit increases by 0.421. The regression coefficient is positive, it can be interpreted that there is a positive relationship between the board of directors and ROA
- The board of commissioners has a regression coefficient value of 0.378; therefore, it can be interpreted that if the board of commissioners has an increase of 1 unit and the value of other variables remains the same, it can be interpreted that net profit has increased by 0.378. The regression coefficient is positive, it can be interpreted that there is a positive relationship between the board of commissioners and ROA
- The audit committee has a regression coefficient of 0.447. Therefore, it can be interpreted that if the audit committee increases by one unit and the value of other variables remains the same, net profit will increase by 0.447. The regression coefficient is positive, it can be interpreted that there is a positive relationship between the audit committee and ROA

6) R2 Determination Coefficient Test

Table 5. Test of Determination Coefficient (R2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,719 ^a	,517	,496	1,72907

a. Predictors: (Constant), Audit Committee, Institutional Ownership, Board of Directors, Board of Commissioners

b. Dependent Variable: ROA

In obtaining the results of the determination coefficient test using the SPSS program in table 5, it can be seen that the Adjusted R Square value is 0.517 which can be interpreted as 51.7%. explained by institutional ownership, the board of commissioners, the board of directors and the audit committee while the remaining 48.3% ROA is influenced by other variables outside this research.

7) F Test (Simultaneous)

Table 6. F Test (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,004	4	,001	5,192	,001 ^b
	Residual	,011	65	,000		
	Total	,015	69			

a. Dependent Variable: ROA

b. Predictors: (Constant), Audit Committee, Institutional Ownership, Board of Directors, Board of Commissioners

In line with the results of the F test (simultaneous) using the SPSS program test in Table 6 above, the F count result is 5.192 with a sig value of 0.001. This study used a significance value of 5% or equivalent to 0.05. The F count value obtained is 5.192 with an F table value of 2.746 or can be interpreted if $F_{\text{count}} > F_{\text{table}}$ and a sig value of $0.001 < 0.05$ where the result is H_0 is rejected while H_1 is accepted, it can be concluded that institutional ownership, board of directors, board of commissioners, and audit committee have a simultaneous influence on the financial performance (ROA) of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023.

8) t-test (Partial)

Table 7. t-test (Partial)

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1					
(Constant)	4,532	1,211		2,808	,007
Institutional Ownership	,345	,000	,238	2,116	,004
Board of Directors	,421	,001	,393	3,628	,001
Board of Commissioners	,378	,002	,044	2,176	,009
Audit Committee	,447	,001	,537	3,367	,001

a. Dependent Variable: ROA

The results of the t-test (partial) using the SPSS program test in Table 7 above show that the t_{count} results for the constitutional ownership variable are 2.116 with a sig value of 0.004, the t_{count} results for the board of directors variable are 3.628 with a sig value of 0.001, the t_{count} results for the board of commissioners variable are 2.176 with a sig value of 0.009, and the t_{count} results for the audit committee variable are 3.367 with a sig value of 0.001. This study used a significance value of 5% or 0.05 and a t_{table} value with a one-way test of 0.668. The results of the t_{count} (partial) show that each t_{count} value $> t_{\text{table}}$, which means that H_1 is accepted and H_0 is rejected.

5. Conclusions

5.1. Conclusion

This study aims to determine whether there is an influence of institutional ownership, board of directors, board of commissioners, and audit committee partially or simultaneously on the financial performance (ROA) of BUMN companies listed on the Indonesia Stock Exchange in 2019-2023 which were tested using the SPSS Version 23 program. The following is an explanation of the test results.

a. Discussion on the influence of independent variables simultaneously on the dependent variable

Institutional ownership, board of directors, board of commissioners, and audit committee simultaneously have an influence on financial performance (ROA), in line with the results of the F test (simultaneous) using the SPSS 23 program test stating the F count result of $5.192 > F_{\text{table}} 2.746$ and the sig value of $0.001 < 0.05$ where the result is H_0 is rejected while H_1 is accepted, it can be concluded that institutional ownership, board of directors, board of commissioners, and audit committee have a simultaneous influence on the financial performance (ROA) of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023.

These results are in line with the research conducted by Sejati et al. (2018), who found that good corporate governance influences financial performance in manufacturing companies in the real estate and property industry on the IDX for 2014-2016. The research results indicate that the independent variables of the independent board of commissioners, board of directors, audit committee, managerial ownership, and institutional ownership influence the dependent variable of financial performance.

b. Discussion of the influence of independent variables with partial on the dependent variables.

1) The effect of constitutional ownership on financial performance (ROA)

In line with the results of the t-test (partial) using the SPSS 23 program, it states that if the t-value on the institutional ownership variable is $2.116 > 0.668$ or $t_{\text{count}} > t_{\text{table}}$ then the sig value is 0.004

<0.05 where the result is H1 is accepted and Ho is rejected, it can be interpreted that constitutional ownership with partial has a positive and substantial influence on the financial performance (ROA) of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023

This result is in line with research conducted by Monica, S., & Dewi, A. S. (2019) entitled The Effect of Institutional Ownership and Independent Board of Commissioners on Financial Performance on the IDX. The research results state that Institutional Ownership produces a hypothesis that has a positive and substantial influence on financial performance.

2) The influence of the board of directors on financial performance (ROA)

In line with the results of the t-test (partial) using the SPSS 23 program, it states that if the t-value on the board of directors variable is $t_{\text{count}} 3.628 > t_{\text{table}} 0.668$, then the sig value is $0.001 < 0.05$ where the result is H1 is accepted and Ho is rejected, it can be interpreted that the board of directors with partial has a positive and substantial influence on the financial performance (ROA) of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023.

This result is in line with research conducted by Arry Eksandy (2018) entitled The Influence of Good Corporate Governance on Financial Performance in Indonesian Islamic Banking. The research results indicate that the board of directors has an influence on financial performance (ROA)

3) The influence of the board of commissioners on financial performance (ROA)

In line with the results of the t-test (partial) using the SPSS 23 program, it states that the t-value on the board of commissioners variable is $t_{\text{count}} 2.176 > t_{\text{table}} 0.668$ then the sig value is $0.009 < 0.05$ where the results are H1 accepted and Ho rejected, it can be interpreted that the board of commissioners partially has a positive and substantial influence on the financial performance (ROA) of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023.

This result is in line with research conducted by Rompas et al., (2018) entitled The Influence of Corporate Governance Disclosure and Company Size on the Financial Performance of Banks Listed on the Indonesia Stock Exchange for the 2012-2016 Period. The results indicate that the Board of Commissioners has a substantial influence on Financial Performance (ROA).

4) The influence of the audit committee on financial performance (ROA)

In line with the results of the t-test (partial) using the SPSS 23 program, it states that if the audit committee variable has a value of $t_{\text{count}} 3.367 > t_{\text{table}} 0.668$, then the sig value is $0.001 < 0.05$ where the result is H1 is accepted and Ho is rejected, it can be interpreted that the audit committee with partial has a positive and substantial influence on the financial performance (ROA) of BUMN Companies listed on the Indonesia Stock Exchange in 2019-2023.

These results are in line with the research conducted by Solikhah and Suryandani (2021), who studied The Influence of the Audit Committee, Independent Board of Commissioners, Institutional Ownership and Company Size on Financial Performance (case study of food and beverage companies listed on the IDX in 2016-2020). The results indicate that the audit committee, independent board of commissioners, institutional ownership, and company size have a positive and substantial influence on financial performance (ROA).

5.2. Limitations and Further Studies

There are several limitations during the preparation of this research, namely the independent variables in this research are only institutional ownership, board of directors, board of commissioners, and audit committee and the dependent variable is financial performance (ROA). The research was only conducted on BUMN companies listed on the Indonesia Stock Exchange.

5.3. Acknowledgements

Management is expected to pay more attention to Good Corporate Governance to create good corporate value. Further researchers are expected to conduct similar research with the desire to add Good Corporate Governance indicator variables with other measurements so that they can have a greater influence on the Y variable.

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