JIGE 4 (4) (2023) 2265-2276

JURNAL ILMIAH GLOBAL EDUCATION

ejournal.nusantaraglobal.ac.id/index.php/jige

DETERMINANTS OF GOOD CORPORATE GOVERNANCE, CAPITAL STRUCTURE AND ACCOUNTING CONSERVATISM IN INFLUENCING THE FINANCIAL PERFORMANCE OF IPO COMPANIES

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History Article

Article history:

Received Oct 17, 2023
Approved Nov 21, 2023

Keywords:

Institutional Ownership, Managerial Ownership, Board Of Commissioners, Independent Commissioner,

ABSTRACT

This study aims to examine and analyze the effect of GCG proxied in institutional ownership, managerial ownership, board of commissioners, independent commissioners, and audit committees, as well as capital structure and accounting conservatism on financial performance. This research uses a type of research with a quantitative approach with an ex post facto design. A sample of 44 companies going public in the manufacturing sector listed on the Indonesia Stock Exchange (IDX) using the purposive sampling method. The data analysis method used in research is multiple regression for testing research hypotheses. The results showed that institutional ownership, independent commissioners, and audit committees had no significant effect on financial performance. Managerial ownership, the board of commissioners, capital structure, and accounting conservatism have a significant effect on financial performance. The combination of institutional ownership, managerial ownership, board of commissioners, independent commissioners, audit committee, capital structure, and accounting conservatism have a joint or simultaneous effect on the company's financial performance.

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INTRODUCTION

The rapid economic progress in the era of globalization in various countries today has an impact on the business environment in Indonesia, both financial and non-financial fields. The field of technology and information is also growing rapidly, and various information technology innovations are emerging. This condition encourages each company to compete with each other in order to continue to gain the trust of investors and the public for the purpose of getting increased profits. A powerful way to achieve this condition is to improve the company's financial performance. In this case, of course, efforts to grow or enhance the financial performance of a company are very important. Therefore, it should be an obligation for a manager to always maintain growth, achievement and profit stability in a company.

Business people and governments need information about the condition and financial performance of companies for economic decision making. Financial statement analysis is needed to understand financial statement information. Financial performance analysis is an alternative to testing whether financial information is useful for classifying or predicting stock prices. The company's financial performance is a determination of measures that can be used to be a benchmark for the company's success in generating profits (Nainggolan &; Pratiwi, 2017). The financial performance of a company is an analysis carried out to find out the governance of a company. Thus, it can be said that the financial performance of a company is a condition or financial condition of a company that is described and analyzed using financial analysis tools.

Good financial performance can help management in achieving company goals. For companies, improving and maintaining financial performance is a must to increase the interest of potential investors to invest in the company. According to Nainggolan & Pratiwi (2017), performance can be interpreted as achievements achieved by the company in a certain period that reflects the company's health level. Investors who invest in a company certainly expect profits, therefore measuring financial performance is very important before investing. The importance of an assessment of the financial performance of a company because it is one of the indicators or means to improve operational activities in the company. In this case, it is expected that a company will be better in its financial growth so that it can increase competitiveness with other companies (Sipahelut, et al. 2017).

Measuring financial performance in a company from year to year is a way for companies to find out whether their financial performance is improving or not. A company can use measuring instruments in measuring financial performance, namely several financial ratios. Some of these financial ratios are liquidity ratio, solvency ratio (leverage), profitability ratio or profitability, activity ratio, and valuation ratio (Faisal, et al. 2017).

In achieving company goals, of course, there are many obstacles that must be faced by management. In making decisions or implementing a policy, it is not uncommon for management to carry out fraudulent practices which as a result will affect the financial performance of the company. Conflicts that occur due to the separate interests of the management and the owner will certainly damage the company's image and reduce the performance of the company. To prevent factors that might affect financial performance, a system is needed that can be used as a guideline in running the company.

One of the keys to the company's success in facing obstacles and business competition globally is the principle of Good Corporate Governance (GCG). This principle is applied in order to achieve transparency in company management for all users of financial statements. Users of financial statements can assess the company's performance from the information presented in the financial statements, especially for investors and creditors. Investor confidence and other parties will increase and have an impact on improving company performance if GCG principles are properly applied by each company (Tjua &; Masdjojo, 2022). GCG is a corporate management system that aims to improve the company's financial performance, and protect the interests of shareholders to achieve company goals (Febrina &; Sri, 2022).

Theoretically, GCG practices can increase company value, improve financial performance, reduce risks that may be carried out by the board with decisions that benefit themselves, and generally increase investor confidence (Febrina &; Sri, 2022). The weak implementation of GCG of a company can make its financial condition worse, such as cases of embezzlement, corruption or other crimes that result in harming the company. This loss occurs because governance practices do not pay attention to the principles (Hadyan, 2021).

The implementation of GCG and the principles of GCG, this needs to be done by every company so that the company can survive and be resilient in the face of increasingly fierce competition, so that companies can apply business ethics consistently and can realize a healthy, efficient and transparent corporate climate. The GCG mechanism consists of external and internal mechanisms (Tjua &; Masdjojo, 2022). The internal mechanism of GCG is influenced by internal company factors including institutional ownership, managerial ownership, board of commissioners, independent commissioners and audit committee.

The level of ownership of certain shares owned by institutions can affect the process of preparing financial statements, so there is the possibility of accruing in accordance with the interests of management. The large institutional share ownership makes investors have more power in monitoring the company's operational activities (Tjua &; Masdjojo, 2022). Management that has a role as a shareholder and resource manager will tend to be careful in making decisions. Also, they will try harder for the interests of shareholders, including management interests, especially if they themselves are company owners (Holly &; Lukman, 2021).

The involvement of the board of commissioners in the company's performance shows how much impact the existence of the board of commissioners has to carry out its responsibilities in carrying out corporate governance practices and how they carry out supervisory and directing functions as part of fiduciary obligations (Febrina &; Sri, 2022). To ensure that the board of commissioners has supervised the performance of the company's directors, the existence of an independent commissioner is deemed necessary. The existence of an independent commissioner is needed because in business practice there is often a conflict of interest. The role of an independent commissioner in the company is to provide advice and direction to manage the company and help formulate corporate strategy (Anandamaya &; Hermanto, 2021). Basically, the audit committee is 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 of various things that potentially contain risks, empowering the internal control system, and monitoring the supervisory process carried out by internal auditors (Febrina &; Sri, 2022).

Previous research that discusses the effect of GCG on financial performance is research conducted by Nilayanti & Suaryana (2019) and Hartati (2020) which concluded that institutional ownership has a significant effect on financial performance. In contrast to the results of research from Tjua, et al. (2022) and Romadoni & Pradita (2022) which show that institutional ownership does not have a significant effect on financial performance. Research conducted by Zulfikar, et al. (2020) and Regina (2021) which proves that managerial ownership has a significant effect on financial performance. In contrast to the results of research from Nilayanti &; Suaryana (2019) and Holly & Lukman (2021) which found that managerial ownership did not have a significant effect on financial performance. Research conducted by Regina (2021) and Febrina &; Sri (2022) said that the board of commissioners can affect a company's financial performance. In contrast to the results of research from Anandamaya &; Hermanto (2021) and Aprila, et al. (2022) which show that independent commissioners do not have a positive effect on financial performance. Research conducted by Tjua, et al. (2022) and Febrina &; Sri (2022) which found that the audit committee has a positive effect on financial performance. In contrast to the results of research from Hartati (2020) and Rahmatin &; Kristanti (2020) which concluded that the audit committee does not have a positive effect on financial performance.

The next factor that can affect the financial performance of a company is the capital structure. One of the important aspects that companies must face is investment activities. Investment comes from debt and equity, the debt in question is debt for company financing. The use of debt in the company is expected to prevent unnecessary expenses and encourage managers to manage the company efficiently. But on the other hand, companies that use debt as a source of funding but are not followed by good company management will be vulnerable to bankruptcy. Therefore, capital structure management is an important part in increasing company value, as well as strengthening the competitive position with other companies in the same industry (Sofi'ah &; Amanah, 2019).

Capital structure can be thought of as a pattern that describes how risk and control are allocated by various investors in a corporation. Capital structure management is an important thing that must be done, this is because capital structure management has an impact on the expected return and risk that will be received by stockholders in the future. That is why, the decision to invest is very important for the company. An optimal capital structure can increase the efficiency of the company. Capital structure significantly affects capital availability which affects financial performance (Millah, et al. 2020).

Previous research that discusses the effect of capital structure on financial performance is research conducted by Agustin &; Sutjahyani (2023), and Dewi &Hidayati (2023) which states that capital structure significantly positively affects the company's financial performance. Meanwhile, the results of different studies from Rahmatin & Kristanti (2020) show that capital structure does not have a significant effect on the company's financial performance.

In addition to capital structure, accounting conservatism is also directly related to the financial performance of an enterprise. Accounting conservatism is one theory that emerged with the aim of making good and accountable financial statements. Conservatism is closely related to the value of company assets because it includes a slowdown in revenue recognition, leading to lower retained earnings and faster loss recognition (Nainggolan &; Pratiwi, 2017). The principle of accounting conservatism itself is the principle of recognition, carefully assessing assets and profits. In a company, the principle of accounting conservatism can reduce the asymmetry of existing information and manipulation of financial statements (Millah, et al. 2020). In other words, recognizing costs and liabilities as quickly as possible despite uncertainty, while recognizing income and assets when they are confident of being received.

According to Nainggolan &; Pratiwi (2017), accounting conservatism includes the use of more appropriate standards to recognize bad news as a disadvantage and to recognize good news as an advantage and facilitate efficient contracts between management and shareholders. Therefore, the principle of accounting conservatism here really needs to be applied so that financial reporting can be presented properly and can be accounted for. This is so that the financial performance of a company is reflected well and still gains the trust of funders and users of financial statements.

Until now, the principle of accounting conservatism is still considered a controversial principle. This is because some critics, such as Monahan (Nainggolan &; Pratiwi, 2017) stated that the more conservative the accounting, the more biased the resulting equity value. The application of the principle of conservatism is seen as an obstacle that will affect financial statements. If the method used to prepare financial statements is based on the principle of accounting conservatism, the results tend to be biased and do not reflect reality (Millah, et al. 2020). On the other hand, accounting conservatism is very useful in avoiding opportunistic behavior of managers. Ohlson and Watts (Nainggolan &; Pratiwi, 2017) stated that profits and assets that are calculated conservatively can improve the quality of profits, so they can be used to assess companies. Watts (Millah, et al. 2020) explained that conservative financial reporting information asymmetry can prevent information asymmetry by limiting management from manipulating financial reporting.

Previous research that discusses the effect of capital structure on financial performance is research conducted by Erawati, et al. (2022) and El-Habashy (2019) stating that accounting conservatism has a positive and significant effect on company financial performance. However, it is different from the results of research from Millah, et al. (2020) and Suleiman Al-Fasfus, et al. (2022) which concluded that accounting conservatism does not have a positive and significant effect on the company's financial performance.

Based on some of the results of the research above, it shows that the results of research on the application of determinants of good corporate governance (GCG), capital structure and accounting conservatism to the company's financial performance are still inconsistent, so it is necessary to reexamine the results of these previous studies.

METHOD

The type of research used in this study is quantitative research. The population in this study is 214 companies listed on the Indonesia Stock Exchange for the 2017-2021 period. This research data is obtained from the Indonesia Stock Exchange (IDX) through www.idx.co.id in the form of annual reports or company financial statements. The sampling technique in this study uses the purposive sampling method, which is a sample determined by the researcher based on certain criteria to obtain a representative sample. Of the 214 public listed companies on the IDX for the 2017-2021 period, a sample of 44 companies were selected in accordance with the criteria for which the research was conducted. The following is a table that shows the stage of the selection procedure for companies to be sampled based on the specified criteria, namely:

Tabel 1
Sample selection based on criteria

Criteria	Total
The company went public listed on the IDX in the 2017-2021 period in the manufacturing sector	214
Companies going public in the manufacturing sector that do not publish annual financial statements for the 2017-2021 period consecutively	(77)
The company's financial statements are in the form of foreign currency and not in rupiah	(23)
Financial statements of companies that suffered losses	(16)
Incomplete data (overall data available in the publication of the company's financial statements)	(54)
Companies selected to be the research sample	44
Number of observations (44 x 5)	220

Source: www.idx.co.id.

Based on Table 1, it shows that the number of companies going public in the manufacturing sector listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period was obtained by 214 companies. There are 77 companies that do not publish consecutive annual financial statements. Furthermore, companies that are not expressed in rupiah are 23 companies. Then, companies that suffered losses as many as 16 companies. Meanwhile, there are 54 companies that do not have complete data consecutively in the annual report related to research variables. Therefore, only 44 companies met the sample criteria that had been set during the 5-year observation period, with a sample size of 220 units of analysis.

The regression model used in this study is multiple linear regression analysis. The regression analysis technique was chosen because multiple regression can infer directly about the influence of each independent variable used partially or together.

$$\mathbf{KK = \alpha + \beta_1 KIns + \beta_2 KIns + \beta_3 DK + \beta_4 KInd + \beta_5 KA + \beta_6 SM + \beta_7 CON} + e$$

Information:

KK	= Financial Performance
α	= Constant
β1- βn	= Regression coefficient
KIns	= Institutional Ownership
KM	= Managerial Ownership
DK	= Board of Commissioners
Kind	= Independent Commissioner
KA	= Audit Committee
SM	= Capital Structure
CON	= Accounting Conservatism
e	= Confounding variable (error)

RESULTS AND DISCUSSION

Table 2. Multiple Linear Regression Analysis Results

Variable	*β*	*Std. Error*	*Sig.*
Constant	0.221	0.034	-
Institutional Ownership	-0.007	0.022	0.749
Managerial Ownership	0.245	0.028	0.000
Board of Commissioners	0.007	0.002	0.002
Independent Commissioner	0.034	0.042	0.420
Audit Committee	-0.001	0.003	0.648
Capital Structure	0.042	0.010	0.000
Accounting Conservatism	0.035	0.013	0.007

Source: Multiple Regression Results

Based on the results of the multiple linear regression analysis test in Table 2 above, the regression equation model used in this study is as follows:

$$KK = 0.221 - 0.007KIns + 0.245KM + 0.007DK + 0.034KInd - 0.001KA + 0.042SM + 0.035CON$$

KK	= Financial Performance
α	= Constant
β1- βn	= Regression coefficient
KIns	= Institutional Ownership
KM	= Managerial Ownership
DK	= Board of Commissioners
Kind	= Independent Commissioner
KA	= Audit Committee
SM	= Capital Structure
CON	= Accounting Conservatism
e	= Confounding variable (error)

Discussion

1. The Effect of Institutional Ownership on Financial Performance

Based on the test results as presented in Table 2 shows that institutional ownership has no significant effect on financial performance. Institutional ownership is not able to have an effect on financial performance, because high institutional shareholding makes institutional shareholders have high voting as well, so they have a strong position. It can be abused to control the company according to personal interests. Institutional shareholders also tend to ignore minority interests and make the company's policy direction unbalanced, because it only benefits majority shareholders. So that if the participation of the majority owner of the institution controls the company, it can create an opening to act in its interests even though it must sacrifice the interests of minority owners. As a result, the company's situation is not conducive and the company's financial performance will not improve.

Institutional ownership is the ownership of shares owned by parties outside the company. Share ownership by parties formed by institutions such as insurance companies, banks, investment companies, and ownership of other institutions. Institutional ownership has an important role in minimizing agency conflicts that occur between shareholders and managers. Institutional ownership has an important meaning in monitoring companies, the existence of institutional ownership is considered to be an effective monitoring mechanism in every decision making and can guarantee prosperity to shareholders and deter managers from taking opportunistic actions (Tjua, et al. 2022). The results of this study are not in line with agency theory. In this theory, it is explained that institutional ownership can improve company performance. Institutional ownership can reduce conflicts between agents and principals, institutional ownership is also tasked with overseeing the course of financial performance if there is misappropriation committed (Hadyan, 2021).

The results of this study are in line with research conducted by Partiwi &; Herawati (2022), Romadoni & Pradita (2022) and Tjua, et al. (2022) which states that institutional ownership has no effect on financial performance. While the results of this study are not in line with research conducted by Sofi'ah & Amanah (2019), Nilayanti &; Suaryana (2019), Hartati (2020) and Holly & Lukman (2021) concluded that institutional ownership has a significant effect on financial performance.

2. The Effect of Managerial Ownership on Financial Performance

Based on the test results as presented in Table 2 shows that managerial ownership has a significant effect on financial performance. Managerial ownership can have an influence on financial performance, because the greater the proportion of managerial ownership, the less chance of conflict, because if the owner acts as the manager of the company, then in decision making will be very careful not to harm the company, and ultimately can improve company performance. The hope of managerial ownership is that top managers can be more consistent in running the company, so as to create alignment of interests between management and shareholders and can improve the performance of a company.

Managerial ownership is the proportion of share ownership by management. Managers who own shares will certainly align their interests with the interests of shareholders to avoid conflicts (Sofi'ah &; Amanah, 2019). Therefore, the principles of transparency as well as fairness and equality are needed by companies so that managers are serious in ensuring the running of the company properly to maintain the expected financial performance. The results of this study support agency theory, where agency theory states that managerial ownership will improve the company's financial performance, because managerial ownership will align the interests of management with shareholders so that managers will get a direct impact from the decisions they make (Nilayanti &; Suaryana, 2019).

The results of this study are in line with research conducted by Zulfikar, et al. (2020) and Regina (2021) which prove that managerial ownership has a significant effect on financial performance. However, the results of this study are not in line with research conducted by Nilayanti &; Suaryana (2019), Holly & Lukman (2021), and Febrina &; Sri (2022) which shows that managerial ownership does not have a significant effect on financial performance.

3. The Effect of the Size of the Board of Commissioners on Financial Performance

Based on the test results as presented in Table 2 shows that the board of commissioners has a significant effect on financial performance. The size of the board of commissioners can have an influence on financial performance, because the board of commissioners has an important role in overseeing the implementation of the company's strategy to improve company performance. The more the number of boards of commissioners in a company, the more fraud the company can minimize, because the monitoring function can be carried out optimally by the board of commissioners (Febrina &; Sri, 2022).

The Board of Commissioners is the core of the implementation of good corporate governance. The main function of the board of commissioners is to supervise the running of the company by requiring the implementation of accountability principles (Febrina &; Sri, 2022). With the existence of this board of commissioners, it is expected to minimize the possibility of agency problems arising between management and shareholders (Anandamaya &; Hermanto, 2021). The results of this study support the agency's theory. Agency theory outlines the relationship between separation of ownership and control of a company. The existence of a board of commissioners is expected to bridge the interests of the principal, so that good financial performance can be realized. The proportion of the board of commissioners can make an effective contribution to the results of the process of preparing quality financial statements and avoid the possibility of financial reporting fraud.

The results of this study are in line with research conducted by Regina (2021) and Febrina &; Sri (2022) which said that the board of commissioners can affect the company's financial performance. In contrast to the results of research conducted by Hartati (2020), Anandamaya & Hermanto (2021), and Aprila, et al. (2022) which concluded that the board of commissioners has no effect on the company's financial performance.

4. Influence of Independent Commissioner on Financial Performance

Based on the test results as presented in Table 2 shows that independent commissioners have no significant effect on financial performance. Independent commissioners are unable to exert their influence on financial performance, because independent commissioners do not make a positive contribution to financial performance. This means that the large number of independent commissioners in the company cannot guarantee good supervision, management, and accurate decision making in the company. The appointment of the board of commissioners only tends to be considered as a formality in the implementation of good corporate governance, where it is proven that there are still companies that have one independent commissioner.

Independent commissioners are members of the board of commissioners who are not affiliated with management or other commissioners, controlling shareholders and are free from business or other relationships that may affect the ability to act solely in the interests of the company (Aprila, et al., 2022). With an independent commissioner, the interests of shareholders, both majority and minority, are not ignored because independent commissioners are more neutral towards decisions made by management. The results of this study are not in line with agency theory. Independent commissioners are considered to be able to harmonize differences in interests between shareholders and management, because independent commissioners are tasked with and act in the best interests of the company (Febrina &; Sri, 2022).

The results of this study are in line with research conducted by Rahmatin &; Kristanti (2020), Anandamaya &; Hermanto (2021), Tanto (2021), and Aprila, et al. (2022) which stated that independent commissioners did not have a significant influence on the company's financial performance. Different research results were revealed by Sofi'ah & Amanah (2019), Zulfikar, et al. (2020) and Regina (2021) who said that independent commissioners affect financial performance.

5. The Effect of the Audit Committee on Financial Performance

Based on the test results as presented in Table 2 shows that the audit committee does not have a significant effect on financial performance. The audit committee is unable to exert its influence on financial performance, because the high and low number of audit committees in the company does not result in ups and downs in financial performance. The number of audit committees does not guarantee the effectiveness of the audit committee's performance in carrying out supervisory functions and ensuring the quality of financial statements and control over the company's management, but only limited to compliance with existing regulations, so that the existence of the audit committee does not affect the company's financial performance.

The audit committee is a group of people elected by the company's board of commissioners who are responsible for assisting auditors in maintaining their independence in terms of the company's financial statements (Aprila, et al. 2022). The audit committee plays a role in increasing the credibility of the company's financial statements. The existence of an audit committee will keep financial statements under control so that financial performance will also improve (Anandamaya &; Hermanto, 2021). The results of this study are not in accordance with signal theory, where signal theory arises because of the problem of asymmetric information between management and external parties. When applied to corporate disclosure practices, signal theory is generally beneficial for organizations to reveal good corporate governance initiatives and practices, thus creating a good image in the market (Sofi'ah &; Amanah, 2019).

The results of this study are in line with research conducted by Rahmatin &; Kristanti (2020), Hartati (2020), Kusumawardhany & Shanti (2021), Anandamaya & Hermanto (2021), and Aprila, et al. (2022) which showed that the audit committee did not have a significant effect on the company's financial performance. The results of other studies conducted by Tjua, et al. (2022), Febrina & Sri (2022) and Tanto (2021) found that the audit committee has an effect on financial performance.

6. The Effect of Capital Structure on Financial Performance

Based on the test results as presented in Table 4.9 shows that capital structure has a significant effect on financial performance. Capital structure is able to have an influence on financial performance, where the use of capital from loans will increase financial risk, in the form of interest costs that must be paid, even though the company experiences losses. However, interest costs are tax deductibles, so companies can benefit, because interest is applied as a cost. In addition, when there is an additional capital structure in a company, it is expected that the capital structure can be used optimally by the company to support an increase in sales. With increased sales, it will potentially increase profits which become a benchmark for assessing financial performance in the company.

Capital structure is a proportion in determining the fulfillment of the company's spending needs, where the funds obtained use a combination or combination of sources derived from long-term funds consisting of two main sources, namely those from inside and outside the company (Napitupulu, et al. 2021). The results of this study are in accordance with the exchange theory (trade off theory). This theory explains that companies will try to use debt levels to a certain point where the value of tax savings will be balanced by the cost of financial problems. The more companies use debt, the higher the value and stock price, this will improve the company's financial performance (Sofi'ah &; Amanah, 2019).

The results of this study are in line with research conducted by Agustin &; Sutjahyani (2023), Napitupulu, et al. (2021), Nini, et al. (2020), and Dewi &; Hidayati (2023) which states that capital structure significantly affects the company's financial performance. However, the results of this study contradict research conducted by Rahmatin & Kristanti (2020), the results of which show that capital structure has no effect on financial performance.

7. The Effect of Accounting Conservatism on Financial Performance

Based on the test results as presented in Table 4.9 shows that accounting conservatism has a significant effect on financial performance. Accounting conservatism can have an effect on financial performance, because conservative financial statements can prevent information asymmetry by limiting management in manipulating financial statements. Conservatism will also limit the losses that may arise from underperforming investment decisions. The more conservative the financial reporting, the less likely managers are to misuse financial information, making it less likely for managers to manipulate financial statements.

Accounting conservatism has a role as a supervisory function of investment policies in companies. By requiring faster recognition of loss expectations, conservatism helps managers to identify projects that have underperforming investments (Erawati, et al. 2022). The results of this study are in accordance with agency theory. With the agency theory, there is a separation between managers and shareholders with a financial performance mechanism that aims to create added value for all interested parties. Companies that implement accounting conservatism will improve the company's financial performance. This identifies that by delaying profit recognition and accelerating expense recognition, it will be able to provide good quality financial statements for the company, as well as improve financial performance.

The results of this study are in line with research conducted by Erawati, et al. (2022), El-Habashy (2019) and Zulfikar, et al. (2020) which states that accounting conservatism has a significant effect on the company's financial performance. However, in contrast to the results of research from Millah, et al. (2020), Suleiman Al-Fasfus, et al. (2022), and Dewi &; Hidayati (2023) which show that accounting conservatism has no influence on financial performance.

CONCLUSION

Based on the results of the study, it can be concluded that:

1. Determinants of good corporate governance (GCG) proxied by:
   a. Institutional ownership has no significant effect on financial performance. When high ownership of shares by institutions will make institutional shareholders have high voting as well, so it can be misused to control the company according to personal interests.
   b. Managerial ownership has a significant effect on performance. With the greater the proportion of managerial ownership, the less chance of conflict, because in decision making will be very careful not to harm the company.
   C The Board of Commissioners has a significant effect on financial performance. Where the more the number of board of commissioners in a company, the company's fraud can be minimized.
   d. Independent commissioners have no significant effect on financial performance. This means that the large number of independent commissioners in the company cannot guarantee good supervision, management, and accurate decision making in the company.
   e. The audit committee has no significant effect on financial performance. The number of audit committees does not guarantee the effectiveness of the audit committee's performance in performing supervisory functions and ensuring the quality of financial statements and control over the company's management.
2. Capital structure has a significant effect on financial performance. The use of an optimal capital structure in the company's operations will affect financial performance.
3. Accounting conservatism has a significant effect on financial performance. Conservative financial statements can prevent information asymmetry by limiting management in manipulating financial statements.

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