

## Can Good Corporate Governance Influence the Firm Performance? Empirical Study from Indonesia Transportation Firms

Muhammad Fakhri Musyaffa Budiman and Astrie Krisnawati

Telkom University

Jl. Telekomunikasi No. 1, Terusan Buah Batu, Bandung, 40257, Indonesia

### Info Artikel

#### Keywords:

Board of directors, Financial performance, Good corporate governance, Independent commissioner, and Managerial ownership

#### Kata Kunci:

Anggota Direksi, Kepemilikan Manajerial, Kinerja Keuangan, Komisaris Independen, dan Tata Kelola Perusahaan

ISSN (print): 2598-7763

ISSN (online): 2598-7771

#### ✉ Corresponding Author:

Muhammad Fakhri Musyaffa Budiman:

Tel./Fax.

E-mail:

[fakhrbudiman1721@gmail.com](mailto:fakhrbudiman1721@gmail.com)



### Abstract

Good corporate governance is one factor for the company to improve its performance and maximize shareholder value. The principles of transparency, accountability, responsibility, independence, and fairness are guidelines that must be used by all corporate entities in every company activities; therefore, they can run effectively and efficiently. However, the data shows that the implementation of good corporate governance in Indonesia is still low. Policies and regulations made by the government and companies can improve the low level of good corporate governance. Hence it can improve company performance, especially in terms of financial performance. This study aims to determine the effect of good corporate governance through managerial ownership, independent commissioners, and the board of directors on the company's financial performance through Return on Assets in transportation sub-sector companies listed on the Indonesia Stock Exchange. The data collection method uses secondary data in the form of company annual reports from 2017-2019. The data analysis technique used regression analysis with panel data. The research findings show that managerial ownership, independent commissioners, and the board have no effect on financial performance as proxied by Return on Assets.

Citation: Budiman, M.F.M., and Krisnawati, A., (2021). Can Good Corporate Governance Influence the Firm Performance? Empirical Study from Indonesia Transportation Firms. *AFRE Accounting and Financial Review*, 4(1): 119-128

### Abstraks

Good corporate governance merupakan salah satu faktor bagi perusahaan untuk meningkatkan kinerja perusahaan dan memaksimalkan nilai pemegang saham. Prinsip transparansi, akuntabilitas, responsibilitas, independensi, dan fairness merupakan pedoman yang harus digunakan oleh seluruh entitas perusahaan dalam setiap aktivitas perusahaan, agar dapat berjalan secara efektif dan efisien. Namun data menunjukkan bahwa penerapan good corporate governance di Indonesia masih rendah. Tingkat good corporate governance yang rendah dapat diperbaiki melalui kebijakan dan regulasi yang dibuat oleh pemerintah dan perusahaan sehingga dapat meningkatkan kinerja perusahaan terutama dalam hal kinerja keuangan. Penelitian ini bertujuan untuk mengetahui pengaruh good corporate governance melalui kepemilikan manajerial, komisaris independen, dan dewan direksi terhadap kinerja keuangan perusahaan melalui Return on Asset pada perusahaan sub sektor transportasi yang terdaftar di Bursa Efek Indonesia. Metode pengumpulan data menggunakan data sekunder berupa laporan tahunan perusahaan dari tahun 2017-2019. Teknik analisis data menggunakan analisis regresi dengan data panel. Temuan penelitian menunjukkan kepemilikan manajerial, komisaris independen, dan dewan direksi tidak berpengaruh terhadap kinerja keuangan yang diprosikan dengan Return on Assets

JEL Classification: G21, G30, G32

DOI: <https://doi.org/10.26905/afr.v4i1.6017>

## 1. Introduction

The performance of a company's financial

statements is one approach to evaluate the company performance. Financial statements are pre-

pared to offer information on a company's financial status, performance, and financial position, which will be used for various decision-making purposes in the company. The maximum company value can be reflected in the amount of money and the increase in profits received by shareholders (Chen & Al-Najjar, 2012; Haryanto et al., 2018, Putri et al., 2018; Suhadak et al., 2019; Banamtuan et al., 2020; and Jemunu et al., 2020). Company value is influenced by many factors, one of which is through good corporate governance (GCG). According to SOE Minister Regulation PER-01/MBU/2011, The principles of Good Corporate Governance, transparency, accountability, responsibility, independence, and fairness are guidelines that must be followed by all corporate entities, including company leaders and employees, in taking every action, making decisions, and following rules that support the company's and shareholders' interests. These principles must be implemented following the rules set by the government and the company. The components of GCG must be related to one another, because if the company has complied with and used the GCG principle guidelines, the company's performance will definitely be better, so that from the financial side, namely profit, will also increase. Besides, a good governance system will produce a long-term economic value that is sustainable for shareholders and other stakeholders. Therefore, GCG does not only have a positive impact on shareholders but also for stakeholders, especially the broader community that supports the national economy.

The application of good corporate governance in Indonesia is still considered low. According to the ACGA (Asian Corporate Governance Association), in 2018, Indonesia's corporate governance score is still at the bottom of 34% of the twelve countries and still inferior to other southeast Asian countries such as the Philippines, Thailand, Malaysia, and Singapore. Indonesia has also made little progress in corporate governance reform, with governance low on the government's agenda. The securities regulator is isolated, and the stock exchange puts little focus on corporate governance. The assessment is based on the lack of firmness in enforcement regulations and activities related to corporate governance, lack of participation by IDX in promoting better corporate governance, rules on related party transactions and other major areas of shareholder rights that remain far behind best practice, and the absence of blackout rules for insiders, especially in the

capital market, and the lack of information on the OJK website, especially the availability of timely data in English.

Some cases in Indonesia, such as one of the listed transportation companies, Garuda Indonesia, involves financial reporting originating from the detected manipulation (Pratiwi, 2019). Hence, a good governance system can improve the quality of transparency, accountability, and responsibility, especially in financial reporting (Farzad Eivani, 2012; and Safkaur et al., 2019). The Indonesian government has made several attempts to improve good corporate governance, especially public companies listed on the Indonesia Stock Exchange. It aims to make the corporate governance level of listed companies equivalent to corporate governance in the ASEAN region (OJK, 2015).

Moreover, the company maximizing the wealth and value of shareholders can be achieved if the shareholders (principal) give the company's management to professionals who are referred to as managers (agents). However, the relationship between agent and principal is often tinged with conflict. Agency conflicts are conflicts of interest between managers and shareholders caused by the separation of ownership and control, in which the manager maximizes his utility at the expense of shareholder value (Ducassy & Montandrou, 2015; Badu & Appiah, 2017; Naimah & Hamidah, 2017; Detthamrong et al., 2017; Lee & Chu, 2017; and Ducassy & Guyot, 2017). Agency conflict will impact the relationship between the principal and the agent becomes terrible and will also affect the company's financial performance.

One way to minimize the conflicts between principals and agents is through managerial ownership. Managerial ownership is the ownership of shares by firm management as a percentage of the total number of shares owned (Santi & Wardani, 2018). The importance of GCG in Indonesia is marked by the emergence of additional organs in the company's structure. These organs are not directly affiliated with the company. These additional organs are independent commissioners, independent directors/ unaffiliated directors, audit committees, and company secretaries.

Research conducted by Pillai & Al-Malkawi (2018); Liu et al. (2018); Bhagat & Bolton (2019); Hady (2019); Arniati et al., (2019); and Bhagiawan & Mukhlisin (2020) shows a positive influence between the independent board of commissioners on firm performance as measured by ROA. However, research conducted by Aryani et al. (2017);

Herdjiono & Sari (2017; Eksandy, 2018; and Putri & Zarefar, 2020) shows that the independent board of commissioners have a negative effect on firm performance. Moreover, research by Taufil-Mohd et al. (2013); Bijalwan & Madan (2013); Amran et al (2013); Kamardin (2014); Rashid (2020) and Dakhlallah et al. (2021) shows that there is a positive and significant effect between managerial ownership and corporate firm performance (ROA). On the other hand, research by Wiranata & Nugrahanti (2013) shows that that managerial ownership have a negative effect on ROA. The research also conducted by Rahmawati et al (2017) and Ahmed et al. (2018) shows positive influence between board of directors on firm performance. Meanwhile, according to the research conducted by Latief et al. (2014) shows that there is negative relationship between board of directors on financial performance. Therefore, based on the results of the previous studies and the phenomena that has been described, the author interested in examining the effect of good corporate governance that proxied by managerial ownership, independent commissioner and board of directors on financial performance through Return on Asset at transportation sub sector companies listed on Indonesia Stock Exchange partially and simultaneously.

## 2. Hypothesis Development

### **The Influence of Managerial Ownership on Firm Performance**

Jensen and Meckling (1976) stated that a higher level of managerial ownership structure increases firm performance due to incentives. Managerial ownership acts as a direct incentive for managers to behave in the best interests of the shareholders. The higher the percentage of shares owned by top executives, the more likely the manager will make decisions that maximize shareholder wealth.

According to Amran et al (2013) and Kamardin (2014), Insider ownership of a firm's equity is predicted to boost the firm value as internal and external interests realign. Therefore, it is resulting in less conflict among the shareholders. Management is positively associated with improved asset utilization efficiency, which indicates lower agency costs and is projected to increase firm value as internal and external interests are aligned. Hence, it can reduce conflict between shareholders, which can also impact the firm performance. This is also in line with Kamardin (2014), where the results of his re-search show

that managerial ownership affects on the firm performance through ROA.

H<sub>1</sub>: Managerial ownership has a significant influence on Firm Performance.

### **The Influence of Independent Commissioner on Firm Performance**

An independent board of commissioners can improve the supervisory function in the company because independent commissioners have no family or business relationship with the directors or shareholders, hence reducing agency problems and preventing opportunistic behavior. Jensen and Meckling (1976) stated that the greater the number of monitors, the lower the likelihood of conflict occurring and ultimately lowering agency costs.

According to the KNKG (2006), the number of independent commissioners must ensure that the supervisory mechanism runs effectively and by statutory regulations. With independent commissioners as a separate organ in the company, it is hoped to reduce agency problems. With an independent board of commissioners, both majority and minority shareholders are not neglected because independent commissioners are more neutral towards decisions made by managers (Puspitasari & Ernawati, 2010). An independent board of commissioners can help the company avoid external threats to maintain company resources to get more profit, which can improve financial performance (ROA). This is supported by research conducted by Sarafina & Saif (2017), which states that the independent commissioner affects the company's financial performance through ROA.

H<sub>2</sub>: Independent Commissioner has a significant influence on Firm Performance.

### **The Influence of Board of Directors on Firm Performance**

As an essential organ in the company, the Board of Directors is assigned and responsible collegially for managing the company each member of the Board of Directors has their own duties and authorities, therefore that they can carry out their duties and make decisions based on the division of tasks and authorities. However, the implementation of these duties and decisions is a shared responsibility (KNKG 2006). The number of board members is considered a factor affecting company performance. The Board of Directors' composition must be adjusted towards the need and development of the company. The composition of the

Board of Directors must also be such that it allows for an effective, precise, and fast decision. It can make and act independently in the sense that it does not have an interest that could interfere with its ability to carry out its duties independently and critically (Daniri, 2014:105). However, there is no one optimal measure for the board. The size of the board of directors can vary from country to country due to the different cultures in each country (Zabri et al., 2016; Alqatamin, 2018; and Ajili & Bourri, 2018).

From an agency perspective, it can be argued that a larger proportion of boards tend to be wary of agency problems simply because more board members will review management actions. Larger numbers of board members tend to have more knowledge and skills at their disposal, and the abundance of perspectives they gather tends to increase cognitive conflict (Fauzi & Locke, 2012). Because more members of the board of directors in the company, it can increase the board of directors' ability as the party who runs the company's operational activities. Because, with a large number of boards of directors who have their respective expertise and abilities according to their specialization and experience, it is expected to improve the firm performance. This is also supported by Rahmawati et al (2017) and Ahmed et al., (2018) which state that the board of directors affects the firm as proxied through ROA.

H<sub>3</sub>: Board of Directors has a significant influence on firm Performance.

### 3. Data and Method

The type of data used in this study is panel data, which consist of cross-section and time-series data. This study uses panel data, which is three years from 2017 to 2019. Based on the shape or characteristics of the data, this study uses quantitative data. Quantitative data used in this research is in the form of the company's annual report through the company's financial statements. Based on the source of data collection, the data used in this study is secondary data. The research data is sourced from transportation sub-sector companies listed on the Indonesia Stock Exchange (BEI). Secondary data was collected by using the documentation technique. The sampling technique used is the non-probability sampling method through purposive sampling with some criteria 1) Transportation sub-sector companies in Indonesia registered on IDX in 2017-2019. 2) Transportation sub-sector companies that do not consistently pu-

blish annual reports in 2017-2019. 3) Transportation sub-sector companies that do not have data related to the variables in 2017-2019. The number of samples is 18, with 54 observations. The firm performance is measured using return on assets obtained from net income divided by total assets. Meanwhile, good corporate governance as an independent variable is proxied through managerial ownership, divided by the number of outstanding shares. The proportion of independent commissioners is calculated by adding up the independent boards of commissioners in the company and then dividing by the number of boards of commissioners in the company. The board of directors is calculated by adding up the board of directors in the company. The data analysis technique used panel data regression analysis.

## 4. Result

### Descriptive Analysis

The mean of MOWN (Managerial Ownership) data is 0.083, it means that the average of managerial ownership owned by the board of commissioners and directors of transportation sub-sector companies from 2017-2019 is 0.083. The median of Managerial Ownership (MO) data is 0.005, the maximum value of Managerial Ownership (MO) data is 0.602, the minimum value of Managerial Ownership (MO) data is 0.000. With a standard deviation it can be seen that the level of data distribution (variance) Managerial Ownership (MO) deviates from an average of 0.152.

The mean of the Independent Commissioner (IC) data is 0.418, it means that the average of the proportion of independent commissioner of transportation sub-sector companies from 2017-2019 is 0.418. The median of the Independent Commissioner (IC) data is 0.330, the maximum value of the Independent Commissioner (IC) data is 0.670, the minimum value of the Independent Commissioner (IC) data is 0.250. With a standard deviation, it can be seen that the level of data distribution (variance) of the Independent Commissioner (IC) deviates from an average of 0.123.

The mean of the data for the Board of Directors (BOD) is 4.130, it means that the average of the proportion of board of directors of transportation sub-sector companies from 2017-2019 is 4.129630. The median of the data for the Board of Directors (BOD) is 4, the maximum value of the data for the Board of Directors (BOD) is 6, the minimum value for data for the Board of Direc-

tors (BOD) is 3.000. With a standard deviation it can be seen that the level of data distribution (variance) of the Board of Directors (BOD) deviates from an average of 0.802.

Table 1. Statistic Descriptive

	Y	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>
Mean	-0.023	0.083	0.418	4.130
Median	0.005	0.005	0.330	4.000
Minimum	0.170	0.602	0.670	6.000
Maximum	-0.040	0.000	0.250	3.000
Std. Dev.	0.096	0.152	0.122	0.802

Where: Y= Firm Performance, X<sub>1</sub>=Managerial ownership, X<sub>2</sub>= Independent Commissioner, X<sub>3</sub>= Board of Directors.

Based on the results of the normality test of the data, it shows that the data is normally dis-

Table 2. Result of Multiple Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.009	0.097	-0.090	0.929
MOWN	-0.040	0.123	-0.321	0.750
IC	0.201	0.132	1.522	0.134
BOD	-0.023	0.018	-1.287	0.204
Effects Specification				
		S.D.	Rho	
Cross-section random		0.068	0.499	
Idiosyncratic random		0.068	0.501	
Weighted Statistics				
R-squared	0.096	Mean dependent var		-0.011
Adjusted R-squared	0.042	S.D. dependent var		0.067
S.E. of regression	0.066	Sum squared resid		0.218
F-statistic	1.779	Durbin-Watson stat		1.626
Prob(F-statistic)	0.163			
Unweighted Statistics				
R-squared	0.155	Mean dependent var		-0.023
Sum squared resid	0.413	Durbin-Watson stat		0.858

## Hypothesis Testing

### Coefficient of Determination

It can be seen that the coefficient of determination R<sup>2</sup> is 0.096 or 9.64%. The coefficient of determination (R<sup>2</sup>), in essence, measures how far the model's ability to explain variations in the independent variables (Ghozali & Ratmono, 2017). This shows that Managerial Ownership (MO) (X<sub>1</sub>), Independent Commissioner (IC) (X<sub>2</sub>), and Board of Directors (BOD) (X<sub>3</sub>) can explain ROA (Y) with an effect of only 9.64%, while other variables outside the study explain the remaining 90.36%.

Based on the test results (table 2), partially the Managerial Ownership variable, Independent Commissioner variable, and the Board of Directors variable have no effect on the firm performance. This shows that GCG as proxied by Mana-

tributed. The classical assumption test in the form of autocorrelation test, heteroscedasticity test, and multicollinearity test showed that there was no autocorrelation, no heteroscedasticity and no inter-independent multicollinearity, so that the data could be tested for regression.

### Multiple Regression Analysis

Based on data that has been processed in the classical assumption test, it can be stated that all data in this study are normal, multicollinearity, heteroscedasticity, and autocorrelation do not occur. Therefore that the processed data can meet the requirements for multiple regression models. This multiple regression analysis can be seen as tabel 2.

gerial Ownership, Independent Commissioner, and the Board of Directors does not affect the firm performance. Simultaneously shows that the Managerial Ownership variable, Independent Commissioner variable, and the Board of Directors variable have no effect on the firm performance.

## 5. Discussion

### The Influence of Managerial Ownership on Firm Performance

Based on the results of the analysis that has been carried out, it shows that managerial ownership has no effect on financial performance, where the average number of shares owned by management, especially board members is relatively low. Therefore, the role of managerial ownership as a supporting instrument to improve performance and prevent agency conflicts within the

company is felt to be lacking, which can have an impact on management performance in improving company performance, which can have an impact on the firm performance.

The results of this study are in line with the results of previous studies conducted by Wiranata & Nugrahanti (2013) and Nuraeni (2010), which shows that managerial ownership has no significant influence on firm performance through ROA. It explained that managerial ownership is too low. Therefore, management performance in managing the company is not optimal. Managers as minority shareholders have not been able to participate in deciding on the company actively, so it does not affect firm performance. This research is also not in line with research conducted by Kamardin (2014) and Amran et al (2013), which shows that managerial ownership significantly influences firm performance through ROA. It stated that the greater the percentage of shares owned by top managers, the more likely the manager will make consistent decisions by maximizing shareholder wealth. Moreover, the average proportion of managerial ownership in the sample companies in those studies is relatively high compared to the proportion of shares in the sample companies of researchers, namely 23.80% and 44.63%. This is supported by Sulong & Nor (2010) research, which explains the range of other relationships between performance and managerial ownership ranging from 27% to 67%. Within this range, the relationship is positive, and managers and shareholders' interests appear to be aligned (alignment theory). Because if managerial ownership continues to increase beyond 67%, management power starts to dominate again at the expense of shareholder interests (entrenchment theory).

### **The Influence of Independent Commissioner on Firm Performance**

Based on the analysis results indicate that the independent commissioner has no significant effect on firm performance. This means that the existence of an independent commissioner cannot guarantee the accurate functioning of supervision, management, and decision making in a company.

The results of this study are in line with the results of previous research conducted by Darmadi & Sodikin (2013); Herdjiono & Sari (2017); Eksandy (2018); Handriani & Robiyanto (2019) which shows that independent commissioner has no significant influence on firm performance through ROA. It explained that the influence of independent commissioner is not sig-

nificant because of the small percentage of independent commissioner in increasing firm performance. A board of commissioners with more independent members will provide greater oversight of company management to improve firm performance (ROA). It can be seen that as much as 60% of the sample of transportation sub-sector companies still have one independent commissioner each year, and as many as 60% of them still show negative performance through negative ROA values every year. Moreover, According to previous research, which is also in line with the results of this study Azis and Hartono (2017) and Irma (2019), which also shows that independent commissioner has no significant influence on financial performance through ROA. It stated that the proportion of independent commissioners does not make a positive contribution to financial performance, which means that the size of the proportion of independent commissioners cannot guarantee a good supervisory function, management, and accurate decision making within a company. The appointment of independent commissioners who are independent within the company aims to improve the quality of the company's accountability through supervision to create transparent business activities and avoid the emergence of deviant behavior from managers. However, the appointment of independent commissioners tends to be considered a formality in implementing good corporate governance. There are still also the companies that have one independent commissioner (Azis & Hartono, 2017). The independent board of commissioners, a party not affiliated with the company, is considered less competent in making decisions because the board of commissioners is more dominant (Irma, 2019). The problem that is often found in Indonesian companies is the sterility of the supervisory function of the Board of Commissioners. On the contrary, the President Commissioner or the Board of Commissioners takes on the role and authority that the Board of Directors should carry out. It is necessary to have clarity of duties and functions of company organs to create a check and balance mechanism of authority and roles in managing the company (Daniri, 2014: 12). Besides that, in this variable, the coefficient value is 1.522053. When viewed from the direction of the influence of the regression analysis results, this study shows that the greater the proportion of independent commissioner, the higher the company's firm performance.

## The Influence of Board of Directors on Firm Performance

Based on the results of the analysis shows that a large number of directors in the company can not affect the firm performance properly. The Board of Directors has not coordinated and made the right decisions in carrying out better control functions.

The results of this study are in line with the results of previous research conducted by Kamardin (2014), Latief et al. (2014); Satriadi et al. (2018), Asyati & Farida (2020), It is stated that the more members of the board of directors, the risk of a conflict of interest will increase because the board of directors will prioritize personal interests rather than the interests of the principal, which can have an impact on the firm performance, especially on the company's financial performance. The board of directors can utilize company resources to fulfill personal interests and not carry out the interests of the company.

This can hamper the effectiveness and efficiency of the company, especially in the use of assets, therefore that the agency cost becomes high and can reduce or impact the company's profitability. It can be seen that as much as 79% of the sample of transportation sub-sector companies still have average or more than average of board directors each year, and as many as 53% of them still show negative performance through negative ROA values every year. The disadvantage of having a large board of directors is the occurrence of misunderstanding and poor coordination between the board of directors (AL-Matari, 2012). This can cause management performance to be less effective. Moreover, conflicts that often arise along with the increasing number of members of the board of directors, can cause problems within the company. A smaller board size provides better results for company performance than a large board size (Yermack, 1996; Bhagat & Bolton, 2019; Kao et al., 2019; Merendino & Melville, 2019)

## 6. Conclusions and Suggestions

### Conclusions

Based on the results of panel data regression through the Random Effect Model, the variable of managerial ownership, independent commissioners, and board of directors have no significant effect on firm performance simultaneously as proxied by Return on Assets (ROA) in trans-

portation sub-sector companies listed on the Indonesia Stock Exchange year 2017-2019. Partially both managerial ownership, independent commissioners, and board of directors have no significant partial effect on firm performance as proxied by Return on Assets (ROA) in transportation sub-sector companies listed on the Indonesia Stock Exchange in 2017-2019.

### Suggestions

Based on the results of the research, the authors provide suggestions for the development of further research, namely, to extend the research period, add more variables that might affect the implementation of corporate governance on firm performance, the object of research can be developed, especially companies in other sectors listed on the Indonesia Stock Exchange and for further research, it is expected to pay attention to company data with the same value every year to avoid multicollinearity problems and to meet the BLUE requirements, such as the audit committee. For companies, the results of this study are used as consideration to further improve their management performance by reducing the number of managerial ownership, increasing the number of independent commissioners and non-independent commissioners to increase the supervisory function of the board of commissioners, as well as reducing the proportion of the board of commissioners. Also, reduce the proportion of the board of directors because it can affect its firm performance. For Investors, the results of this study can be used as consideration for making investment decisions, and investors can pay attention to the number of managerial ownership, independent commissioners, and board of directors in a company.

### References

- Ahmed, F., Awais, I., & Kashif, M. (2018). Financial Leverage and Firms' Performance: Empirical Investigation of KSE-100 Index. *Etikonomi*, 17(1), 45-56. <https://doi.org/10.15408/etk.v17i1.6102>
- Ajili, H., & Bourri, A. (2018). Corporate governance quality of Islamic banks: measurement and effect on financial performance. *International Journal of Islamic and Middle Eastern Finance and Management*, 11(3), 470-487. <https://doi.org/10.1108/IMEFM-05-2017-0131>
- AL-Matari, Y. (2012). Board of Directors , Audit

- Committee Characteristics and the Performance of Public Listed Companies in Saudi Arabia. *International Review of Management and Marketing*, 2(4).
- Alqatamin, R. M. (2018). Audit Committee Effectiveness and Company Performance: Evidence from Jordan. *Accounting and Finance Research*, 7(2), 48. <https://doi.org/10.5430/afr.v7n2p48>
- Arniati, T., Puspita, D. A., Amin, A., & Pirezada, K. (2019). the Implementation of Good Corporate Governance Model and Auditor. *Entrepreneurship and Sustainability Issues*, 7(1), 188–200.
- Aryani, Y. A., Setiawan, D., & Rahmawati, I. P. (2017). Board Meeting and Firm Performance. *Proceedings of International Conference on Economics*, 2017(ICE), 440. <http://www.ums.edu.my/fpep/files/Anni.pdf>
- Asyati, S., & Farida, F. (2020). Pengaruh Good Corporate Governance, Leverage, Profitabilitas dan Kualitas Audit terhadap Praktik Manajemen Laba (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI Periode 2014-2018). *Journal of Economic, Management, Accounting and Technology*, 3(1), 36–48. <https://doi.org/10.32500/jematech.v3i1.1073>
- Azis, A., & Hartono, U. (2017). Pengaruh Good Corporate Governance, Struktur Modal, Dan Leverage Terhadap Kinerja Keuangan Perusahaan Pada Sektor Pertambangan Yang Terdaftar Di Bursa Efek Indonesia Tahun 2011-2015. *Jurnal Lmu Manajemen*, 5(3), 1–13.
- Badu, L. A., & Appiah, K. O. (2017). The Impact of Corporate Board Size on Firm Performance: Evidence from Ghana and Nigeria. *Research in Business and Management*, 4(2), 1. <https://doi.org/10.5296/rbm.v4i2.11721>
- Banamtuan, O., Zuhroh, D., & Sihwahjoeni, S. (2020). Asset Management and Capital Ownership on Firm Value: Through Profitability. *AFRE (Accounting and Financial Review)*, 3(1), 83–92. <https://doi.org/10.26905/afr.v3i1.4296>
- Bhagat, S., & Bolton, B. (2019). Corporate governance and firm performance: The sequel. *Journal of Corporate Finance*, 58(January), 142–168. <https://doi.org/10.1016/j.jcorpfin.2019.04.006>
- Bhagiawan, G., & Mukhlisin, M. (2020). Effect of Good Corporate Governance on Tax Planning & Firm Value. *International of Commerce and Finance Finance*. 6(2), 72–80.
- Bijalwan, J. G., & Madan, P. (2013). Board Composition, Ownership Structure and Firm Performance. *International Journal of Research Journal of Economics & Business Studies*, 2(6). <https://doi.org/10.1057/s41310-021-00113-5>
- Chen, C. H., & Al-Najjar, B. (2012). The determinants of board size and independence: Evidence from China. *International Business Review*, 21(5), 831–846. <https://doi.org/10.1016/j.ibusrev.2011.09.008>
- Dakhlallah, M. M., Rashid, N., Amalina, W. A. N., Abdullah, W. A. N., & Dakhlallah, A. M. (2021). Ownership Structure and Firm Performance: Evidence from Jordan. *Journal of Contemporary Issues in Business and Government*, 27(02). <https://doi.org/10.47750/cibg.2021.27.02.011>
- Darmadi, S., & Sodikin, A. (2013). Information disclosure by family-controlled firms: The role of board independence and institutional ownership. *Asian Review of Accounting*, 21(3), 223–240. <https://doi.org/10.1108/ARA-01-2013-0009>
- Detthamrong, U., Chancharat, N., & Vithessonthi, C. (2017). Corporate governance, capital structure and firm performance: Evidence from Thailand. *Research in International Business and Finance*, 42(September 2016), 689–709. <https://doi.org/10.1016/j.ribaf.2017.07.011>
- Ducassy, I., & Guyot, A. (2017). Complex ownership structures, corporate governance and firm performance: The French context. *Research in International Business and Finance*, 39, 291–306. <https://doi.org/10.1016/j.ribaf.2016.07.019>
- Ducassy, I., & Montandrou, S. (2015). Corporate social performance, ownership structure, and corporate governance in France. *Research in International Business and Finance*, 34, 383–396. <https://doi.org/10.1016/j.ribaf.2015.02.002>
- Eksandy, A. (2018). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Pada Perbankan Syariah Indonesia. *Jurnal Akuntansi: Kajian Ilmiah Akuntansi (JAK)*, 5(1). <https://doi.org/10.30656/jak.v5i1.498>
- Farzad Eivani, (2012). Public accountability and government financial reporting. *African Journal of Business Management*, 6(29), 8475–



8482. <https://doi.org/10.5897/ajbm12.072>
- Fauzi, F., & Locke, S. (2012). Board structure, ownership structure and firm performance: A study of New Zealand listed-firms. *Asian Academy of Management Journal of Accounting and Finance*, 8(2), 43–67.
- Hady, M. S. (2019). Analyzing the Effect of Board of Commissioners' Characteristics, Managerial Ownership, and Financial Performance on Financial Risk Disclosure. *Sebelas Maret Business Review*, 3(1), 11–20. <https://doi.org/10.20961/snbr.v3i1.14960>
- Handriani, E., & Robiyanto, R. (2019). Institutional ownership, independent board, the board size, and firm performance: Evidence from Indonesia. *Contaduria y Administracion*, 64(3), 1–16. <https://doi.org/10.22201/FCA.24488410E.2018.1849>
- Haryanto, S., Rahadian, N., Mbapa, M. F. I., Rahayu, E. N., & Febriyanti, K. V. (2018). Kebijakan Hutang, Ukuran Perusahaan dan Kinerja Keuangan Terhadap Nilai Perusahaan: Industri Perbankan di Indonesia. *AFRE (Accounting and Financial Review)*, 1(2). <https://doi.org/10.26905/afr.v1i2.2279>
- Herdjiono, I., & Sari, I. M. (2017). The effect of corporate governance on the performance of a company. Some empirical findings from Indonesia. *Journal of Management and Business Administration. Central Europe*, 25(1), 33–52. <https://doi.org/10.7206/jmba.ce.2450-7814.188>
- Jemunu, M. D. P., Apriyanto, G., & Parawiyati. (2020). Good Corporate Governance Dan Pengungkapan Sustainability Report Terhadap Nilai Perusahaan. *AFRE Accounting and Financial Review*, 3(2), 93–102. <http://repository.unair.ac.id/97940/>
- Kamardin, H. (2014). *Managerial Ownership and Firm Performance: The Influence of Family Directors and Non-family Directors*. 47–83. <https://doi.org/10.1108/s2043-052320140000006002>
- Kao, M. F., Hodgkinson, L., & Jaafar, A. (2019). Ownership structure, board of directors and firm performance. *Corporate Governance (Bingley)*, 19(1), 189–216. <https://doi.org/10.1108/CG-04-2018-0144>
- Latief, R., Raza, S. H., & Gillani, S. A. H. (2014). Impact of corporate governance on performance of privatized firms; evidence from non-financial sector of Pakistan. *Middle - East Journal of Scientific Research*, 19(3), 360–366.
- <https://doi.org/10.5829/idosi.mejsr.2014.19.3.13607>
- Lee, T., & Chu, W. (2017). The relationship between entrepreneurial orientation and firm performance: Influence of family governance. *Journal of Family Business Strategy*, 8(4), 213–223. <https://doi.org/10.1016/j.jfbs.2017.09.002>
- Liu, L., Qu, W., & Haman, J. (2018). Product market competition, state-ownership, corporate governance and firm performance. *Asian Review of Accounting*, 26(1), 62–83. <https://doi.org/10.1108/ARA-05-2017-0080>
- Merendino, A., & Melville, R. (2019). The board of directors and firm performance: empirical evidence from listed companies. *Corporate Governance (Bingley)*, 19(3), 508–551. <https://doi.org/10.1108/CG-06-2018-0211>
- Naimah, Z., & Hamidah, H. (2017). The Role of Corporate Governance in Firm Performance. *SHS Web of Conferences* 34, 13003, 391–403. <https://doi.org/10.4324/9781315583075-38>
- Pillai, R., & Al-Malkawi, H. A. N. (2018). On the relationship between corporate governance and firm performance: Evidence from GCC countries. *Research in International Business and Finance*, 44, 394–410. <https://doi.org/10.1016/j.ribaf.2017.07.110>
- Puspitasari, F., & Ernawati, E. (2010). Pengaruh Mekanisme Corporate Governance Terhadap Kinerja Keuangan Badan Usaha. *Jurnal Manajemen Teori Dan Terapan*, 3(2), 189–215.
- Putri, A. A., & Zarefar, A. (2020). Corporate Governance: Determining of the Performance of Indonesia Companies. *Research Journal of Finance and Accounting*, 11(4), 52–61. <https://doi.org/10.7176/rjfa/11-4-06>
- Putri, E. L., Haryanto, S., & Firdaus, R. M. (2018). Mampukah Good Corporate Governance dan Risiko Kredit Sebagai Prediktor Financial Distress? *AFRE (Accounting and Financial Review)*, 1(1), 26–35. <https://doi.org/10.26905/afr.v1i1.2291>
- Rashid, M. M. (2020). Ownership structure and firm performance: the mediating role of board characteristics. *Corporate Governance (Bingley)*, 20(4), 719–737. <https://doi.org/10.1108/CG-02-2019-0056>
- Safkaur, O., Afiah, N. N., Poulus, S., & Dahlan, M. (2019). the Effect of Quality Financial Reporting on Good Governance.

*International Journal of Economics and Financial Issues*, 9(3), 277-286.  
<https://doi.org/10.32479/ijefi.8047>

*Economics and Finance*, 35(October 2015), 287-296. [https://doi.org/10.1016/s2212-5671\(16\)00036-8](https://doi.org/10.1016/s2212-5671(16)00036-8)

- Santi, D. K., & Wardani, D. K. (2018). Pengaruh tax planning, ukuran perusahaan, corporate social responsibility (CSR) terhadap manajemen laba. *Jurnal Akuntansi*, 6(1), 11-24. <https://doi.org/10.24964/ja.v6i1.536>
- Sarafina, S., & Saif, M. (2017). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan dan Nilai Perusahaan (Studi Pada Badan Usaha Milik Negara yang Terdaftar di Bursa Efek Indonesia Periode 2012-2014). *Jurnal Administrasi Bisnis S1 Universitas Brawijaya*, 50(3).
- Satriadi, F., Masyhuril Amri Bagaskara, Titin Pranoto, & Luciana Haryono. (2018). Pengaruh Tata Kelola Perusahaan Terhadap Profitabilitas Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia. *Studi Akuntansi Dan Keuangan Indonesia*, 1(2), 134-157. <https://doi.org/10.21632/saki.1.2.134-157>
- Suhadak, S., Kurniaty, K., Handayani, S. R., & Rahayu, S. M. (2019). Stock return and financial performance as moderation variable in influence of good corporate governance towards corporate value. *Asian Journal of Accounting Research*, 4(1), 18-34. <https://doi.org/10.1108/ajar-07-2018-0021>
- Sulong, Z., & Nor, F. M. (2010). Corporate Governance Mechanisms and Firm Valuation in Malaysian Listed Firms: A Panel Data Analysis. *Journal of Modern Accounting and Auditing*, 6(1), 1-18.
- Taufil-Mohd, K. N., Md-Rus, R., & Musallam, S. R. M. (2013). The Effect of Ownership Structure on Firm Performance in Malaysia. *Corporate Ownership and Control*, 2(2), 93-100. <https://doi.org/10.22495/cocv13i2p10>
- Wiranata, Y. A., & Nugrahanti, Y. W. (2013). Pengaruh Struktur Kepemilikan Terhadap Profitabilitas Perusahaan Manufaktur di Indonesia. *Jurnal Akuntansi Dan Keuangan*, 15(1), 15-26. <https://doi.org/10.9744/jak.15.1.15-26>
- Yermack, D. (1996). Higher Market Valuation for Firms with a Small Board of Directors. *Journal of Financial Economics*, 40(40), 185-211.
- Zabri, S. M., Ahmad, K., & Wah, K. K. (2016). Corporate Governance Practices and Firm Performance: Evidence from Top 100 Public Listed Companies in Malaysia. *Procedia*