Corporate Governance and Firm Performance: Empirical Evidence From Indonesia Stock Exchange (Kompas 100 Index)

Rahmah Putri Wijayanti[1]

[1]Department of Management, Universitas Negeri Jakarta, Indonesia

Abstract

The purpose of this study is to determine how the impact of corporate governance practices on the performance of companies that have go public in IDX, especially in the KOMPAS 100 index company. The proxies used in this study are boards directors, independent directors, and audit committee. While company performance is measured by ROA. This study uses annual report documents and financial reports from KOMPAS 100 index companies, starting from the period 2019 to 2023. The data analysis method used is multiple regression analysis.

Keyword: *board directors, independent directors, audit committee, firm performance*

1. Introduction

Corporate governance is a system that not only improves the relationship between various parties (shareholders, managers, and investors), but also ensures the proper provision of resources among competing users. In addition, Corporate Governance also describes the structure in which the company's objectives are formulated and the means to achieve the objectives and check whether performance has been achieved (Al-ahdal et al., 2020). Corporate Governance includes the systems, mechanisms, processes and structures used to control and direct the company (Aboagye & Otieku, 2010). n Indonesia itself, the attention of corporate governance began to emerge when in 1997-1998. Indonesia experienced an economic crisis that made Indonesia's economic situation worse. Many parties say the length of the improvement process in Indonesia is due to the very weak corporate governance implemented by companies in Indonesia. This caused many foreign investors to be unwilling to invest in Indonesia. Therefore, in 1999 the government through Kep-31/M.EKUIN/08/1999 established an institution, the National Committee for Corporate Governance Policy (KNKCG). This committee aims to prepare Indonesian Good Corporate Governance (GCG) guidelines for the business sector that continue to be adjusted to developments at the global level.

Then by following the changes in corporate governance principles from the Organization for Economic Cooperation and Development (OECD), in 2004 the government changed the KNKCG to the National Committee on Governance Policy (KNKG). Based on this reform, the implementation of GCG and Good Public Governance is based on five principles, namely: transparency, accountability, responsibility, independence, and fairness. (Humas, 2021).

Improved financial performance is often highlighted as one of the key benefits of implementing good corporate governance mechanisms and structures within an organization. Corporate governance mechanisms play an important role in ensuring the competitiveness and sustainability of the organization (Aboagye & Otieku, 2010; Ehikioya, 2009; Vander, 2009). Companies that place importance on good corporate governance may exhibit higher shareholder value due to higher cash flows and or lower cost of capital. (Agyemang dan Castellini, 2015; Jensen dan Meckling, 1976; Fama dan Jensen, 1983; Hofer, 2008; Zgarni dkk., 2016).

Corporate Governance has several mechanisms or variables to measure it, but the mechanisms that are often used are: board of directors; (Kiel & Nicholson, 2003); (Dawood et al., 2023), board commissioners independent (Liu et al., 2015); (Kabir & Thai, 2017), audit committee (Dawood et al., 2023); (Puni & Anlesinya, 2020); (B. Black & Kim, 2012).

In 2023, ACGA in collaboration with CLSA released a special report which contains corporate governance rankings and scores from 12 markets in Asia Pacific.

CG Watch 2023 market rankings and scores (%)

Market	Previous ranking	2023	2020	Change vs 2020 (ppt)
1. Australia	1	75.2	74.7	+0.5
2. Japan	=5	64.6	59.3	+5.3
=3. Singapore	=2	62.9	63.2	-0.3
=3. Taiwan	4	62.8	62.2	+0.6
5. Malaysia	=5	61.5	59.5	+2.0
=6. Hong Kong	=2	59.3	63.5	-4.2
=6. India	7	59.4	58.2	+1.2
8. Korea	9	57.1	52.9	+4.2
9. Thailand	8	53.9	56.6	-2.7
10. China	10	43.7	43.0	+0.7
11. Philippines	11	37.6	39.0	-1.4
12. Indonesia	12	35.7	33.6	+2.1

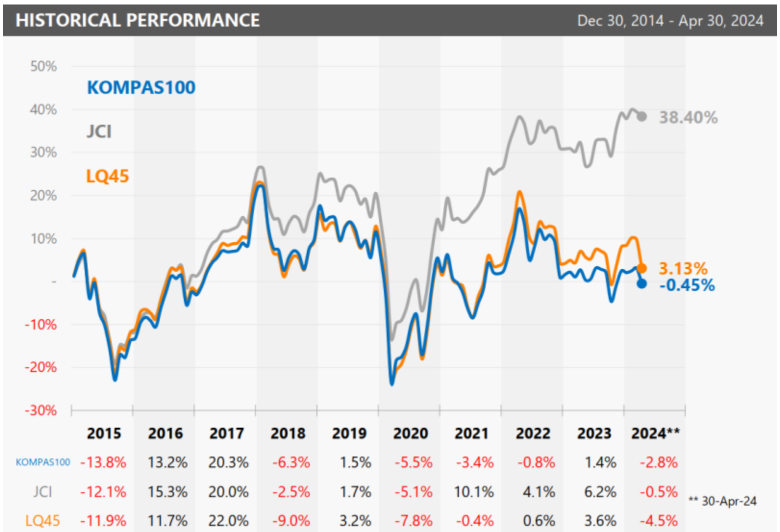
The table above shows the corporate governance rankings and scores in 12 Asia Pacific markets. The data shows that in 2020 and 2023 Indonesia will remain last in the Asia Pacific.

ACGA Market Survey Findings[1]

Market	2023	2020	Highlights
Australia	1	1	Marginal improvement overall but lower score on auditors and audit regulators
Japan	2	=5	Strong govt reform programme, TSE proactive and improved listed company performance
Singapore	=3	=2	Hard stop on INED tenure a plus but underwhelms in tackling large-scale financial scandals
Taiwan	=3	4	Strong on sustainable development roadmap, finally lowered threshold for substantial disclosure
Malaysia	5	=5	Regulators driving reform, but market manipulation still a significant problem
Hong Kong	=6	=2	Changed political landscape, pro-issuer reforms undermine CG landscape
India	=6	7	Solid regulators who listen to investors, better audit regulation
Korea	8	9	Rise of the retail investor, activism
Thailand	9	8	CG reform takes back seat to politics
China	10	10	New IPO regime, focus on independent directors
Philippines	11	11	Policy focus is elsewhere, securities regulator lacks resources
Indonesia	12	12	Corruption, insider trades increase but some solid players among large caps

Rising market
Falling market

Based on the findings of the market survey conducted by ACGA, it was found that the highlights found in the Indonesian market were corruption, insider trading increased but few solid players among large companies. If seen from the survey conducted by the Institute, it can be seen that the implementation of corporate governance in Indonesia is not as optimal as in other countries, or at least in Asia Pacific countries.



The graph above is a history of the performance of companies listed on the Kompas 100 index from year to year. The performance in the graph above is measured by the capital gains earned each year. It can be seen from the graph that the performance of Kompas 100 indexed companies fluctuates every year. The lowest point of the company's performance was between late 2019 and early 2020, at which time the covid-19 pandemic was spreading in Indonesia. The company's performance only increased again in early 2021, but continues to fluctuate in the years ahead.

In investigating the impact of corporate governance on firm performance, factors that systematically affect financial performance are considered, namely firm size and firm age. Firm size is measured by the logarithm of the book value of total assets (Harjoto et al., 2015; Liu et al., 2015). While the age of the company is measured by the logarithm of the number of years since the date of establishment of the company (Isidro & Sobral, 2015).

From the various descriptions above, it is very interesting to examine the impact of corporate governance practices on the performance of companies that have gone public, especially in the Kompas 100 index company which is considered an index of companies with high liquidity, good market capitalization, and has good company fundamentals and growth prospects in the Indonesian market. By taking a sample of all companies that are consistently listed on the Kompas 100 index in 2019-2023.

2. Literature Review

2.1 Firm Performance

Company performance can be measured from the financial statements generated in one accounting period, because financial statements are one of the media used to measure company performance in the long term from the actualization of managerial performance aspects (Manik, 2011). Measurement of company performance can use profitability ratios. Profitability ratio is a measurement of the ability to earn profits using the company's assets or capital. It can be ascertained that the higher the profitability ratio, the better, because the greater the profit earned (Sjahrial & Purba, 2013).

Profitability can be measured by Return on Asset ratio (ROA). ROA measures the overall effectiveness of management in using available assets to generate profits for the company. The higher the ROA, the better. ROA is calculated by dividing the profit available to common shareholders by the total assets of the company as shown on the balance sheet (Aziza & Inanga, 2011). Return on assets (ROA) is an indicator to measure the profitability of a company relative to its total assets. ROA is the ratio between net income plus interest expense (after tax) divided by average total assets (Penman, 2012). According to Ehrhardt & Brigham (2009), this ratio shows efficient management in using assets to generate income. For companies that do not have debt, business risk can be measured by the variability in ROA projections (Brigham & Houston, 2012).

2.2 Corporate Governance

a. Board of Directors

Based on the law on limited liability companies, it is explained that the board of directors is an organ of the company that is authorized and fully responsible for the management of the company for the benefit of the company, in accordance with the aims and objectives of the company and represents the company, both inside and outside the court in accordance with the provisions of the articles of association. The Board of Directors plays an important role in managing the company, but must comply with the decisions of the GMS, the articles of association and the provisions of the applicable laws and regulations. Each member of the board of directors may carry out duties and make decisions in accordance with the division of duties and authority. However, the implementation of duties by each member of the board of directors remains a shared responsibility (Adestian, 2017). The number of directors on a board is an important element in improving management effectiveness in a company (Dalton et al., 1999).

The board of directors supports managers in strategy formulation and implementation. Board members contribute to strategic decision-making by providing access to the resources on which the company depends (Hillman & Dalziel, 2003). The board also plays a controlling role by preventing managers from acting opportunistically to cultivate their personal interests. Agency theory conceptualizes managers as self-interested agents who must be closely monitored (JENSEN & MECKLING, 2000). As such, the board is tasked with facilitating and empowering managers. In this study, the parameter used for the board of directors is the total number of board members in a company.

b. Board Commissioners Independent

The board of commissioners may consist of a board of commissioners and an independent board of commissioners. The term independent is often interpreted as independent, free, impartial, not under pressure from certain parties, neutral, objective, has integrity, and is not in a position of conflict of interest (Agoes & Ardana, 2014). Independent members of the board of commissioners are commissioners who are not affiliated with other members of the board of commissioners, directors, and controlling shareholders, and are free from business or other relationships that may affect their ability to act independently. (Adestian, 2017). In Indonesia, an Independent Commissioner as a member of the Board of Commissioners who comes from outside the Issuer or Public Company, must meet certain criteria. The criteria of Independent Commissioner include, among others: not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Issuer or Public Company within the last 6 (six) months, does not own shares in the issuer or public company, has no affiliation, and has no business relationship either related to the business activities of the Issuer or Public Company (OJK, 2014).

The independent board of commissioners must be able to carry out its duties freely or without being influenced by pressure from parties who have interests or relationships with each other. The greater the number of members of the board of commissioners, the easier it will be to control the chief executive officer (CEO) and the more effective the monitoring will be. Therefore, the parameter used is the number of independent commissioners in a company.

c. Audit Committee

The formation of audit committees has become a regulatory prerequisite in both developed and developing countries, so there have been many studies to investigate their formation, attributes, and activities. (McMullen, 1996; Zhou et al., 2018; Salehi et al., 2020). Audit committee size is also one of the most important aspects of the most important characteristics to assess (Sellami dan Fendri, 2017; Ahmed et al 2020). Agency theory has illustrated the extensive knowledge and deep understanding that larger committees are thought to better monitor management, thereby minimizing agency costs and strengthening firm performance (Fama dan Jensen, 1983). Meanwhile, resource dependency theory has confirmed larger committee size as a better indicator of a firm's financial performance due to the diversity of knowledge and skills that are typically absent in smaller committees. Similarly, members who have the right expertise and experience to fulfill shareholders' interests are usually present in an ideal audit committee size. (Pearce & Zahra, 1992; Al Farooque et al., 2020).

3. Material and Method

The object of this research is the firm performance variable proxied by ROA related to corporate governance variables proxied by board directors, independent board and audit committee with control variables, namely firm age and firm size of companies listed on the Kompas 100 index company. The population used as the object of research is companies listed on the Kompas 100 indexed companies during the 2019-2023 period. Data is taken through documentation techniques, namely by collecting data from company financial reports that have been officially recorded or published, in the form of Annual Reports issued by their respective company websites or from the factsheet of Kompas 100 indexed companies listed on the Indonesia Stock Exchange website.

Total population companies	100 companies
Time period of research data	5 years

Kompas 100 indexed companies do not have complete and audited annual reports during the 2019-2023 period.	(15 companies)
Number of observed data	425 observation

Table 1. Total Sample

3.1 Design Study

a. Relationship between Board of Directors and Firm Performance

Well-known corporate governance literature by (Yermack, 1996) concluded that a large number of directors on a board can reduce firm performance. However, experts argue that the decline in corporate performance is usually caused by incompatibility among board members and lack of agreement on core corporate decisions. Research conducted by (Gaur et al., 2015) shows that the existence of a larger board will improve company performance, which means that the board of directors has a positive impact on company performance. In contrast, research conducted by (Guest, 2009) by using a large sample of 2746 companies listed in the UK during 1981-2002, showing that board size has a strong negative impact on firm performance proxied by profitability, Tobin's Q, and stock returns.

With a good level of supervision, it will affect company performance, because management will act in accordance with what is expected by stakeholders and is expected to increase the effectiveness and efficiency of the company. Based on this description, the next research hypothesis put forward is as follows:

H1 : Board directors has a positive effect on firm performance (ROA)

b. Relationship between Independent Directors and Firm Performance

It is possible that a larger proportion of independent commissioners will have a positive impact on company performance, as revealed by research (Napitupulu et al., 2020) that the presence of an independent board of commissioners helps the company run better because they provide guidance, direction and supervision to the company's management. In addition, research in several countries shows that having an independent board of commissioners can help a company's performance (B. S. Black & Khanna, 2007), (Dahya & McConnell, 2007) , and (B. Black & Kim, 2012) which examined country-specific regulations and found that firm performance in India, the UK, and Korea substantially improved as a result of increased board independence. Research conducted in Pakistan showed that board independence has a positive effect on the financial performance of banks listed on the Karachi stock exchange (Gull et al., 2013). In line with research in Indonesia, the independent board of commissioners has a positive effect on financial performance. (Widyati, 2013) and (Agatha et al., 2020).

However, research conducted by (Herman Darwis, 2009) shows that the existence of independent commissioners is only a formal action to fulfill regulations, so that company performance is not affected by their existence. Thus, they are ineffective in carrying out an effective supervisory function and exercising their freedom to oversee the policies of the board of directors. The results of this study are in line with research conducted by (Septiana et al., 2016) and (Mulyasari et al., 2017) which also states that independent commissioners have no effect on the company's financial performance. Based on this description, the hypothesis proposed is:

H2 : *Independent directors* has a positive effect on *firm performance* (ROA)

c. Relationship between Independent Directors and Firm Performance

An Audit Committee characterized by a greater number of outside directors and accounting or financial expertise will be more effective (Alzeban, 2015; Appiah & Amon, 2017; Solimene et al., 2017). Research in Indonesia shows that audit committee size affects financial performance (Sekaredi, 2011). With more audit committee members, it can increase the effectiveness of the audit committee so that it can prevent earnings management practices by management. The effective supervisory function can also improve the company's financial performance. Research conducted by (Hermiyetti & Katlanis, 2017) said that the audit committee had a significant positive effect on financial performance. This research is supported by (Sekaredi, 2011) and (Agatha et al., 2020) which states that the audit committee has a significant positive effect on financial performance.

However, (Borlea et al., 2017) found that the Audit Committee has no impact on company performance (Tobin's Q and ROA) in Rumania. This statement is also supported by research conducted by (Mulyadi et al., 2019) with results that say the audit committee has no effect on financial performance. That the high and low number of audit committees does not affect the increase or decrease in the company's financial performance proxied by ROA. The existence of an audit committee cannot guarantee the quality of financial reports, supervision and control functions on company management so that it has no effect on the company's financial performance. (Romano et al., 2012) found that there is a negative relationship between the number of audit committees and the company's financial performance. With fewer audit committees, internal control will be better, increasing vigilance over board activities and decisions which will ultimately increase the company's profitability.

H3 : *Audit directors* has a positive effect on *firm performance* (ROA)

3.2 Data Analysis

This research is quantitative research, so that after all the data has been collected, data analysis will then be carried out. In this study, the data analysis method used is panel data (pooled data) which is a combination of data between time (time series) and data between individuals or space (cross section) and the data processor used in this study is Eviews software version 10. The data analysis method used in this study is multiple regression.

Variabel Independen:

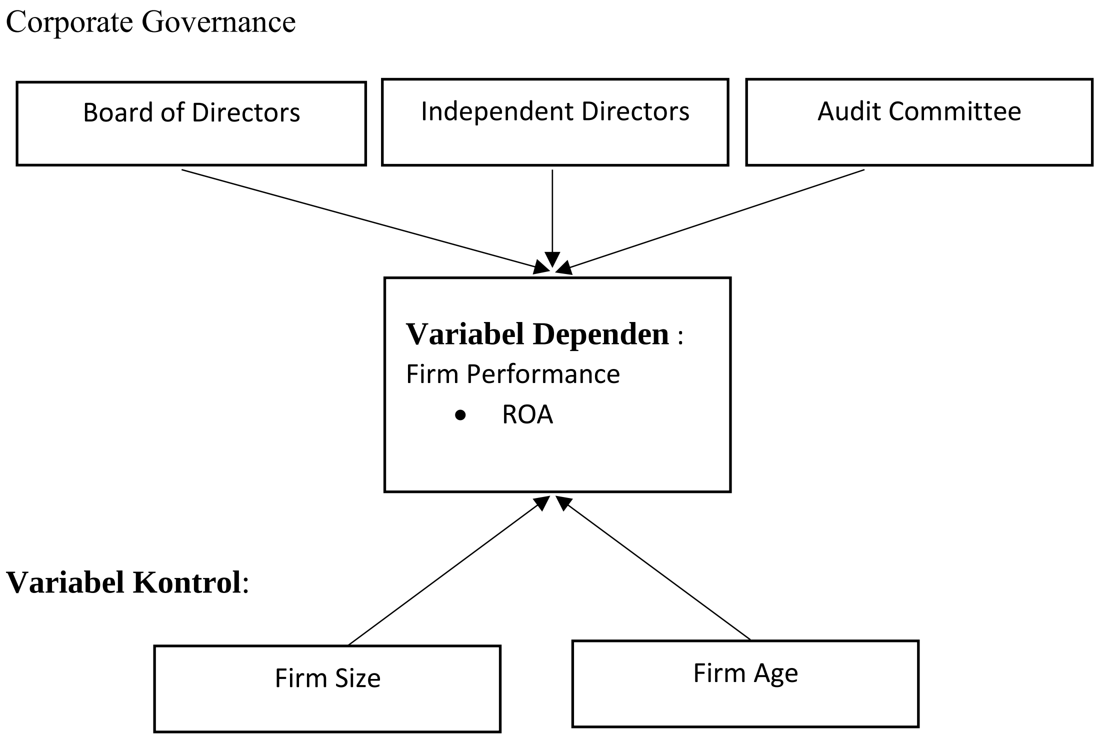


Figure 1. Research Model

This study uses multiple linear regression models. The regression calculation model is as follows:

$$Y = a + b1x1 + b2x2 + b3x3 + b4x4 + b5x5 + b6x6 + e$$

Keterangan :

Y = *Firm Performance*

x1 = *Board of Directors*

x2 = *Independent Commissioner*

x3 = *Audit Committee*

x4 = *Firm Age*

x5 = *Firm Size*

a = Konstanta b = Koefisien regresi c = Koefisien error

4. Result

4.1 Descriptive statistical analysis

Descriptive statistical analysis is able to describe the phenomena or characteristics of data distribution in the form of frequency values, measures of central tendency, dispersion and measures of shape.

	Roa	Board_Directors	Independent_ Commissioner	Audit_Committee	Firm_Size	Firm_Age
Mean	7.087108	6.105882	2.520000	3.402353	31.10821	3.659956
Median	5.000000	6.000000	2.000000	3.000000	30.99369	3.446479
Maximum	59.26000	15.00000	6.000000	8.000000	35.31545	10.73000
Minimum	-18.00000	1.000000	1.000000	2.000000	25.35110	1.000000
Std. Dev.	8.770100	2.036365	0.929191	0.929340	1.527402	0.734641
Observations	425	425	425	425	425	425

Table 2. Descriptive statistical analysis

Based on the test results of the descriptive statistical analysis above, the board director (BD), independent commissioner (IC) and audit committee (AC) have a fairly large mean value, indicating that the average company in the sample has a fairly good proportion of board directors, independent commissioners and audit committees so that it also shows good governance practices.

4.2 Panel Data Estimation Model

Before performing multiple regression on panel data, first determine a good model. The panel data model consists of pool/common effects model (CEM) with ordinary least squares (OLS) estimator, fixed effects model (FEM) with least square dummy variable (LSVD) estimator and random effects model (REM) with generalized least squares (GLS) estimator. The selection of a good model is determined by the following tests (Gujarati & Porter, 2009) : (1) Lagrange Multiplier (LM Test) (2) Chow Test (3) Hausman Test. Based on the LM test, Chow test, and Hausman test that have been conducted, the following results are obtained:

Variable Y	Chow Test	LM Test	Hausman Test	Selected Model
ROA	FEM	REM	FEM	FEM

Table 3. Panel Data Estimation Model

Based on the model test above, it can be seen that the best model for the dependent variable ROA is FEM.

4.3 Goodness of Fit

The accuracy of the sample regression function in estimating the actual value can be measured from the goodness of fit. Statistically, it can be measured from the coefficient of determination, F statistical value and t statistical value (Ghozali & Ratmono, 2013).

4.3.1 Simultaneous Significance Test (F Test)

The F statistical test basically shows whether all the included in the model have a joint or simultaneous influence on the dependent variable (Ghozali & Ratmono, 2013). Simultaneous significance testing can be seen as follows:

Dependent Variable	*Probability Score* **(F-statistic)**	Conclusion
Firm Performance	0.0000	Fit Model

Table 4. F Test

Based on the results of the F test table above, the probability of the F statistical test has a value below α (0.05), which means that the fit model indicates that the Board of directors, independent commissioner, and audit committee variables have a joint effect (simultaneously) on the firm performance.

4.3.2 Statistical Test t (Partial Test)

(Ghozali & Ratmono, 2013) states that the t statistical test basically shows how far the influence of one independent variable on the dependent variable is by holding the other independent variables constant, if the assumption of error normality then we can use the t test to test the partial coefficient of regression. The results of the T statistical test in this study are as follows :

Independent Variable	ROA	
	coef.	**Prob.**
Boards Director	0.691	0.031
Independent Commissioner	1.234	0.046
Audit Committee	0.511	0.527

Table 4. T Test

Based on the T test table above, only the Board Directors and Independent Commissioner variables are partially significant to company performance. While the Audit Committee variable is partially insignificant to company performance.

4.3.3 Estimation of the Coefficient of Determination (R^2)

The coefficient of determination (adjusted R^2) essentially measures how far the model's ability to explain variations in the dependent variable (Ghozali & Ratmono, 2013). The coefficient of determination test in this study is as follows :

Dependent Variable	***Adjusted*** **R^2 Score**
Firm Performance	0.608

Table 5. *Adjusted* R^2 Score

Based on the table above, we can see that all independent variables boards director, independent commissioner, audit committee can explain firm performance by 60.8% and the remaining 39.2% is explained by other variables.

5. Discussion

Based on the findings obtained, it turns out that only the board of directors and independent commissioner variables have a significant effect on firm performance with ROA proxy. These results reject the well-known corporate governance literature by (Yermack, 1996) concluding that a large number of directors on a board can reduce company performance. However, this result is in line with the research findings which state that the existence of an independent board of commissioners helps the company run better because it provides guidance, direction and supervision to the company management.

Meanwhile, the audit committee variable has no significant effect on firm performance with ROA proxy. The finding that the audit committee has no significant effect on firm performance is in line with research which states that the existence of an audit committee cannot ensure the quality of financial reports, supervision and control functions on company management so that it has no effect on the company's financial performance. (Romano et al., 2012) found that there is a negative relationship between the number of audit committees and the company's financial performance. With a smaller number of audit committees, internal control will be better, increasing vigilance over board activities and decisions which will ultimately increase company profitability.

6. Conclusion and Recommendation

6.1 Conclusion

Based on the data description and discussion carried out by researchers, the conclusions of this paper are :

1. As described from the research results above, the results show that the independent variable board of directors has a significant effect on firm performance.
2. The same as the independent commissioner variable which has a significant effect on firm performance.
3. Meanwhile, the audit committee variable is not significant to the dependent variable firm performance

6.2 Recommendation

To further strengthen the research results, it is recommended that further research do the following:

a. Using other proxies of corporate governance variables, and also using other proxies of company performance.
b. Conduct comparative studies between various sectors and countries to understand how corporate governance affects financial performance in different contexts.

7. References

Aboagye, A. Q., & Otieku, J. (2010). Are Ghanaian MFIs' performance associated with corporate governance? *Corporate Governance*, *10*(3), 307–320. https://doi.org/10.1108/14720701011051938

Adestian, Y. (2017). Pengaruh Dewan Komisaris, Dewan Direksi, Dewan Komisaris Independen, Komite Audit dan Ukuran Perusahaan Pada Kinerja Perusahaan Perbankan Yang Listing di Bei Pada Tahun 2012-2014. *Fakultas Ekonomi Universitas Dian Nuswantoro*, 1–13.

Agatha, B. R., Nurlaela, S., & Samrotun, Y. C. (2020). Kepemilikan Manajerial, Institusional, Dewan Komisaris Independen, Komite Audit dan Kinerja Keuangan Perusahaan Food and Beverage. *E-Jurnal Akuntansi*, *30*(7), 1811. https://doi.org/10.24843/eja.2020.v30.i07.p15

Agoes, S., & Ardana, C. (2014). *Etika Bisnis dan Profesi [Business and Professional Ethics]*. Salemba Empat.

Al-ahdal, W. M., Alsamhi, M. H., Tabash, M. I., & Farhan, N. H. S. (2020). The impact of corporate governance on financial performance of Indian and GCC listed firms: An empirical investigation. *Research in International Business and Finance*, *51*(August 2019), 101083. https://doi.org/10.1016/j.ribaf.2019.101083

Al Farooque, O., Buachoom, W., & Sun, L. (2020). Board, audit committee, ownership and financial performance – emerging trends from Thailand. *Pacific Accounting Review*, *32*(1), 54–81. https://doi.org/10.1108/PAR-10-2018-0079

Alzeban, A. (2015). Influence of audit committees on internal audit conformance with internal audit standards. *Managerial Auditing Journal*, *30*(6/7), 539–559.

Appiah, K. O., & Amon, C. (2017). Board audit committee and corporate insolvency. *Journal of Applied Accounting Research*, *18*(3), 298–316. https://doi.org/10.1108/jaar.2008.37509aaa.001

Black, B., & Kim, W. (2012). The effect of board structure on firm value: A multiple identification strategies approach using Korean data. *Journal of Financial Economics*, *104*(1), 203–226. https://doi.org/10.1016/j.jfineco.2011.08.001

Black, B. S., & Khanna, V. S. (2007). Can Corporate Governance Reforms Increase Firm Market Values? Event Study Evidence from India. *Journal of Empirical Legal Studies*, *4*(4), 749–796. https://doi.org/10.1111/j.1740-1461.2007.00106.x

Borlea, S. N., Achim, M. V., & Mare, C. (2017). Board characteristics and firm performances in emerging economies. Lessons from Romania. *Economic Research-Ekonomska Istrazivanja* , *30*(1), 55–75. https://doi.org/10.1080/1331677X.2017.1291359

Dahya, J., & McConnell, J. J. (2007). Board composition, corporate performance, and the Cadbury committee recommendation. *Journal of Financial and Quantitative Analysis*, *42*(3), 535–564. https://doi.org/10.1017/s0022109000004099

Dalton, D. R., Daily, C. M., Johnson, J. L., & Ellstrand, A. E. (1999). Number of directors and financial performance: A meta-analysis. *Academy of Management Journal*, *6*(42), 674–686.

Dawood, M., Rehman, S. ur, Majeed, U., & Idress, S. (2023). Contribution the Effect of Corporate Governance on Firm Performance in Pakistan. *Review of Education, Administration & Law*, *6*(1), 51–62. https://doi.org/10.47067/real.v6i1.304

Gaur, S. S., Bathula, H., & Singh, D. (2015). Ownership Concentration, Board Characteristics and Firm Performance. *Management Decision*, *53*(5), 911–931.

Ghozali, I., & Ratmono, D. (2013). *Analisis Multivariat Dan Ekonometrika: Teori, Konsep, dan Aplikasi dengan Eviews 8*. Badan Penerbit Universitas Diponegoro.

Guest, P. M. (2009). *Guest(2009)-The impact of board size on FP-UK-Q1.pdf. June 2013*, 37–

41.
Gujarati, D. N., & Porter, D. C. (2009). *Basic Econometrics (Fifth Edit)*. Mcgraw-Hill.
Gull, A. A., Akram, T., Bilal, M., & Muzaffar, Z. (2013). Do board independence carry value? A case study of Pakistani banks. *Research Journal of Management Sciences*, *2*(5), 1–5.
Harjoto, M., Laksmana, I., & Lee, R. (2015). Board Diversity and Corporate Social Responsibility. *Journal of Business Ethics*, *132*(4), 641–660. https://doi.org/10.1007/s10551-014-2343-0
Herman Darwis. (2009). Corporate Governance Terhadap Kinerja Perusahaan. *Jurnal Keuangan Dan Perbankan*, *13*(3), 1–13.
Hermiyetti, & Katlanis, E. (2017). Analisis Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Kepemilikan Asing, Dan Komite Audit Tehadap Kinerja Keuangan Perusahaan. *Media Riset Akuntansi*, 25–43.
Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, *28*(3), 383–396. https://doi.org/10.5465/AMR.2003.10196729
Humas. (2021). *Airlangga: Penguatan Tata Kelola Pemerintahan dan Korporasi Dorong Pemulihan Perekonomian Nasional*. Setkab.Go.Id. https://setkab.go.id/airlangga-penguatan-tata-kelola-pemerintahan-dan-korporasi-dorong-pemulihan-perekonomian-nasional/
Isidro, H., & Sobral, M. (2015). The Effects of Women on Corporate Boards on Firm Value, Financial Performance, and Ethical and Social Compliance. *Journal of Business Ethics*, *132*(1), 1–19. https://doi.org/10.1007/s10551-014-2302-9
JENSEN, M. C., & MECKLING, W. H. (2000). *THEORY OF THE FIRM : MANAGERIAL BEHAVIOR, AGENCY COSTS AND OWNERSHIP STRUCTURE*. Taylor & Francis.
Kabir, R., & Thai, H. M. (2017). Does corporate governance shape the relationship between corporate social responsibility and financial performance? *Pacific Accounting Review*, *29*(2), 227–258. https://doi.org/10.1108/par-10-2016-0091
Kiel, G. C., & Nicholson, G. J. (2003). Board Composition and Corporate Performance: how the Australian experience informs contrasting theories of corporate fovernance. *Corporate Governance : An International Review*, *11*(2), 189–205.
Liu, Y., Miletkov, M. K., Wei, Z., & Yang, T. (2015). Board independence and firm performance in China. *Journal of Corporate Finance*, *30*, 223–244. https://doi.org/10.1016/j.jcorpfin.2014.12.004
Mulyadi, A., Titisari, K. H., & Nurlaela, S. (2019). THE EFFECT OF GOOD CORPORATE GOVERNANCE AND CAPITAL STRUCTURE ON FINANCIAL PERFORMANCE EMPIRIS STUDY ON CONSUMPTION INDUSTRIAL COMPANY YEAR PERIOD (2015-2017). *JURNAL WIDYA GANECWARA*, *28*(2).
Mulyasari, F., Djaelani, A. Q., & Salim, M. A. (2017). Pengaruh Mekanisme Good Corporate Governance terhadap Kinerja Keuangan Perusahaan (Studi pada Perusahaan Food and Beverages yang Terdaftar di Bursa Efek Indonesia Periode 2013-2015). *E-Jurnal Riset Manajemen*, *6*(4), 139–153. http://riset.unisma.ac.id/index.php/jrm/article/view/473
Napitupulu, I. H., Situngkir, A., Basuki, F. H., & Nugroho, W. (2020). Optimizing good Corporate Governance Mechanism to Improve Performance: Case in Indonesia's Manufacturing Companies. *Global Business Review*, *46*. https://doi.org/10.1177/0972150920919875
OJK. (2014). Roadmap Tata Kelola Perusahaan Indonesia. *Ojk*, 84.
Pearce, J. A., & Zahra, S. A. (1992). Board Composition From a Strategic Contingency Perspective. *Journal of Management Studies*, *29*(4), 411–438. https://doi.org/10.1111/j.1467-6486.1992.tb00672.x
Puni, A., & Anlesinya, A. (2020). Corporate governance mechanisms and firm performance in

a developing country. *International Journal of Law and Management*, *62*(2), 147–169. https://doi.org/10.1108/IJLMA-03-2019-0076

Romano, G., Ferretti, P., & Alessandra, R. (2012). Corporate Governance and Performance in Italian Banking Groups. *International Conference "Corporate Governance & Regulation: Outlining New Horizons for Theory and Practice,"* 1–35.

Sekaredi, S. (2011). Pengaruh corporate governance terhadap kinerja keuangan perusahaan (studi pada perusahaan yang terdaftar di lq45 tahun 2005-2009). *Eprints.Undip.Ac.Id*, 68.

Septiana, N., Sri, R. R. H., & Sulasmiyati, S. (2016). PENGARUH MEKANISME GOOD CORPORATE GOVERNANCE TERHADAP PROFITABILITAS PERUSAHAAN (Studi pada Perusahaan Makanan dan Minuman Tahun 2011-2014). *Jurnal Administrasi Bisnis*, *38*(2).

Solimene, S., Coluccia, D., & Fontana, S. (2017). Gender diversity on corporate boards: an empirical investigation of Italian listed companies. *Palgrave Communications*, *3*(1), 1–7. https://doi.org/10.1057/palcomms.2016.109

Widyati, M. F. (2013). *PENGARUH DEWAN DIREKSI, KOMISARIS INDEPENDEN, KOMITE AUDIT, KEPEMILIKAN MANAJERIAL DAN KEPEMILIKAN INSTITUSIONAL TERHADAP KINERJA KEUANGAN*. *1*(1), 234–249.

Yermack, D. (1996). Higher Market Valuation for Firms with a Small Board of Directors. *Journal of Financial Economics*, *40*(40), 185–211.

Aboagye, A. Q., & Otieku, J. (2010). Are Ghanaian MFIs' performance associated with corporate governance? *Corporate Governance*, *10*(3), 307–320. https://doi.org/10.1108/14720701011051938

Adestian, Y. (2017). Pengaruh Dewan Komisaris, Dewan Direksi, Dewan Komisaris Independen, Komite Audit dan Ukuran Perusahaan Pada Kinerja Perusahaan Perbankan Yang Listing di Bei Pada Tahun 2012-2014. *Fakultas Ekonomi Universitas Dian Nuswantoro*, 1–13.

Agatha, B. R., Nurlaela, S., & Samrotun, Y. C. (2020). Kepemilikan Manajerial, Institusional, Dewan Komisaris Independen, Komite Audit dan Kinerja Keuangan Perusahaan Food and Beverage. *E-Jurnal Akuntansi*, *30*(7), 1811. https://doi.org/10.24843/eja.2020.v30.i07.p15

Agoes, S., & Ardana, C. (2014). *Etika Bisnis dan Profesi [Business and Professional Ethics]*. Salemba Empat.

Al-ahdal, W. M., Alsamhi, M. H., Tabash, M. I., & Farhan, N. H. S. (2020). The impact of corporate governance on financial performance of Indian and GCC listed firms: An empirical investigation. *Research in International Business and Finance*, *51*(August 2019), 101083. https://doi.org/10.1016/j.ribaf.2019.101083

Al Farooque, O., Buachoom, W., & Sun, L. (2020). Board, audit committee, ownership and financial performance – emerging trends from Thailand. *Pacific Accounting Review*, *32*(1), 54–81. https://doi.org/10.1108/PAR-10-2018-0079

Alzeban, A. (2015). Influence of audit committees on internal audit conformance with internal audit standards. *Managerial Auditing Journal*, *30*(6/7), 539–559.

Appiah, K. O., & Amon, C. (2017). Board audit committee and corporate insolvency. *Journal of Applied Accounting Research*, *18*(3), 298–316. https://doi.org/10.1108/jaar.2008.37509aaa.001

Black, B., & Kim, W. (2012). The effect of board structure on firm value: A multiple identification strategies approach using Korean data. *Journal of Financial Economics*, *104*(1), 203–226. https://doi.org/10.1016/j.jfineco.2011.08.001

Black, B. S., & Khanna, V. S. (2007). Can Corporate Governance Reforms Increase Firm Market Values? Event Study Evidence from India. *Journal of Empirical Legal Studies*, *4*(4), 749–796. https://doi.org/10.1111/j.1740-1461.2007.00106.x

Borlea, S. N., Achim, M. V., & Mare, C. (2017). Board characteristics and firm performances in emerging economies. Lessons from Romania. *Economic Research-Ekonomska Istrazivanja* , *30*(1), 55–75. https://doi.org/10.1080/1331677X.2017.1291359

Dahya, J., & McConnell, J. J. (2007). Board composition, corporate performance, and the Cadbury committee recommendation. *Journal of Financial and Quantitative Analysis*, *42*(3), 535–564. https://doi.org/10.1017/s0022109000004099

Dalton, D. R., Daily, C. M., Johnson, J. L., & Ellstrand, A. E. (1999). Number of directors and financial performance: A meta-analysis. *Academy of Management Journal*, *6*(42), 674–686.

Dawood, M., Rehman, S. ur, Majeed, U., & Idress, S. (2023). Contribution the Effect of Corporate Governance on Firm Performance in Pakistan. *Review of Education, Administration & Law*, *6*(1), 51–62. https://doi.org/10.47067/real.v6i1.304

Gaur, S. S., Bathula, H., & Singh, D. (2015). Ownership Concentration, Board Characteristics and Firm Performance. *Management Decision*, *53*(5), 911–931.

Ghozali, I., & Ratmono, D. (2013). *Analisis Multivariat Dan Ekonometrika: Teori, Konsep, dan Aplikasi dengan Eviews 8*. Badan Penerbit Universitas Diponegoro.

Guest, P. M. (2009). *Guest(2009)-The impact of board size on FP-UK-Q1.pdf*. *June 2013*, 37–41.

Gujarati, D. N., & Porter, D. C. (2009). *Basic Econometrics (Fifth Edit)*. Mcgraw-Hill.

Gull, A. A., Akram, T., Bilal, M., & Muzaffar, Z. (2013). Do board independence carry value? A case study of Pakistani banks. *Research Journal of Management Sciences*, *2*(5), 1–5.

Harjoto, M., Laksmana, I., & Lee, R. (2015). Board Diversity and Corporate Social Responsibility. *Journal of Business Ethics*, *132*(4), 641–660. https://doi.org/10.1007/s10551-014-2343-0

Herman Darwis. (2009). Corporate Governance Terhadap Kinerja Perusahaan. *Jurnal Keuangan Dan Perbankan*, *13*(3), 1–13.

Hermiyetti, & Katlanis, E. (2017). Analisis Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Kepemilikan Asing, Dan Komite Audit Tehadap Kinerja Keuangan Perusahaan. *Media Riset Akuntansi*, 25–43.

Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, *28*(3), 383–396. https://doi.org/10.5465/AMR.2003.10196729

Humas. (2021). *Airlangga: Penguatan Tata Kelola Pemerintahan dan Korporasi Dorong Pemulihan Perekonomian Nasional*. Setkab.Go.Id. https://setkab.go.id/airlangga-penguatan-tata-kelola-pemerintahan-dan-korporasi-dorong-pemulihan-perekonomian-nasional/

Isidro, H., & Sobral, M. (2015). The Effects of Women on Corporate Boards on Firm Value, Financial Performance, and Ethical and Social Compliance. *Journal of Business Ethics*, *132*(1), 1–19. https://doi.org/10.1007/s10551-014-2302-9

JENSEN, M. C., & MECKLING, W. H. (2000). *THEORY OF THE FIRM : MANAGERIAL BEHAVIOR, AGENCY COSTS AND OWNERSHIP STRUCTURE*. Taylor & Francis.

Kabir, R., & Thai, H. M. (2017). Does corporate governance shape the relationship between corporate social responsibility and financial performance? *Pacific Accounting Review*, *29*(2), 227–258. https://doi.org/10.1108/par-10-2016-0091

Kiel, G. C., & Nicholson, G. J. (2003). Board Composition and Corporate Performance: how the Australian experience informs contrasting theories of corporate fovernance. *Corporate Governance : An International Review*, *11*(2), 189–205.

Liu, Y., Miletkov, M. K., Wei, Z., & Yang, T. (2015). Board independence and firm performance in China. *Journal of Corporate Finance*, *30*, 223–244. https://doi.org/10.1016/j.jcorpfin.2014.12.004

Mulyadi, A., Titisari, K. H., & Nurlaela, S. (2019). THE EFFECT OF GOOD CORPORATE GOVERNANCE AND CAPITAL STRUCTURE ON FINANCIAL PERFORMANCE EMPIRIS STUDY ON CONSUMPTION INDUSTRIAL COMPANY YEAR PERIOD (2015-2017). *JURNAL WIDYA GANECWARA*, *28*(2).

Mulyasari, F., Djaelani, A. Q., & Salim, M. A. (2017). Pengaruh Mekanisme Good Corporate Governance terhadap Kinerja Keuangan Perusahaan (Studi pada Perusahaan Food and Beverages yang Terdaftar di Bursa Efek Indonesia Periode 2013-2015). *E-Jurnal Riset Manajemen*, *6*(4), 139–153. http://riset.unisma.ac.id/index.php/jrm/article/view/473

Napitupulu, I. H., Situngkir, A., Basuki, F. H., & Nugroho, W. (2020). Optimizing good Corporate Governance Mechanism to Improve Performance: Case in Indonesia's Manufacturing Companies. *Global Business Review*, *46*. https://doi.org/10.1177/0972150920919875

OJK. (2014). Roadmap Tata Kelola Perusahaan Indonesia. *Ojk*, 84.

Pearce, J. A., & Zahra, S. A. (1992). Board Composition From a Strategic Contingency Perspective. *Journal of Management Studies*, *29*(4), 411–438. https://doi.org/10.1111/j.1467-6486.1992.tb00672.x

Puni, A., & Anlesinya, A. (2020). Corporate governance mechanisms and firm performance in a developing country. *International Journal of Law and Management*, *62*(2), 147–169. https://doi.org/10.1108/IJLMA-03-2019-0076

Romano, G., Ferretti, P., & Alessandra, R. (2012). Corporate Governance and Performance in Italian Banking Groups. *International Conference "Corporate Governance & Regulation: Outlining New Horizons for Theory and Practice,"* 1–35.

Sekaredi, S. (2011). Pengaruh corporate governance terhadap kinerja keuangan perusahaan (studi pada perusahaan yang terdaftar di lq45 tahun 2005-2009). *Eprints.Undip.Ac.Id*, 68.

Septiana, N., Sri, R. R. H., & Sulasmiyati, S. (2016). PENGARUH MEKANISME GOOD CORPORATE GOVERNANCE TERHADAP PROFITABILITAS PERUSAHAAN (Studi pada Perusahaan Makanan dan Minuman Tahun 2011-2014). *Jurnal Administrasi*

Bisnis, *38*(2).

Solimene, S., Coluccia, D., & Fontana, S. (2017). Gender diversity on corporate boards: an empirical investigation of Italian listed companies. *Palgrave Communications*, *3*(1), 1–7. https://doi.org/10.1057/palcomms.2016.109

Widyati, M. F. (2013). *PENGARUH DEWAN DIREKSI, KOMISARIS INDEPENDEN, KOMITE AUDIT, KEPEMILIKAN MANAJERIAL DAN KEPEMILIKAN INSTITUSIONAL TERHADAP KINERJA KEUANGAN*. *1*(1), 234–249.

Yermack, D. (1996). Higher Market Valuation for Firms with a Small Board of Directors. *Journal of Financial Economics*, *40*(40), 185–211.