



THE EFFECT OF GOOD CORPORATE GOVERNANCE ON THE PROFITABILITY OF MINING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

Suherman^{1*}, Mohamad Adam², Marlina Widiyanti³, Yuliani⁴

¹Student of Magister Management, Universitas Sriwijaya, Palembang, Indonesia

^{2,3,4}Lecturer of Magister Management, Economic Faculty, Universitas Sriwijaya, Palembang, Indonesia

Email: ¹suhermansyarif35@gmail.com, ²mr_adam2406@yahoo.com, ³marlinawidiyanti68@yahoo.co.id, ⁴yulianisyapril@unsri.ac.id

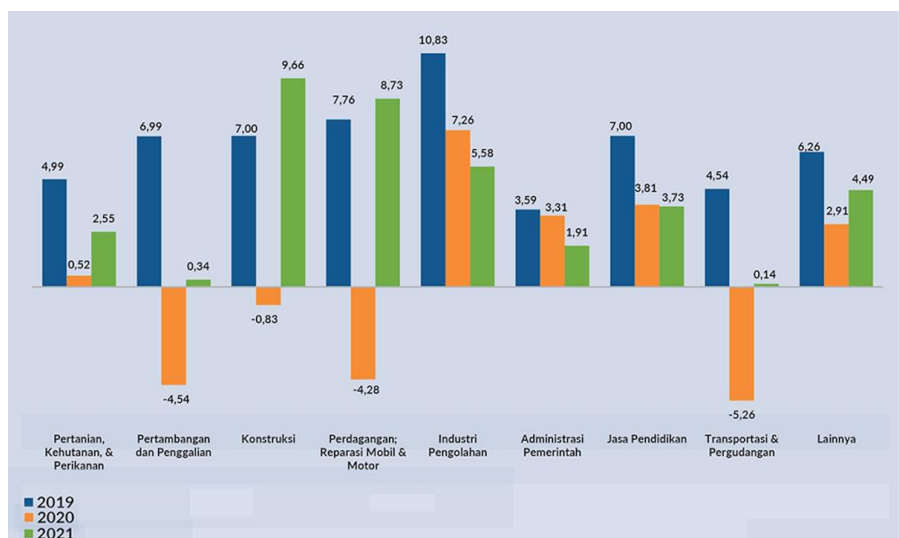
ABSTRACT

The aim of this research is to obtain empirical evidence regarding the influence of management ownership, institutional ownership, independent ownership boards, audit committees on profitability (Return On Equity) in companies listed on the Indonesia Stock Exchange. The sampling technique used purposive sampling, the research samples obtained were 15 companies for the 2019-2022 period so there were 60 analysis units. The research design is quantitative descriptive. The analysis technique in this research uses the panel data regression method. The research results show that management ownership, independent board ownership, and audit committee have no effect on profitability. Meanwhile, institutional ownership has a significant negative effect on profitability. The implication of this research is that companies must pay attention to institutional ownership shares, because they can have a negative impact on the company's profitability.

Keywords: ROE, GCG, Management Ownership, Institutional Ownership.

INTRODUCTION

Business is currently experiencing very rapid development, encouraging many companies to be better at improving their performance. Performance improvement is sought so that companies have the opportunity to compete in a competitive and innovative business world. The Covid-19 pandemic caused a very significant decline in the performance of companies in Indonesia. One of the companies that has been hit hard by the Covid-19 pandemic is a mining company (Kartiko, 2021). Many mining companies listed on the IDX suffered losses in 2020. It is undeniable that this is caused by various things, one of which is the Covid-19 pandemic. However, most companies can still improve their performance in 2021.



Source: nikel.co.id

Figure 1. Growth in Gross Regional Domestic Product of Several Business Fields for the 2019-2021 Period

Based on figure 1.1, it can be concluded that the Covid-19 pandemic is a depressive moment for several companies in Indonesia, especially for mining companies. GDP in mining and quarrying companies decreased dramatically in 2020 with a decrease of -4.45% from 6.99% in 2019. However, there was an increase in GDP in 2021 of 0.34% which may be marked by the easing of the pandemic. This figure shows a decline in productivity in several sectors of companies other than mining, namely car and motorcycle repair trading companies, construction companies, transportation and warehousing. It can be concluded that the Covid-19 pandemic adversely affects most companies. According to Fahmi (2017) Financial performance is an analysis conducted to see the extent to which a company has implemented using financial implementation rules properly and correctly.

This study focuses on one company performance ratio that is commonly used in measuring the ability of businesses to get profits, namely the profitability ratio. Profitability, the company's ability to generate profits through all its capabilities and resources, namely those derived from sales activities, the use of assets and the use of capital (Hery, 2018). There are also several proxies that can be used in calculating the profitability rate according to According Cashmere (2019) i.e., ratio Ratio Profit Margin, Return on Investment, Return on Equity, Earning per Share of Common Stock. While in this study, the ratio used as a proxy is Return on Equity. Reason use Return on Equity (ROE) because ROE works in measuring the ability of a company to generate returns on certain share capital data. The financial ratio of return on equity can be interpreted as a measure of the type of profitability that comes from the point of view of investors or stakeholders (Novita, Effendi and Siregar, 2022).

There are several proxies Corporate Governance which can be used as a factor that affects financial performance such as internal parts i.e. Shareholders; Board of Directors; Board of Commissioners; managers, employees; Remuneration System based on performance; Audit Committee. External part Adequacy of laws and legal instruments; Investor; Information provider institutions; Public accountant; Institutions that have a public interest are not groups; Lenders; Institutions that certify legality (Sutedi, 2012). In this study, the factors to be measured are limited

to several variables, namely Managerial Ownership, Institutional Ownership, Audit Committee, and Independent Board of Commissioners based on Agency Theory.

Agency Theory, Jensen and Meckling (1976) describe agency relationships as those between principals and agents, with delegation of decision-making authority to agents. In an agency relationship, there may be a conflict of interest between the principal and the agent. Shareholders demand increased profitability and dividends of the company, while managers are agents who are motivated to maximize the fulfillment of economic and psychological needs. On the basis of agency and principal relationships, management is encouraged to carry out profit management in presenting financial statements. For this reason, one way that can be used to monitor contract issues between management and investors and limit management's opportunistic behavior is through the implementation of GCG.

There are also several Research Gap Previously regarding good corporate governance on the company's financial performance. Al Farooque et al. (2020); Vomit and Murdijaningsih (2020) found that managerial ownership had a significant positive effect on financial performance. Wiariningsih et al. (2019); Setiawan and Setiadi (2020) found that managerial ownership had a significant negative effect on financial performance. True et al. (2018); Suryanto (2019); Yusrizal and Suharti (2020); Nababan et al. (2021) found that managerial ownership had no effect on financial performance.

Pillai and Al-Malkawi (2018); Setiawan and Setiadi (2020); Suryanto, (2019); Aziizah et al. (2022); Hariadi et al. (2022) found that institutional ownership has a positive and significant influence on financial performance. Town et al. (2018); Situmorang and Simanjuntak (2019) found that institutional ownership had no significant negative effect on financial performance. Abduh and Ellen (2018); Solekhah and David (2020) found that institutional ownership had no effect on financial performance.

Melania and the Goddess (2019); Putri and Pramudiati (2020); Solekhah and David (2020); Al Farooque et al. (2020) found that the Audit Committee had a significant positive effect on financial performance. While Abduh and Ellen (2018); Puni and its Anlesion (2020) Finding that the Audit Committee has a significant negative effect on the company's financial performance. True et al. (2018); Suryanto (2019); Wiariningsih et al. (2019); Yusrizal and Suharti (2020); Vomit and Murdijaningsih (2020) It found that the Audit Committee did not have a significant impact on financial performance.

Tulung and Ramdani (2018); Mahrani and Soewarno (2018); Buachoom (2018); Setiawan and Setiadi (2020); Al Farooque et al. (2020); Finding that the Independent Board of Commissioners has a positive and significant influence on financial performance. While True et al. (2018) Finding that the Independent Board of Commissioners has a significant negative effect on financial performance. Abduh and Ellen (2018); Revelation (2018); Yusrizal and Suharti (2020) Finding that the Independent Board of Commissioners has no significant effect on financial performance.

This research will examine theories such as agency theory and signal theory related to financial performance implied as ROE (Return on Equity), and several independent variables, namely managerial ownership, institutional ownership, audit committee, and independent board of commissioners. Based on the phenomenon and Research Gap Above the author is interested in conducting research with the title "**Influence Good Corporate Governance Against the Profitability of Mining Companies Listed on the Indonesia Stock Exchange**".

THEORETICAL FOUNDATION

Agency Theory

Agency Theory first coined by Jensen and Meckling. Agency Theory states that differences in interests between management and capital owners can cause a conflict of interest. Management who is positioned as the owner's agent, should strive for the prosperity of the owner, but if there is a possibility that the company's management accepts the risk, then the company's management will tend to care about its interests (Jensen & Meckling, 1986).

Good Corporate Governance (GCG)

GCG in this study is proxied as managerial ownership. Managerial ownership can be interpreted as shareholders from management who actively participate in company decision making (Directors and Commissioners) (Wiariningsih et al. 2019).

Managerial Ownership

Managerial ownership is the number of shares owned by company management, this ownership is a minority side and represents shareholders and indicates the implementation of corporate governance (Hariadi et al., 2022).

Institutional Ownership

Institutional Ownership is the ownership of shares by the government, financial institutions, incorporated institutions, foreign institutions, trust funds and other institutions at the end of the year (Sartono, 2017).

Audit Committee

The audit committee is formed by the board of commissioners as an assistant or person who strengthens the functions of the board of commissioners and assists the board of commissioners in carrying out functions from supervision or financial reporting, implementation Good Corporate Governance in the company and the implementation of audits and risk management of the company (Setiawan and Setiadi, 2020).

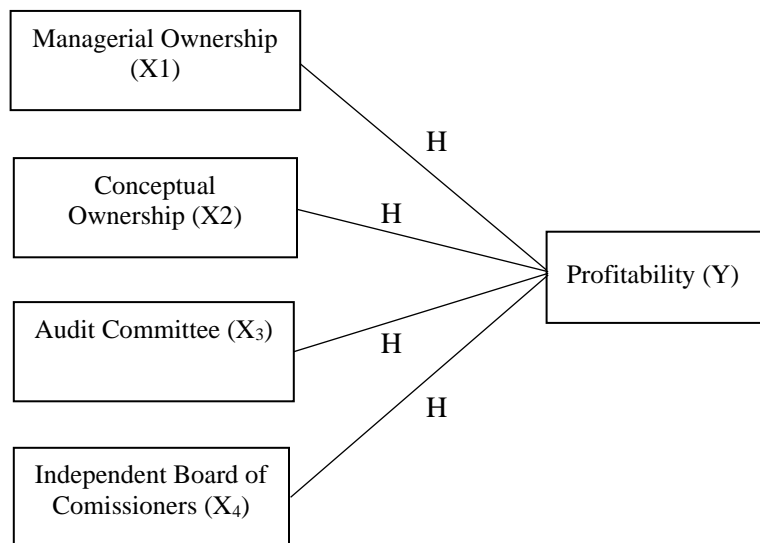
Independent Board of Commissioners

The independence of the board of commissioners is measured by the percentage of independent commissioners to the total existing board of commissioners. Independent commissioners who have at least 30% of the total number of commissioners have complied with GCG guidelines in order to maintain independence, effective, precise, and fast decision making (Wiariningsih, Junaidi and Panjaitan, 2019)

Return on Equity

In this study, company performance is measured by: Return on Equity. Return On Equity (ROE) is a ratio to measure net profit after tax with own capital (Cashmere, 2019). Brigham and Houston (2019) states that the most important ratio is return on equity. This ratio measures the rate of return on shareholder investment.

CONCEPTUAL FRAMEWORK



HYPOTHESIS

- H1: Managerial ownership has a significant positive effect on financial performance
- H2: Institutional ownership has a significant positive effect on financial performance.
- H3: The audit committee has a significant positive effect on financial performance.
- H4: The independent board of commissioners has a significant positive effect on financial performance.

RESEARCH METHODS

The object of research was carried out on trading companies listed on the Indonesia Stock Exchange in the 2019-2022 period. Data collection using purposive sampling techniques where research samples were obtained as many as 15 companies. The research method used is a descriptive method with a quantitative approach using panel data regression. The classical assumption test is carried out before the hypothesis test so that the test results meet the BLUE (Best Linear Unbiased Estimated) criteria. After that, hypothesis testing was carried out with statistical t tests, F tests, and determination coefficient analysis. The model used in this study can be formulated as follows:

$$Y = ROE = \alpha + \beta_1KM + \beta_2KI + \beta_3KA + \beta_4DKI + e$$

Table 1. Operational Definition and Variable Measurement

Variable	Definition	Formula	Measure
Managerial Ownership	The level of share ownership of management who actively participates in decision making.	MO = Number of shares owned by management / Total shares (Sartono, 2017)	Ratio

Institutional Ownership	Share owned by institutions such as banks, insurance companies, and outside companies (Sartono, 2017)	IO = Number of shares owned by institutions / Total shares (Sartono, 2017)	Ratio
Return on Equity	Return on Equity is a comparison between profit after tax distributed to the company's entire capital (Brigham and Houston, 2019).	ROE = profit after tax / total equity (Brigham and Houston, 2019)	Ratio
Independent Board of Commissioners	DKI is a member and main organ responsible for implementing corporate governance (Sutedi, 2012).	IBC = Number of independent commissioners / Number of all members (Sutedi, 2012)	Ratio
Audit Committee	The audit committee was formed by the board of commissioners as an assistant or person who strengthens the functions of the board of commissioners (Setiawan and Setiadi, 2020)	AC = Number of Audit Committee Members (Sutedi, 2012)	Ratio

Source: data processed by the author of the selected books.

RESULTS AND DISCUSSION

Results of Descriptive Statistical Analysis

Table 2. Descriptive Statistics Results

	ROE	MO	IO	IBC	AK
Mean	0.214056	0.087643	0.671293	0.377560	3.216667
Median	0.142013	0.002779	0.678958	0.333333	3.000000
Maximum	1.154000	0.674403	0.998499	0.666667	4.000000
Minimum	0.000240	4.71E-06	0.100001	0.200000	2.000000
Std. Dev.	0.219799	0.174908	0.188285	0.096365	0.490301
Observations	60	60	60	60	60

Source: Eviews 12 output results (Processed)

Test the hypothesis

Coefficient of Determination (Adjusted R²)

The coefficient of determination test aims to measure how far the ability of the independent variable to explain the variation of the dependent variable (Ghozali, 2018). shows that the variables

KM, KI, KA and DKI can explain the ROE variable of 65.5854% while the remaining 34.4146% is explained by other variables outside the regression model of this study.

Partial Test (T-Test)

The t-value test is used to measure how far the influence of one independent variable individually in explaining the variation of the dependent variable (Ghozali, 2018). The results of t-value testing underlie the preparation of a research model which can be formulated as follows:

$$ROE = 0.751453477024 + 0.15728140799KMit - 0.878566298477KIit - 0.0443743897258DKIit + 0.0172063843546KAit + eit$$

Table 3. T-Value Test Results

	Hypothesis	B	Sig	α	Result
H1	Managerial Ownership Has a Significant Positive Influence on Profitability	0.157	0.816	0.05	Rejected
H2	Institutional Ownership Has a Significant Positive Influence on Profitability	-0.878	0,008	0.05	Rejected
H3	The Audit Committee has a significant positive influence on profitability	0.017	0.886	0.05	Rejected
H4	The Independent Board of Commissioners has a significant positive influence on profitability	-0.044	0.882	0.05	Rejected

Source : Eviews 12 output result (Processed)

The Effect of Managerial Ownership on Profitability

From the results of the T Test that has been carried out in this study, it was found that Managerial Ownership has no effect on Profitability in mining companies listed on the Indonesia Stock Exchange for the 2019-2022 period. This can be seen from the test results where the regression coefficient value is 0.157281 with a probability value of 0.8168 (0.8168 > 0.05), so that the first hypothesis (H₁) which states that Managerial Ownership has a positive and significant effect on Return on Equity rejected. The non-effect of managerial ownership on profitability indicates that the state of management performance is not influenced by management's involvement in terms of share ownership. Management will continue to work according to the wishes of the shareholders even though he does not have a proportion of shares in the company. And the ability of management to manage profitability is very low (Pratama, Mukhzarudfa and Yudi, 2021). The results of this study support the results of the study True et al. (2018); Suryanto (2019); Yusrizal and Suharti (2020); Nababan et al. (2021) found that managerial ownership had no effect on profitability. However, the results of this study do not support the results of research from Al Farooque et al. (2020); found that managerial ownership had a significant positive effect on financial performance. Wiariningsih et al. (2019); that managerial ownership has a significant negative effect on financial performance.

The Effect of Institutional Ownership on Profitability

From the results of the T Test that has been carried out in this study, it was found that Institutional Ownership has a negative and significant effect on Profitability which is proxied by Return on Equity (ROE) in mining companies listed on the Indonesia Stock Exchange for the period 2019-2022. This can be seen from the test results where the regression coefficient value is -0.878566 with a probability value of 0.0088 (0.0088 < 0.05), so that the first hypothesis (H₂) which states that Institutional Ownership has a positive and significant effect on Return on Equity

rejected. The negative effect of institutional ownership on profitability indicates that institutional ownership has low monitoring of the company and also institutional ownership is owned by many institutions, different institutions have different interests as well which will cause company management to have difficulty fulfilling the wishes of various institutions so that the company's performance is not optimal (Pratomo and Nuraulia, 2021). The results of this study support the results of the study Town et al. (2018); Situmorang and Simanjuntak (2019); Malahayati (2021) That found that institutional ownership had an insignificant negative effect on profitability

The Effect of the Audit Committee on Profitability

From the results of the T Test that has been carried out in this study, it was found that the Audit Committee has no effect on the Profitability proxied by Return on Equity (ROE) in mining companies listed on the Indonesia Stock Exchange for the period 2019-2022. This can be seen from the test results where the regression coefficient value is 0.017206 with a probability value of 0.8862 ($0.8862 > 0.05$), so the first hypothesis (H3) which states that the Audit Committee has a positive and significant effect on Return on Equity rejected. The results of this study can occur because the more the number of audit committees, the more control and supervision will be carried out, it will consider many decisions from audit committees from different education. A possibility that can affect the decline in profitability due to the addition of an audit committee is that not all audit committees have expertise in accounting and finance, thus affecting the supervision of financial statements (Irma, 2019). The results of this study are supported by True et al. (2018); Suryanto (2019); Wiariningsih et al. (2019); Yusrizal and Suharti (2020); Vomit and Murdijaningsih (2020) which found that the audit committee had no effect on profitability.

The Effect of the Independent Board of Commissioners on Profitability

From the results of the T Test that has been conducted in this study, it was found that the Independent Board of Commissioners has no effect on Profitability as proxied by Return on Equity (ROE) in mining companies listed on the Indonesia Stock Exchange for the 2019-2022 period. This can be seen from the test results where the regression coefficient value is -0.044374 with a probability value of 0.8825 ($0.8825 > 0.05$), so that the first hypothesis (H4) stating that the Independent Board of Commissioners has a positive and significant effect on Return on Equity is rejected.

This means that the independent board of commissioners has not been able to become a trigger factor in increasing the profitability of mining companies listed on the Indonesia Stock Exchange during 2019-2022. The market in Indonesia has not paid attention to the implementation of GCG in the company, shareholders (investors) are less active in developing themselves so that their bargaining power is weak before management. Independent commissioners come from outside the company, so knowledge about the company is relatively limited and the board of directors does not pay attention to the inputs provided by independent commissioners (Ibrahim and Muthohar, 2019). The results of this study are in line with the findings Abduh and Ellen (2018); Revelation (2018); Yusrizal and Suharti (2020) Finding that the Independent Board of Commissioners has no significant effect on financial performance.

CONCLUSION

This study aims to examine the dependent variable as ROE (Return on Equity), and several independent variables, namely managerial ownership, institutional ownership, audit committee, and independent board of commissioners. The coefficient of determination of this study shows that the number of RO variables is 65.5854% while the remaining 34.4146% is explained by other variables outside the regression model of this study.

BIBLIOGRAPHY

- Abduh, M. M. and Ellen, R. (2018) 'Mechanism of Good Corporate Governance, Leverage and Corporate Financial Performance', *Journal of Accounting Research*, 9(1), pp. 80–87. DOI: 10.34010/jra.v9i1.534.
- Aziizah, E. N., Nurlaela, S. and Titisari, K. H. (2022) 'Volume . 18 Issue 2 (2022) Pages 275-284 INNOVATION : Journal of Economics, Finance and Management ISSN : 0216-7786 (Print) 2528-1097 (Online) Effect of good corporate governance, managerial ownership structure, institutional ownership, leverage and uk', 18(2), pp. 275–284. DOI: 10.29264/jinv.v18i2.10508.
- Brigham, E. F. and Houston, J. F. (2019) *Fundamentals of Financial Management*. 14 Book 2. Jakarta.
- Buachoom, W. (2018) 'How Do Board Structures of Thai Firms Influence on Different Quantile Levels of Firm Performance?', pp. 157–189. DOI: 10.1108/S2514-465020180000006004.
- Fahmi, I. (2017) *Financial Performance Analysis*. Bandung: Alfabeta.
- Al Farooque, O., Buachoom, W. and Sun, L. (2020) 'Board, audit committee, ownership and financial performance – emerging trends from Thailand', *Pacific Accounting Review*, 32(1), pp. 54–81. doi: 10.1108/PAR-10-2018-0079.
- Festiana, D., Saputro, H. and Hapsari, D. I. (2022) 'The impact of the corona pandemic on the financial performance of mining and plantation companies', 4, pp. 66–72. DOI: 10.20885/ncaf.vol4.art11.
- Hariadi, S., Putri, D. R. and Sugiono, D. (2022) 'The Influence of GCG and CSR on Financial Performance', *Business Accounting & Management (ABM)*, 29(1), p. 29. DOI: 10.35606/jabm.v29i1.1022.
- Hery (2018) *Financial statement analysis*. Yogyakarta: Grasindo.
- Ibrahim, R. H. and Muthohar, A. M. (2019) 'The Effect of Independent Commissioners and Islamic Social Reporting Index on Company Value with Profitability as an Intervening Variable', *Scientific Journal of Islamic Economics*, 5(01), p. 9. DOI: 10.29040/jiei.v5i01.378.
- Irma, A. D. A. (2019) 'The Effect of Commissioners, Audit Committees, Ownership Structure, Size and Leverage on Financial Performance of Property, Housing and Construction Companies 2013-2017', *Journal of Management Science*, 7(3), pp. 697–712. Available at: <https://ejournal.unesa.ac.id/index.php/jim/article/view/28953>.
- Jensen, M.C., & Meckling, W. H. (1986) 'American Economic Association Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers Author(s): Michael C. Jensen Source: The American Economic Review, Vol. 76 , No . 2 , Papers and Proceedings of the Ninety-Eighth Annual Meeting of the', 76(2), pp. 323–329.
- Kartiko, N. D. (2021) 'The Effect of Net Profit Margin, Return On Assets, Return On Equity, and Earnings Per Share on Stock Prices During the Covid-19 Pandemic (Empirical Study on Public Companies in the Mining Sector on the Indonesia Stock Exchange)', 7(2), pp. 58–68.
- Cashmere (2019) *Financial Statement Analysis*. Jakarta: PT Rajagrafindo Persada.
- Mahrani, M. and Soewarno, N. (2018) 'The effect of good corporate governance mechanism and corporate social responsibility on financial performance with earnings management as mediating variable', *Asian Journal of Accounting Research*, 3(1), pp. 41–60. doi: 10.1108/AJAR-06-2018-0008.
- Malahayati, R. (2021) 'Managerial Ownership Structure, Institutional Ownership Structure, and Company Size on Company Performance and Its Impact on Profit Management in Coal

- Mining Sector Companies in 2017-2019', *Journal of Accounting and Finance*, 9(1), p. 29. DOI: 10.29103/JAK.V9I1.3551.
- Melania, V. and Dewi, A. S. (2019) 'The Effect of Good Corporate Governance on Financial Performance with Profit Management as an Intervening Variable in Banking Companies Listed on the Indonesia Stock Exchange', *College of Economics KBP*, pp. 1–15.
- Munawir (2019) *Financial Statement Analysis*. Keem Edition. Yogyakarta: Libery Yogyakarta.
- Muntahanah, S. and Murdijaningsih, T. (2020) 'The role of corporate governance in improving the performance of mining companies in Indonesia', *Proaksi Journal*, 7(2), pp. 234–243.
- Nababan, E. I., Gultom, R. and Sihite, M. (2021) 'The Effect of Good Corporate Governance on the Company's Financial Performance in the Mining Sector Listed on the Indonesia Stock Exchange for the 2016-2019 Period', *METHODA Scientific Magazine*, 11(3), pp. 156–164. DOI: 10.46880/methoda.vol11no3.pp156-164.
- Novita, L., Effendi, I. and Siregar, Y. (2022) 'The Effect of Current Ratio, Return on Equity and Debt to Asset Ratio on Price Book Value of Advertising, Printing Companies and The Effect of Current Ratio, Return on Equity and Debt to Asset Ratio on Price Book Value of Advertising, Printing and Advertis', *Scientific Journal of Management and Business (JIMBI)*, 3(2), Pp. 152–164. doi: 10.31289/jimbi.v3i2.1276.
- Pillai, R. and 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, pp. 394–410. DOI: 10.1016/J.Ribaf.2017.07.110.
- Pratama, A., Mukhzarudfa, M. and Yudi, Y. (2021) 'The Effect of Ownership Structure, Company Growth on Company Value with Profitability as an Intervening Variable (Study on Banking Companies Listed on the Indonesia Stock Exchange for the 2014-2018 Period)', *Journal of Accounting & Finance Unja*, 6(3), pp. 199–210. DOI: 10.22437/Jaku.V6i3.16115.
- PRATOMO, D. and NURAUZIA, A. N. (2021) 'The Effect of Institutional Ownership, Managerial Ownership and Ownership Concentration on Profit Persistence', *Journal of Business and Accounting*, 23(1), pp. 13–22. DOI: 10.34208/jba.v23i1.761.
- Puni, A. and Anlesinya, A. (2020) 'Corporate governance mechanisms and firm performance in a developing country', *International Journal of Law and Management*, 62(2), pp. 147–169. doi: 10.1108/IJLMA-03-2019-0076.
- Pura, B. D., Hamzah, M. Z. and Hariyanti, D. (2018) 'Analysis of the Effect of Good Corporate Governance on Financial Performance of Banks Listed on the Indonesia Stock Exchange for the 2014-2017 Period', *National Seminar of Scholars*, 4, pp. 879–884.
- Putri, A. Z. and Pramudiati, N. (2020) 'Does Good Corporate Governance Perspective and Corporate Social Responsibility Index Affect Financial Performance?', *PRIVE: Journal of Accounting and Finance Research*, 3(2), pp. 1–11. doi: 10.36815/prive.v3i2.707.
- Rahmiyati, N., Sandari, T. E. and Hariyani, D. S. (2022) 'The Effect of Liquidity, Leverage, Asset Turnover on Stock Prices through Profitability as an Intervening Variable', *Journal of Malahayati Accounting and Management Research*, 11(2), pp. 22–30. DOI: 10.33024/JRM.V11I2.6277.
- Sahara, P., Hartini, T. and Jayanti, S. D. (2020) 'Maqashid Syariah Index and Board of Commissioners Independent on Company Value with Profitability as a Mediation Variable in Sharia Insurance Companies', *I-Finance: A Research Journal on Islamic Finance*, 6(1), pp. 30–45. DOI: 10.19109/iFinance.V6i1.5463.
- Sartono, A. (2017) *Financial Management Theory and Applications*. 4th edition. Yogyakarta: BPFE.

- Sejati, E. P., Titisari, K. H. and Chomsatu, Y. (2018) 'The Effect of Good Corporate Governance on Financial Performance in Real Estate and Property Industry Manufacturing Companies on IDX for the 2014-2016 Period', National Seminar and Call for Paper, pp. 500–512.
- Setiawan, O. and Setiadi, I. (2020) 'The Effect of Good Corporate Governance on Financial Performance in the Consumer Goods Sector on the IDX', *Compartment: Scientific Journal of Accounting*, 18(1), pp. 13–21. DOI: 10.30595/kompartemen.v18i1.6606.
- Situmorang, C. V. and Simanjuntak, A. (2019) 'The Effect of Good Corporate Governance on the Financial Performance of Banking Companies Listed on the Indonesia Stock Exchange', *JOURNAL OF ACCOUNTING AND BUSINESS: Journal of Accounting Study Program*, 5(2), p. 160. DOI: 10.31289/jab.v5i2.2694.
- Solekhah, M. W. and David, E. (2020) 'The Effect of Good Corporate Governance (GCG) on the Profitability of Mining Sector Companies', *Journal of Accounting Science and Research*, 9, pp. 1–22.
- Suryanto, A. (2019) 'Analysis of the Effect of the Implementation of Good Corporate Governance on Financial Performance', *Journal of Bina Manajemen*, 8(1), pp. 1–33.
- Sutedi, A. (2012) *Good Corporate Governance*. Jakarta: Sinar Grafika.
- Tulung, J. E. and Ramdani, D. (2018) 'Independence, size and performance of the board: An emerging market research', *Corporate Ownership and Control*, 15(2–1), pp. 201–208. doi: 10.22495/cocv15i2c1p6.
- Wahyu, R. (2018) 'The Effect of Good Corporate Governance on Financial Performance in Banking Companies Listed on IDX in 2014-2016', *Journal of Management and Business*, 664(1), p. 2015.
- Wiariningsih, O., Junaidi, A. T. and Panjaitan, H. P. (2019) 'The Effect of Good Corporate Governance and Leverage on Financial Performance and Company Value in Mining Companies Listed on IDX in 2013-2016', *Procuratio*, 7(1), pp. 18–29.
- Yusrizal and Suharti (2020) 'Determining Factors of Financial Performance and Corporate Value in The Mining Sector in Indonesia Stock Exchange', *Journal of Management and Finance*, 9(2), pp. 135–155.

Copyright holder:

Suherman, Mohamad Adam, Marlina Widiyanti, Yuliani (2024)

First publication rights:

Syntax Transformation Journal

This article is licensed under:

