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THE INFLUENCE OF GOOD CORPORATE GOVERNANCE ON THE COMPANY'S FINANCIAL PERFORMANCE

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ABSTRACT
This research investigates the impact of Good Corporate Governance (GCG) on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) from 2018 to 2023. Key governance variables include the board of commissioners, board of directors, audit committee, institutional ownership, and managerial ownership. A quantitative associative method was utilized, with data collected from the annual reports of 31 property companies selected via purposive sampling. The analysis was conducted using multiple linear regression with SPSS 25 software. The study reveals that the board of commissioners, board of directors, and audit committee positively and significantly affect financial performance. Conversely, institutional and managerial ownership show a significant negative impact. These findings underscore the importance of effective governance structures in enhancing company performance. Larger boards of commissioners and directors, along with an active audit committee, contribute to better financial outcomes. However, higher levels of institutional and managerial ownership may lead to decisions that negatively affect performance. Good Corporate Governance practices significantly influence the financial performance of property companies. This research provides valuable insights for improving governance frameworks to enhance financial health in the property sector.

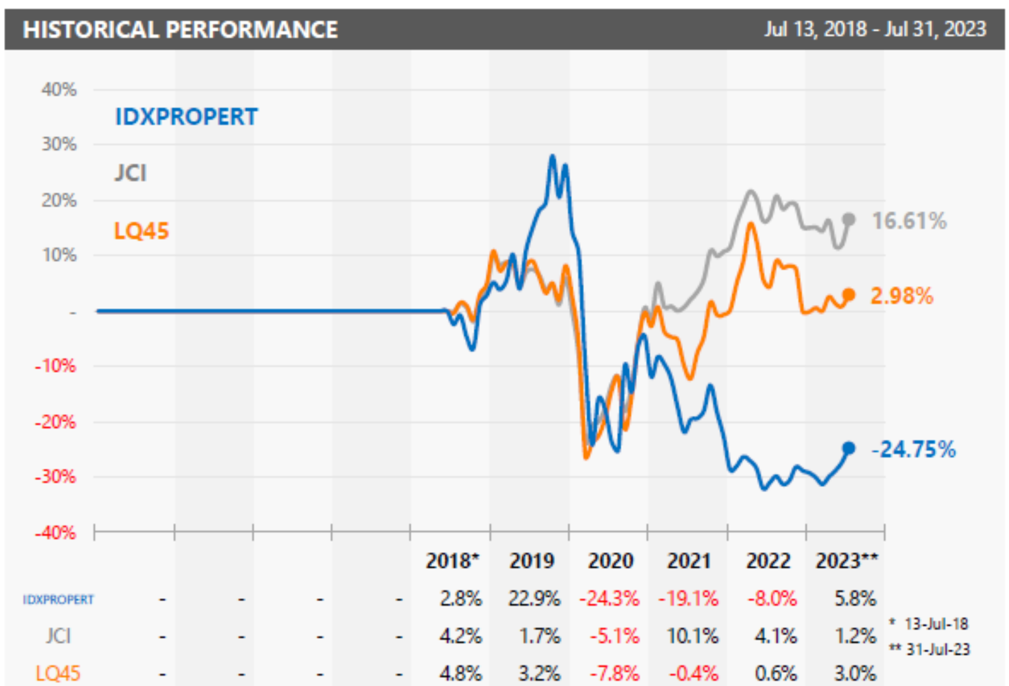
Keywords: Board of Commissioners, Board of Directors, Audit Committee, Institutional Ownership, Managerial ownership, Financial performance

INTRODUCTION

Financial performance is one of the most important things in the business world regarding companies, both internally and externally. When discussing an assessment of a company's performance, financial reports are one of the keys that cannot be forgotten. A company's finances are a benchmark for how a company can survive in the future. According to Munawir (2015, p. 31), a company's financial performance is one of the bases for assessing the company's financial condition which is carried out based on analysis of the company's financial ratios (Salma & Hermuningsih, 2022) .

The benefit of financial performance is to measure the achievements achieved by an organization in a certain period which reflects the level of success in implementing its activities, looking at the performance of the organization as a whole, assessing the contribution of a part in achieving overall company goals, which is used as a basis for determining the company's strategy for the future. , and provide guidance in decision making as a basis for determining investment policies in order to increase company efficiency and productivity. Good financial performance can attract investors to invest (Rizki, 2024) .

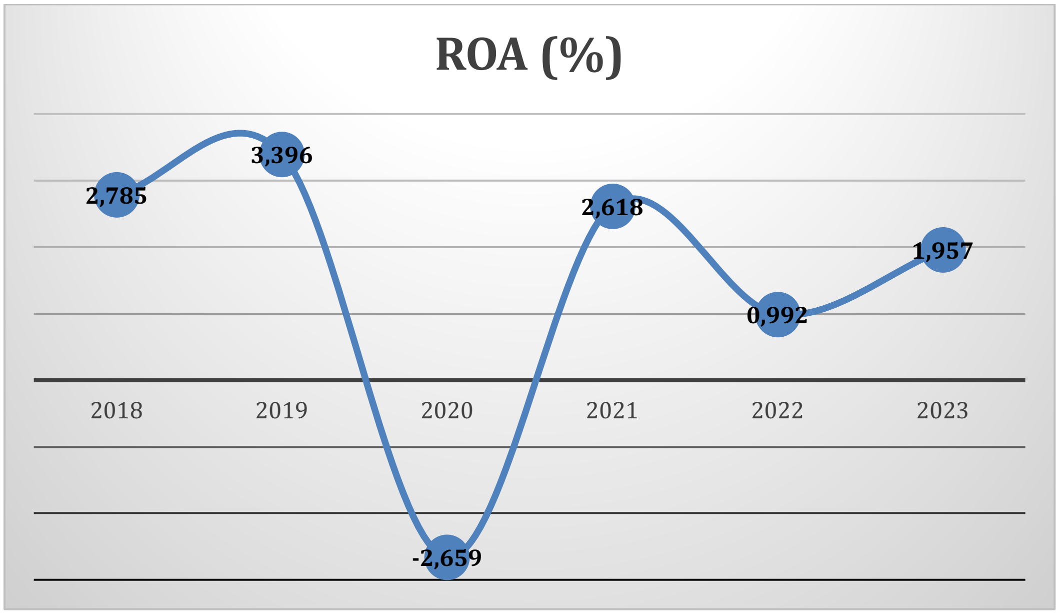
Financial performance is used by management as a guideline for managing the resources entrusted to it. Financial performance reports are made to describe the company's past financial condition and are used to predict future finances (Francis Hutabarat, 2021) . Financial performance plays an important role because it is used as an indicator of whether a company's financial condition and work performance are good or bad at a certain time. The financial performance of property companies listed on the Indonesia Stock Exchange can be seen in the following picture:



Source: idx.co.id

Figure 1 Property Index Performance for 2018-2023

Based on Figure 1, it is known that from 2020 to 2022 the performance of the Property Index continues to decline every year, while the performance of other sectors continues to increase every year. Financial performance is one of the most important things in the business world regarding companies, both internally and externally. When discussing an assessment of a company's performance, financial reports are one of the keys that cannot be forgotten. A company's finances are a benchmark for how a company can survive in the future (Sulistiowati & Ratih, 2023) . All financial data will be presented in a performance report. Starting from incoming money and outgoing money reports. So that all financial movements can be monitored clearly. The financial performance of property companies in 2018 - 2023, projected using ROA, can be seen in Figure 2.



Source: (processed)

Figure 2 Financial Performance of Property Companies 2018-2023

Based on Figure 2, it is known that in 2020 and 2022 the company's financial performance experienced a drastic decline. Several companies in the property sector will go bankrupt in 2022 due to poor financial performance. These companies are PT Forza Land Indonesia Tbk (FORZ), PT Cowell Development Tbk (COWL) and PT Hanson International Tbk (MYRX). With the bankruptcy of the company, investors who invested in the company will experience losses. For investors or shareholders, it is very important to know and monitor the company's financial reports. The reason is, this document can accurately describe the company's business performance. In other words, financial reports can be a benchmark for a company's health and financial position. This can help investors predict the company's future growth and make decisions.

Based on this phenomenon, it is necessary to conduct a scientific study regarding the factors that influence the financial performance of property companies listed on the Indonesian Stock Exchange (BEI), so that investors who invest on the Indonesian Stock Exchange (BEI) no longer experience losses due to investing in companies. who have poor financial performance. One of the components that can be used to assess company performance is financial reports. Have a good competitive strategy, to anticipate bankruptcy by implementing good corporate governance. Corporate governance is proper company management in regulating interactions between management, shareholders, board of commissioners and stakeholders.

The board of commissioners is the part of the company that represents shareholders to carry out supervisory functions over the implementation of company policies and strategies carried out by the directors and provide direction/advice and be responsible, as well as carrying out functions to strengthen the company's image in the eyes of the public and shareholders (Malik, 2022) . Independent commissioners are members of the board of commissioners who are not affiliated with the directors, other members of the board of commissioners and controlling shareholders, and are free from business or other relationships that could affect their ability to act independently or act solely in the interests of the company (Intia & Azizah, 2021) . On September 29 2021, two commissioners of PT Kahayan Karyacon were reported to the Banten Police on suspicion of criminal embezzlement of company assets worth approximately IDR 3 billion (jawapos.com).

Commissioners are an important part of the company. Commissioners are people who will take part in the achievements of a company (Suhendi & Firmansyah, 2022) . Whether the company is running well or not. The commissioner is the person who must supervise and provide advice to the directors and their subordinates. (Ramadhani & Suhendro, 2022) in their research found that the board of commissioners has a significant influence on the company's financial performance. Poor performance of the board of commissioners, such as fraud, embezzlement and so on, will have a direct impact on the company's financial performance, one of which is a decrease in the company's profitability because the board of commissioners does not carry out its duties and functions as it should. However, this is contrary to the results of research conducted by (Sarafina & Saifi, 2017) , which states that the board of commissioners does not have a significant influence on the company's financial performance.

The next element of corporate governance is the Board of Directors. The Board of Directors is the head of the company who is fully responsible for managing the company by always paying attention to the interests, objectives and business units and considering the interests of shareholders and all stakeholders (Syofyan, 2021) . The Directors represent the company, both inside and outside the court in accordance with the provisions of the Articles of Association, comply with all regulations that apply to the company and adhere to the implementation of the principles of good corporate governance. Apart from that, the Board of Directors is responsible for carrying out internal supervision effectively and efficiently, monitoring risks and managing them, maintaining a conducive work climate so that productivity and professionalism become better, managing employees and reporting the company's overall performance to shareholders at the General Meeting of Shareholders.

On February 10 2021, two directors of PT Pos Properti Indonesia (PPI) were charged with corruption with state losses for their actions reaching IDR 26.5 billion (detik.com). In a company or organization, an important or vital role is the board of directors. Because the person who has great power or power in managing all the company's resources is the board of directors. When the performance of the board of directors is poor, it will have a direct impact on the company's financial performance by reducing the company's profitability.

Ramadhani & Suhendro's research (2022) found that directors have a significant influence on the company's financial performance (Ramadhani & Suhendro, 2022) . The Board of Directors is the leader and has authority and responsibility in managing the company, has the task of setting strategic direction, establishing operational policies and is responsible for ensuring the soundness of company management. However, this is contrary to the results of research conducted by (Febrina & Sri, 2021) which states that the board of directors does not have a significant effect on the company's financial performance.

The next element of corporate governance is the Audit Committee. The Audit Committee is to determine the implementation of corporate governance. The main task of the Audit Committee is to encourage the implementation of good corporate governance, the establishment of an adequate internal control structure, improving the quality of financial disclosure and reporting and exploring the scope, accuracy, independence and objectivity of public accountants. The Audit Committee consists of two members, namely independent parties (parties from outside the Company) who are competent in accounting and finance and chaired by an Independent Commissioner.

Cases of manipulation of financial reports in property and real estate sector companies often occur, one of which is PT. Bakrieland Development (ELTY). This company is known to have a bond debt to the Bank of New York, but cannot pay off its debt which is due, therefore the company was filed for bankruptcy on September 7 2021. This case also had a very bad impact on the business continuity of PT. Bakrieland Development (ELTY) because the company was almost delisted from the Indonesia Stock Exchange (BEI) and experienced a crisis of confidence among its investors in the capital market. In this case PT. Bakrieland Development submitted a request for Postponement of Debt Payment Obligations (PKPU) which was carried out as a peaceful effort, but what happened was that PT. Bakrieland Development did not disclose this problem in its financial reports (kontan.co.id).

The existence of cases of manipulation that occur in financial reports indicates failure in financial reporting practices in the past. The existence of this manipulation case is proof that the property sector has a large risk in terms of funding. The condition of the financial reports produced by the company will in the future be used by investors and creditors as a source of information used as a basis for consideration in making decisions related to investment of funds. Therefore, the information contained in financial reports must have high integrity so that it does not mislead users of financial reports. On the other hand, market confidence also greatly influences the continuity of a company's business because even though the condition of financial reports and projects is healthy, if market confidence is negative, the company's reputation and credibility will also decline.

The occurrence of cases of manipulation of financial reports is due to the weakness and non-functioning of the audit committee within the company organization. Basically, the Audit Committee was formed to assist the Board of Commissioners in carrying out its duties regarding internal control. The Audit Committee's responsibility is to supervise the company regarding understanding various matters that have the potential to contain risks, empowering the internal control system, as well as monitoring the supervisory process carried out by internal auditors or the Internal Audit Unit (SPI).

Febrina & Sri's research (2021) found that the audit committee has a significant effect on the company's financial performance (Febrina & Sri, 2021) . The audit committee has an important role in the company to improve its performance, the better the performance of the audit committee, the greater the financial performance will be. This is in accordance with the values that exist in good corporate governance, the accountability of reports made by management will decrease in intervention when the proportion of the audit committee increases with the duties and responsibilities of the audit committee board. However, this is contrary to the results of research conducted by (Ramadhani & Suhendro, 2022) , which states that the audit committee does not have a significant effect on the company's financial performance.

The next element of corporate governance is institutional ownership. Institutional ownership acts as a company's external control mechanism. The greater the institutional ownership of a company will increase the efficiency of using company assets, so it is hoped that there will be monitoring of management decisions. Institutional ownership has an important meaning in monitoring management because institutional ownership will encourage more optimal supervision. This monitoring will certainly guarantee prosperity for shareholders, the influence of institutional ownership as a supervisory agent is suppressed through their fairly large investment in the capital market.

Malik (2022) and Khasanah et al (2021), in their research found that institutional ownership has a significant effect on company financial performance. The greater the ownership of company shares owned by institutions or institutions such as insurance companies, banks, investment companies, and other ownership, the better the picture of the company's financial condition which is analyzed using financial analysis tools to determine the good and bad financial condition of a company which reflects the work presentation. within a certain time period, and vice versa. However, this is contrary to the results of research conducted by (Ramadhani & Suhendro, 2022) which states that institutional ownership does not have a significant effect on a company's financial performance.

The next element of corporate governance is managerial ownership. Managerial ownership is the number of ordinary shares owned by management (directors and commissioners) in a company, which also means in this case the ownership of the company from management who actively participates in decision making in the company concerned. By increasing share ownership by managers, it is hoped that managers will act in accordance with the wishes of the principals because managers will be motivated to improve performance. Theoretically, when management ownership is low, the incentive for the possibility of manager opportunistic behavior will increase. The size of the amount of managerial share ownership in a company can indicate the similarity of interests between management and shareholders.

Malik (2022) and Romadoni & Pradita (2022), in their research found that managerial ownership has a significant effect on the company's financial performance. The more shares a manager owns, the more motivating management will be to improve the company's financial performance. This is because by having share ownership, company managers will get a share of the dividends. Managers who are also shareholders will improve financial performance because by improving financial performance, the value of their wealth as shareholders will also increase. Managerial share ownership will help unify the interests of managers and shareholders, so that managers experience directly the benefits of decisions taken and also bear losses as a consequence of inappropriate decision making. However, this is contrary to the results of research conducted by (Febrina & Sri, 2021) , which states that managerial ownership does not have a significant effect on the company's financial performance.

Based on existing phenomena and differences in research results from previous researchers, the current researchers conducted research again to determine the influence of GCG on the financial performance of property companies listed on the Indonesia Stock Exchange for 2018-2022. This research is a replication of Malik's (2022) research. The difference with previous research lies in the research object used. This research was conducted with a different object, namely in the property sector, while previous research was in various industrial sectors.

Based on the research questions above, the main objective of this research is to analyze the influence of the board of commissioners, board of directors, audit committee, institutional ownership, and managerial ownership on the company's financial performance. This research is expected to provide several important benefits. First, theoretical benefits or literature review, where the results of this research are expected to contribute to the development of literature regarding company financial performance, add references, and encourage further research on the factors that influence company financial performance. Second, the benefits for practitioners, where the results of this research can help managers improve the quality of the company's Good Corporate Governance (GCG) so that it can improve the company's financial performance. Third, benefits for investors, where GCG principles are considered important because they can improve the decision-making process, produce optimal and efficient decisions, as well as have a positive impact on the company's financial performance and minimize abuse of authority by directors in managing the company.

RESEARCH METHODS

This research will use associative quantitative research methods. This research is based on supporting theory as a theoretical basis for analyzing the data obtained. This research uses quantitative research in the form of descriptive research. This research uses two independent variables, namely board of commissioners (X^1), board of directors (X^2), audit committee (X^3), institutional ownership (X^4), and managerial ownership (X^5), with the dependent variable namely financial performance (Y). The data source used is secondary data. This data was obtained from the annual financial reports of property companies listed on the Indonesia Stock Exchange (BEI) for 2018-2023. This research was conducted on property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023. The research period runs from December 2023 to January 2024. The population in this research is property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, totaling 63 companies. The sampling technique in this research used purposive sampling. Data collection was carried out by analyzing annual report data published by property companies as well as data obtained from various sources, including Library Research, bibliography, financial reports, annual reports, journals and other documents. The method in this research is a multiple linear analysis method. Multiple linear regression analysis in this study used SPSS version 25 software, so that the multiple regression equation was formulated:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + e$$

Where :

Y : Financial Performance
X1 : Board of Commissioners
X2 : Board of Directors
X3 : Audit Committee
X4 : Institutional Ownership
X5 : Managerial Ownership
a : Constant
b : Variable Coefficient
e : error

RESULTS AND DISCUSSION

Normality test

Testing the classical assumption of normality aims to determine whether the residual data from the linear regression model has a normal distribution or not. A good regression model is one where the residual data is normally distributed (Ghozali, 2018, p. 145). In this research, the normality test used was the One-Sample Kolmogrov-Smirnov Test statistical test approach. If a significant value >0.05 is obtained, it can be concluded that the data is normally distributed in a multivariate manner (Ghozali, 2018, p. 145). The results of the normality test are presented in the table below:

Table 1 One-Sample Normality Test *Kolmogrov-Smirnov Test*

	Unstandardized Residuals
N	186

Normal Parameters [a, b]	Mean	,0000000
	Std. Deviation	6.35523141
Most Extreme Differences	Absolute	,079
	Positive	,079
	Negative	-,042
Statistical Tests		,079
Asymp. Sig. (2-tailed)		,135 [c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Processing Data Study 202 4

Based on table 1 of the normality test results above, the data is said to show that the significance value (2 tailed) = 0.135, meaning that it can be interpreted that all variables are normally distributed.

Multicollinearity Test

The multicollinearity test aims to test whether in a regression model a correlation is found between the research independent variables. A good regression model should have no correlation between independent variables. Whether there is a correlation between these variables can be detected by looking at the Variance Inflation Factor (VIF) value.

According to Ghozali (2018, p. 71), VIF is the opposite of tolerance if a low tolerance value is the same as a high VIF value (because VIF = tolerance). The general way used to show multicollinearity is if the tolerance value is <0.10 or the same as VIF > 10, then multicollinearity occurs in this study. The results of the multicollinearity test can be seen in the table below:

Table 2 Multicollinearity Test

Variable	Tolerance	VIF	Information
board of Commissioners	,682	1,466	There is no multicollinearity
Board of Directors	,816	1,225	There is no multicollinearity
Audit Committee	,830	1,204	There is no multicollinearity
Institutional Ownership	,681	1,469	There is no multicollinearity
Managerial ownership	,695	1,439	There is no multicollinearity

Source: Processing Data Study 202 4

Based on Table 2, it can be seen that the Tolerance value for each independent variable in this study has a value greater than 0.10 and the VIF value is smaller than 10, so it can be concluded that the regression model is free from symptoms of multicollinearity.

Heteroscedasticity Test

The heteroscedasticity test is carried out to test whether there is an inequality of variance from the residuals of one observation to another in the regression model. The regression model is said to be good if homoscedasticity or heteroscedasticity does not occur. Homoscedasticity is when the variance from the residuals from one observation to another is constant. If it is different, it is called heteroscedasticity.

The heteroscedasticity test was carried out using the Glejser test. To test whether there is heteroscedasticity, namely by comparing the significance of each independent variable in the SPSS output with the significance level used in this research, namely 0.05 or 5%. If the resulting significance value for each variable is less than 0.05, it indicates heteroscedasticity is occurring. On the other hand, if the resulting significance is more than 0.05, then heteroscedasticity does not occur.

Table 3 Heteroscedasticity Test

Variable	Sig	Information
board of Commissioners	0.501	Heteroscedasticity does not occur
Board of Directors	0.116	Heteroscedasticity does not occur
Audit Committee	0.282	Heteroscedasticity does not occur
Institutional Ownership	0.453	Heteroscedasticity does not occur
Managerial ownership	0.522	Heteroscedasticity does not occur

Source: Processing Data Study 202 4

Based on the results of the heteroscedasticity test via the Glejser test, it can be seen that the significance value of each independent variable is above or higher than the significance value used, namely 0.05. Therefore, it can be concluded that heteroscedasticity does not occur in the independent variables used in this research.

Autocorrelation Test

Autocorrelation is used to test a model whether the confounding variables of each independent variable influence each other. To find out whether the regression model contains autocorrelation, the DW (Durbin Watson) approach can be used. According to Santoso (2018, p. 207), there are 3 autocorrelation criteria, namely:

1. value below -2 means there is positive autocorrelation.
2. value between -2 to 2 means there is no autocorrelation.
3. value above 2 means there is negative autocorrelation.

The results of the autocorrelation test from this research can be seen from the following table:

Table 4 Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,729 [a]	,531	,511	5.332784	1,811

Source: Research Data Processing 2024

The autocorrelation test in table 4 shows that the Durbin Watson (DW) value is 1.81 which is between -2 and +2, and this should conclude that the research model equation is free from autocorrelation because the Durbin Watson value is between -2 to +2 .

Multiple Linear Regression Equation

In this research, the hypothesis was tested using a multiple linear regression model to obtain a comprehensive picture of the influence of the variables of the board of commissioners, board of directors, audit committee, institutional ownership and managerial ownership on the finances of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 with the help of SPSS version 25 software. Statistical data processed by SPSS data for partial testing (t test) is shown in the following table:

Table 5 Multiple Linear Regression Analysis

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,544	3,331		3,352	,002
	board of Commissioners	1,038	,236	,355	4,396	,000
	Board of Directors	,635	,724	,064	4,455	,000
	Audit Committee	,553	,468	,025	3,312	,003
	Institutional Ownership	-,083	,024	-,281	-3,472	,001
	Managerial ownership	-,142	,039	-,295	-3,680	,000
a. Dependent Variable: ROA						

Source: Research Data Processing 2024

Based on table 5 obtained from the results of the analysis using SPSS version 25, the multiple linear regression equation obtained is as follows:

$$\mathbf{Y = 6.544 + 1.038X_1 + 0.635X_2 + 0.553X_3 - 0.083X_4 - 0.142X_5 + e}$$

Information:
Y : Financial performance
X_1 : Board of commissioners
X_2 : Board of directors
X_3 : Audit committee
X_4 : Institutional ownership
X_5 : Managerial ownership
Based on the regression equation above, it can be explained as follows:

a. The constant value (a) is 6.544. This shows that if the independent variable is assumed to be zero (0), then finance *property* company Which registered in Exchange Effect Indonesia (BEI) in 2018-2023 amounted to 6,544.
b. The regression coefficient value for the board of commissioners variable is 1.038. This shows that every time the number of commissioners increases by 1, the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 will increase by 1,038 times assuming other variables remain constant.
c. The regression coefficient value for the board of directors variable is 0.635. This shows that every time the number of board of directors increases by 1, the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 will increase by 0.635 times assuming other variables remain constant.
d. The regression coefficient value of the audit committee variable is 0.553. This shows that every time the number of audit committees increases by 1, it will increase the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 by 0.553 times assuming other variables remain constant.
e. The regression coefficient value for the institutional ownership variable is (-0.083). This shows that every time the number of institutional ownership increases, it will reduce the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 by 0.083 times assuming other variables remain constant.
f. The regression coefficient value for the managerial ownership variable is (-0.142). This shows that every time the amount of managerial ownership increases, it will reduce the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 by 0.142 times assuming other variables remain constant.

T test

The T test aims to test how far the influence of an independent variable individually is in explaining the dependent variable. To be able to find out whether there is a significant influence of each independent variable, compare the tcount value with ttable and compare the significant value of t with the level of significance (α). The value of the level of significance used in this research is 5 percent (0.05). If the sig t is greater than 0.05 then it is accepted. Likewise, if the sig t is smaller than 0.05, it is rejected. If this is rejected, it means there is a significant relationship between the independent variable and the dependent variable (Ghozali, 2018, p. 98) .

Based on table 4.6, the partial testing of each dependent variable can be described as follows:

a. Hypothesis testing of the influence of the board of commissioners on financial performance company *properties* Which registered in Indonesia Stock Exchange (IDX) 2018-2023 (H1) obtained a significant level value of 0,000 < 0.05, so it is concluded that there is a significant influence between the board of commissioners and financial performance company *properties* Which registered in Indonesia Stock Exchange (IDX) 2018-2023 .
b. Testing the hypothesis of the influence of the board of directors on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 (H2) obtained a significant level value of 0.000 < 0.05, so it was concluded that there was a significant influence between the board of directors and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023.
c. Testing the hypothesis of the influence of the audit committee on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 (H3) obtained a significant level value of 0.003 < 0.05, so it was concluded that there was a significant influence between the audit committee and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023.
d. Testing the hypothesis of the influence of institutional ownership on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 (H4) obtained a significant level value of 0.001 < 0.05, so it was concluded that there was a significant influence between institutional ownership and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023.
e. Testing the hypothesis of the influence of managerial ownership on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 (H5) obtained a significant level value of 0.000 < 0.05, so it was concluded that there was a significant influence between managerial ownership and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023.

F Test (Simultaneous)

The F statistical test is used to determine whether the independent variables jointly or simultaneously influence the dependent variable. The significance of this research's regression model was tested by looking at the significance values in the table. If the value of Fcount > Ftable or sig < α (0.05), then it can be said that the independent variables are able to explain the dependent variable together. If the value of Fcount < Ftable or sig < α (0.05), then it can be said that the independent variables together are not able to explain the dependent variable well. The F test can be seen in the table as follows.

Table 6 F Test Results

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1841,887	5	368,377	8,874	,000 b
	Residual	7471,959	180	41,511		
	Total	9313,846	185			

a. Dependent Variable: ROA

b. Predictors: (Constant), Managerial_Ownership, Audit_Committee, Board_of-Directors, Board_of-Commissioners, Institutional_Ownership

Source: Research Data Processing 2024

Table 6 shows a significance value of 0.000 < 0.05. This proves that H6 is accepted, so it can be concluded that there is a significant influence between the board of commissioners, board of directors, audit committee, institutional ownership and managerial ownership together on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 .

Coefficient of Determination Test (R2)

The coefficient of determination (R2) essentially measures how far the model's ability is to explain variations in the dependent variable. A small (R2) value indicates that the ability of the independent variables to explain the dependent variable is very limited (Ghozali, 2018, p. 97) .

Table 7 Determination Coefficient Test Results (R2)

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,729a	,531	,511	5.332784

a. Predictors: (Constant), Managerial_Ownership, Audit_Committee, Board_of-Directors, Institutional_Ownership, Board_of-Commissioners

b. Dependent Variable: ROA

Source: Research Data Processing 2024

Based on the table above, it is known that the adjusted R Square value is 0.511. This means that the contribution of the variable influence of the board of commissioners, board of directors, audit committee, institutional ownership and managerial ownership to the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 is amounting to 51.1%. Meanwhile, the remaining 48.9% is influenced by other variables not included in this regression model.

DISCUSSION

The Influence of the Board of Commissioners on Financial Performance

The results of data analysis regarding the influence of the board of commissioners on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, obtained a significant level value of 0.000 < 0.05, so it is concluded that there is a significant influence between the board of commissioners and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023. This means that the more members of the board of commissioners owned by property companies listed on the Indonesia Stock Exchange (IDX) in 2018-2023, then the company's financial performance will improve.

These results are in accordance with the first hypothesis which suspects the influence of the board of commissioners (X1) on the financial performance (Y) of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, so the first hypothesis is declared accepted. The board of commissioners is the part of the company that represents shareholders to carry out supervisory functions over the implementation of company policies and strategies carried out by the directors and provide direction/advice and be responsible, as well as carrying out functions to strengthen the company's image in the eyes of the public and shareholders. Independent commissioners are members of the board of commissioners who are not affiliated with the directors, other members of the board of commissioners and controlling shareholders, and are free from business or other relationships that could affect their ability to act independently or act solely in the interests of the company.

The size of the board of commissioners determines the level of monitoring effectiveness in improving a company's financial performance. During the Covid-19 pandemic, the board of commissioners was proven to have a positive and significant influence in improving financial performance. Monitoring from the board of commissioners during the Covid-19 pandemic helps managers improve and improve their performance with the suggestions they provide regarding the results of their supervision in order to improve business processes.

The basic explanation of agency theory is that managers as agents and shareholders as principals try to gain profits from contracts that have been agreed upon within the company. In connection with agency theory, the positive and significant influence of the board of commissioners on financial performance can be explained that the more members of the board of commissioners as agents, the better the supervision carried out on the company so that financial performance will increase. This will improve the welfare of the company owner as the principal and bonuses will be given to appreciate the work of members of the board of directors as agents.

The results of this research are in line with research conducted by (Ramadhani & Suhendro, 2022) , finding that the board of commissioners has a significant influence on the company's financial performance. Poor performance of the board of commissioners, such as fraud, embezzlement and so on, will have a direct impact on the company's financial performance, one of which is a decrease in the company's profitability because the board of commissioners does not carry out its duties and functions as it should.

The results of this research reject the results of research conducted by (Sarafina & Saifi, 2017) , which stated that the board of commissioners does not have a significant effect on the company's financial performance .

The Influence of the Board of Directors on Financial Performance

The results of data analysis regarding the influence of the board of directors on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, obtained a significant level value of 0.000 > 0.05, so it is concluded that there is a significant influence between the board of directors and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023. This means that changes in the number of members of the board of directors owned by property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2022 have an impact on the company's financial performance.

These results are in accordance with the second hypothesis which suspects the influence of the board of directors (X2) on the financial performance (Y) of property companies listed on the Indonesia Stock

Exchange (BEI) in 2018-2023, so the second hypothesis is declared accepted. The Board of Directors is the head of the company who is fully responsible for managing the company by always paying attention to the interests, objectives and business units as well as considering the interests of shareholders and all stakeholders. The Board of Directors represents the company, both inside and outside the court in accordance with the provisions of the Articles of Association, complying with all regulations that apply to the company and adhering to the implementation of the principles of good corporate governance. Apart from that, the Board of Directors is responsible for carrying out internal supervision effectively and efficiently, monitoring risks and managing them, maintaining a conducive working climate so that productivity and professionalism become better, managing employees and reporting the company's overall performance to shareholders at the General Meeting of Shareholders.

The greater the number of directors or company people who are responsible for managing the company for the interests of the company in accordance with the aims and objectives of the company and each member of the board of directors is obliged to carry out their duties in good faith and full responsibility for the interests and business of the company, the better the picture of the company's financial condition. which is analyzed using financial analysis tools to determine the good and bad financial condition of a company which reflects work presentation in a certain time period and vice versa.

Agency theory explains that there are two parties who have a relationship in a mutually beneficial contract within the company, namely the manager as the agent and the shareholders as the principal. In connection with agency theory, the positive and significant influence of the board of directors on financial performance can be explained that the more members of the board of directors as agents, the better the company's operational management will be so that financial performance will increase. This condition will improve the welfare of the company owner as the principal and bonuses will be given to members of the board of directors as agents to appreciate the performance shown.

The results of this research are in line with research conducted by (Ramadhani & Suhendro, 2022) , which found that the board of directors has a significant influence on the company's financial performance. The Board of Directors is the leader and has authority and responsibility in managing the company, has the task of setting strategic direction, establishing operational policies and is responsible for ensuring the soundness of company management.

The results of this research reject the results of research conducted by (Febrina & Sri, 2021) which stated that the board of directors does not have a significant effect on the company's financial performance.

The Influence of the Audit Committee on Financial Performance

The results of data analysis regarding the influence of the audit committee on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, obtained a significant level value of 0.003 < 0.05, so it is concluded that there is a significant influence between the audit committee and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023. This means that changes in the number of audit committee members owned by property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 have an impact on the company's financial performance.

These results are in accordance with the third hypothesis which suspects the influence of the audit committee (X3) on the financial performance (Y) of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, so the third hypothesis is declared accepted. The Audit Committee is to determine the implementation of corporate governance. The main task of the Audit Committee is to encourage the implementation of good corporate governance, the establishment of an adequate internal control structure, improving the quality of financial disclosure and reporting and exploring the scope, accuracy, independence and objectivity of public accountants. The Audit Committee consists of two members, namely independent parties (parties from outside the Company) who are competent in accounting and finance and chaired by an Independent Commissioner.

The audit committee has an important role for the company to improve the company's financial performance. The better the company's audit committee, the higher the company's financial performance. The higher the audit committee a company has, the better the company can control the company so that the audit committee has a very important role in maintaining integrity when preparing financial reports. The high number of audit committees can have a good impact on profitability (ROA), the audit committee has an effect on ROA because it can detect the company's profit or profits. With this influence, it can be said that the audit committee carries out its work optimally and can control or supervise company management so that it can increase profitability.

The basic concept in agency theory is that there is a contract between two parties, namely the manager as the agent who is motivated to get a bonus and the shareholder as the principal who wants to gain prosperity. In connection with agency theory, the significant influence of audit committees on financial performance can be explained by the fact that the more or less the number of audit committees as agents, the more or less the number of audit committees as agents will affect the company's financial performance. In this case, the audit committee is to assist the board of commissioners so that it is directly involved in managing the company's operations. Therefore, the welfare desired by the company owner as the principal can be determined by the number of audit committee members.

The results of this research are in line with research conducted by (Febrina & Sri, 2021) , finding that audit committees have a significant influence on the company's financial performance. The audit committee has an important role in the company to improve its performance, the better the performance of the audit committee, the greater the financial performance will be. This is in accordance with the values that exist in good corporate governance, the accountability of reports made by management will decrease in intervention when the proportion of the audit committee increases with the duties and responsibilities of the audit committee board.

The results of this research reject the results of research conducted by (Ramadhani & Suhendro, 2022) , which stated that audit committees do not have a significant effect on a company's financial performance.

The Influence of Institutional Ownership on Financial Performance

The results of data analysis regarding the influence of institutional ownership on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, obtained a significant level value of 0.001 < 0.05, so it is concluded that there is a significant influence between institutional ownership and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023. This means that changes in the amount of institutional ownership owned by property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 have an impact on the company's financial performance.

These results are in accordance with the fourth hypothesis which suspects the influence of institutional ownership (X4) on the financial performance (Y) of property companies listed on the Indonesia Stock

Exchange (BEI) in 2018-2023, so the fourth hypothesis is declared accepted. Institutional ownership acts as a company's external control mechanism. The greater the institutional ownership of a company will increase the efficiency of using company assets, so it is hoped that there will be monitoring of management decisions. Institutional ownership has an important meaning in monitoring management because institutional ownership will encourage more optimal supervision. This monitoring will certainly guarantee prosperity for shareholders, the influence of institutional ownership as a supervisory agent is suppressed through their fairly large investment in the capital market.

This result can occur because institutional investors are the majority shareholders, this is shown by the average institutional investor ownership of 68.53%. According to Halim & Suhartono (2021, p. 11) with the large ownership of institutional investors, institutional investors can collaborate with company management, so that institutional parties give their voting rights in accordance with management decisions because institutional investors have an interest.

For example, an insurance company may own a majority of the shares in a company and may simultaneously act as the primary insurer of that company. Voting against management can significantly affect a company's business relationships with incumbent management and there may also be other issues. This relationship can ignore the interests of small shareholders which can cause agency problems between large shareholders and small shareholders. With conditions like this, it will not make the company's performance any better.

The general description of agency theory is that managers as agents try to get bonuses for their performance results and shareholders as principals expect prosperity from the results of the manager's performance. In connection with agency theory, the significant influence of institutional ownership on financial performance can be explained by the fact that the greater the proportion of company shares owned by institutional parties as principals, the greater the urge to further improve welfare so that managers as agents will try to improve the company's financial performance. in order to get a bonus as a form of reciprocity from the principal.

The results of this research are in line with research conducted by Malik (2022) and Khasanah et al (2021), finding that institutional ownership has a significant effect on company financial performance. The greater the ownership of company shares owned by institutions or institutions such as insurance companies, banks, investment companies and other ownership, the less good the picture of the company's financial condition which is analyzed using financial analysis tools to determine the good and bad financial condition of a company which reflects the presentation. work within a certain time period, and vice versa.

The results of this research reject the results of research conducted by (Ramadhani & Suhendro, 2022) , which states that institutional ownership has no significant effect on a company's financial performance.

The Influence of Managerial Ownership on Financial Performance

The results of data analysis regarding the influence of managerial ownership on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, obtained a significant level value of 0.000 < 0.05, so it is concluded that there is a significant influence between managerial ownership and the financial performance of listed property companies on the Indonesian Stock Exchange (BEI) in 2018-2023. This means that changes in the amount of managerial ownership owned by property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023 have an impact on the company's financial performance.

These results are in accordance with the fifth hypothesis which suspects the influence of managerial ownership (X5) on the financial performance (Y) of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023, so the fifth hypothesis is declared accepted. Managerial ownership is the number of ordinary shares owned by management (directors and commissioners) in the company, which also means in this case the ownership of the company from management who actively participate in decision making in the company concerned. By increasing share ownership by managers, it is hoped that managers will act in accordance with the wishes of the principals because managers will be motivated to improve performance. Theoretically, when management ownership is low, the incentive for the possibility of manager opportunistic behavior will increase. The size of the amount of managerial share ownership in a company can indicate the similarity of interests between management and shareholders.

In theory put forward by Sudana (2015, p. 4), this type of ownership has quite beneficial benefits if the manager himself participates in the ownership of the company. What is meant by ownership is that if the manager invests capital in the company, it will trigger the manager to maximize his potential to create a strategy to increase the company's profit percentage, because if the company gets high profits then the manager as one of the managerial investors will get profits in the form of dividends for his ownership.

However, the results of this research prove that managerial ownership has a significant negative effect, this shows that the market does not use information regarding management ownership in assessing investments. This is thought to be due to conditions in Indonesia, where the proportion of managerial ownership in companies is still very low, so the application of managerial ownership to help unify the interests of managers and owners in order to motivate managers to take action to improve company performance has not been effective. The low number of shares owned by company management results in management not feeling like they own the company because not all profits can be enjoyed by management which causes management to be less motivated and management performance is low so that it does not affect the company's financial performance.

The general definition of agency theory is that in a company, there is a contract that provides mutual benefits to two parties, namely the manager as the agent and the shareholders as the principal. In connection with agency theory, the significant influence of managerial ownership on financial performance can be explained by the fact that the greater the proportion of company shares owned by managers as agents, the greater the incentive to further improve the company's financial performance in order to get bonuses as a form of reciprocity from the company owner. as the principal who receives welfare from the company's performance.

The results of this research are in line with research conducted by Malik (2022) and Romadoni & Pradita (2022), finding that managerial ownership has a significant effect on the company's financial performance. This indicates that there is an agency conflict between the company owner and the company manager, causing the company manager to be unable to manage the company effectively because the company owner has too much influence. The market also responds in this way, because the large influence of majority ownership signals to the market that there is a high possibility that minority interests will not be heard. Agents will tend to follow the wishes of the majority owner because they have a very influential say in company policies, even whether to retain directors or fire them.

The results of this research reject the results of research conducted by (Febrina & Sri, 2021) , which stated that managerial ownership does not have a significant effect on the company's financial performance.

CONCLUSION

The board of commissioners, board of directors, audit committee, institutional ownership and managerial ownership all have a significant influence on the financial performance of property companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023. The board of commissioners, board of directors and audit committee each demonstrated a positive contribution to improving financial performance. Institutional ownership also influences financial performance, but with a different impact compared to the board of commissioners and board of directors. Managerial ownership also has a significant influence, indicating that when managers own company shares, they tend to be more motivated to improve financial performance.

Based on the results of the research and discussion, there are several important points that can be considered by related parties. First, the influence of the size of the board of commissioners on financial performance shows that the greater the number of members of the board of commissioners, the more positive the influence on the financial performance of property companies. Second, the influence of the board of directors on financial performance shows that the more members of the board of directors, the better the company's operational management, which has a positive impact on financial performance. Third, the influence of the audit committee shows that the existence of an effective audit committee can increase the confidence of investors and other stakeholders, which has a positive impact on financial performance. Fourth, the influence of institutional ownership shows that large institutional ownership can cause management to take high-risk decisions that can be detrimental to the company in the long term. Finally, the effect of managerial ownership shows that managers who own company shares tend to work harder and make strategic decisions to increase company profits, which has a positive impact on financial performance.

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