

Several Variables That Affect Financial Performance in Consumer Goods Companies Listed on The Indonesia Stock Exchange in 2021-2023

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INDEXING	ABSTRACT
<p>Keywords: Keyword 1; Good Corporate Governance Keyword 2; Board of Commissioners Keyword 3; Managerial Ownership Keyword 4; Institutional Ownership Keyword 5; Audit Committee</p>	<p>Financial performance demonstrates effectiveness and efficiency in achieving objectives, where good resource management can increase profitability and positive market response. Variations in financial performance in the food and beverage industry on the Indonesia Stock Exchange (IDX) indicate differences in companies' ability to face similar conditions. This study aims to analyze the influence of GCG, which includes the board of directors, audit committee, and institutional ownership, independent board of commissioners, on financial performance in food and beverage sector companies listed on the IDX during the 2021–2023 period. The study population includes all food and beverage companies listed on the IDX, with a purposive sampling technique. From the selection results, 16 companies were obtained as samples, so that using the time series data method, 48 observational data were collected. This study uses secondary data collected through the documentation method. The data analysis technique applied is multiple linear regression. The results of this study reveal that the board of commissioners has a positive and significant influence on financial performance. Meanwhile, managerial ownership shows a negative and significant influence on financial performance. Institutional ownership shows a positive and significant influence on financial performance. Meanwhile, the audit committee has a negative and significant influence on financial performance.</p>

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INTRODUCTION

In the era of globalization and higher business competition, companies Consumer Goods plays a crucial role in Indonesia's economic structure. Increasing demand presents both an opportunity and a challenge for companies. Consumer Goods in maintaining business sustainability. Companies are required not only to pursue revenue but also to maintain business sustainability through good corporate governance to achieve optimal financial performance. Good Corporate Governance (GCG) It is important for companies to maintain stability and strengthen a company so that it can run with optimal performance (Agung, 2024). Good corporate governance (Gcg) It is a system of corporate management principles designed to create healthy competition in business and build a conducive work environment. Its implementation aims to foster good management through the principles of fairness, independence, responsibility, transparency, and accountability in the business decision-making process. Good Corporate Governance (GCG) Corporate governance refers to a series of company activities in running a company to manage the structure, rights, and obligations

of a company (Anggraeni & Rachmawati 2023). Problems in the implementation of Good Corporate Governance (GCG) generally arise due to differences in interests between company owners and management, which stem from the separation between ownership and managerial functions. This condition can be explained by agency theory, where management tends to prioritize personal interests over organizational objectives. Agency theory describes the agency relationship as a contract between managers (agents) and investors (principals). In this relationship, managers are authorized to make decisions on behalf of investors and are responsible for carrying out the tasks entrusted to them. This fundamental perspective of agency relationships is used to understand the concept of good corporate governance. Based on the results of research conducted (Saragih & Sihombing 2021) Good Corporate Governance (GCG) has a significant positive effect on the financial performance of companies listed on the Indonesian Stock Exchange.

Several previous studies with the same topic, namely by Annisa Eka Rahma (2023), Rahardjo & Wuryani, (2021), (Nabilah & Rialdy, 2022), Fina Nurdamayanti (2023), K Khatimah (2024), Puspita & Rahayu (2021).

Based on the above issues, the researcher has a strong reason for choosing the title "Several Variables Affecting Financial Performance." The presence of independent commissioners is expected to minimize conflicts of interest between management and shareholders while enhancing corporate transparency and accountability. Through effective oversight, the company's financial performance is also expected to improve. Managerial ownership was chosen because when management owns shares in a company, they have a direct stake in its success. This can encourage management to work more optimally to improve company performance, including financial performance, as they also benefit from increased company value. The audit committee was chosen because it plays a crucial role in assisting the board of commissioners in overseeing the financial reporting process, internal control systems, and compliance with applicable regulations. An effective audit committee is expected to enhance the transparency and accuracy of a company's financial reporting, thereby enhancing investor confidence and improving the company's financial performance. Financial performance was chosen because it is an important indicator for assessing a company's success in managing its resources. In this study, financial performance was measured using Return on Assets (ROA). Because this ratio is able to show the company's ability to generate profits from all the assets it owns.

LITERATURE REVIEW

1. Definition of Good Corporate Governance

Sutedi (2011) states that Good Corporate Governance (GCG) is a principle or system that regulates the relationship between shareholders, company management, and other interested parties to ensure that the company can be managed well and avoid abuse of authority by those in power in the company. According to Effendi (2009), Good Corporate Governance (GCG) is a set of systems and policies that govern the relationships between shareholders, the board of directors, the board of commissioners, and company management. Its purpose is to prevent conflicts of interest, enhance accountability, and ensure that the company is managed in a sustainable manner to achieve long-term objectives.

2. Definition of Independent Board of Commissioners

Independent commissioners are tasked with aligning the interests of majority and minority stakeholders and acting as mediators between managers, auditors, and stakeholders.

Furthermore, independent commissioners play a role in developing the company's long-term strategic plans and periodically evaluating their implementation.

3. **Definition of Managerial Ownership**

Management's share ownership can motivate them to perform their best to optimize company performance. Management share ownership also encourages managers to maximize their efforts to increase company profits, as they also have a share of those profits (Jensen & Meckling, 1976).

4. **Definition of Institutional Ownership**

The presence of institutional investors can also reduce costs. Research by Wulandari & Budiarta (2014) supports this statement by showing that institutional ownership impacts a company's financial performance. Institutional ownership provides greater benefits because greater ownership gives them the power to oversee company activities.

5. **Definition of Audit Committee**

The main task of the audit committee is to facilitate the board of commissioners to strengthen its functions in relation to the company's accounting regulations, internal supervision and financial reports.

RESEARCH METHOD

1. **Research location**

This research was conducted at Consumer Goods companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period.

2. **Research time**

This research was conducted from October to completion. The research stages included preparation, data collection, data analysis, and the preparation of a final report.

3. **Types of research**

This study employs a quantitative approach, which is a research method based on concrete data in the form of numerical values. These data are then analyzed using statistical tools to address the research problem and produce conclusions (Sugiyono, 2018:13).

4. **Data Source Type**

Secondary data is data that has been collected by other people or institutions and is usually readily available in the form of reports, statistics, and documents. Researchers use secondary data to support or supplement the primary data they have collected.

5. **Population and Sample**

a. **Population.**

A population refers to a generalization area that includes objects or subjects with specific characteristics and qualities identified by the researcher to be studied and used as the basis for drawing conclusions (Sugiyono, 2019). The population in this study was 131 Food and Beverage companies in the Consumer Goods sector listed on the Indonesia Stock Exchange for the 2021-2023 period.

b. **Sample**

A sample is a portion of the population and its characteristics (Sugiyono, 2019:127). The data used in this study are facts from financial reports collected for the period 2021-2023. The sample size was 16 companies.

6. Data Collection Techniques

The sampling method used by the author is purposive sampling, which is research based on specific criteria. The criteria used to select the sample in this study are as follows:

- A Consumer Goods company in the food and beverage sector listed on the Indonesia Stock Exchange for the 2021-2023 period.
- Consumer goods companies in the food and beverage sector that have institutional ownership data
- Consumer Goods Company which is included in the group of large companies which has net assets of IDR 10,000,000,000

7. Data analysis

This study uses multiple linear regression analysis with the help of SPSS, which begins with classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), then t-tests, F-tests, and coefficients of determination (R^2) are carried out to test the research hypothesis.

RESULT AND DISCUSSION

Table 1. Multiple Linear Regression Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,002	,003		-,489	-,626
	board of Commissioners	,000	,001	-,133	-,778	,029
	Managerial ownership	-,047	,024	,317	-1,939	,059
	Institutional Ownership	,008	,004	,222	2,193	,019
	Audit Committee	-,001	,002	-,123	-1,116	,050

a. Dependent Variable: ROA

Source: SPSS data processing results (2026)

Based on the results of the multiple linear regression analysis from the table above, the multiple regression equation model is obtained as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

$$Y = 0,002 + 0,000(X_1) - 0,047(X_2) + 0,008(X_3) - 0,001(X_4)$$

Information :

Y = Financial Performance (ROA)

X1 = Board of Commissioners

X2 = Managerial Ownership

X3 = Institutional Ownership

X4 = Audit Committee

Based on the results above, it can be explained as follows:

- The constant coefficient of 0.002 means that if the independent variable is zero then the financial performance is 0.002.
- The Board of Commissioners variable (X1) has a positive regression coefficient value of 0.000. This positive coefficient value indicates that every one percent increase in

percentage of the Board of Commissioners will affect the increase in value company of 0,000.

- C. The Managerial Ownership variable (X2) has a negative regression coefficient value of - 0.047. This negative coefficient value indicates that every decrease of one percentage of managerial ownership will affect the decrease in the company's value by 0,47%.
- D. The Institutional Ownership variable (X3) has a positive regression coefficient value. of 0.008. This positive coefficient value indicates that every increase in one percent institutional ownership will affect the increase the company's financial performance is 0.008 or 0.8%
- E. The Audit Committee variable (X4) has a negative regression coefficient value of - 0.001. This negative coefficient value indicates that every one percent decrease the percentage of the audit committee will affect the decline in financial performance company of 0.001 or 0.1%.

t-test (Partial)

The t-test was conducted to determine the magnitude of the partial influence. The t-test was conducted to determine whether the independent or free variables (board of commissioners, managerial ownership, institutional ownership and audit committee) had a significant or insignificant effect on the dependent or bound variable (financial performance). The following results of the T-test (partial) can be seen in table 4.8 below:

Table 2. Partial t-Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-,002	,003		-,489	-,626
Board of Commissioners	,000	,001	-,133	-,778	,029
Managerial Ownership	-,047	,002	,317	2,690	,060
Institutional ownership	,008	,004	,222	2,193	,019
Audit Committee	-,001	,002	-,123	-1,116	,050

a. Dependent Variable

Source: SPSS data processing results (2026)

The table above shows the significance values for each variable. The meaning of the regression equation above is as follows:

1. Based on partial statistical tests, the significance value of the independent board of commissioners is $0.029 < 0.05$. Therefore, it can be concluded that H1 accepted, which means that the board of commissioner variable has a positive effect on financial performance.
2. Based on the partial statistical test, it shows the significance value of the committee. audit, which is $0.050 > 0.05$. Therefore, it can be concluded that H2 is rejected, meaning that the audit committee variable has no effect on financial performance.
3. Based on partial statistical tests, it shows a significant value. managerial ownership is $0.060 > 0.05$. Therefore, it can be concluded that H3 is rejected, meaning that the managerial ownership variable does not affect financial performance.

4. Based on partial statistical tests, it shows a significant value. institutional ownership is $0.019 < 0.05$. So it can be concluded that H4 is accepted, which means that the institutional ownership variable has a positive impact on financial performance.

Table 3. Simultaneous F Test

ANOVA^a

Model	Sum Squares	Df	Mean Square	F	Say
1 Regression	,001	4	,000	3,434	,001 ^b
Residual	,004	36	,000		
Total	,005	47			

a. Dependent Variable: ROA

b. Predictors: (Constant), Board of Commissioners, Audit Committee, Manageria Ownership, Institutional Ownership

Source: SPSS data processing results (2026)

From the table above, it is known that the significant figure is 0.001. The significant figure of 0.001 is smaller than 0.05. It can be concluded that the variables of the board o commissioners, managerial ownership, institutional ownership and audit committee ar simultaneously affect financial performance (ROA).

CONCLUSION

Based on the results and discussion presented in the previous chapter, several conclusions can be drawn as follows:

1. The Independent Board of Commissioners variable partially has a positive sig value of $0.029 < 0.05$. It can be said that (X1) has a positive effect on the company's financial performance. Consumer Good listed on the Indonesian Stock Exchange for the 2021-2023 period.

Research conducted by Latief et al. (2014) shows a positive and significant influence between independent board commissioners on financial performance as measured by ROA. Research conducted by Gull (2013) shows that the presence of independent directors improves the financial performance (ROA) of banks listed on the Karachi Stock Exchange. An independent board commissioner is crucial for a company's success in achieving its goals and improving its financial performance. Research by Martsila and Meiranto (2013), Puspitasari and Ernawati (2010) states that boards of commissioners with more independent members tend to provide better monitoring of management policies to improve company performance (ROA).

2. The Managerial Ownership variable partially has a negative sig value of $0.060 > 0.05$. It can be said that (X2) does not have a positive effect on the company's financial performance. *Consumer Good* listed on the Indonesian Stock Exchange for the 2021-2023 period.

Furthermore, research by Wehdawati, Swandari, and Jikrillah (2015) also revealed that managerial ownership has not been able to align the interests of management and external parties, making it ineffective in reducing agency conflicts within the company. Based on these results, it can be concluded that companies cannot rely solely on managerial share ownership as a primary strategy for improving financial performance.

3. The Institutional Ownership variable partially has a positive sig value of $0.019 < 0.05$. It can be said that (X3) has a positive effect on the company's financial performance. Consumer Good listed on the Indonesian Stock Exchange for the 2021-2023 period. Research conducted by Nur'aeni (2010) found that institutional share ownership has a positive and significant impact on company performance (ROA). Increasing institutional ownership increases the agency's voting power and its incentive to oversee management. This can provide greater incentives to optimize company value, thereby improving company performance. Institutional ownership can also encourage more optimal performance oversight to anticipate managerial actions that deviate from the owners' wishes, thereby improving the company's financial performance.
4. The audit committee variable partially has a negative sig value of $0.050 > 0.05$. It can be said that (X4) does not have a positive effect on the company's financial performance. Consumer Good listed on the Indonesian Stock Exchange for the 2021-2023 period.
The findings of this study are in line with previous research conducted by Sari (2018), which stated that the board of commissioners, board of directors, audit committee, and institutional ownership simultaneously influence a company's financial performance. Good Corporate Governance provides benefits in facilitating the managerial decision-making process, thus having a positive impact on improving the company's financial performance.
5. The variables of the board of commissioners, managerial ownership, institutional ownership, and audit committee have a significance value of 0.001, which is less than 0.05. This indicates that these variables simultaneously have a positive effect on the financial performance of consumer goods companies listed on the Indonesia Stock Exchange during the 2021–2023 period.

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