
THE EFFECT OF GOVERNMENT OWNERSHIP, FOREIGN OWNERSHIP, MANAGERIAL OWNERSHIP, AND INSTITUTIONAL OWNERSHIP ON FINANCIAL PERFORMANCE WITH CORPORATE GOVERNANCE IS MODERATE IN SOE COMPANIES

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ABSTRACT

Introduction: This study examines the effect of government ownership, foreign ownership, managerial ownership, and institutional ownership on Financial Performance with Corporate Governance as moderating BUMN companies Post Privatization in 2015-2019. In this study, the data used is panel data. Panel data is a combination of time series and cross-section. **Methods:** The data analysis method used is multiple linear regression using the SPSS Version 26 application, in accordance with the research objectives, the type of research used in this study is hypothesis testing research. This research is causal. **Results:** The results show that Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership affect Financial Performance. **Conclusion:** The size of the board of commissioners has no impact on financial performance. The size of the board of commissioners moderates the predictor of the effect of government ownership on economic performance because the size of the board of commissioners has no impact on financial performance ($p \leq 0.05$). The size of the Board of Commissioners moderates the predictor of the influence of Foreign Ownership on Financial Performance because the size of the board of commissioners does not affect financial performance. The size of the board of commissioners moderates the effect of managerial ownership on economic performance because the size of the board of commissioners has no impact on financial performance, and the size of the board of commissioners moderates the effect of institutional ownership on economic performance because the size of the board of commissioners has no impact on financial performance ($p > 0.05$).

Keywords: government ownership, foreign ownership, managerial ownership, institutional ownership, financial performance, corporate governance

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INTRODUCTION

The development of a company that is getting more significant results in frequent conflicts between owners and management, in this case, shareholders (investors) and *agents* represented by management (directors). Reduce *agency costs*, it can be done by increasing Managerial Ownership, namely by providing opportunities for managers to be involved in share ownership to equalize interests with shareholders. His involvement in share ownership causes managers to act carefully because they share the consequences of their decisions. In addition, with the participation of share ownership, managers will be motivated to improve their company performance. In managerial share

ownership, it is expected that managers will act following the wishes of the principals because managers will be encouraged to improve performance and later increase company value.

Research on managerial ownership was conducted by Rais & Santoso. (2017) and Saffudin (2011) state that managerial ownership does not affect financial performance. This is because, in Indonesia, there are not many management parties who own company shares significantly. This insignificant result indicates that the market does not use management ownership information to evaluate the investment.

Institutional ownership can act as the correct solution because institutional ownership has a vital role in the company. After all, it can control management with more efficient supervision. Furthermore, as the proportion of institutional ownership increases, the use of debt will decrease, so the *agency cost* will increase. Research on the influence of institutional ownership on financial performance has been carried out by Yanti et al. (2021), where the study results indicate that institutional ownership positively affects company performance.

Institutional ownership can minimize conflicts of interest between the principal and the agent. In addition, with institutional supervision, it is possible to optimize management's performance monitoring to avoid misappropriation by administration so that institutional involvement can affect improving company performance. However, there are also studies that state that institutional ownership negatively affects financial performance.

Implementing *Corporate Governance* in the company's performance is the key to success for companies to gain long-term profits and compete well in global business. Investors avoid companies with bad predicates in *Corporate Governance* (CG). The attention given by investors to CG is as great as attention to the company's financial performance. Investors believe that companies that implement CG practices have tried to minimize the risk of decisions that will benefit themselves, thereby increasing company performance, which can maximize company value. (Novitasari et al., 2020). So that the poor financial performance of the LQ 45 company in 2018 is thought to be influenced by the implementation of poor *corporate governance*.

Corporate Governance began to receive significant attention starting from the economic crisis that hit the Asian region, including Indonesia. The emergence of *Corporate Governance* was motivated by various major scandals in companies both in the UK and the United States in the 1980s due to actions that tended to be greedy and prioritized the goals of certain parties (Fauziyah, 2014). This is inseparable from the conflict of interest between personal freedom and collective responsibility or the organisation's common good, which triggers the need for *Corporate Governance*. The application of CG in companies is to overcome the problem of differences in interests between the *principal* and the agent. These differences in interests must be managed so as not to cause harm to many parties. The implementation of CG is expected to be helpful to increase and maximize the company's value. CG is expected to be able to strike a balance between various interests that can provide benefits for the company as a whole. The implementation of CG is also helpful in reducing *agency costs*, namely costs that shareholders must bear due to the delegation of authority to management. It was lowering the *cost of capital* due to managing the company healthily and responsibly, increasing the value of the company's shares, and creating *stakeholder support* for the company.

If the dividend increases above the expected amount, it signals to investors that the management company can show good profits in the future. Reducing dividends or increasing yields by a smaller amount than expected signals that management predicts poor future earnings. Managers often have more information about future dividend prospects than shareholders so that dividend announcements will provide alerts or news about future profits (Connelly, BL, ST Certo., RD Ireland., 2011). The company's capital structure has a positive relationship with the size, growth and wealth or assets (Harjito, 2011). The factor that determines the perspective of Pecking Order Theory is when the company benefits from using debt as a source of company funds, not the main one. The relationship between the level of profit or company profitability with the level of debt, based on the Pecking Order Theory has a negative direction. It can be interpreted, if profitability increases, the company's debt level will decrease, on the contrary, if profitability decreases, the debt level will increase (Oktavina et al., 2018) .

METHOD

In accordance with the research objectives, the type of research used in this research is hypothesis testing research. This research is causal. The population in this study consisted of 20 state-owned companies that had an IPO on the Indonesia Stock Exchange from 1995. The sample in this study was taken using a census technique where the entire population was used as a sample. This study uses multiple linear regression techniques to determine the effect between research variables. Moderation testing is carried out to determine the direction and strength of the relationship between the independent variable and the dependent variable which is influenced by the mediator variable

RESULTS AND DISCUSSION

RESULTS

A. Description of Research Data

Descriptive research data include maximum value, drinking, mean and standard deviation. For the Financial Performance variable, the minimum value is 3 , 65 percent, the maximum value is 17 , 65 percent, and the average value is 10 , 57 percent with a standard deviation of 3 , 17 percent. This shows that the average financial performance of SOEs that have been privatized is 10.57 percent. For the Government Ownership variable , the minimum value is 60.00 percent , the maximum value is 65.00 percent , and the average value is 60 . 92 percent with a standard deviation of 1.95 percent . This shows that the average Government Ownership of privatized SOEs is 6 0 , 92 percent. For the Foreign Ownership variable , the minimum value is 8 , 47 percent, the maximum value is 32 , 10 percent, and the average value is 18 , 80 percent with a standard deviation of 6 , 16 percent. This shows that the average foreign ownership of privatized BUMN companies is 18.80 percent . For the Managerial Ownership variable , the minimum value is 0.0 1 percent , the maximum value is 0.26 percent , and the average value is 0.05 percent with a standard deviation of 0.04 . This shows that the average Managerial Ownership of BUMN companies that have been privatized is 0.05 percent and for the Institutional Ownership variable the minimum value is 6 , 97 percent, the maximum value is 21

, 45 percent, and the average value is 11,62 percent with a standard deviation of 4,19 percent. This shows that the average institutional ownership of state-owned companies that have been privatized is 11,62 percent.

Table 1. Descriptive Statistics

	Minimum	Maximum	Average	Standard Deviation
ROE	3.65	17.65	10.5705	3.17651
Government Ownership	60.00	65.00	60.9259	1.95434
Foreign Ownership	8.47	32.10	18.8057	6.16178
Managerial ownership	,01	,26	,0509	0.04846
Institutional Ownership	6.97	21.45	11.6233	4.19419
Board of Commissioners Size	7.00	8.00	7.8148	,39087
Valid N (listwise)				

Source: Processed Secondary Data, 2021

B. Classic Assumption Test

a. Normality test

Testing the normality of the data can be seen in table 2 below:

Table 2. Normality Test Results I

N	Statistics Test	Sig.
100	0.21	0.00

Source: Processed primary data, 2022

Based on Table 2, it is known that the sig value in the normality test is $0.000 < 0.05$. In the one-sample Kolmogorov-Smirnov test, the variables have asymp. Sig (2-tailed) below the significant level of 0.05, it means that these variables have an abnormal distribution. So it is necessary to eliminate outlier data

Table 3. Normality Test Results II

N	Statistics Test	Sig.
81	0.078	0.200

Source: Processed primary data, 2022

Based on Table 3, it is known that the sig value in the normality test is $0.200 > 0.05$. In the one-sample Kolmogorov-Smirnov test, the variables have asymp. Sig (2-tailed) above the significant level of 0.05 means that these variables have a normal distribution (Ghozali, 2013:34).

b. Multicollinearity Test

The results of data processing indicate that the tolerance value of the independent variable has a value of more than 0.10. The VIF value is below 10. According to Ghozali (2013), a regression model shows the existence of multicollinearity if the tolerance value is less than 0.10 and the VIF value is more than 10. The conclusion is that the independent variable regression model does not have multicollinearity and has met the assumptions of the multicollinearity test.

c. Heteroscedasticity Test

Figure 1 below presents the results of the heteroscedasticity test :

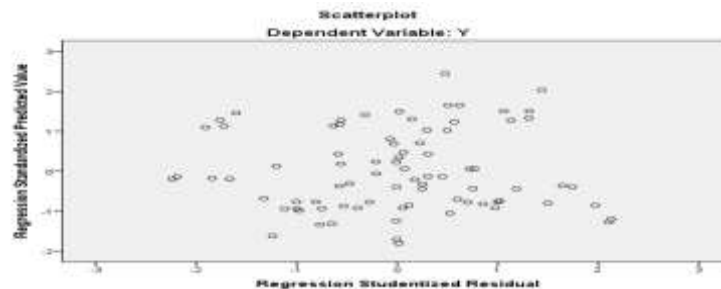


Figure 1 Heteroscedasticity Test Results

C. Hypothesis Testing Results

The results of the regression analysis can be seen in Table 5 below :

Table 5. Multiple Linear Regression Analysis Test Results

Number	Variable	Coefficient Value	t value	Value of Sig.	F/Sig value.	R/R ² /Adj.R ²
1.	Government Ownership	-0.381 _	- 2 , 673	0, 009	37 , 015 / 0.00 0	0.813 / _ 0.661 / _ 0, 643
2.	Foreign Ownership	0.453 _	2 , 958	0.004 _		
3.	Managerial ownership	-0.029	-0 , 385	0.701 _		
4.	Institutional Ownership	-0.348	- 0.453 _	0.016		

Source: Research Results, 2021

Based on the results of data processing using the SPSS program as shown in Table 5, the following multiple linear regression equations were obtained:

$$Y = -0.381X_1 + 0.453X_2 - 0.029X_3 - 0.348X_4 + e$$

Based on the results of the previous regression equation, it can be explained that:

1. The regression coefficient of Government Ownership is -0.381, this indicates that there is a relationship between Government Ownership and Financial Performance of -0.381.
2. The regression coefficient for Foreign Ownership is 0.453, this indicates that there is a relationship between Foreign Ownership and Financial Performance of 0.453.
3. Managerial Ownership regression coefficient is -0.029, this indicates that there is a relationship between Managerial Ownership and Financial Performance of -0.029.
4. The regression coefficient for Institutional Ownership is -0.348, this indicates that there is a relationship between Institutional Ownership and Financial Performance of -0.348.
5. The calculated F value is 37,015 with a significance value of 0.000 or less than 0.05. This shows that there is a simultaneous influence of Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership on Financial Performance.
6. The R-value is 0.813 which shows that there is a relationship between Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership with Financial Performance of 0.813 or 81.3%. While the value of R Square is 0.643 which indicates that the large variation of the variables of Government Ownership, Foreign

Ownership, Managerial Ownership, and Institutional Ownership in explaining the Financial Performance variable is 0.643 or 64.3%.

a. Simultaneous Test

The calculated F value is 37,015 with a significance value of 0.000 or less than 0.05. This shows that there is a simultaneous influence of Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership on Financial Performance.

The R-value is 0.813 which shows that there is a relationship between Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership with Financial Performance of 0.813 or 81.3%. While the value of R Square is 0.643 which indicates that the large variation of the variables of Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership in explaining the Financial Performance variable is 0.643 or 64.3%.

b. Partial Test

- The Effect of Government Ownership on Financial Performance

The results of regression testing for the second hypothesis in this study were conducted to determine whether Government Ownership has an effect on Financial Performance. The test results show that the regression coefficient value of the Government Ownership variable (X1) is 1 = -0.381 with a significance of 0.009. Hypothesis testing shows that Government Ownership has an effect on Financial Performance.

- The Effect of Foreign Ownership on Financial Performance

The results of regression testing for the third hypothesis in this study were conducted to determine whether Foreign Ownership has an effect on Financial Performance. The test results show that the regression coefficient value of the Foreign Ownership variable (X2) is 2 = 0.453 with a significance of 0.004. Hypothesis testing shows that Foreign Ownership has an effect on Financial Performance.

- Effect of Managerial Ownership on Financial Performance

The results of regression testing for the fourth hypothesis in this study were conducted to determine whether managerial ownership has an effect on financial performance. The test results show the regression coefficient value of the Managerial Ownership variable (X3) of 3 = -0.029 with a significance of 0.701. Hypothesis testing shows that Managerial Ownership has no effect on Financial Performance.

- The Effect of Institutional Ownership on Financial Performance

The results of regression testing for the fifth hypothesis in this study were conducted to determine whether institutional ownership has an effect on financial performance. The test results show the value of the institutional ownership variable regression coefficient (X4) of 3 = -0.348 with a significance of 0.016. Hypothesis testing shows that institutional ownership has an effect on financial performance.

c. Moderating Test

The results of data processing using multiple linear regression with the help of the SPSS application can be seen in Table 6 below.

Table 6. Moderation Test Results

Number	Variable	Coefficient Value	t value	Value of Sig.	F/Sig value.	R/R ² /Adj.R ²
1.	Government Ownership	0.525	0.540	0.591	18,917 / 0.000	0.840 / 0.706 / 0.668
2.	Foreign Ownership	1.132	1.134	0.261		
3.	Managerial ownership	-0.222	0.0607	0.546		
4.	Institutional Ownership	-0.905	-0.981	0.330		
5.	board of Commissioners	1.206	0.554	0.581		
6.	X1.X5	-1.307	-1.008	0.317		
7.	X2.X5	-0.697	-0.505	0.615		
8.	X3.X5	0.234	0.615	0.541		
9.	X4.X5	0.581	0.662	0.510		

Source: Research Results, 2022

- **The Effect of Government Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating**

The results of regression testing for the fifth hypothesis in this study were conducted to determine whether the size of the Board of Commissioners moderates the effect of Government Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 6 of > 0.05. This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the effect of Government Ownership on Financial Performance.

- **The Influence of Foreign Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating**

The results of regression testing for the sixth hypothesis in this study were conducted to determine whether the size of the Board of Commissioners moderates the effect of Foreign Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 7 of > 0.05. This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the influence of Foreign Ownership on Financial Performance

- **The Effect of Managerial Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating.**

The results of regression testing for the seventh hypothesis in this study were conducted to determine whether the size of the Board of Commissioners moderates the effect of Managerial Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 8 of > 0.05. This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the effect of Managerial Ownership on Financial Performance.

- **The Effect of Institutional Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating**

The results of regression testing for the seventh hypothesis in this study were conducted to determine whether the Size of the Board of Commissioners moderates the effect of Institutional Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 9 of > 0.05 . This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the influence of institutional ownership on financial performance.

DISCUSSION

a. The Influence of Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership on Financial Performance

The calculated F value is 37,015 with a significance value of 0.000 or less than 0.05. This shows that there is a simultaneous influence of Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership on Financial Performance. The R-value is 0.813 which shows that there is a relationship between Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership with Financial Performance of 0.813 or 81.3%. While the value of R Square is 0.643 which indicates that the large variation of the variables of Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership in explaining the Financial Performance variable is 0.643 or 64.3%.

b. The Effect of Government Ownership on Financial Performance

The results of regression testing for the second hypothesis in this study were conducted to determine whether Government Ownership has an effect on Financial Performance. The test results show that the regression coefficient value of the Government Ownership variable (X_1) is $-0,381$ with a significance of 0.009. Hypothesis testing shows that Government Ownership has an effect on Financial Performance. Government ownership can be a tool to minimize agency conflicts that can occur between management and shareholders. With this share ownership, the government has the right to control and control the policies taken by management to suit the interests of the government. According to Udin (2017), the company's share ownership is intended for public functions, whereas the government's priority is for social benefits rather than profit maximization.

According to La Porta et. al (1999), governments that invest state money in companies are usually in accordance with the objectives/policies in the political, social, economic, and other fields. Government ownership can be seen through the percentage of the number of shares owned by the government. The government has the right to appoint company directors, the government can also participate in determining and directing policies taken by management in accordance with the interests of the government. Firms with larger Government Ownership tend to have higher audit fees. Where audit fees are included in *agency costs*.

According to Hunardy & Tarigan, (2017) the existence of Government Ownership will help in improving the company's financial performance. The greater the Government Ownership, the government will try as much as possible to monitor management behavior that can harm the company.

Research on the effect of Government Ownership on Financial Performance has been carried out by Hunardy & Tarigan, (2017) where Government Ownership tends to help in improving the company's financial performance. However, different results are obtained from research (Susetyo et al., 2018) . used is secondary data in the form of financial statements published by the Indonesia Stock Exchange. The samples in this study were 11 state-owned enterprises that met the criteria for purposive sampling in the selection of a predetermined sample. The results of the study state that government ownership has a negative effect on the company's financial performance.

Although there are non-uniform research results from previous studies on the effect of Government Ownership on Financial Performance, most of the research reviewed here show a positive effect. This is in line with the signaling theory which supports that Government Ownership can provide a positive signal to shareholders that the company is trusted by the government. According to agency theory, trust between management and shareholders is also an important indicator that reduces agency problems .

c. The Effect of Foreign Ownership on Financial Performance

The results of regression testing for the third hypothesis in this study were conducted to determine whether Foreign Ownership has an effect on Financial Performance. The test results show that the regression coefficient value of the Foreign Ownership variable (X_2) is $\beta_2 = 0,453$ with a significance of 0.004 . Hypothesis testing shows that Foreign Ownership has an effect on Financial Performance. Foreign Ownership shows the proportion of share ownership owned by foreign parties with overseas status, both individuals and institutions, to company shares in Indonesia. Regulations related to investment in Indonesia refer to Law No. 25 of 2007 Article 1 Paragraph 6, which states that the so-called foreign investors are individual foreign citizens, foreign business entities, and foreign governments that make investments in the jurisdiction of the Republic of Indonesia.

Currently, when more and more foreign parties invest their shares in the company, it will improve the performance of the company whose shares are invested. This happens because foreign parties who invest their share capital have a fairly good management system, technology and innovation, expertise and marketing that can have a positive influence on the company (Ferial et al., 2016) .

Research on the influence of Foreign Ownership on Financial Performance has been carried out by Sari (2020) where the results show that Foreign Ownership has a positive effect on company performance. However, it is different from Zaroni's (2014) research. the results of the study indicate that foreign ownership has a negative effect on the company's financial performance.

Some research results are not uniform from previous studies on the influence of Foreign Ownership on Financial Performance, but most studies show a positive effect. Companies with a high percentage of foreign ownership are thought to be able to improve company performance because management with foreign ownership can be more focused and more efficient in directing the company's operational activities, so that the goal of maximizing profit can be achieved (Ridangga and Sudiarta, 2016).

d. Effect of Managerial Ownership on Financial Performance

The results of regression testing for the fourth hypothesis in this study were conducted to determine whether managerial ownership has an effect on financial performance. The test results show that the regression coefficient of Managerial Ownership (X_3) is $\beta_3 = -0.029$ with a significance of 0.701. Hypothesis testing shows that Managerial Ownership has no effect on Financial Performance. Managerial share ownership is the proportion of ordinary shares owned by management, which can be measured by the percentage of ordinary shares owned by management who are actively involved in making company decisions. Managers in this case play an important role because managers carry out planning, organizing, directing, supervision and decision makers (Çelik et al., 2018).

Research on managerial ownership conducted by (Çelik et al., 2018; Nurul Juita Thesarani, 2017; Sabrina & Muharam, 2015; Susetyo et al., 2018; Yu, 2013; Zhang et al., 2016) which states managerial ownership has no effect on Financial Performance. This is because in Indonesia there are not many management parties who own company shares with a significant amount. Insignificant results indicate that the market does not use information about management ownership in conducting investment assessments.

Although there are non-uniform research results from previous research on the influence of Managerial Ownership on Financial Performance, however, Managerial Ownership gives a positive signal to shareholders that the company is trusted by the government. To reduce conflicts between investors and management, it can be done by providing opportunities for managers to be involved in share ownership with the aim of balancing the interests of shareholders. Managerial share ownership is expected to improve performance and later increase the value of the company. Based on agency theory, the dual role of managers in running the company will reduce agency problems.

e. The Effect of Institutional Ownership on Financial Performance

The results of regression testing for the fifth hypothesis in this study were conducted to determine whether institutional ownership has an effect on financial performance. The test results show the value of the institutional ownership variable regression coefficient (X_4) is $\beta_4 = -0.348$ with a significance of 0.016. Hypothesis testing shows that Institutional Ownership effect on Financial Performance. Institutional Ownership is the total proportion of company shares owned by institutions or business entities or organizations. The monitoring function carried out by the institutional owner will make the company more efficient in the use of assets as company resources in its operations, even though the supervision carried out by investors as company owners is carried out from outside the company. With this kind of supervision, management decisions will always be neater, more responsible, and more in favor of the owner's interests, so as to prevent the company from making mistakes in choosing strategies that can cause losses for the company itself.

Institutional ownership can minimize conflicts of interest between principals and agents. With institutional supervision, it can optimize management's performance monitoring to avoid misappropriation by management. So that the involvement of institutions with companies can have an effect on improving better company performance. However, there are

also studies which state that institutional ownership has a negative effect on financial performance. This is stated by (Widhyawan & Dharmadiaksa, 2016) that institutional shareholders will work together to support management in utilizing resources for personal interests and will ignore the interests of minority shareholders. The existence of this relationship is also stated by (Çelik et al., 2018) where the institution is only oriented to companies that are profiting. And can at any time withdraw share ownership of the company. This can lead to a drastic decline in the company's stock price. In addition, many companies also find the results of an insignificant effect between Institutional Ownership on Financial Performance. As by Nuraina (2002) and Xavier et al (2015).

Research on the effect of institutional ownership on financial performance has been carried out by (Eforis, 2017; Mahrani & Soewarno, 2018; OYELADE, 2019; Putri & Ramantha, 2019; Sáenz González & García-Meca, 2014; Suryono, Yenni, 2016; Susetyo et al. ., 2018; Zhang et al., 2016) where the results of the study show that Institutional Ownership has a positive effect on company performance. However, it is different from Zaroni's (2014) research.

f. The Influence of Corporate Governance on Financial Performance

The results of the study indicate that Corporate Governance has no effect on Financial Performance. *Corporate Governance* is a concept based on agency theory, is expected to function as a tool to provide confidence to investors that they will receive a return on the funds they have invested. *Corporate governance* is closely related to how to make investors believe that managers will benefit them, believe that managers will not embezzle or invest in unprofitable projects related to the capital that has been invested by investors. According to Agoes (2011:101) *Corporate Governance* is good governance as a system that regulates the relationship between the role of independent commissioners, the role of the Board of Directors, shareholders and other stakeholders. Good corporate governance is also referred to as a transparent process of determining the company's goals, achievements, and performance appraisals. Meanwhile, Financial Performance is an analytical model in the form of a comparison of financial data so that the financial information becomes more meaningful (Samryn , 2013:417) .

Research conducted by (Eforis, 2017; Mahrani & Soewarno, 2018; Putri & Ramantha, 2019; Widhyawan & Dharmadiaksa, 2016; Windah & Arastyo, 2009) shows that Corporate Governance has a positive effect on Financial Performance. This means that the better the CG of a company, the better the company's financial performance.

The implementation of good *corporate governance* will increase the company's profit because the implementation of good *corporate governance* will make the company transparent in determining the company's goals. Transparency will increase company profits. The implementation of *Corporate Governance* will also protect the interests of shareholders and related parties in managing the company. An important factor in the successful implementation of GCG is the role of managers in running the company. Based on agency theory, managers play a role in reducing agency problems in the company

g. The Effect of Government Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating

The results of regression testing for the fifth hypothesis in this study were conducted to determine whether the size of the Board of Commissioners moderates the effect of Government Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 6 of > 0.05 . This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the effect of Government Ownership on Financial Performance.

h. The Influence of Foreign Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating

The results of regression testing for the sixth hypothesis in this study were conducted to determine whether the size of the Board of Commissioners moderates the effect of Foreign Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 7 of > 0.05 . This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the influence of Foreign Ownership on Financial Performance

i. The Effect of Managerial Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating

The results of regression testing for the seventh hypothesis in this study were conducted to determine whether the size of the Board of Commissioners moderates the effect of Managerial Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 8 of > 0.05 . This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the effect of Managerial Ownership on Financial Performance

j. The Effect of Institutional Ownership on Financial Performance with the Size of the Board of Commissioners as Moderating

The results of regression testing for the seventh hypothesis in this study were conducted to determine whether the Size of the Board of Commissioners moderates the effect of Institutional Ownership on Financial Performance. The test results show a significance value of 5 of > 0.05 and a significance value of 9 of > 0.05 . This shows that there is a moderating predictor, meaning that the size of the Board of Commissioners moderates the influence of institutional ownership on financial performance.

CONCLUSION

Based on the results of the study after testing Job Embeddedness and organizational performance, the following conclusions can be drawn: Government Ownership, Foreign Ownership, Managerial Ownership, and Institutional Ownership affect Financial Performance because the calculated F value is 37,015 with a significance value of 0.000 or more. smaller than 0.05. Government ownership has an effect on Financial Performance because the significance value is 0.009 or less than 0.05. Foreign Ownership has an effect on Financial Performance because the significance value is 0.004 or less than 0.05. Managerial Ownership has no effect on Financial Performance because the significance value is 0.701 or greater than 0.05. Institutional Ownership has an effect on Financial Performance because the significance value is 0.016 or less than 0.05. The

size of the Board of Commissioners has no effect on Financial Performance because the significance value is 0.581 or greater than 0.05. The size of the board of commissioners moderates the predictor of the effect of government ownership on financial performance because the size of the board of commissioners has no effect on financial performance and the interaction between government ownership and the size of the board of commissioners also has no effect on financial performance because the significance value is greater than 0.05. The size of the Board of Commissioners moderates the predictor of the influence of foreign ownership on financial performance because the size of the board of commissioners does not affect financial performance and the interaction between foreign ownership and the size of the board of commissioners also has no effect on financial performance because the significance value is greater than 0.05. The size of the Board of Commissioners moderates the predictor of the effect of Managerial Ownership on Financial Performance because the size of the board of commissioners has no effect on financial performance and the interaction between Managerial Ownership and the size of the board of commissioners also has no effect on financial performance because the significance value is greater than 0.05. The size of the Board of Commissioners moderates the effect of institutional ownership on financial performance because the size of the board of commissioners has no effect on financial performance and the interaction between institutional ownership and the size of the board of commissioners also has no effect on financial performance because the significance value is greater than 0.05.

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