GOOD CORPORATE GOVERNANCE ON THE COMPANY'S FINANCIAL PERFORMANCE

(Case Study of IDX-Listed Property And Real Estate Companies 2015-2020)

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Abstract: The purpose of this research is to determine the effect of Good Corporate Governance on a company's financial performance by examining the board of commissioners, independent commissioners, audit committees, and institutional ownership characteristics. The financial performance of a business is determined by its Return on Equity (ROE) and Return on Assets (ROA) (ROA). This study analyzed secondary data, specifically property and real estate firms that are publicly traded on the Indonesian Stock Exchange. Between 2015 and 2020, 90 property and real estate businesses listed on the Indonesian Stock Exchange utilized the purposive sampling method to choose the sample. Panel data regression analysis was utilized in conjunction with the Eviews Version 12 computer application. The study's findings indicated that while both the board of commissioners and institutional ownership had an effect on the company's financial performance as measured by ROE and ROA, independent commissioners had no effect on the company's financial performance as measured by ROE, but had an effect on the company's financial performance as measured by ROA. In comparison, the audit committee has no impact on the financial performance of the company, as measured by ROE and ROA.

Keywords: Audit Committee, Board of Commissioners, Independent Commissioners, Institutional Ownership, ROE, ROA.

I. INTRODUCTIONS

Since the Covid-19 epidemic, which began at the end of 2019, the worldwide economic catastrophe of 1998 has been recreated. This situation has had a detrimental effect on the company's performance. The performance of a business is a metric that stakeholders use to determine the health of the business. Stakeholders assess the company's financial performance to ascertain the company's financial situation, which reflects the company's work performance over a specified time period. Work performance as shown in financial statements becomes critical to management in order for the organization to make the best use of available resources in the face of environmental changes.

The assessment and analysis of financial performance statements is one method that management may use to ensure that it meets its duties to funders while also achieving the company's goals (Ermayanti, 2009).

Corporate governance (GCG) is critical for organizations to gain in the long run and to thrive in global economic competitiveness. According to (Pahlawan et al., 2018), good corporate governance (GCG) is a process that tries to improve a company's performance by supervising or supervising management performance and guaranteeing management accountability to stakeholders while complying with applicable law.

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A sound corporate governance structure is used to ensure that management adheres to the regulations in order to improve the company's performance. Good corporate governance can be achieved if the company's management adheres to the key principles of good corporate governance. The implementation of an excellent corporate governance mechanism needs to be implemented in order to achieve maximum corporate financial performance. Companies that practice sound corporate governance appoint external parties or supervisors to supervise the board of directors' policies' implementation. As a result, an independent board of commissioners is a critical component of Corporate Governance. The board of independent commissioners is charged with ensuring that the company's plan is implemented while supervising management and enforcing responsibility (Fadillah, 2017).

The shareholding structure, which consists of management and institutional ownership, has a measurable impact on the implementation of sound corporate governance. In industrialized and developing nations alike, including Indonesia, the pattern of corporate share ownership is similar; individual shareholdings are now largely handled by institutional investors such as mutual funds (Cornett et al., 2007). Institutional ownership, as defined by (Pirzada et al., 2015), is the percentage of shares held by institutional investors such as mutual funds, securities companies, insurance, pension funds, and financial organizations. This circumstance offers an intriguing question: whether institutional ownership has a beneficial effect on the operation of the business.

This research uses relevant corporate governance variables, namely the Board of Commissioners, Independent Commissioners, Audit Committee, and Institutional Ownership. The board of commissioners has the task of ensuring the company's strategic implementation and supervising management in the management of the company and requiring accountability. Management has a responsibility to improve the efficiency and competitiveness of the company. At the same time, the board of commissioners is responsible for overseeing the company's operational management so that the board of commissioners becomes the centre of the company's resilience and success. The existence of the board of commissioners is expected to be able to provide direction, advice and input to the board of directors and management in dealing with solving problems (Saputri et al., 2019).

The term "independent" is frequently used to refer to someone who is free, independent, impartial, not under the influence of a certain party, objective, neutral, possesses integrity, and is not involved in a conflict of interest. (Sulistiyanto, 2008) outlines several missions carried out by the Independent Commissioner to realize a healthy, clean and responsible business life. First, encourage the creation of an objective climate and justice for all interests as the main principles of general manufacturing. Second, promote the adoption of strong corporate governance ideas and practices in Indonesia. Thirdly, it is responsible for promoting the practice of good corporate governance by empowering the board of commissioners to perform supervisory functions, provide advise to management, and bring value to the organization.

The Limited Liability Companies Act Article 121 allows the Board of Commissioners to form a committee that is deemed necessary to assist with the required supervisory duties. The audit committee is a new body that has been formed to assist the board of commissioners in its functions. This audit committee may have been formed in response to the growing trend of different abuse and negligence scandals involving directors and commissioners, indicating insufficient supervision functions (Suryanto, 2019).

Corporate governance is a framework for enhancing a company's performance by supervising or supervising management performance and ensuring management accountability to stakeholders in accordance with legislative ideas. Indonesia has great potential for the growth of various sectors, especially the infrastructure sector. Currently, Indonesia is heading towards improvements in the field of infrastructure. This is evidenced by the government's development of vital infrastructures that can support economic development in Indonesia.

One sector that benefits from infrastructure development is property and real estate companies. The property and real estate

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industry will always experience rapid development and will increase every year because the land has a fixed availability with the increasing number of residents and the increasing human need for shelter every year. Property and real estate businesses are among the most actively traded industries on the Indonesian Stock Exchange (IDX), alongside banking.

Declining economic growth in 2020 caused property and real estate companies to survive and be able to compete with other companies. In such situations or conditions, many companies cannot run their business. Property and real estate businesses are among the most actively traded industries on the Indonesian Stock Exchange (IDX), alongside banking. By implementing sound corporate governance, a business may solve difficulties that arise both inside and outside. The company can overcome various internal and external pressures by analyzing the company's financial performance.

Based on the foregoing, the financial performance of the company is inextricably linked to the adoption of sound corporate governance. The purpose of this study is to determine the effect of sound corporate governance on a business's financial performance. Boards of commissioners, independent commissioners, audit committees, and institutional ownership are all viable corporate governance methods that have been investigated. From 2015 to 2020, this research was undertaken on property and real estate businesses listed on the Indonesia Stock Exchange (IDX).

The relationship between applying the principle of Good corporate governance with financial performance is very close because Good corporate governance is not just a slogan but animates the company's performance, especially the company's financial performance, which must be applied consistently consequentially. The application of GCG principles consisting of transparency, independence, accountability, accountability, and fairness supports the implementation of information on a company's financial performance needed by stakeholders.

The board of commissioners is responsible for supervising the performance of the directors and management in running the business. GCG and OJK guidelines have regulated the size of the board of commissioners. However, there are no criteria defining the optimal number of members on the board of commissioners for the company's effectiveness and efficiency.

(Kartika & Dul Muid, 2017) demonstrates that the board of commissioners has an effect on the financial success of the organization. This is consistent with the assertion made by (Vu & Nguyen, 2017) that the board of commissioners has an effect on the financial success of the company. The more members on the board of commissioners, the better the company's performance. The research hypothesis is formulated as follows:

H1= The board of commissioners affects the company's financial performance.

The Independent Board of Commissioners consists of commissioners who have no financial, management, ownership, or familial ties to the controlling shareholder, the board of commissioners, or the board of directors. The board of commissioners is self-governing, as evidenced by the percentage of independent commissioners to the total number of commissioners.

(Hero et al., 2018) demonstrates that an independent board of commissioners has an effect on the financial success of the company. According to studies undertaken by (Suryanto, 2019) and (Ekawati, 2020), the board of commissioners has an effect on the financial success of the company. The independent board of commissioners is an ad hoc body that monitors the success of the board of directors in implementing the company's strategy and policies. Additionally, the board of commissioners is charged with the primary role of promoting the use of sound corporate governance standards. Additionally, the board of commissioners can effectively advise the board of directors and bring value to the organization. The research hypothesis is formulated as follows:

H2= Independent commissioners affect the company's financial performance.

The audit committee is a professionally and independently functioning committee established by the board of commissioners with the responsibility of assisting and strengthening the board of commissioners in carrying out supervisory functions over financial reporting, risk management, audit implementation, and

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corporate governance implementation in businesses. The audit committee is quantified in this study by the number of audit committee members.

According to (Suryanto, 2019), the audit committee has no effect on the financial performance of the organization, but (Naimah & Hamidah, 2016) conducted research (Warrad & Khaddam, 2020). Increased audit committee ownership by a company protects and controls accounting and financial procedures, resulting in a favorable impact on the company's financial performance. The research hypothesis is formulated as follows:

H3= Audit committee affects the company's financial performance.

Institutional ownership refers to an institution's or institution's ownership of a business. Due to the high level of institutional ownership, institutional investors will exert greater monitoring to curtail managers' urge for opportunistic behavior. Institutional ownership is also critical in monitoring management since it encourages more effective supervision. Without a doubt, the supervision will ensure the shareholders' success. Through their substantial engagement in the stock market, institutional ownership's power as a supervisory agent is diluted.

According to (Saputri et al., 2019), institutional ownership has an effect on the financial performance of a company. The results of the same research conducted by (Suryanto, 2019) and (Dewi et al., 2019) indicated that institutional ownership has a favorable effect on a company's financial performance, indicating that the owner's control function is critical in improving the company's performance. Theoretically, the greater the institutional ownership, the greater the control over the company, and the greater the performance/value of the company if the owner can control management behavior to achieve the company's objectives. **The research hypothesis is formulated as follows:**

H4= Institutional Ownership affects the company's financial performance.

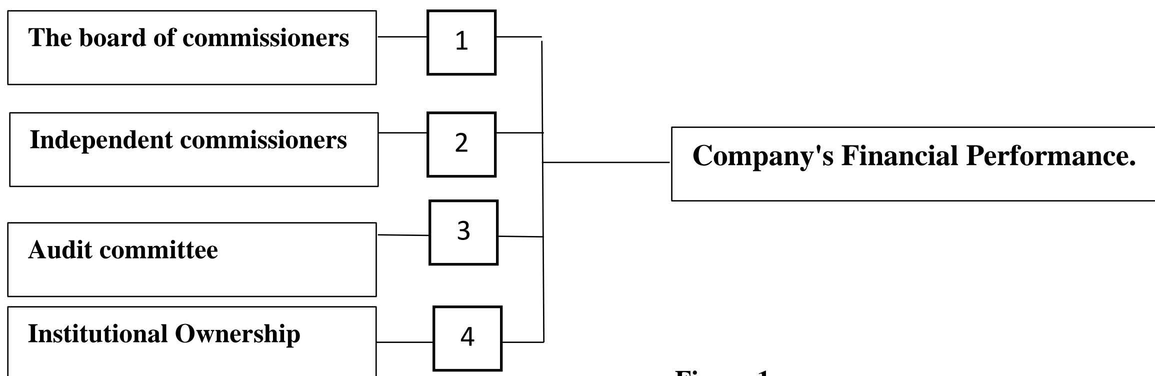

Figure 1.
Conceptual Framework

Information:
1. (Saputri et al., 2019) and (Vu & Nguyen, 2017)
2. (Kartika & Dul Muid, 2017; Heroes et al., 2018)
3. (Saputri et al., 2019) ; Suryanto, 2019)
4. (Citra Merryana et al., 2019; Suryanto, 2019)

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II. RESEARCH METHODS

A. Types, Populations and Research Samples

The type of research used in this study uses associative approach methods. An associative approach uses two or more variables to see the relationship or influence between one variable and another. The research employs a quantitative approach, in which data is gathered in the form of numbers and examined using statistical methods.

According to (Sugiyono, 2011), population understanding is a domain of generalization comprised of things or topics chosen by researchers for study and subsequent conclusion. The population for this study is companies in the field of Property and Real Estate that are listed on the IDX for the period 2015-2020, as derived from the annual Financial Reports of property and real estate companies published by the Indonesia Stock Exchange (IDX) and accessible via https www.IDX.co.id.

According to (Sugiyono, 2011), the definition of samples is a component of the population's size and features. Purposive sampling is used to choose study samples. The following criteria were used to select samples for this study:

1. Sample companies are registered in the Indonesian Securities department from 2015 to 2020 in the Property and Real Estate sector companies that publish annual reports (annual reports) in a row.
2. The sample company has financial statements that expire on December 31.
3. The sample company has all the necessary data in total.

Tabel 1
Sample List of Selected Property and Real Estate Companies

No.	Bonds Code	Emitence
1	ASRI	Alam Sutera, Tbk.
2	BEST	Bekasi Fajar Industrial Estate, Tbk.
3	BIPP	Bhuawanatala Indah Permai Tbk
4	BKDP	Bukit Darmo Property Tbk
5	BKSL	Sentul City, Tbk.
6	BSDE	Bumi Serpong Damai, Tbk.
7	DART	Duta Anggada Realty, Tbk.
8	DILD	Intiland development,Tbk
9	DUTI	Duta Pertiwi, Tbk.
10	DMAS	Puradelta Lestari Tbk
11	FMII	Fortune Mate Indonesia Tbk
12	GMTD	Gowa Makassar Toursm Development,Tbk
13	GPRA	Perdana Gapura Prima Tbk
14	SMDM	Suryamas Dutamakmur,Tbk
15	SMRA	Summarecon Agung,Tbk

Sumber : *www.idx.co.id*

B. Data Analysis Techniques

The data analysis technique used in this study is The Data Regression Panel. In general, there are two approaches used in guessing models from panel data, namely without individual influence (standard effect model) and models with individual influences (fixed effect models and random effect models), then to test hypotheses used Common Effects (common effect models), Fixed Effect models (fixed-effect models) and Random Effect models methods. To determine the effect of independent factors on dependent variables, the panel data regression model is compared to the proposed model using the Eviews 12 software. The following regression models were created to assess the study's hypotheses:

$$\mathbf{Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e} \quad (1)$$

Noted:

Y = Company's Financial Performance
a = Constanta
X_1 = The board of commissioners
X_2 = Independent commissioners
X_3 = Audit committee
X_4 = Institutional Ownership
e = *Error*
$\beta_1 \beta_2 \beta_3 \beta_4$ = Koefisien Regresi

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III. RESULT AND DISCUSION

A. Panel Data Regresion

a. Return On Equity (ROE) Variable

1. Panel Data Regresion (Variabel ROE)

Tabel 4
The Result of Panel Data Regresion (Variabel ROE)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.825153	3.970146	-1.215359	0.2283
LNX1	0.458725	1.139235	0.402661	0.0484
LNX2	-0.195653	0.710204	-0.275488	0.7837
LNX3	-0.645943	1.727970	-0.373816	0.7097
LNX4	1.622851	0.344003	4.717545	0.0000
		Effects Specification		
	Cross-section fixed (dummy variables)			
Root MSE	0.892294	R-squared		0.671686
Mean dependent var	1.208088	Adjusted R-squared		0.588452
S.D. dependent var	1.565992	S.E. of regression		1.004616
Akaike info criterion	3.032180	Sum squared resid		71.65694
Schwarz criterion	3.559917	Log likelihood		-117.4481
Hannan-Quinn criter.	3.244995	F-statistic		8.069812
Durbin-Watson stat	1.794525	Prob(F-statistic)		0.000000

Sumber : Hasil Uji Data Sekunder

The Fixed Effect Model (FEM) is chosen for the linear regression equation of panel data based on the regression estimation method between the Common Effect Model (CEM), the Fixed Effect Model (FEM), and the Random Effect Model (REM), as well as the selection of regression equation estimation models using chow tests, hausman tests, and lagrange multiplier tests. The following is the estimation model derived from the Fixed Effect Model:

$$\textbf{Y-ROE} = -4{,}825 + 0{,}458\, x1 - 0{,}1956\, X2 - 0{,}6459\, x3 + 1{,}6228\, X4 + e \qquad (2)$$

Y : *Return on Equity*
X_1 = The board of commissioners
X_2 = Independent commissioners
X_3 = Audit committee
X_4 = Institutional Ownership
e = *Error*

2) ROE Hypothesis Test

The hypothesis test consists of partial test determination coefficient tests (t-test) and Adjusted (R2), with estimates for linear regression of panel data using the Fixed Effect Model (FEM) as follows:

Table 5. Hypothesis Test Results (ROE)

Variable	t-score	Prob.	Result
The board of commissioners	0.402661	0.0484	Effected
Independent commissioners	-0.275488	0.7837	Uneffected
Audit committee	-0.373816	0.7097	Uneffected
Institutional Ownership	4.717545	0.0000	Effected
F-statistik	0.000000		
Adjusted R-Squares	0.588452		

Sumber : Hasil Uji Data Sekunder

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3) Partial Test (Test t).

Based on the results of the t-test, the following decisions can be taken:

a) Variable X1 or Board of Commissioners has a calculated value of 0.4026 and a probability value of 0.0484. This shows the probability value of 0.0484 < 0.05, then the Board of Commissioners individually (partially) affects the ROE variable. Thus, with every increase in the variable of the board of commissioners, the ROE variable will also increase.

b) Variable X2 or independent commissioner variable has a calculated value of -0.275488 and a probability value of 0.7837. This indicates a probability value of 0.7837 > 0.05, then independent commissioners individually (partially) do not affect the ROE variable. Thus, the ROE variable will also increase for every increase in the independent commissioner variable.

c) Variable X3 or audit committee variable has a calculated value of -0.373816 and a probability value of 0.7097. This indicates that the probability value of 0.7097 > 0.05 then the audit committee variable individually (partially) does not affect the ROE variable. Thus, the ROE variable will increase every increase in audit committee variables.

d) Variable X4 or institutional ownership variable has a calculated value of 4.717545 and a probability value of 0.000. This indicates a probability value of 0.000 < 0.05 then the institutional ownership variable individually (partially) affects the ROE variable. Thus, the ROE variable will increase every increase in audit committee variables.

4) Determination Coefficient Test (Adjusted R2)

According to (Gujarati, 2012) tthe coefficient of determination is indicated by the adjusted value R2. obtained from the determination coefficient test with an adjusted value of R2 is 0.58. This means that 58% of the variation in ROE values can be addressed by variables of the board of commissioners, independent commissioners, audit committees and institutional ownership. The remaining 52% could be influenced by other factors not studied.

b. Variable *Return On Assets* (ROA)

1) Panel Data Regression (Variabel ROA)

Table 6. The Result of Panel Data Regression ROA

Dependent Variable: LNY2
Method: Panel Least Squares
Date: 02/25/22 Time: 22:26
Sample: 2015 2020
Periods included: 6
Cross-sections included: 15
Total panel (balanced) observations: 90

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.479233	3.843275	-1.425668	0.1583
LNX1	0.859467	1.102829	0.779329	0.0384
LNX2	-0.314873	0.687509	-0.457992	0.0484
LNX3	-0.768707	1.672751	-0.459547	0.6472
LNX4	1.677628	0.333010	5.037768	0.0000

Effects Specification

Cross-section fixed (dummy variables)

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Root MSE	0.863779	R-squared	0.695404
Mean dependent var	0.772521	Adjusted R-squared	0.618183
S.D. dependent var	1.573864	S.E. of regression	0.972512
Akaike info criterion	2.967224	Sum squared resid	67.15034
Schwarz criterion	3.494961	Log likelihood	-114.5251
Hannan-Quinn criter.	3.180038	F-statistic	9.005317
Durbin-Watson stat	1.903439	Prob(F-statistic)	0.000000

Sumber : Lampiran 3

Based on the method of estimating regression between the Common Effect Model (CEM), Fixed Effect Model (FEM) and Random Effect Model (REM) as well as the selection of regression equation estimation models with chow tests, hausman tests and multiplier lagrange tests, the Fixed Effect Model (FEM) is selected for the linear regression equation of the data panel. The estimation model obtained from the Fixed Effect Model can be written as follows:

Y-ROA = -5,479 + 0,8594 X1 – 0,3148 X2 – 0,7687 X3 + 1,6776 X4 (3)

Y : *Return on Assets*

X_1 = The board of commissioners

X_2 = Independent commissioners

X_3 = Audit committee

X_4 = Institutional Ownership

e = *Error*

2) ROA Hypothesis Test

The hypothesis test consists of partial test determination coefficient tests (t test), simultaneous tests (F test) and Adjusted (R2), with estimates for linear regression of panel data using the Fixed Effect Model (FEM) as follows:

Table 7. ROA Hypothesis Test

Variable	t-score	Prob.	Result
The board of commissioners	0.779329	0.0384	Effected
Independent commissioners	-0.457992	0.0484	Effected
Audit committee	-0.459547	0.6472	Uneffected
Institutional Ownership	5.037768	0.0000	Effected
F- statistik	0.000000		
Adjusted R-Squares	0.618183		

Sumber : Lampiran 3

3) Partial Test (Test t)

Based on the results of the t-test, the following decisions can be taken:

a) Variable X1 or Board of Commissioners has a calculated value of 0.7793 and a probability value of 0.0384. This indicates the probability value of 0.0384 < 0.05 then the Board of Commissioners individually (partially) affects the ROA variable. Thus, the ROA variable will increase every increase in the variable board of commissioners.

b) Variable X2 or independent commissioner variable has a calculated value of -0.4579 and a probability value of 0.0484. This shows that the probability value of 0.0484 < 0.05 then the independent commissioner affects the ROA variable individually (partially). Thus, each increase in the independent commissioner variable then, the ROA variable will also increase.c) Variable X3 or audit committee variable, has a calculated value of -0.4595 and a probability value of 0.6 >472. individual (partial) does not affect the ROA variable. Thus, with every increase in audit committee variables, roa variables will also increase.

d) Variable X4 or institutional ownership variable has a calculated value of 5.0377 and a probability value of 0.000. This indicates a probability value of 0.000 < 0.05, then the institutional ownership variable individually (partially) affects the ROA variable. Thus, every increase in audit committee variables, roa variables will also increase.

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4) Determination Coefficient Test (Adjusted R2)

According to Gujarati (2013: 493) the coefficient of determination is indicated by the adjusted value R2 of the regression model. obtained from the determination coefficient test with an adjusted value of R2 is 0.61. This means that 61% of the variation in ROA values can be influenced by variables of the board of commissioners, independent commissioners, audit committees and institutional ownership. The remaining 39% could be influenced by other factors not studied.

B. Discussion of Research Results

The analysis of the results of the findings and the suitability of previous theories, opinions, and research found. Here are the findings in this study:

1. The Influence of the Board of Commissioners on the Company's Financial Performance

a) Measured by Return on Equity (ROE)

The tests in Table 5 demonstrate that the Board of Commissioners has a strong favorable effect on financial performance (ROE). On the basis of these findings, H1 is approved, implying that the board of commissioners has the ability to improve the company's financial performance.

This is consistent with research (Kartika & Dul Muid, 2017) and (Vu, N. H., & Nguyen, T., 2017) indicating that the Board of Commissioners has a considerable impact on the financial performance of the company as assessed by ROE. The larger the Board of Commissioners, the better the Company's financial performance will be.

b) Measured by Return on Assets (ROA)

The tests in Table 7 demonstrate that the Board of Commissioners has a strong favorable effect on financial performance (ROA). On the basis of these findings, H1 is approved, implying that the board of commissioners has the ability to improve the company's financial performance.

This is consistent with research (Kartika & Dul Muid, 2017) and Saputri et al., (2019) indicating that the Board of Commissioners has a major impact on the Company's financial performance as assessed by ROA. According to Zarkasyi Theory (2008: 96), the Board of Commissioners' function in a company is more focused on monitoring the board of directors' policies, and that the greater the number of The Board of Commissioners, the greater access to various external resources and a positive impact on financial performance.

2. The Influence of Independent Commissioners on the Company's Financial Performance

a) Measured by Return on Equity (ROE)

The tests presented in Table 5 show that independent commissioners do not affect financial performance (ROE). Based on these results, H2 was rejected, which means that the independent board of commissioners cannot improve the company's financial performance.

This is in line with research (Suryanto, 2019) and Dian et al., (2018) that the results of independent commissioner variable testing have a significant negative effect on the Company's Financial Performance. Independent Commissioners are supposed to increase oversight because the Independent Board of Commissioners comes from outside the company. However, the appointment of an Independent Board of Commissioners that tends only to formalities to meet existing regulations and the lack of awareness of the Independent Board of Commissioners in conducting supervision causes the Independent Board of Commissioners to not affect improving performance.

b) Measured by Return on Equity (ROA)

The tests presented in table 7 show that the Independent Commissioner affects financial performance (ROA). Based on these results, H2 is accepted, which means that an independent board of commissioners can improve the company's financial performance.

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This is in line with research (R. Herman & Santoso, 2018) and (Pahlawan et al., 2018) that independent commissioner variable testing has a significant negative effect on the Company's Financial Performance. Independent commissioners are intended to create a more objective and independent climate, maintain fairnes and provide a balance between the interests of majority shareholders and protect the interests of minority shareholders, even the interests of other stakeholders. So that independent commissioners should provide the best policy in providing management to get much profit.

3. The Effect of the Audit Committee on the Company's Financial Performance.

a) Measured by Return on Equity (ROE)

According to the tests described in Table 5, the Audit Committee has no effect on financial performance (ROE). H3 was rejected as a result of these findings, indicating that the audit committee is unable to improve the company's financial performance.

This is consistent with research (Ekawati, 2020), (Suryanto, 2019), and Saputri et al., (2019) indicating that the audit committee's variable test results had no effect on the financial performance of the firm as assessed by ROE variables. The audit committee assists the board of commissioners in supervising the company's operations, particularly its internal control. Additionally, the audit committee serves as a liaison between external and internal auditors. However, having an audit committee that exists just to comply with requirements will diminish the audit committee's effectiveness in regulating the organization. This demonstrates that when supervision is ineffective, a company's financial performance does not improve.

b) Measured by Return on Equity (ROA)

According to the tests described in Table 7, the Audit Committee has no effect on financial performance (ROA). H3 was rejected as a result of these findings, indicating that the audit committee is unable to improve the company's financial performance. This is consistent with research (Ekawati, 2020), Suryanto (2019), and Saputri et al., (2019), which indicates that the audit committee's variable test results have no effect on the Company's financial performance as evaluated by roa variables. This demonstrates that the number of audit committees does not ensure the audit committee's competence in supervising the financial performance of the company, but rather is confined to complying with existing requirements.

4. The Effect of Institutional Ownership on the Company's Financial Performance.

a) Measured by Return on Equity (ROE)

Based on the tests presented in table 5 shows that institutional ownership affects financial performance (ROE). Based on these results, H4 is accepted, which means that the institutional ownership board can improve the company's financial performance.

This is in line with research (Saputri et al., 2019) and (Dewi et al., 2019) that institutional ownership affects the company's financial performance. The greater the value of institutional ownership, the stronger the control over the company so that the owner of the company can control management behavior in order to act in accordance with the company's goals which will ultimately improve the company's financial performance.

b) Measured by Return on Equity (ROA)

The tests presented in Table 7 show that Institutional Ownership affects financial performance (ROA). Based on these results, H4 is accepted, which means that the institutional ownership board can improve the company's financial performance.

The results of the same research conducted by Suryanto and Refianto (2019), (Saputri et al., 2019) and (Dewi et al., 2019) that institutional ownership affects the company's financial performance which means that institutional share ownership has a positive effect showing that the control function of the owner is very decisive in improving the company's performance.

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The high level of institutional ownership will lead to greater supervision efforts by institutional investors to reduce the desire for opportunistic behaviour of managers. Institutional ownership owned outside the company in the form of an institution because it is considered an independent party, is expected to reduce the acts of fraud committed by management to reduce agency costs. A good supervision system will encourage the company's financial performance. In this study, institutional ownership was able to affect the company's financial performance.

IV. CONCLUSION

This research aims to test and analyze the influence of Good Corporate Governance (GCG) projected with variables of the Board of Commissioners, Independent Commissioners, Audit Committees, and Institutional Ownership on the Company's Financial Performance. The research was conducted on the property and real estate companies listed on the IDX for 2015-2020 using the panel's data regression analysis method. The results of the study are The board of commissioners influences the company's financial performance both measured by Return on Equity (ROE) and Return on Asset (ROA). The larger size of the board will provide the results of good management supervision. Institutional ownership can increase a company's value by utilizing information and overcome agency conflicts. Independent commissioners do not affect the company's financial performance as measured by ROE. The appointment of an independent board of commissioners tends only to formalities to meet existing regulations. With a greater proportion of independent boards of commissioners, supervisory function will be carried out properly. Institutional ownership increases value by utilizing information and can overcome agency conflicts.

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