IJEBA: *International Journal of Economics, Business and Applications*

p-ISSN: 2477-1244, eISSN: 2477-1236

DOI:

Accepted:

THE EFFECT OF FIRM SIZE AND LEVERAGE ON FINANCIAL PERFORMANCE WITH GOOD CORPORATE GOVERNANCE AS A MODERATING VARIABLE (STUDY ON INFRASTRUCTURE, UTILITIES, AND TRANSPORTATION SECTOR SERVICE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2018-2020)

Reya Armelia Putri, Andewi Rokhmawati, Fitri
Faculty of Economics and Business, University of Riau, Pekanbaru, Indonesia
E-mail:reya.armelia2903@student.unri.ac.id

ABSTRACT: *This study aims to examine the effect of firm size and leverage on the company's financial performance, with good corporate governance as a moderating variable. The population in this study are service companies in the infrastructure, utilities, and transportation sectors listed on the Indonesia Stock Exchange (IDX) during the 2018–2020 period, totaling 55 companies. The research method used in the study aims to test the effect of variables through hypothesis testing using quantitative data. This study uses secondary data obtained from the website www.idx.co.id and the company's annual report. The sample selection used a purposive sampling method with 165 data points from 55 companies in each period. This study uses structural equation modeling-partial least squares (SEM-PLS) to analyze the data. The results show that firm size positively and significantly affects the company's financial performance. The leverage variable has a negative and insignificant effect on the company's financial performance. Good corporate governance, as a moderating variable, negatively strengthens the relationship between firm size and the company's financial performance. Furthermore, as a moderating variable, the good corporate governance variable does not influence the moderating leverage relationship on the company's financial performance. LN total assets measure firm size; leverage is measured by the debt-to-equity ratio (DER); return measures financial performance on assets (ROA); and good corporate governance is measured using independent commissioners.*

Keywords: *Firm Size, Leverage, Financial Performance, Good Corporate Governance*

INTRODUCTION

In the face of an increasingly competitive business environment, an information system is needed to provide an overview of a company's performance. In general, the company's performance can be measured through financial indicators. Information that describes the company's financial performance is presented in the form of financial statements that show how the company is doing, whether it is experiencing growth or even decreasing in its financial performance (Nizamullah *et.al.*, 2014). In a financial report, the main focus for users of financial statements is the company's profit. Information about financial performance will also be very important for investors as an investment decision-making tool.

The company's profit can be seen in the company's financial statements, which can be measured using profitability ratios. The profitability ratio is one of the most appropriate tools to measure the company's financial performance by looking at its ability to earn profits (Harianto, 2017). According to Harianto (2017), return on assets (ROA) can measure the company's financial performance. Return on assets is a ratio used to measure the company's ability to generate profits using its assets. This research is motivated by the desire to use return on assets (ROA) as an indicator of financial performance. The following is a presentation of financial performance data (ROA) for service companies in the infrastructure, utilities, and transportation sectors listed on the Indonesia Stock Exchange in 2018-2019.

Table 1. Financial Performance Data (ROA) of Service Companies per Infrastructure, Utilities, and Transportation Sub-Sector for the period 2018-2020

NO	SUBSECTOR	2018	2019	2020
1	Non-Building Construction	0.026	0.028	0.020
2	Toll Road, Airport and Port	0.043	0.035	0.014
3	Telecommunication	-0.223	0.147	-6.536
4	Energy	-0.198	-0.024	-0.030
5	Transportation	-0.043	-0.029	-0.050

Source: IDX, Data Processed by Researchers (2022)

Based on the above data, ROA data per sub-sector shows that the ROA value of the last three years for service companies in the infrastructure, utilities, and transportation sectors has fluctuated due to the non-permanent income earned by the company, thus affecting the ROA value of these companies.

In Indonesia, the infrastructure sector is the main supporter of social and economic functions related to the existence of transportation facilities, telecommunications, electric power, airports, ports, and others. Another factor is support in the export and import distribution processes. Service companies in the infrastructure, utilities, and transportation sectors are one of the sectors that have progressed quite rapidly and require long-term

funding. This causes investors to be hesitant to invest in this infrastructure sector because of the high risk that will be faced. Moreover, since the beginning of 2020, we have faced the COVID-19 pandemic, which is still ongoing, causing the company's income to rise and fall. Therefore, the company's management must be carried out as effectively as possible to keep attracting investors. Because of that, before investing their capital, investors will take the benefits of the risks to be taken into account.

Because this infrastructure requires long-term funding, the company, of course, needs capital; sometimes, companies choose to use debt in their capital structure. Meanwhile, suppose a company can increase the size of its company. In that case, the company's profits will automatically increase. With the amount of profit the company earns, the use of debt for capital can be minimized.

As is known, Indonesia's national airline, Garuda Indonesia (Persero) Tbk, stumbled on a financial statement scandal in 2019. It is due to Garuda Indonesia recording a net profit after losing money in the previous quarter. This obstacle caused a polemic for Garuda Indonesia, which resulted in the imposition of sanctions on Garuda Indonesia Airlines. Not to mention the debt from this airline, which continues to soar due to a large number of aircraft lessors, too many types of aircraft, routes that are not profitable for the company, as well as suspected cases of corruption exacerbated by the COVID-19 pandemic, which has resulted in the company's financial condition getting worse.

This conflict can be minimized by implementing a mechanism, namely the good corporate governance mechanism. This mechanism aligns the interests of the company's management and owners (shareholders). The implementation of good corporate governance through the implementation of its principles is an important step because it is related to increasing the performance of a company. Good corporate governance is expected to be a tool to give investors confidence that the company can provide returns on what they have invested.

Company management based on the principles of "good corporate governance" (GCG) is an effort to make GCG a guideline for company management in managing the company. GCG is a means to improve the company, among others, by inhibiting the practices of corruption, collusion, and nepotism (KKN), increasing budget discipline, utilizing supervision, and encouraging efficiency in company management. The current application of GCG principles is necessary so that companies can survive and be resilient in the face of increasingly fierce competition and apply business ethics consistently to create a healthy, efficient, and transparent business climate.

In addition to good corporate governance or good corporate management, the company's size can affect its financial performance because it will be easier to do business. According to Indarti & Extaliyus (2013), "Company size is a value that shows the size of the company." Various proxies are commonly used to represent company size, total assets, total sales, and market capitalization. The smaller the company's size, the more difficult it will be to run its business because investors and consumer confidence prefer large companies with large total assets compared to small companies; small companies tend to have difficulty surviving to run their business in a competitive world. Companies with large assets will usually get more attention from the public. This will cause companies to be more careful in their financial reporting. Reporting a good financial condition can only be done by going through the good performance of all company lines. The company is always expected to try to maintain financial stability.

Leverage is one of several factors that can affect financial performance aside from good corporate governance and company size. Leverage is a measure used to see how much a company's activities are financed by external funding, which will later be used to increase profits (Makhdalena, 2018). Funding needs in a company can be met through external and internal funding sources. The use of external funds to meet the company's operational needs certainly aims to maximize profit, but the use of debt will cause other risks.

The difference between this study and previous research is the time period used by the author, namely three (three) years from 2018 to 2020, the object of research that the author specified as a service company in the infrastructure, utilities, and transportation sectors, and the addition of a variable, namely the good corporate governance variable as a moderating variable. The reason for adding "good corporate governance" as a moderating variable in this study is that the researchers want to examine whether the addition of this "good corporate governance" variable will be able to moderate the effect of firm size and leverage on the company's financial performance.

LITERATURE REVIEW AND RESEARCH HYPOTHESES

Agency Theory

According to Brigham & Houston (2015), managers are given the power to make decisions by company owners, namely shareholders, which creates a potential conflict of interest known as the agency theory. An agency relationship occurs when one or more individuals, known as the principals, hire another individual or organization, known as the agent, to perform a number of services and delegate decision-making authority to the agent.

This theory is related to good corporate governance (GCG) because it highlights the direct relationship between principal and agent.

Signal Theory

According to Octaviany *et.al*., (2021), the signal theory suggests that good quality organizations will purposefully provide signals to the market, allowing the market to differentiate between excellent and bad quality enterprises. Signal theory can be summarized as a signal in the form of financial statements that reflect the realized outcomes of the firm's performance, including profits and the position of the company's nominal accounts, as well as advertising that explain that this company is doing well. An increasing profit condition will give a better signal than a declining condition.

Trade Off Theory

According to this theory, companies will try to use their level of debt to the point where the costs of financial problems equal the value of tax savings. Additional debt has the opportunity to increase as long as the benefits received are large enough. However, once the debt limit has been reached, additional debt is no longer possible and will have a negative impact on financial performance (Efendi & Saprudin, 2019). The trade-off theory also means that the higher the company's funding through debt, the greater their risk of experiencing financial difficulties because they pay a large fixed interest rate each year with uncertain net income conditions.

The effect of Firm Size on Financial Performance.

Company size is one of the benchmarks used to determine the size of a company. Company size can be measured by total assets, sales, and market capitalization. Large companies have better market access than small companies and have larger and more complex operations managing their funds. Therefore, those big companies can generate greater profits so that ROA will increase, followed by increased financial performance. According to Muchtar & Darari (2016); Tisna & Agustami (2016), the company's size positively affects financial performance. Based on this description, the developed hypotheses are:

H1:Company size affects the company's financial performance

The Effect of Leverage on Financial Performance.

The leverage ratio measures the company's ability to pay its long-term debt. It can also be interpreted as the company's ability to pay debts due in more than one year. Companies that have high leverage ratios tend to have low financial performance. This means that the company has not been able to finance its operations, so it requires loan funds from external

parties. According to Makhdalena (2018); Isbanah (2015); Erawati & Wahyuni (2019), Leverage has a negative effect on financial performance. Based on this description, the developed hypotheses are:

H2: Leverage has an effect on financial performance

The Influence of Good Corporate Governance (GCG) on The Relationship Between Firm Size and The Company's Financial Performance

Company size can reflect the total assets owned by the company. The total assets owned by the company describe its capital and the rights and obligations it has. The larger the company, the larger the funds managed, and the more complicated the management. Large companies will tend to get more attention from the wider community. Thus, large companies usually maintain the company's stability and condition. In maintaining this stability and condition, the company will try to maintain and continue improving its performance through good corporate governance. Research conducted (Wijayanto, 2018) proves that implementing good corporate governance positively affects company performance. So if the company's performance increases due to the implementation of good corporate governance, the size of the company will also increase. Based on this description, the developed hypotheses are:

H3: Good Corporate Governance has an effect on the relationship between company size and company financial performance

The Effect of Good Corporate Governance (GCG) on The Relationship Between Leverage and The Company's Financial Performance

Leverage becomes one of the components in a company's financial statements. Leverage is one factor that can affect a company's financial performance. Leverage is also usually used to describe the company's ability to use assets or funds with a fixed burden to increase income (return) for the company. Leverage is also a way to compare total debt with total capital. Creditors will use the results to measure the company's ability to pay its debts. With a larger external source of funds, profits will likely increase, but an increased risk of bankruptcy also follows. Based on this description, the developed hypotheses are:

H4: Good Corporate Governance has an effect on the relationship between Leverage and the company's financial performance.

METHODS

This research was conducted by accessing the annual reports of service companies in the infrastructure, utilities, and transportation sectors listed on the Indonesia Stock Exchange in 2018–2020. This research was conducted using financial statement data for 2018–2020.

The type of data used is quantitative data in the form of historical reports on the company's financial ratios, in this case, the return on assets (ROA) and total assets of each service company in the infrastructure, utilities, and transportation sectors obtained from the Indonesia Stock Exchange website through the website www.idx.co.id. In addition, the annual report data is also accessed, which contains reports on total debt and equity as well as the number of independent commissioners and company audit committees. The source of data in this study is secondary data.

The population in this study is service companies listed on the Indonesia Stock Exchange in the infrastructure, utilities, and transportation sectors between 2018 and 2020. Determination of the sample using probability sampling, namely the technique of determining the sample with certain criteria (Sugiyono, 2015). The specified criteria are:

1. a service company in the infrastructure, utilities, and utility sectors listed on the Indonesia Stock Exchange in 2018-2020.
2. a service company in the infrastructure, utilities, and utility sectors that publishes an annual report for 2018-2020.
3. Service companies in the infrastructure, utilities, and utility sectors have complete company financial statement data for the reporting year of 2018-2020.

Operational Definitions and Variable Indicators

Firm Size

Firm size is defined as the average value of total net sales over a specific time period (5 years or the previous ten years) (Brigham & Houston, 2015).

Leverage

Leverage is a ratio that describes the relationship between a company's debt and capital. The ratio can show how far the company is financed by debt or external parties, with the company's ability described by capital (Harahap, 2013).

Company Financial Performance

The Company's Financial Performance analysis is a process of critically assessing financial performance, which includes reviewing financial data, calculating, measuring, interpreting, and providing solutions to company financial problems in a certain period (Herry, 2016).

Independent Commissioner

An independent commissioner is someone who is not related to the board of directors or the board of commissioners and is not a director in a company related to the owner company (Fadillah, 2017).

Audit Committee

The Audit Committee is a corporate committee formed by the Board of Commissioners. It aims to oversee the effectiveness of internal control and the implementation of the duties of the company's auditors (Anandamaya & Hermanto, 2021).

Audit Quality

Audit Quality Company Management as an Agent requires third-party audit services with a reputation for high credibility so that the level of trust of the company's external parties towards their accountability will increase (Christiani & Nugrahanti, 2014).

Data analysis method

The technique used in analyzing the data in this research is structural equation modeling-partial least squares (SEM-PLS). According to Ghozali (2014), SEM is a multivariate analysis technique combining factor analysis with path analysis to allow researchers to simultaneously test and estimate the relationship between multiple exogenous and endogenous variables with many factors. This method is expected to be able to explain the effect of one variable on another variable. This study processed the data using WarpPLS 5.0 for the Windows application.

RESULTS

Evaluation of the Measurement Model (Outer Model)

Table 2. *Indicator Weight*

	Loading Factor				***Type***	***Indicator Weight***	
	Firm Size	**Leverage**	***Financial performance***	***GCG***		***P value***	***VIF***
FZ	(1,000)				Formative	<0.001	0.000
DER		(1,000)			Formative	<0.001	0.000
ROA			(1,000)		Formative	<0.001	0.000
KI				(-0.252)	Formative	<0.001	1.012
Audit Committee				(0.567)	Formative	<0.001	1.157
KuAudit				(0.571)	Formative	<0.001	1.159

Source: WarpPLS Processed Data, 2022

Based on table 2 above, the p-value of all indicators is 0.05 and the VIF value is 2.5, which indicates that the two criteria for formative constructs are acceptable. It can be concluded from the table above that the significant weight and VIF values in the research model have been met, so the formative construct measurement has been considered feasible in this study. The moderating variable linking good corporate governance to the independent variables in this study uses a reflective construct. The outer model in the reflective construct is measured through three criteria: convergent validity, discriminant validity, and composite reliability. If the three criteria have been met, then this measurement model has met the criteria and can be used in research.

a. Convergent Validity

Table 3. *Combined Loading and Cross-Loading*

	Loading Factor		***Type***	***P value***
	***GCG**Firm Size**	***GCG**Leverage**		
Z1*X1	(-0.455)	-3.947	Reflective	<0.001
Z2*X1	(0.804)	-3.282	Reflective	<0.001
Z3*X1	(0.832)	1.015	Reflective	<0.001
Z1*X2	0.009	(-0.972)	Reflective	<0.001
Z2*X2	-0.039	(0.915)	Reflective	<0.001
Z3*X2	0.045	(0.983)	Reflective	<0.001

Source: WarpPLS Processed Data, 2022

The output results in Table 3 show the loading factor value of each construct above 0.70 with a p-value of 0.05. Meanwhile, the loading factor value for the GCG moderation construct, which moderates firm size with the Z1 indicator moderating X1, is -0.455, and the GCG moderation construct moderating leverage with the Z1 indicator moderating X2 is -0.972, which is also valid with a p-value of 0.05. From the results of the latent variable coefficients output, the AVE value of the GCG moderating variable, which moderates firm size, is 0.515, and the GCG moderating variable, which moderates leverage, is 0.916; thus, the output results indicate that the criteria have been met.

b. *Discriminant Validity*

Table 4. *Correlations among l.vs. With sq. rts. of AVEs*

	Loading Factor					
	Firm Size	**Leverage**	***Financial performance***	***GCG***	***GCG* Leverage***	***GCG* Firm Size***
FZ	(1,000)	-0.055	0.227	0.347	0.012	0.306
DER	-0.055	(1,000)	-0.031	-0.051	-0.969	0.030

	Loading Factor					
	Firm Size	**Leverage**	***Financial performance***	***GCG***	***GCG* Leverage***	***GCG* Firm Size***
ROA	0.227	-0.031	(1,000)	0.040	0.032	-0.052
GCG	0.347	-0.051	0.040	(0.684)	-0.084	0.536
GCG* Leverage	0.012	-0.969	0.032	-0.084	(0.957)	-0.115
GCG Firm Size*	0.306	0.030	-0.052	0.536	-0.115	(0.718)

Source: WarpPLS Processed Data, 2022

Overall, the value of the cross-loading of each variable is greater than the value of the other constructs in question. Based on the results obtained, the indicators used in this study have good discriminant validity in compiling their respective variables, so that in this test, the overall cross-loading value of each variable can be carried out for further testing.

c. Composite Reliability

Table 5. *Composite Reliability*

	Composite Reliability	***Cronbach's Alpha***
Firm Size	1,000	1,000
Leverage	1,000	1,000
Financial performance	1,000	1,000
GCG	0.492	0.164
*GCG*Leverage*	0.773	-2,596
*GCG*FirmSize*	0.490	0.144

Source: WarpPLS Processed Data, 2022

Each construct of company size, leverage, and financial performance has met the dependable criterion, according to the table above. This is demonstrated by composite reliability and Cronbach's alpha values more than 0.70 for each construct. Meanwhile, due to the composite reliability, the GCG construct and the GCG moderating construct, which moderate firm size, do not match the trustworthy standards, and Cronbach's alpha is not greater than 0.70. Furthermore, the GCG moderation construct, which moderates Leverage, only meets the reliable criterion on the composite reliability value, whereas Cronbach's alpha, the GCG moderating construct that moderates Leverage, does not meet the reliable criteria because the value is less than 0.70.

Evaluation of the Structural Model (Inner Model)

Table 6. Model of Fit and Quality Indices

Average path coefficient (APC)=0.149, P=0.005
Average R-squared (ARS)=0.149, P=0.005
Average adjusted R-squared (AARS)=0.128, P=0.011

Average block VIF (AVIF)=1.120, acceptable if <= 5, ideally <= 3.3

Source: WarpPLS Processed Data, 2022

The output from the table above shows that APC has an index of 0.149 with a p-value of 0.005, while ARS has an index of 0.149 with a p-value of 0.005. APC and ARS have been met based on the criteria, with a p-value of 0.05. Furthermore, the AARS value has an index of 0.128 with a p-value of 0.011; based on the criteria, the AARS has been met, which has a p-value of 0.05. Furthermore, the AVIF value has a value of 1,120 and is in accordance with the required criteria, namely, the AVIF value is less than 5. Thus, the structural model (the inner model) can be accepted.

Table 7. R-Squared Coefficient

Dependent Variable	***R-Square***
Financial performance	0.128

Source: WarpPLS Processed Data, 2022

The output results from table 7 show that the R-squared value for the effect of firm size and leverage variables on financial performance with good corporate governance as a moderator is 0.128. These results indicate that 12.8% of financial performance variables are influenced by firm size, leverage, and good corporate governance, while other variables influence the rest.

Hypothesis test

After conducting various evaluations of the outer and inner models, the next step is testing the hypothesis. Hypothesis testing is used to explain the relationship between endogenous and exogenous variables. The correlation between constructs is measured by looking at the path coefficients and their significance level, which is then compared with the research hypothesis. A hypothesis can be accepted or rejected statistically, and the level of significance can be calculated. The significance level used in this study is 5%. If the selected significant level is 5%, then the significance level or confidence level is 0.05 to reject a hypothesis. In this study, the probability of making the wrong decision is 5%, and the probability of making the right decision is 95%.

Table 8. Hypothesis Testing Results

Hypothesis	**Independent**	**Dependent**	**Moderation**	***Effect Size***	***Path Coefficient***	***P-value***	**Decision**
H1	*Financial performance*	*Firm Size*		0.128	0.364	<0.001	Accepted
H2	*Financial performance*	*Leverage*		0.009	-0.092	0.074	Rejected

H3	*Financial performance*	*Firm Size*	*Good Corporate Governance*	0.013	0.129	0.021	Accepted
H4	*Financial performance*	*Leverage*	*Good Corporate Governance*	0.001	-0.011	0.428	Rejected

Source: WarpPLS Processed Data, 2022

DISCUSSION

Company Size Affects the Company's Financial Performance

Table 8 shows that the firm size variable influences the company's financial performance with a p-value of 0.001 or 0.05. The beta coefficient value is 0.364, indicating a positive and significant effect. Therefore, the company's size significantly affects its financial performance. The study results indicate that the factor of company size as a proxy for total assets will show the company's size, which is an important factor in the formation of profits. Large companies considered to have reached the maturity stage illustrate that the company is relatively more stable and more able to generate profits than small companies. The larger the assets, the more capital is invested. A large amount of money in the company and a large market capitalization will improve the company's financial performance. This study relates to signaling theory because if the company is large, the manager, the party with more information on the company's financial condition, can present financial reports with better quality, such as realized performances and higher profits. Obtained the position of the company's nominal accounts, as well as in the form of promotions that explain that this large company will be more attractive to report users.

Leverage Affects the Company's Financial Performance

Table 8 shows that the leverage variable has no effect on the company's financial performance with a p-value of 0.074 or > 0.05. This is because leverage is a form of corporate loan used to meet the company's operational funding needs. The company expects its income to increase by showing financial measures involving the debt structure influencing the company. However, a high or low debt ratio, or leverage, does not always guarantee a low rate of return, nor does the company always depend on debt as a source of funds to run its business. This research can be related to the trade-off theory: the higher the company's funding through debt, the greater their risk of experiencing financial difficulties because they pay a large fixed interest rate every year with uncertain net income conditions. Based on the results of this study, it can be concluded that DER cannot face the risks it faces and is getting closer to violating accounting-based debt agreements. This ratio is the

percentage of funds provided by shareholders to lenders. The higher the ratio, the less funding the company receives from its shareholders. Based on the results of this study, it can be concluded that DER cannot face the risks it faces and is getting closer to violating accounting-based debt agreements. This ratio is the percentage of funds provided by shareholders to lenders. The higher the ratio, the less funding the company receives from its shareholders. Based on the results of this study, it can be concluded that DER cannot face the risks it faces and is getting closer to violating accounting-based debt agreements. This ratio is the percentage of funds provided by shareholders to lenders. The higher the ratio, the less funding the company receives from its shareholders.

Good Corporate Governance Has an Effect on the Relationship between Company Size and Company Financial Performance

Table 8 shows that good corporate governance has a p-value of 0.021 or 0.05 influence on moderating firm size on the company's financial performance. The beta coefficient value is 0.129, which shows a positive and significant effect. Therefore, good corporate governance strengthens the positive relationship between company size and financial performance. In this case, it means that every company classified as a large company certainly has good corporate governance; with the size of a company, the company must manage the company well because the company must maintain its total assets so that it does not decline. Moreover, good corporate governance, as measured by independent commissioners, audit committees, and audit quality, is something that investors consider when investing. This is because, regardless of the size of the company.

Good Corporate Governance Affect the Relationship between Leverage with the Company's Financial Performance

Table 8 shows that the good corporate governance variable does not influence moderating leverage on the company's financial performance with a p-value of 0.428 > 0.05. The beta coefficient value is -0.011, indicating that there is also a negative effect. Therefore, the results of this study are in line with the second hypothesis; however, although it involves good corporate governance in the relationship between leverage and the company's financial performance, it still has no effect because the company still has fixed expenses. This is where the burden must still be paid by the company, which has become its obligation regardless of the condition of the company. This relates to agency theory because it involves a direct relationship between the principal and the agent. Moreover, if the principal cannot provide sufficient capital, the company, especially the agent, will use debt as a source of funds to run its business. The higher the company's debt funding, the greater its risk of

experiencing financial difficulties or defaulting on paying fixed interest every year with uncertain net income conditions.

CONCLUCION AND SUGGESTION

Firm size has a positive and significant effect on the company's financial performance. Leverage negative and insignificant effects on the company's financial performance. Good corporate governance influences the company's financial performance. Good corporate governance does not influence the company's financial performance through leverage.

Suggestions for additional researchers so that years of research can be expanded. So it is expected to increase the accuracy of the results. It uses variables and indicators that have many references to facilitate further research regarding finding sources of information needed for research. Increase the use of indicators for each variable, such as the leverage variable, using indicators such as DAR, DER, and LTD.

REFERENCES

Anandamaya, Luh Putu V., & Hermanto, S. B. (2021). Pengaruh good corporate governance, ukuran perusahaan, dan leverage terhadap kinerja keuangan. *Jurnal Ilmu dan Riset Akuntansi,* 10(5): 1-24.

Brigham, E. F., & Houston J. F. (2015). *Dasar - dasar manajemen keuangan* (Terjemahan). Edisi 10. Jakarta: Salemba Empat.

Christiani, I., & Nugrahanti, Y. W. (2014). Pengaruh kualitas audit terhadap manajemen laba. *Jurnal Akuntansi dan Keuangan*, 16 (1): 52-62. https://doi.org/10.9744/jak.16.1.52-62.

Efendi, G., & Saprudin, S. (2019). Pengaruh piutang usaha dan hutang usaha terhadap arus kas operasi pada PT dunia express tahun 2016-2017. *Jurnal Akuntansi dan Perpajakan Jayakarta*, 1 (1), 12-24. https://doi.org/10.53825/japjayakarta.v1i1.4.

Erawati, T., & Wahyuni, F. (2019). Pengaruh corporate governance, ukuran perusahaan, dan leverage terhadap kinerja keuangan perusahaan di bursa efek indonesia (Studi kasus perusahaan manufaktur yang terdaftar di bursa efek indonesia periode 2013-2017). *Jurnal Akuntansi Pajak Dewantara*, 1 (2): 129-137. https://doi.org/10.24964/japd.v1i1.895.

Fadillah, A. R. (2017). Analisis pengaruh dewan komisaris independen, kepemilikan manajerial dan kepemilikan institusional terhadap kinerja perusahaan yang terdaftar di LQ 45. *Jurnal Akuntansi*, 12 (1): 37-52.

Ghozali. (2014). *Aplikasi analisis multivariate dengan program spss*. Semarang: Badan Penerbit Universitas Diponegoro.

Harahap, S. S. (2013). *Analisa kritis atas laporan keuangan*. Depok, Jawa Barat: PT. Raja Grafindo Persada.

Harianto, S. (2017). Rasio keuangan dan pengaruhnya terhadap profitabilitas pada bank

pembiayaan rakyat syariah. *Esensi : Jurnal Bisnis dan Manajemen*, 7 (1): 41-48. https://doi.org/10.15408/ess.v7i1.4076.

Hery. (2016). *Analisis laporan keuangan-integrated and comprehensiv*. Jakarta: Grasindo.

Indarti, MG Kentris., & Extaliyus, L. (2013). Pengaruh corporate governance preception index (CGPI), struktur kepemilikan, dan ukuran perusahaan terhadap kinerja keuangan. *Jurnal Bisnis dan Ekonomi (JBE)*, 2 (2): 171-183.

Isbanah, Y. (2015). Pengaruh esop, leverage, and ukuran perusahaan terhadap kinerja keuangan perusahaan di bursa efek indonesia. *Jurnal Riset Ekonomi dan Manajemen*, 15 (1): 28-41. https://doi.org/10.17970/jrem.15.150103.id.

Makhdalena, M. (2018). *Pengaruh blockholders ownership, firm size, dan leverage terhadap kinerja keuangan perusahaan*. *Ekuitas Jurnal Ekonomi dan Keuangan*, 18 (3): 277-292. https://doi.org/10.24034/j25485024.y2014.v18.i3.136.

Muchtar, S., & Darari, E. (2016). Pengaruh corporate governance terhadap kinerja perusahaan manufaktur yang terdaftar di bursa efek indonesia. *Jurnal Manajemen dan Pemasaran Jasa*, 6 (03): 109-132. https://doi.org/10.25105/jmpj.v6i0.511.

Nizamullah., Darwanis., & Abdullah, S. (2014). Pengaruh penerapan good corporate governance terhadap kinerja keuangan (Studi empiris pada perusahaan perbankan yang terdaftar di bursa efek indonesia 2010-2012). *Jurnal Administrasi Akuntansi*: *Program Pascasarjana Unsyiah*, 3 (2): 42-53.

Octaviany, W., Prihatni, R., & Muliasaari, I. (2021). Pengaruh economic value added, market value added, likuiditas, dan ukuran perusahaan terhadap harga saham. *Jurnal Akuntansi, Perpajakan, dan Auditing*. 2 (1): 89-108.

Sugiyono. (2015). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.

Tisna, G. A., & Agustami, S. (2016). Pengaruh good corporate governance dan ukuran perusahaan terhadap kinerja keuangan perusahaan (Pada perusahaan perbankan yang terdaftar di bursa efek indonesia (BEI) tahun 2010-2014). Jurnal Riset Akuntansi dan Keuangan, 4 (2):1035-1046.

Wijayanto, S. A. (2018). *Pengaruh good corporate governance (GCG) terhadap pengungkapan corporate social responsibility (CSR) pada perusahaan go-public di indonesia*. Skripsi. Surakarta: Fakultas Ekonomi dan Bisnis Universitas Sebelas Maret.