THE EFFECT OF GOOD CORPORATE GOVERNANCE (GCG) AND CORPORATE SOCIAL RESPONSIBILITY (CSR) ON FINANCIAL PERFORMANCE

(Case Study on Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023)

A THESIS

Present as partial fulfillment of the Requirements
to Obtain Bachelor's Degree in Accounting Departement

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FACULTY OF BUSINESS AND ECONOMICS

ISLAMIC UNIVERSITY OF INDONESIA

2024

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YOGYAKARTA

2024

DECLARATION OF AUTHENTICITY

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I hereby declare that in this thesis there are no works that have been submitted to obtain a degree in a university, and to the best of my knowledge there are no works or opinions that have been written or published by others, except those that are written in this manuscript and mentioned in the references. If in the future it is proven that this statement is not true, I am willing to accept any punishment / sanction in accordance with applicable regulations.

Yogyakarta, July 3rd, 2024

Divani Putri Angeli Auriel

THESIS APPROVAL PAGE

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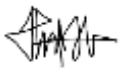

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ABSTRACT

The purpose of this research is to find out and analyze the effect of Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR) on financial performance which was carried out by construction companies listed on the Indonesia Stock Exchange (IDX) for the period 2018-2023. This research method uses quantitative methods and multiple regression analysis by testing classical assumptions before getting the best research model. Variables that are used in this research are managerial ownership, audit committee, board of commissioners, and corporate social responsibility as independent variables and financial performance as dependent variables. The sample in this study is a construction company listed on the Indonesian stock exchange in 2018-2023. The data used in this study are secondary data taken from the annual reports of related companies. The results of this study indicate that good corporate governance through the corporate social responsibility board of commissioners had an effect on financial performance, while managerial ownership and the audit committee had no effect on company performance.

Keywords: Good Corporate Governance, Corporate Social Responsibility, Financial Performanc

CHAPTER 1

INTRODUCTION

1.1 Background

Financial performance in Indonesia is an important topic for investors, regulators and other stakeholders, as financial performance is an indicator of how well a company's financial performance and its ability to generate a return on investment. Based on the search results, financial performance in Indonesia is a topic that has been widely researched in various contexts. Several studies have analyzed the financial performance of companies listed on the Indonesia Stock Exchange (IDX) and found that Indonesia consistently outperformed the global financial performance index (FPI) score in fiscal year 2012. One factor that shows an organization in achieving its goals is carried out effectively and efficiently, namely financial performance. In a company, financial performance is written in a financial report that contains information related to the company's financial data operational transactions which will later be submitted to interested parties (Putri, 2021).

There was a case of PT Lippo Cikarang Tbk (LPCK) in 2018 that experienced loss problems due to corporate governance. The results of the KPK investigation showed corruption due to the revelation of the fact that their subsidiary committed a criminal act of bribery for licensing the Meikarta Project. At that time, the shares of Lippo Group property issuers collapsed simultaneously, resulting in losses on the part of investors and shareholders at that time. This proves that the company mismanaged its investment and sub-optimally managed its mutual funds. Likewise, the low awareness of the importance of implementing Good Corporate Government has resulted in the rise of corruption cases or other criminal acts and irregularities. Courtesy of the official website of the Financial and Development Supervisory Agency (BPKP), in 2021, several BUMNs and BUMDs have collaborated with BPKP in the context of implementing Good Corporate Governance (GCG). The consistent implementation of GCG as the foundation of company operations has become an obligation for BUMN and BUMD, based on the Decree of the

Minister of BUMN No. Kep-117/M-MBU/2002 and PER-01/MBU/2011. The improvement of GCG within the Government of Indonesia is also supported by international institutions, such as the International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB), and Overseas Economic Coordination Fund (OECF). One aspect that affects firm value is Good Corporate Governance (GCG). The company's goal is to maximize value. Companies aim to maximize shareholder wealth, not just profits. Short-term companies prioritize profits over social responsibility and risk. In one of the companies to improve welfare for shareholders, namely improving company performance, but managers also as company managers have different goals, so it is important for companies to supervise one of them with the Good Corporate Governance (GCG) mechanism (Listyawati & Kristiana, 2019).

The movement of BUMN Karya shares continued to decline in line with the corruption case that ensnared the managing director of Waskita Karya and Waskita's subsidiary, Waskita Beton Precast TBK. Some BUMN Karya shares have decreased by 2% but Waskita Karya is the worst touched 6%, with the last market value of 214/share. Therefore, the response from SOE minister Erick Thohir will be a merger between SOEs. (cnbcindonesia.com, 2023). The aim is to restructure the debt so that the dividends of the BUMN Karya can help each other, said Arya Sinulingga as the staff of the Minister of BUMN.

In another case, PT Waskita Beton Precast TBK, the AGO has submitted stage II files on the case of suspect JS in a corruption case of irregularities or misappropriation in the use of Waskita Beton Precast funds in 2016-2020, in this case JS was not detained because he was already a defendant and serving a sentence in another case. In August 2022, the panel of judges of the Central Jakarta District Court sentenced the Head of Division VI of PT Adhi Karya, Dono Purwoko, to 5 years in prison and a fine of 500 million rupiah for being proven to have committed corruption together with others in the construction of the *Institut Pemerintah Dalam Negeri* (IPDN) building in Minahasa, North Sulawesi which has caused state losses of 19.7 billion rupiah (ekbis.sidonews.com, 2023). The movement of BUMN Karya shares continued to decline in line with the corruption case that ensnared the managing director of Waskita Karya and Waskita's subsidiary, Waskita Beton Precast TBK. Several BUMN Karya shares have decreased by 2% but Waskita Karya has been the worst hit, touching 6%, with a final market value of 214/share.

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Construction companies have a social responsibility to preserve the environment and support sustainable development. The construction industry in Indonesia has the potential to improve community welfare and economic growth. Construction companies must comply with safety regulations and standards, and ensure their projects are quality and sustainable. Construction activities are important to support economic and social activities, including the provision of infrastructure, public facilities and other buildings needed to meet people's needs and improve quality of life. The implementation of good corporate governance (GCG) in a company can create a harmonious relationship between the organs and structures of corporate governance, namely the board of directors, board of commissioners, and shareholders. This harmonious relationship will encourage improved company performance. The board of directors is responsible for managing the company collegially. The board of commissioners is responsible for overseeing the performance of the board of directors and providing advice, as well as ensuring that the company implements GCG. The board of commissioners is required to form an audit committee, risk monitoring committee, and remuneration and nomination committee. The board of commissioners together with the audit committee play an important role in the effective implementation of GCG. GCG implementation can attract investor confidence. The more seriously the company implements GCG, the more the company's financial performance will improve. Bank profitability is expected

to increase with the implementation of good corporate governance in accordance with Bank Indonesia regulation No. 15/15 / DPNP which consists of five main principles, namely transparency, accountability, responsibility, independence, and fairness. High profitability of a bank can represent good corporate governance, while low profitability can indicate weak corporate governance.

Furthermore, the main objective of good corporate governance (GCG) is to realize corporate social responsibility (CSR). Corporate Social Responsibility or CSR is a company's commitment to participate in sustainable economic development, which aims to improve the quality of life and the environment that is beneficial, both for the company, community, and society. Whereas, CSR is mandatory for companies that carry out business activities in the field of natural resources because CSR is a company's commitment to participate in sustainable economic development, while Good Corporate Governance, abbreviated as GCG, is corporate governance that discusses how a company is directed and managed so that all stakeholder interests can be accommodated properly. CSR is regulated in detail in the Company Law, while GCG is not regulated in the Company Law. The following two concepts complement each other to improve the financial performance of a company. Therefore, companies are required to always pay attention to the interests of all stakeholders, both shareholders and other stakeholders. Basically, the practice of CSR is a form of corporate responsibility towards society and the environment using the company's resources. With CSR, companies and communities both benefit.

Suciwati, Dewi, Bagiada's research (2021) shows that GCG has a positive and significant effect on ROI, while CSR has a positive and significant effect on ROA with GCG as an intervening variable. Retrieved from the explanation above, this study investigates the effect of Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR) on financial performance.

1.2 Problem Formulation

Based on the background description above, the researcher formulates the problem as follows :

1. How does GCG influence Managerial Ownership on Return on Asset (ROA)?
2. How does GCG influence the Board of Commissioners on Return on Asset (ROA)?
3. How does GCG influence the Audit Committee on Return on Asset (ROA)?
4. How does CSR affect Return on Asset (ROA)?

1.3 Research Objectives

Based on the description of the problem formulation, the objectives of this study are to :

1. Examines whether the activeness of Managerial Ownership affects the disclosure of Return On Asset (ROA).
2. Examines whether the activeness of the Board of Commissioners affects the disclosure of Return On Asset (ROA).
3. Examining whether the activeness of the Audit Committee affects the disclosure of Return On Asset (ROA).
4. Examining whether CSR affects the disclosure of Return On Asset (ROA).

1.4 Research Contributions

1. The results of this study are expected to provide useful information for academics to be able to compare the results of previous studies with the results of this study. Researchers also provide useful information for research institutions to better understand the theories related to CSR disclosure. Therefore, the results of this study are useful for parties related to CSR practices and disclosures in companies.
2. The results of this study have the potential to serve as guidelines for companies in designing future policies. The findings can support companies in assessing their business practices, especially in terms of Corporate Social Responsibility (CSR) disclosure, and help plan strategies to improve the company's image and reputation in the eyes of society. Furthermore, the results of this study are expected to guide companies in making more informed decisions regarding the implementation of more effective CSR policies. With the consistency of the findings of this study with the results of previous studies, it is hoped that

it can be a reference for academics and researchers to understand the consistency of research results and make comparisons from previous research results.

3. For the general public, it is hoped that the results of this study will increase public understanding of the importance of CSR disclosure by companies and how it affects financial variables such as Managerial Ownership, Board of Commissioners, Audit Committee, and Profitability. This can help people understand the company's business practices and choose companies that are highly committed to carrying out their social responsibilities.

CHAPTER 2

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Agency Theory

Jensen and Meckling 1976 stated that Agency Theory is a collection of contracts (nexus of contracts) between the owner of economic resources (principal) and management (agent) who manages the use and control of these resources. Agency theory explained that the board of directors is the party that has the most influence on the company's operations because all policies and decisions are made by the board of directors (Puspita & Kartini, 2022).

2.1.2 Legitimacy Theory

Legitimacy theory is formed due to social expectations between society and companies, where the public has expectations to obtain information about the company's behavior on social issues that are important to them. This theory explains the company's relationship with society, Ghozali and Chariri (2007) explain that a company maintains the reputation and support of the community by ensuring that the company meets the expectations of the community and maintains social norms recognized by the community.

2.1.3 Stakeholder Theory

Stakeholder theory relates to the concept of corporate social responsibility, where the survival of the company is influenced by its stakeholders (Ghozali & Chariri, 2007:409). The stakeholders *of* a company consist of shareholders, creditors, consumers, suppliers, employees, and other communities such as society which is part of the social environment. The company's responsibility is not only to maximize profits and the interests of shareholders, but also to pay attention to the community, customers, and suppliers as part of the company's own operations.

2.2 Good Corporate Governance

Good Corporate Governance is a set of efforts to improve systems and processes in organizational management by regulating and clarifying the relationships, authorities, rights and obligations of all stakeholders, both through the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors (Hendro, 2017). GCG can assist companies in minimizing conflicts between interested parties in the entity. In short, GCG is a good company management concept to maintain healthy relationships between companies and stakeholders. The principles of GCG according to the Decree of the Minister of SOEs Article 3 No.117/M-MBU/2002 on July 31, 2002 regarding the Implementation of GCG in the realm of SOEs contains the principles of Good Corporate Governance, including: (1)Accountability: This principle ensures that the Board of Commissioners or Directors is accountable for the decisions and results achieved in running the company; (2)Transparency: This principle ensures that stakeholders can easily access the information they need and understand it; (3)Fairness: This principle requires companies to apply fairness and equality in relation to all stakeholders; (4) Responsibility: This principle emphasizes the need for companies to comply with laws and regulations and carry out responsibilities towards society and the environment so that business continuity can be maintained in the long term and be recognized as a good corporate citizen; (5) Independence: This principle requires companies to create an environment conducive to independence in the management of the company. With the implication of these principles, it will create good corporate governance, carry out responsibilities properly, and build investor and public trust. One of the significant benefits of GCG is that it creates transparent rules and controls, provides guidance to leaders, and harmonizes all these parties. In addition, the purpose of GCG is to create added value for all interested parties, including shareholders, company management, employees and other internal and external stakeholders.

2.3 Managerial Ownership

Managerial ownership can also be known as internal ownership which refers to the ownership of shares in a company by managers. This research showed that managerial ownership has a significant impact on a firm's financial performance as well as its capital

structure, and is an important factor to consider in corporate governance. Managerial ownership has several impacts on the behavior of managers and the firm as a whole. First, managers who own company shares are expected to have a greater incentive to ensure good company performance, as they have a direct financial interest in the company's success. Second, managerial ownership can help reduced agency conflicts between company owners (shareholders) and management. In situations where managers do not own company shares, they may tend to take greater risks or make decisions that benefit them personally but harm shareholders.

2.4 Audit Committee

The Audit Committee is a committee formed by and responsible to the board of commissioners to help carry out the duties and functions of the board of commissioners. The Audit Committee is tasked with ensuring that the company's financial statements are prepared accurately, transparently, and in accordance with applicable accounting standards. The audit committee is also responsible for ensuring that the company is run in the best interests of shareholders and stakeholders (Nurlaelah, 2022). The Audit Committee plays an important role in maintaining the integrity and reliability of the company's financial information, as well as ensuring that the company operates in accordance with applicable legal ethical standards. The implementation of the duties and responsibilities of the Company's Audit Committee refers to the Appendix of the Decree of the Chairman of Bapepam No. Kep-634/BL/2012, Regulation No. IX.1.5, which has been updated with the Financial Services Authority Regulation No. 55/POJK.04/2015 on the Establishment and Implementation Guidelines of the Audit Committee. The membership criteria of the Audit Committee are designed to ensure that its members have high quality and integrity. In addition, at least one member must have sufficient knowledge of financial statements. Audit Committee members also need to have extensive knowledge and experience, as well as good communication skills.

2.5 Board of Commissioners

The Board of Commissioners is a group of individuals elected by shareholders to oversee company policy and provide advice to the board of directors. In the structure of Indonesian public companies, the Board of Commissioners is the second highest position after the General Meeting of Shareholders. Based on OJK Regulation No. 33/2014, every public company is required to have at least 2 members of the Board of Commissioners elected by the shareholders through a general meeting of shareholders (GMS). To maintain the independence of the Board of Commissioners, at least 30% of the members of the Board of Commissioners must be Independent Commissioners. However, if the Board of Commissioners consists of only 2 people, then 1 of them must be an Independent Commissioner. The leader of the Board of Commissioners is called the President Commissioner or President Commissioner. Members of the board of commissioners usually consist of individuals who are experienced and skilled in various fields, including business, finance, law, and related industries of the company.

2.6 Company Performance

The way the company works is an overall picture of the state of the company during a certain period of time, which is influenced by its operational activities in using its resources. Company performance is the result of management decisions that affect the effective use of capital, operational efficiency, and profitability. The company's financial performance in a certain period shows the health of the company. A healthy company not only generates profits, but can also pay debts on time.

2.7 Corporate Social Responsibility

Corporate Social Responsibility is an accounting concept that emphasizes corporate responsibility that is not solely oriented towards economic aspects (profit), but also considers the social and environmental impacts of the company's business activities (Djamilah & Surenggono, 2017). In Indonesia, the issue of Corporate Social Responsibility is officially regulated in Law No. 40 of 2007 concerning Limited Liability Companies. In the Limited Liability Company Law No. 40 of 2007 article 1 paragraph 3 which explains that social responsibility is the company's commitment to participate in sustainable

economic development in order to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and the wider environment (Reza, 2019). From this definition, corporate social responsibility is a company's commitment to behave ethically and contribute to economic development. This commitment is realized through cooperation with various parties, including employees, their families, local communities, and society at large. The goal is to improve the quality of life in a beneficial way. Likewise with Corporate Social Responsibility Disclosure, Corporate social responsibility disclosure (CSRD) refers to the practice of companies publicly reporting on their environmental, social, and governance (ESG) performance. This disclosure can take many forms, including standalone sustainability reports, integrated reports, and information incorporated into annual reports (Hoffman dkk 2022). This explanation shows that CSR disclosure has an important role for companies in maintaining reputation, increasing competitiveness, and maintaining company continuity. The benefits of Corporate Social Responsibility for companies include improving the company's image, strengthening the company's branding, increasing the company's value because the company's performance in social and environmental aspects affects stock prices, improving relationships with stakeholders, supporting government programs related to the progress of the nation and state, increasing cooperation with other companies in program development and other business cooperation. According to Harvard Business Review, the main purpose of CSR is to align the company's social and environmental activities with its business goals and values. Meanwhile, according to Chuck Williams (2001:123) in Awalia (2022) the company's objectives for corporate social responsibility include:

1.) Economic responsibility, i.e. making a profit.
2.) Legal responsibility, i.e. complying with laws and regulations.
3.) Ethical responsibility, which means behaving in accordance with the norms of society.
4.) Philanthropic responsibility, which is to provide benefits to society.

These four important aspects of CSR need to be considered as guidelines for companies to follow. Although many people are of the opinion that making a profit signifies the success of a company based on its revenue, a company cannot make a profit if it does not comply with the law and does not care about society. Since the role of society

greatly affects the survival of a company's business, it is recommended that companies operate by involving society in their endeavors to earn profits. CSR is not just about giving funds to society, but it is also a corporate responsibility that must be implemented in accordance with the law every year.

2.8 Financial Performance

Financial performance is a measure of a company's performance that is used to evaluate the company's financial health. Financial performance can be measured by various methods, such as financial ratios, financial statement analysis, and trend analysis. The purpose of financial performance analysis is to assess the extent to which the company achieves its financial and operational objectives, as well as to help make better decisions in the management of the company. By analyzing financial performance, companies can recognize strengths and weaknesses in their business operations, and plan better financial and operational strategies for the future. In analyzing financial performance, companies can use various analytical tools and techniques, such as financial ratio analysis, financial statement analysis, and trend analysis. By conducting regular financial performance analysis, a company can monitor its financial performance and take necessary actions to improve its financial performance.

To find out the company's financial condition, it is necessary to know its financial performance. Financial performance is an instrument that can be used to analyze the efficiency of using company assets to generate profits. Financial performance will be optimal if the company's management is carried out efficiently. Good Corporate Governance (GCG) plays an important role in optimizing the company's financial performance, both in financial reports and annual reports. The company's financial statements can be used as a benchmark for the quality of the company's financial performance. Return on Asset (ROA) is one of the main tools used by investors in assessing the feasibility of a stock. According to Diantara (2019) Return on Assets (ROA) is one of the calculation ratios that shows the company's success in carrying out its business plan. ROA measures the company's ability to generate profits from its assets. The calculation of ROA is done by dividing the company's net profit by the total assets owned. A high ROA indicates that the company is able to generate greater profits from its assets, while a low

ROA may indicate an efficiency problem in the use of assets. ROA analysis can provide valuable insights for company management and stakeholders regarding the company's financial performance (Fajrinnaski, 2017).

The proportion of Financial Performance as measured by Return on Asset (ROA) can be formulated as follows:

$$ROA = \left(\frac{Net\ Income}{Total\ Asset}\right) \times 100\%$$

2.9 Previous Research

Fajrinnaski's research in 2017 examined the effect of Corporate Social Responsibilities and Good Corporate Governance projected by managerial ownership, institutional ownership, independent board of commissioners, board of directors, audit committee, company size on Return on Asset (ROA) with a sample of banking companies listed on the IDX in 2013-2015. The result was that Corporate Social Responsibilities (CSR) had no effect on ROA as a proxy for company performance in banking companies listed on the Indonesia Stock Exchange. Good Corporate Governance (GCG) consisting of managerial ownership, institutional ownership, audit committee had no significant effect on ROA, while the board of commissioners and the board of directors simultaneously had a significant effect on company profitability as measured by ROA in banking companies on the Indonesia Stock Exchange.

Nurlaelah's research (2022) examined a sample of manufacturing companies listed on the IDX in 2017-2021. The results are GCG, CSR had no significant effect on firm value. Financial Distress had no significant effect on firm value. Company performance has a significant effect on firm value. Courtesy of thesis testing, it is found that company performance is unable to mediate the relationship between GCG, CSR and firm value. Based on hypothesis testing, it is found that company performance is able to mediate the relationship between financial distress and firm value.

Mahrani and Soewarno research (2022) examined the effect of good corporate governance mechanisms and corporate social responsibility on financial performance with earnings management as a mediating variable. The results were first, partially, the Board of Commissioners Size variable had no effect on ROE, while the Board of Directors Size variable, Audit Committee Size, and CSR affected ROE as a proxy for financial

performance. Second, the Board of Directors Meeting Frequency variable had no effect on ROE, while the Board of Commissioners Meeting Frequency, Audit Committee Meeting Frequency, and CSR variables partially affected ROE. Third, the Directors' Educational Background variable had no effect on financial performance proxied by ROE, while the Board of Commissioners Educational Background variable, Audit Committee Educational Background and CSR had an effect on ROE. The fourth, the variables of Gender of the Board of Commissioners, Gender of the Board of Directors, and Gender of the Audit Committee had no effect on ROE as a proxy for financial performance, while the CSR variable had a significant effect on ROE and the last research result, the Good Corporate Governance variable (Size, Meeting Attendance, Educational Background, Gender) and Corporate Social Responsibility affected ROE as a proxy for financial performance.

Trisnaningsih and Rahmasari (2022) in their writing entitled "The Effect of GCG on Company Value with Financial Performance as an Intervening Variable" explained how the ability of GCG proxied by managerial ownership and institutional ownership through financial performance as an intervening variable proxied by ROA affects the profitability of manufacturing companies listed on the IDX for the 2017-2019 period. The data analysis method in the research that has been done uses purposive sampling. The results showed that GCG Managerial Ownership has no effect on financial performance proxied by ROA.

Putri et al., 2023 in their writing entitled "*Pengaruh* Good Corporate Governance *dan* Corporate Social Responsibility *terhadap Kinerja Keuangan pada Perbankan Yang Terdaftar di BEI Periode 2017-2020*" explained the effect of independent commissioners, board of directors, audit committee and Corporate Social Responsibility variables on financial performance in banks listed on the IDX. The results showed that only the board of directors had an effect on financial performance, while independent commissioners, audit committees and CSR had no effect on financial performance.

Djamilah and Surenggono (2017) in their paper entitled "Corporate Social Responsibility *Sebagai Variabel Pemediasi Pengaruh* Good Corporate Governance *Terhadap Kinerja Keuangan*" explained how the indirect effect of good corporate governance on financial performance through corporate social responsibility. The method used in this study was a structural equation modelling with a sample of the banking sector listed on the Indonesia Stock Exchange in 2010-2014 and published annual reports and

financial statements for the period 2010-2014 and did not experience losses. In their study it was found that good corporate governance had a positive and significant effect on corporate social responsibility and corporate social responsibility has a positive and significant effect on return on equity and return on assets.

Wulandari (2020) in their paper entitled "The Influence of the Board of Commissioners and Audit Committee on Financial Performance with the as A Moderating Variables" explained how the existence of a board of commissioners and audit committee on Banking Financial Performance in 2016-2019 with firm size as a moderating variable. The method used in this study was purposive judgement sampling and obtained 28 companies as research samples. According to Wulandari (2020) study results showed that the Independent Board of Commissioners partially has a negative effect on financial performance, the audit committee affects financial performance, and for company size partially has a negative effect on financial performance.

Ogabo et al., 2021 in their article "Ownership Structure and Firm Performance: The Role of Managerial and Institutional Ownership-Evidence from the UK" explained how the impact of ownership structure on firm performance of the United Kingdom's FTSE 350 companies from the 2008-2018 fiscal years. Specifically, the impact of managerial and institutional ownership on return on asset, return on equity, and Tobin's Q as measures of performance were investigated. The study results showed that the control variable percentage of independent directors on the board improves firm performance, while the percentage of women on the board as a control variable decreases firm performance.

Paramitha and Suryanawa (2023) examined the effect of Good Corporate Governance (GCG) on financial performance as a moderating variable in energy companies listed on the IDX for the 2019-2021 period. This study used a purposive sampling and multiple linear regression analysis for the analysis technique, finding that on the results of the analysis, this study proves that the board of commissioners has a positive effect on financial performance also the board of directors, managerial ownership and institutional ownership have no effect on financial performance.

Research conducted by Rahmawati el al. (2022) with the title The Effect of Ownership of Managerial, Independent Board of Commissioners, Board of Directors and Intellectual Capital on Financial Performance which aims to obtain empirical evidence

regarding the effect of good corporate governance on financial performance. The study used a purposive sampling method with 79 samples taken from banking companies listed on the IDX for the period 2018-2021 and used multiple linear analysis techniques. The first result in this study is that the variables of managerial ownership, independent board of commissioners, and board of directors do not affect financial performance. The second is that the intellectual capital variable has a positive effect on financial performance.

Table 2. 1 Previous Research

No	Name and Year	Variables	Result
1.	Fajrinnaski (2017)	Dependents: Financial Performance Independents: CSR, Managerial Ownership, Institutional Ownership, Independent Board of Commissioners, Board of Directors, Audit Committee, Company Size.	CSR, Managerial Ownership, Institutional Ownership, Audit Committee, had no significant effect on Profitability. Independent Board of Commissioners, Board of Directors, and Company Size had a significant effect on profitability.
2.	Djamilah and Surenggono (2017)	Dependents: Financial Performance (ROA and ROE) Independents: Public Ownership, Institutional Ownership, CSR, Board of Commissioners	The Board of Commissioners and Corporate Social Responsibility (CSR) had a significant positive effect on financial performance that was measured using ROA.
3.	Wulandari (2020)	Dependents: Financial Performance Independents: Board of Commissioners, Audit Committee, Firm Size	The Board of Commissioners had a negative impact on financial performance measured using ROA. The Audit Committee had affected financial performance measured using ROA.

4.	Mahrani and Soewarno (2021)	Dependents: Financial Performance Independents: GCG mechanism, CSR, Earnings management	GCG mechanism and CSR had a positive effect on financial performance and earnings management. GCG mechanisms and CSR have proven to be significant. Earnings management had a negative effect on financial performance and proved significant.
5.	Ogabo et al. (2021)	Dependents: Financial Performance Independents: Managerial ownership	Managerial ownership had significant positive effects on the financial performance proxied through ROA.
6.	Nurlaelah (2022)	Dependents: Company Value Independents: Management Ownership, Institutional Ownership, Board of Directors, Audit Committee, Financial Distress, CSR, Financial performance.	Management ownership, institutional ownership, and the board of directors had no significant effect on firm value. CSR audit committee and financial distress affect firm value and financial performance (ROA) and ROA affects firm value.
7.	Rahmawati et al. (2022)	Dependent: Financial Performance Independents: Managerial Ownership, Board of Commissioners, Board of Directors.	Managerial Ownership and Board of Commissioners had no significant effect on financial performance that was measured using the profitability ratio (ROA).
8.	Trisnaningsih and Rahmasari (2022)	Dependent: Financial Performance Independents: Managerial Ownership, Institutional Ownership	Managerial Ownership had no effect on financial performance proxied through ROA.

9.	Puteri et al. (2023)	Dependent: Financial Performance Independents: CSR, Board of Directors, Audit Committees, Independent Commissioners	The Audit Committee had no effect on financial performance proxied through ROA. CSR had no significant effect on financial performance proxied through ROA.
10.	Paramitha and Suryanawa (2023)	Dependents: Financial Performance Independents: Board of Commissioners, Board of Directors, Managerial Ownership, and Institutional Ownership	The Board of Commissioners had a positive effect on Financial Performance measured by ROA. Managerial Ownership had no effect on financial performance measured by ROA.

2.10 Hypothesis Development

2.10.1 The Effect of GCG in Managerial Ownership on Financial Performance

In the context of managerial ownership, GCG can help improve the company's financial performance by ensuring that the company's management is responsible and transparent in its decision-making. Managers who own many shares of the company have the same interests as shareholders. Managers will be motivated to make decisions that benefit the company because these decisions will also benefit themselves. This is in accordance with the previously mentioned stakeholder theory which explains that the survival and growth of the company is highly dependent on its stakeholders, so that when stakeholders who have an important position in the company have the same desire as shareholders, namely wanting the company to get more profit. According to Ogabo et al. (2021) that managerial ownership has a positive and significant effect on financial performance proxied through ROA, while other studies showed that partially managerial ownership had no effect on company financial performance (Paramitha & Suryanawa, 2023; Fajrinnaski, 2017; Trisnaningsih & Rahmasari, 2022). Because managerial ownership is too low so that the performance of managers in managing has no effect on financial performance. However, there are also studies that showed that managerial ownership had a positive effect on financial performance. This will reduce agency conflicts between managers and shareholders, so as to increase company profitability. Based on the explanation above, the first alternative hypothesis of this study is:

H1: Managerial ownership has a positive effect on financial performance.

2.10.2 The Effect of GCG in the Board of Commissioners on Financial Performance

The board of commissioners is a very important part in maintaining order within a company as they have the duty to oversee the management of the company especially in terms of accounting and finance. In addition, the board also plays a role in ensuring that the company runs a sustainable business and complies with its social responsibilities. The emergence of independent commissioners is very beneficial for companies to reduce disputes between management and shareholders. This lack of contention can improve company performance. Therefore, the greater the number of independent commissioners, the fewer agency conflicts that arise, and this can increase company profitability. According to legitimacy theory, the board of commissioners must act to maintain public trust in the company. Rahmawati et al. (2022) and Rahmawati et al. (2022) put forward that the board of commissioners had no effect on financial performance that was measured using ROA. Several studies have also shown that the size of the board of commissioners, the involvement of the board of commissioners, independence, and supervision of company activities can have an impact on the company's financial performance. Furthermore, in this theory the board of commissioners can influence the company's financial performance through supervision, maintaining public trust, and maintaining company legitimacy. Different from previous studies by Fajrinnaski (2017), Paramitha and Suryanawa (2023), and Djamilah and Surenggono (2017) showed that the size of the board of commissioners affects financial performance. This shows that companies need to legitimize their actions in the eyes of society, and that the existence of this board of commissioners can assist in maintaining company legitimacy. Based on the explanation above, the second alternative hypothesis of this study is:

H2: The Board of Commissioners has a positive effect on financial performance.

2.10.3 The Effect of GCG in the Audit Committee on Financial Performance

The Audit Committee is tasked with overseeing the implementation of audits, risk management, financial reporting, and the implementation of good corporate governance. The existence of an audit committee is expected to create transparency and accountability

of the company's management that can be trusted. This will increase investor confidence, so that it will encourage an increase in company value (Amelinda & Anwar, 2021). The larger the size of the company's audit committee, the better the protection and control over the company's financial management. This will increase the company's profitability. As known, stakeholder theory, the audit committee is expected to influence the company's financial performance through increased transparency and accountability to stakeholders. An effective audit committee can help reduce agency conflicts, ensure disclosure, and control systems are running properly, and encourage management to carry out better disclosure practices (Suaidah & Setyoningrum, 2021). The research conducted by Retno Wulandari (2020) shows a significant positive effect between the audit committee and the company's financial performance. Based on the explanation above, the third alternative hypothesis of this study is:

H3: The Audit Committee has a positive effect on financial performance.

2.10.4 The Effect of CSR on Financial Performance

In carrying out its activities, companies cannot run alone, which requires support from various parties, such as investors, suppliers, employees, government, consumers, and society. To maintain its existence, the company must consider the approval and decisions of these parties. Companies that get a lot of support will have better performance. Therefore, the greater the support obtained, the better the company's performance. Retrieved on stakeholder theory, Corporate Social Responsibility (CSR) can have a positive impact on a company's financial performance through improved relationships with stakeholders, such as employees, customers, and society. By taking into account the interests of stakeholders, companies can gain long-term benefits, such as increased customer loyalty and corporate image, which in turn can contribute to better financial performance. Meanwhile, based on legitimacy theory, CSR can also affect a company's financial performance through the company's efforts to maintain its legitimacy in the eyes of society. By paying attention to its social responsibility, the company can gain support and legitimacy from the community and related parties, which in turn can have a positive impact on the company's financial performance. According to Fajrinnaski (2017), Nurlaelah (2022), Puteri et al. (2023) CSR does not have a significant influence on ROA.

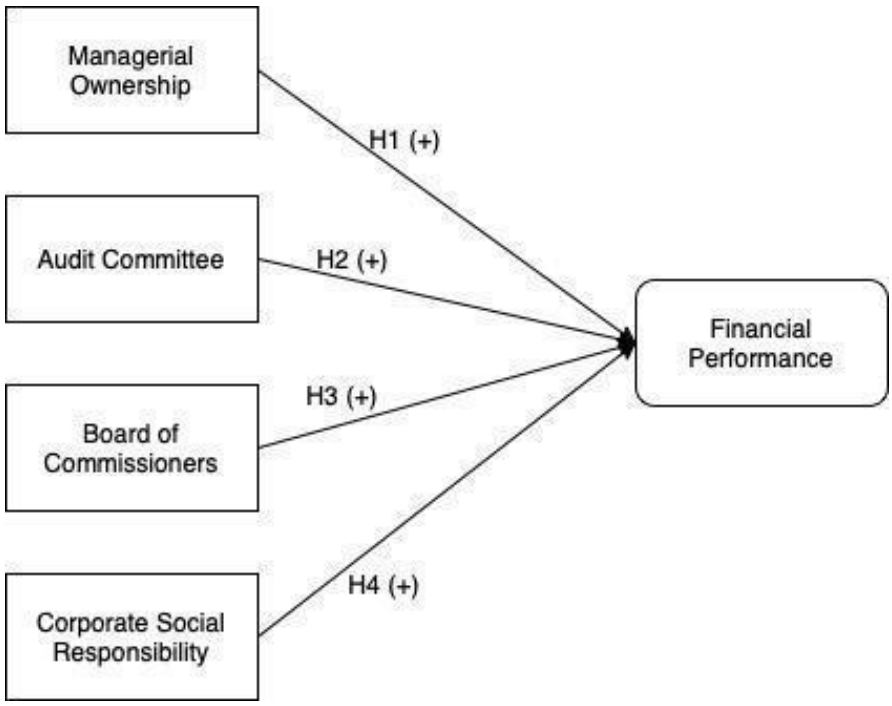
In general, CSR disclosure is used to increase the legitimacy of a business in public perception, but sometimes there are industry factors such as fluctuations in commodity values and also the addition of company assets that can affect ROA. In contrast to the results of Djamilah and Surenggono (2017) which stated CSR had a positive effect on financial performance. Based on this explanation, the alternative hypothesis of this study is:

H4: Corporate Social Responsibilities have a positive effect on financial performance.

2.11 Research Conceptual Framework

The effect of Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR) on Financial Performance in Construction Companies Listed on the Indonesia Stock Exchange (IDX) in 2018-2023 is described as follows.

Figure 2. 1 Research Model



Chapter 3

Research Methods

3.1 Population and Sample

Population refers to a large number of individuals, events, or objects that as a whole are the focus of research in an investigation (Sekaran and Bougie, 2017). In this study, researchers used time series data from the population of construction companies listed on the Indonesia Stock Exchange from 2018 to 2023, which consisted of 22 companies so that 110 data were obtained. The sample is a small proportion of members taken from the overall population (Sekaran and Bougie, 2017). The technique used in data collection is purposive sampling. Because the data used in this study must meet certain criteria, the researchers grouped 20 construction companies according to the categories below:

1. Construction companies that have been listed on the Indonesia Stock Exchange (IDX) consecutively during the period 2018-2023.
2. Construction companies that reported financial statements during the period 2018-2023.
3. Construction Companies that attach CSR activities during the period 2018-2023.

Table 3. 1 Research Sample

No	Criteria	Total
1.	Construction Companies listed on the Indonesia Stock Exchange (IDX) consecutively during the period 2018-2023	22
2.	Construction companies that not reported financial statements during the period 2018-2023	7
	Companies that match the criteria	15
	Number of Companies	15
	Number of Sample	83

3.2 Data Sources and data Collection Techniques

The method of collecting data analysis used is secondary data. The dependent variable to be analyzed in this study is the Financial Performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023. Meanwhile, the independent variables to be analyzed are Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG). The aim is to find the relationship between the quality of Managerial Ownership, Audit Committee, Board of Commissioners and financial performance assessed by Return on Asset (ROA) in construction companies listed on the Indonesia Stock Exchange in the period 2018-2023. In terms of research methodology, a quantitative approach is expected to design statistical regression models that are relevant to the phenomenon under study to systematize important information about the selected sample of organizations and test the proposed hypotheses. The relationship between the dependent variable and one or more independent variables can be studied using multiple linear regression models. Overall, the data used in this study comes from www.idx.co.id and the websites of Construction Companies listed on the Indonesia Stock Exchange 2018-2023.

3.3 Definition and Measurement of Research Variables

To measure the variables to be studied, researchers need operational variables which are data that have been processed by researchers before the testing process. In this study there are two variables that are used, namely the first independent variable consisting of Corporate Social Responsibility (CSR), Good Corporate Governance (GCG). While the second is the dependent variable which is the focus of this research, namely the Financial Performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023.

3.3.1 Dependent Variable

In a research context, the dependent variable is the variable that is measured or observed in response to manipulation of the independent variable. The dependent variable is often abbreviated as Y. The dependent variable can also be called the variable whose value depends on the dependent variable which is used to explain or influence the

dependent variable. In this study, the dependent variable is used as the main focus, namely the financial performance of construction companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023. This variable is the main focus in the study to determine the impact of the independent variables, namely Corporate Social Responsibility (CSR) and Good Corporate Governance (GCG), on the financial performance of construction companies.

3.3.2 Independent Variables

In the context of research, the independent variable is the variable that is manipulated or changed in value to see its impact on the dependent variable. Independent variables are often abbreviated as X. This variable is used to explain or influence the dependent variable. Or it can also be called the cause or factor that affects the dependent variable. In this study, the independent variables of GCG (Managerial Ownership, Audit Committee, Board of Commissioners) and CSR will be observed to see their effect on the financial performance of construction companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2023.

3.3.2.1 Managerial Ownership (X1)

Managerial ownership is the percentage of ownership of company shares by managers or executive officers in the company. Managerial ownership is an important aspect of the company's ownership structure, which can affect company performance. In construction companies, managerial ownership can be calculated using the data listed in the company's financial statements with the following formula:

$$\frac{Number\ of\ Shares\ Owned\ by\ Management}{Total\ Number\ of\ Shares\ of\ the\ Company} \times\ 100$$

3.3.2.2 Audit Committee (X2)

The audit committee is responsible to the Board of Commissioners and is tasked with providing independent professional opinions on the review of financial information issued by the company. The audit committee indicator is measured based on the ratio of the number of audit committee members from outside the company to the total number of audit committee members. The audit committee formula is:

$$\frac{Number\ of\ Outside\ Audit\ Committee\ Members}{Total\ Number\ of\ Audit\ Committee\ Members}$$

3.3.2.3 Board of Commissioners (X3)

The Board of Commissioners is a corporate organ tasked with supervising and advising the directors of a limited liability company (PT). They are tasked with providing advice and inspection on decision-making and activities carried out by top-level management or the board of directors. In construction companies, the number of members of the board of commissioners is usually less than the number of members of the board of directors. This is because the board of commissioners wants to have a more limited role than the board of directors. The size of the board of commissioners can be formulated as follows: Debby et al. (2014)

$$\frac{Number\ of\ Board\ of\ Commissioners\ in\ the\ Financial\ Statements}{Number\ of\ Board\ Members}$$

3.3.2.4 Corporate Social Responsibility (X4)

Corporate Social Responsibility is a company activity that aims to help the community and the environment. CSR can be done by construction companies, for example by providing job skills training to the community, building roads or bridges, or planting trees. CSR disclosure is vital for individuals to be informed about the actions a company takes in helping them, which is done through annual reports, CSR reports, social media, or special events. In this study, social disclosure is measured by computing the number of items related to social issues that will eventually be revealed in the annual report. Article 66 of PT Law No. 40 of 2007 stipulates that companies are required to submit annual reports that at least contain reports on the fulfillment of social and environmental responsibilities.

To calculate Corporate Social Responsibility:

$$CSRI_j = \frac{\Sigma Xij}{Nj}$$

Description:

CSTIj: Corporate Social Responsibility Index per company category j

Xij: Dummy Variable;

1 = if item i is disclosed,

0 = if item i is not disclosed,

Thus $0 \leq CSRDI \leq 1$

Nj : Number of items for company j, $Nj \leq 91$

3.4 Data Analysis Method

3.4.1 Descriptive Statistics

Descriptive statistics are statistics used to analyze data by describing the data that has been collected as it is without intending to make general conclusions or generalizations. This technique provides an overview of the characteristics of each research variable as seen from the average value (mean), maximum, minimum, and standard deviation. Descriptive statistical analysis helps researchers to identify data patterns, anomalies, and gain a better understanding of data variability. To determine the skewness and tapering of the data distribution, the skewness and kurtosis values can be used (Ghozali, 2018).

3.4.2 Classical Assumption Test

The classic assumption test is a statistical analysis technique used to check whether the data used in regression analysis meets the basic assumptions of the regression model (Ghozali, 2018). The classic assumption test includes several types of tests, such as normality test, multicollinearity test, heteroscedasticity test, autocorrelation test, and others. The classical assumption test is carried out before conducting regression analysis to ensure that the data used meets the basic assumptions of the regression model.

3.4.2.1 Normality Test

The normality test is a test conducted to determine whether the distribution is normal or not. A normal distribution is a distribution that looks like a "mountain" or "bell" centered in the middle, with most of the data concentrated around the midpoint and a small portion scattered around the upper and lower ends. Normality tests are commonly used in quantitative research to ensure that the observed data meets the assumptions required by some statistical analysis methods, such as regression analysis or the t-test. A normal distribution is a data distribution that is symmetrical in nature, in other words, the mean,

median, and mode values are equal together and have a bell-shaped curve. To test whether the data has a normal distribution, this study uses the Kolmogorov-Smirnov test.

3.4.2.2 Multicollinearity Test

This test is used to check whether there is a strong correlation between the independent variables in the regression model. One method that can be used to test for multicollinearity is the Variance Inflation Factor (VIF). If the multicollinearity test indicates a significant linear relationship between the independent variables, steps need to be taken to deal with the problem. One way is to transform the data or eliminate variables that show a significant level of linear dependency.

3.4.2.3 Heteroscedasticity Test

According to Ghozali (2018), the heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. This causes validity and accuracy to affect the regression model. Heteroscedasticity testing aims to evaluate whether there is an unevenness of variance in the residuals in the regression model. That is, if the residual variance is not the same for all observations, it is called heteroscedasticity. The heteroscedasticity test used in this study is the glejser test and the scatterplot graph. The glejser test uses the absolute value of the residual value as the dependent variable to detect the presence of inequality of variance between residuals. Heteroscedasticity can cause the regression model to be inefficient and unusable. If the residuals show a certain pattern, such as a pattern of gathering or centering and then overlapping, it can be said that heteroscedasticity exists in the model.

3.4.2.4 Autocorrelation Test

The autocorrelation test is used to determine whether there is a correlation between residuals in the regression model. Autocorrelation arises when the residual value at a certain time is influenced by the residual value at the previous time. The autocorrelation test is important in regression analysis, especially in time series data that has a relationship between times. One commonly used method to test for autocorrelation is the Durbin-Watson (DW) test. This test produces a value between 0 and 4, where a value of 2 indicates

that there is no autocorrelation. Values below 2 indicate positive autocorrelation, while values above 2 indicate negative autocorrelations. If autocorrelation exists in a regression model, the results of the regression analysis become unreliable. Therefore, it is important to detect and handle autocorrelation in regression analysis to ensure the reliability of the analysis results.

3.4.3 Multiple Linear Regression Analysis

Multiple linear regression analysis is the procedure for calculating two key things in multiple regression analysis: the R-squared coefficient and the regression equation. Both use two or more independent variables to predict one dependent variable. Additionally, when using sample data, it's important to assess the probability of the regression coefficient arising purely by chance (Saunders, Lewis, & Thornhill, 2007). The multiple linear regression model is shown in the following equation:

$$\gamma = \alpha + b_1 x_1 + b_2 x_2 + b_3 x_3 + e$$

Where,

Y = Investment Interest

X1 = Online Trading Facility

X2 = Minimum Capital

X3 = Risk Perception

a = constant

b = regression coefficient

e = error terms

3.4.4 Hypothesis Test

The purpose of this study was to test the hypotheses that have been developed previously regarding the relationship between the dependent and independent variables that have been proposed in the hypothesis. To test the relationship between dependent variables, researchers used a linear regression analysis approach, namely the company's financial performance with independent variables such as management ownership, audit committee, board of commissioners, and Corporate Social Responsibility. In this study, researchers

used multiple linear regression analysis methods to determine the relationship and influence of independent factors on financial performance disclosure using the Return On Asset (ROA) calculation ratio. In addition, various testing methods such as the coefficient of determination test, F test, and t test, are used to test the hypotheses that have been made. In practice, the coefficient of determination test is generally used to evaluate the extent to which the regression model fits the existing data. In this study, the F test was used to assess the significance of the influence of the independent variable on the dependent variable. Meanwhile, the t-test is used to determine whether there is a significant difference between two samples of variables, whether related or not.

3.4.4.1 Test Coefficient of Determination (R-Squared)

The coefficient of determination (R-square) test in multiple linear regression analysis is used to evaluate how much variability in the dependent variable can be explained by the independent variables in the regression model. The coefficient of determination ranges from 0 to 1, where the higher the value indicates the better the model's ability to explain variations in the dependent variable. A value close to 1 indicates that the independent variable is able to explain the variation in the dependent variable well, while a value close to 0 indicates the limited ability of the independent variable to explain the variation in the dependent variable (Ghozali, 2018). The coefficient of determination analysis is important to understand the extent to which the regression model can explain the variation in the dependent variable based on the independent variables used.

3.4.4.2 F-test

The F test in statistical analysis is used to evaluate whether at least one independent variable has a significant effect on the dependent variable in the regression model. The F test is also used to evaluate the overall significance of the regression model. In the context of multiple linear regression analysis, the F test is used to test whether at least one independent variable has a significant effect on the dependent variable together. A significant F test result indicates that at least one independent variable has a significant influence on the dependent variable in the regression model. Thus, the F test helps in evaluating the overall significance of the regression model and the contribution of the

independent variables to the dependent variable. To find out whether the regression model is suitable or not, we can use the F test. This F test can be done using statistical software such as SPSS. The standard commonly used is α = 5% or 0.05. If the probability value generated by the F test is greater than α, then the regression model does not fit. Conversely, if the probability value generated by the F test is smaller than α, then the regression model can be said to be suitable. The F test can provide important information in evaluating the quality of the regression model and making necessary improvements or developments (Ghozali, 2018).

3.4.4.3 T-test

Ghozali (2018) stated that the t-test is a statistical method used to test the individual effect of each independent variable on the dependent variable. The testing method uses *SPSS software.* Decision making is based on the t test which comes from the significance value of the SPSS output results, namely if the significance value < 0.05 then the independent variable has a significant effect on the dependent variable. Vice versa, if the significance value > 0.05 then the independent variable has no significant effect on the dependent variable. If the value of $t_{hitung} \geq t_{tabel}$ then, there is an influence of the dependent variable.

Chapter 4

Results and Discussions

4.1 Results and Data Collection

In the analysis and discussion carried out by researchers, this chapter used data from time series data obtained using a purposive sampling approach, besides that the data that has been collected must meet the following requirements:

1. Construction companies that have been listed on the Indonesia Stock Exchange (IDX) consecutively during the period 2018-2023.
2. Construction companies that reported financial statements during the period 2018-2023.
3. Construction companies that attached CSR activities during the 2018-2023 period.

Referring to the criteria in this study, in the sampling process 15 construction companies were selected that met the criteria. In the table below there are 15 companies that were sampled in this study:

Table 4. 1 List of Companies

NO	STOCK CODE	COMPANY NAME
1	ACST	PT Acset Indonusa Tbk
2	ADHI	PT Adhi Karya (Persero) Tbk
3	BUKK	PT Bukaka Teknik Utama Tbk
4	DGIK	PT Nusa Konstruksi Enjiniring Tbk

5	IDPR	PT Indonesia Pondasi Raya Tbk
6	JKON	PT Jaya Konstruksi Manggala Pratama Tbk
7	NRCA	PT Nusa Raya Cipta Tbk
8	PBSA	PT Paramita Bangun J Sarana Tbk
9	PPRE	PT. PP Presisi Tbk
10	PTPP	PT PP (Persero) Tbk
11	SSIA	PT Surya Semesta Internusa Tbk
12	TOTL	PT Total Bangun Persada Tbk
13	WEGE	PT Wijaya Karya Bangunan Gedung Tbk
14	WIKA	PT Wijaya Karya (persero) Tbk
15	WSKT	PT Waskita Karya (Persero) Tbk

4.2 Descriptive Statistics

The variables to be used is presented using descriptive statistical analysis. The use of this analysis aimed to clearly and in detail described the characteristics of the data generated from each variable. Descriptive analysis is used to describe the characteristics of the data generated from each variable. This analysis described the central value and distribution of data, as well as the shape of the data distribution. Descriptive statistics are a description of data seen from the average value (mean), standard deviation, maximum

and minimum values (Ghozali, 2018). The results of descriptive statistical analysis can be seen from the table below:

Table 4. 2 Descriptive Statistics

	n	Range	Minimum	Maximum	Mean	Std. Deviation
KM	83	89.00	.00	89.00	7.0756	21.40505
KA	83	21.00	2.00	23.00	8.6988	5.88389
DK	83	4.00	3.00	7.00	4.9880	0.95051
CSR	83	43.05	54.95	98.90	76.3090	9.99179
ROA	83	7.50	.00	8.50	2.1982	2.93377
Valid N (listwise)	83					

Source: SPSS, 2024

Based on Table 4.2 above, it can be concluded that:

1. Managerial Ownership

   From the results of descriptive analysis of managerial ownership variables, it showed that the lowest percentage of managerial ownership is 0 and the highest percentage of ownership is 89.00. Then, the average percentage of managerial ownership is 7.0756 with a standard deviation of 21.40505. These results indicated that the mean value is smaller than the standard deviation value.

2. Audit Committee

   From the results of descriptive analysis of the Audit Committee variable, it showed that the lowest number of audit committee members is 2 and the highest number of members is 23. The audit committee variable has a mean of 8.6988 with a standard deviation of 5.88389 which indicated that the mean value is greater than the standard deviation.

3. Board of Commissioners

The Board of Commissioners variable is obtained from the number of members of the board of commissioners. The results of the descriptive statistical analysis of the variables showed that the number of members of the company's board of commissioners ranges from a minimum of 3 people and a maximum of 7 people. The mean number of members of the board of commissioners is 4 people, with a standard deviation value of 0.95051. The results shown by this value showed that the mean value is greater than the standard deviation value.

4. Corporate Social Responsibility

From the results of descriptive analysis of CSR variables, it showed that the lowest level of disclosure is 54.95 with the maximum value of CSR is 98.90. The mean value of CSR in 2018-2023 is 73.8996 with a standard deviation of 10.7544. The average value can be interpreted as the level of implementation of corporate social responsibility is 76.3090, while the standard deviation value is 9.99179 which can be interpreted as the size of the CSR variable data distribution is 9.99179.

5. ROA

The minimum value of Return on Asset is 0. This can be interpreted that the lowest ROA value among the sample companies is 0. Meanwhile, the maximum value of ROA is 8.50 obtained by PT Acset Indonusa Tbk consecutively in 2018. It can be concluded that the highest ROA value among sample companies is 8.50. The Mean value for 2018-2023 is 2.0712. This average value can be interpreted as the level of the sample company's ability to generate profits is 2.0712, while the standard deviation value is 2.1982 which meant that the level of data distribution size of the ROA variable is 2.1982.

4.3 Classical Assumption Test

4.3.1 Normality Test

In this study, the normality test was used to test whether the regression model used was in accordance with a normally distributed regression model using the Kolmogorov-Smirnov test. In this study, the Kolmogorov-Smirnov test was used to test the normality of the residuals. A significance level of α greater than 0.05 is used. The probability number called p is the basis for decision making with the assumption, if the probability value of p is greater than 0.05, the normality assumption is met. Conversely, if the probability value of p is less than 0.05, the assumption of normality is not met (Ghozali, 2018).

Table 4. 3 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		83
Normal Parameters[a,b]	Mean	0
	Std. Deviation	1
Most Extreme Differences	Absolute	.200
	Positive	.159
	Negative	-.200
Kolmogorov-Smirnov Z		1.616
Asymp. Sig. (2-tailed)		.016

a. Test distribution is Normal.
b. User-Specified
Source: SPSS, 2024

From the results of table 4.3 above, it can be concluded that the tester gets a significant value from the Kolmogorov-Smirnov test of 1.616, where the value is greater than the significant value of 0.05. Thus, it can be concluded that the data is normally distributed.

4.3.2 Multicollinearity Test

To see whether multicollinearity occurred or not, it can be seen from the variance inflation factor (VIF) value or if the VIF value is more than 10, it indicated that an independent variable has multicollinearity (Ghozali, 2018).

Table 4. 4 Multicollinearity Test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	KM	.938	1.077
	KA	.999	1.011
	DK	.934	1.082
	CSR	.994	1.017

a. Dependent Variable: ROA

Source: SPSS, 2024

From the table above, it showed that the tolerance value > 0.10 or VIF < 10. The VIF value of KM is 1,077, the VIF value of KA is 1,011, the VIF value of DK is 1,082 and the VIF value of CSR is 1,017. It can be concluded that the regression model did not occur multicollinearity so that it can be used for further analysis.

4.3.3 Heteroscedasticity Test

The purpose of heteroscedasticity testing is to determine if the residual variance is not the same for each observation. The Glejser test used the absolute value of the residual value as the dependent variable. The regression model can be ineffective and cannot be used if heteroscedasticity occurs with a predetermined significance level of 5%. A commonly used method to determine the presence of heteroscedasticity is through a graphical plot between the predicted value of the dependent (ZPRED) and its residual

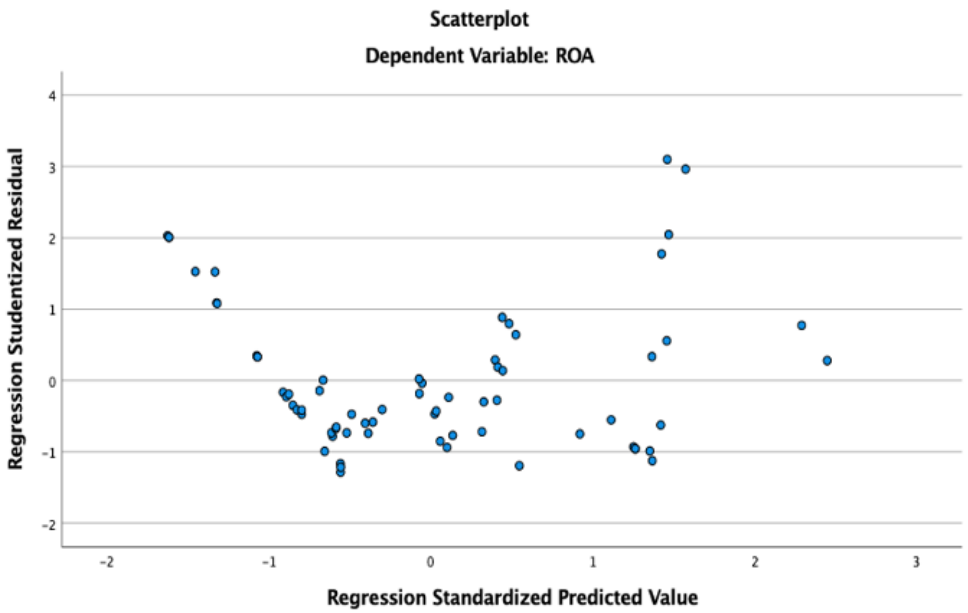
(SRESID). If the significant coefficient value is smaller than the predetermined significance level, it can be concluded that heteroscedasticity has occurred.

Table 4. 5 Heteroscedasticity Test with Glejser Test

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.155	.476		-.324	.756
	KM	.000	.009	-.019	-.116	.917
	KA	.008	.015	.047	.348	.738
	DK	.099	.058	.230	1.775	.086
	CSR	.008	.010	.079	.608	.554

a. Dependent Variable: Abs_RES
Source : SPSS, 2024

Based on Table 4.5 above, it can be explained that the significant value of the Glejser Test of the KM variable is 0.917 > 0.05, the significant value of the KA variable is 0.738, the significant value of the DK variable is 0.086 > 0.05, and the last value of the CSR variable is 0.554 > 0.05. It is known that all significant values of the Glejser test of each variable are above 0.05, so it can be concluded that the results of this test do not occur heteroscedasticity.



Source: SPSS, 2024

Figure 4. 1 Heteroscedasticity Test with Scatterplot Graph

From the results of the heteroscedasticity test above using the scatterplot graph, it can be seen that the distribution of points showed no particular pattern or pattern clustered at one point of the line only, so heteroscedasticity did not occur. Then the heteroscedasticity test is fulfilled.

4.3.4 Autocorrelation Test

In this study, the test used the Durbin-Watson test on the results of the autocorrelation test. In this test, a test is carried out on the Durbin Watson test value which, if fulfilled, the value of DU < DW < 4-DU. The results of the autocorrelation test analysis using the Durbin Watson test are as follows:

Table 4. 6 Autocorrelation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.908[a]	.858	.818	.71563	1.852

a. Predictors: (Constant), CSR, KA, KM, DK
b. Dependent Variable: ROA
Source : SPSS, 2024

The results of the autocorrelation test using the Durbin Watson method can be seen from table 4.6 above where the Durbin Watson value is 1.852 indicating that the regression value that has been used did not have autocorrelation because the results of the Durbin Watson value itself are below DU (1.7454) and the 4-DU value (2.2546).

4.4 Multiple Linear Regression Analysis

Multiple linear regression analysis is used to test whether the independent variable affects the dependent variable. The results of multiple regression analysis in this study can be seen in the table below:

Table 4.7 Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-32.459	4.026		-7.599	.000
	KM	-.012	.007	-.036	-.006	.984

	KA	.143	.121	.129	1.184	.126
	DK	.084	.747	.522	6.251	.039
	CSR	.428	.026	.611	5.419	.001

a. Dependent Variable: ROA
Source: SPSS, 2024

Based on the table above, the regression equation produced in this study is as follows:

$$Y = -32.459 - 0.012\ X1 + 0.143\ X2 + 0.084\ X3 + 0.428\ X4$$

The conclusion that can be drawn from the above equation in accordance with the regression model is as follows:

1. The regression coefficient of Managerial Ownership (X1) is -0.006 with a negative value. From this value, it can be interpreted that when the Management Ownership variable increased by 1 unit, the ROA (Y) variable tends to decrease by 0.006.
2. It is known that the value of the Audit Committee (X2) regression coefficient had a positive value of 0.152, which meant that when the Audit Committee (X2) variable increased by 1 unit, the ROA (Y) value increased by 0.152.
3. The Board of Commissioners (X3) is known to have a positive regression coefficient value of 0.084. This value meant that when the Board of Commissioners (X3) variable increased by 1 unit, the ROA (Y) variable tended to increase by 0.084.
4. It is known that the regression coefficient value of the CSR variable (X4) is positive, namely 0.458. This value meant that when the CSR variable (X4) increased by 1 unit, the ROA variable (Y) tended to increase by 0.458.

4.5 Hypothesis Testing

4.5.1 The Coefficient of Determination

The coefficient of determination is used to determine what percentage of the independent variable affects the dependent variable. The results of the calculation of the coefficient of determination are shown in the table below:

Table 4. 8 The Coefficient of Determination

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908[a]	.858	.818	.71563

Source: SPSS, 2024

Based on the results of table 4.8 above, it can be concluded that the adjusted r square value is 0.818. This showed that of the 4 variables that the examiner examined, namely management ownership, audit committee, board of commissioners and corporate social responsibility, explained 81,8% of the variance in the ROA variable, while the remaining 18,2% was explained by other causes.

4.5.2 F-Test

The purpose of the F test is to evaluate how the independent variables impact on firm value (Y) simultaneously or simultaneously.

Table 4. 9 F-Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	327.394	9	76.848	133.779	.000[b]
	Residual	38.777	68	.050		
	Total	366.170	72			

a. Dependent Variable: ROA
b. Predictors: (Constant), CSR, KA, KM, DK
Source : SPSS, 2024

Based on table 4.9 above, the calculated F result is 133.779 and the Significant value is 0.000. Since the estimated F value is less than the significance level of 0.05, the null hypothesis is rejected. This showed that the dependent variable ROA (Y) had a significant impact on the

independent variables of managerial ownership (X1), audit committee (X2), board of commissioners (X3) and corporate social responsibility (X4) simultaneously.

4.5.3 T-Test

The regression coefficient value and t statistical test value are presented in Table 4.10 below.

Table 4. 10 Test (T-Test)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-32.459	4.026		-7.599	.000
	KM	-.012	.007	-.036	-.006	.984
	KA	.143	.121	.129	1.184	.126
	DK	.084	.747	.522	6.251	.039
	CSR	.428	.026	.611	5.419	.001

a. Dependent Variable: ROA
Source : SPSS, 2024

The analysis results obtained from the T test are:

a.) The constant value of -32.459 meant that if all independent variables are 0 or constant, the amount of ROA is -32.459.

b) The regression coefficient of Good Corporate Governance through the Managerial Ownership (KM) had no effect on the Financial Performance with a significant value of 0.984 and a negative t-statistic value of -0.006 which indicated that the high or low value of Good Corporate Governance through the Managerial Ownership (KM) does not affect the financial performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023.

c) The regression coefficient of Good Corporate Governance through the Audit Committee (KA) had no effect on the Financial Performance with a significance value of 0.126 and a positive t-statistic value 1.184 which indicated that the

number of Good Corporate Governance through the Audit Committee did not affect the financial performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023.

d) The regression coefficient of Good Corporate Governance through the Board of Commissioners (DK) had a significance value of 0.039 and a positive t-statistic value of 6.251 which indicated that the number of Good Corporate Governance through the Board of Commissioners positively affected the financial performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023.

e) The Corporate Social Responsibility (CSR) variable regression coefficient affected the company's financial performance with significant value of 0.001 and a positive t-statistic value of 5.419 which indicated that the high or low value of Corporate Social Responsibility could positively affect the financial performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023.

4.6 Discussions

Based on multiple linear regression analysis using IBM Statistics SPSS on the Effect of Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR) on Financial Performance in Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023, the results of this study are interpreted with the results of previous studies as follows.

4.6.1 The Influence of GCG in Managerial Ownership on Return on Asset (ROA)

Based on the results of research with the t-test, it is known that the significance value of Managerial Ownership is 0.996 with a negative t value. This showed that the Managerial Ownership relationship did not affect Return on Asset (ROA) in the Financial Performance of Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023, it can be concluded that H1 is not supported by the data. This meant that a high

or low value of managerial ownership did not affect the level of Return on Asset (ROA) of a company.

The results of this study are in line with research conducted by Fajrinnaski, 2017; Trisnaningsih and Rahmasari, 2022; Paramitha and Suryanawa, 2023; Rahmawati et al., 2022 which revealed that Managerial Ownership has no effect on ROA. However, it contradicted the research conducted by Ogabo et al., 2021 which showed that managerial ownership has a positive and significant effect on ROA. Although some assessments find that managerial ownership has a positive relationship or a significant positive effect on ROA, there are other studies that showed that the relationship is not significant or even negative.

One explanation why managerial ownership is insignificant or negatively affected ROA is through "Stakeholder Theory". Thus, through the perspective of Stakeholder Theory, management ownership did not necessarily result in a positive direct influence on ROA due to their broader focus on sustainability, common interest, and long-term growth of the company. Although the effect is not significant, management decisions that take into account these various stakeholders can lead to higher long-term value, even if it is not directly reflected in financial measures such as ROA in the short term.

4.6.2 The Influence of GCG in the Board of Commissioners on Return on Asset (ROA)

Based on the research results with the t test, it is known that the significance value of the Board of Commissioners is 0.039 with a positive value. It can be concluded that the large number of boards of commissioners can increase supervision and management of company assets, thereby increasing ROA. Where the board of commissioners plays a full role in structured managerial management and appropriate norms. The role of the board of commissioners itself in agency theory is to represent the owners of the company in making business decisions. where the role of the board of directors is the most influential in the company, then of course the board of commissioners is also an important part in this case, the more supervision from the board of commissioners and the number of commissioners,

the better the company's performance will be so that it can achieve more optimal profits and ensure that decisions taken by management are in accordance with the interests of the company concerned.

This research is in line with research conducted by Djamilah and Surenggono (2017) which stated that the board of commissioners showed that the board of commissioners had a significant effect on return on assets. This can happen because the quantity of the board of commissioners is always a measure of the level of profitability of a company which can be understood through Legitimacy Theory. Sometimes it is the quality of the board of commissioners itself that supports the company in managing performance management in it. In addition, there are still many other factors that can influence the company's decision making in boosting the company's own performance. Basically, the board of commissioners does have supervisory power but may not have a direct effect on operational control in the company's daily activities that have an impact on ROA. Changes in the market and external environment are also reasons why the presence of a board of commissioners is not always the cause of increased corporate profitability. In short, legitimacy theory explained that the board of commissioners had an important role in reducing conflicts of interest between controlling shareholders and minority shareholders by supervising, advising, and disclosing CSR activities in accordance with public expectations. Even so, there are studies that contradicted the research conducted by one of them Rahmawati et al. (2022) revealed that the number of boards of commissioners has no significant effect on ROA.

4.6.3 The Influence of GCG in the Audit Committee on Return on Asset (ROA)

Based on the results of research with the t-test, it is known that the significance value of the Audit Committee is 0.139 with a positive t value. This showed that the Audit Committee relationship had no effect on Return on Asset (ROA) of Construction Companies Listed on the Indonesia Stock Exchange (IDX) 2018-2023. Thus, it can be concluded that H2 is not supported by the data. This means that a high number of audit committee did not affect the level of Return on Asset (ROA) of a company.

This research is in line with research conducted by Puteri et al. (2023) which concluded that the audit committee had no effect on ROA. In this study, it is said that the

number and quality of audit committee members who are not qualified results in low supervision by the audit committee which is the cause of the audit not being considered to have an effect on company profitability.

The theoretical basis that can explain this phenomenon is stakeholder theory. Referring to the theory, it can be concluded that the audit committee, although important for maintaining internal control, compliance, and managing risk within the company, may not have a significant direct impact on Return on Assets (ROA). While investments in control infrastructure and ethical compliance are important for a firm's long-term reputation, these benefits are not necessarily reflected in a short-term increase in ROA. However, these findings contradict research conducted by Wulandari (2020) which showed that the audit committee had a positive and significant effect on Financial Performance as measured by Return on Assets (ROA). Whereas in previous studies, audit committee members must have high integrity, adequate skills and knowledge, relevant experience in accounting and finance, independence from the company, and not have direct or indirect shares in the company and have no family or affiliation with members of the Board of Commissioners, members of the Board of Directors, shareholders or controlling parties that can affect the performance of their duties. With these qualifications, audit committee members can perform their supervisory and evaluation duties effectively, so that the company can improve performance and compliance with applicable laws and regulations and values. Because the audit committee itself is not the only determinant of profitability, they had no direct relationship with ROA, but can affect the company's reputation by conducting effective and transparent supervision. This happened because the audit committee focused more on financial supervision and management of company assets, as well as ensuring that decisions made by management are in accordance with the interests of company owners.

4.6.4 The Influence of CSR on Return on Asset (ROA)

Based on the significance value of less than 0.05, CSR is stated to have a positive effect on Return on Assets (ROA). The results showed a significance value of 0.000 with a positive t value. This showed the relationship between CSR had a positive and significant effect on Return on Assets (ROA). Therefore, it can be concluded that H4 is supported by

the data. It can be interpreted that the level of CSR affected the profitability generated by the company. The greater the CSR of a company, the profitability would also increase.

Research that reveals similar results is conducted by Djamilah and Surenggono (2017) which showed CSR had a positive and significant effect on ROA. Based on stakeholder theory, Corporate Social Responsibility (CSR) can have a positive impact on the company's financial performance through improved relationships with stakeholders, such as employees, customers, and the community. By taking into account the interests of stakeholders, companies can gain long-term benefits, such as increased customer loyalty and corporate image, which in turn can contribute to better financial performance. CSR is one of the company's investments that actually has a considerable impact on the sustainability of the company. The establishment of a good relationship between the company and stakeholders is an added value for the company in the market competition. The emergence of a good image of the company can indirectly increase investor loyalty and interest. Furthermore, good CSR implementation would also increase the company's contribution in creating a more stable environment for long-term growth, which can be understood through legitimacy theory. Consequently, companies must have a strong CSR program that is useful for the wider community and in turn people will trust the company and the company can build a positive image. Meanwhile, research conducted by Fajrinnaski, 2017; Djamilah & Surenggono, 2017; Nurlaelah, 2022; Puteri et al., 2023 showed different results where CSR had no influence on ROA.

Chapter 5

Conclusion

5.1 Conclusion

In the final results section of the thesis writing, conclusions are presented from the research results. This research was conducted to test whether there is an influence between Good Corporate Governance and Corporate Social Responsibility which is described by the variables of Managerial Ownership, Board of Commissioners, Audit Committee on profitability projected by Return on Assets (ROA) company performance that can be drawn from data analysis, hypothesis testing, and discussion. The following are research conclusions that can be drawn:

1. Managerial Ownership had no effect on Return on Assets.
2. The Board of Commissioners had no effect on Return on Assets.
3. The Audit Committee had a positive and significant effect on Return on Assets.
4. CSR had a positive and significant effect on Return on Assets.

5.2 Research Implications

The following are the implications resulting from the research findings:

1. For Academics

The results of the study can be used to add insight into the literature related to Good Corporate Governance (GCG) in Managerial Ownership, Board of Commissioners, Audit Committee, Corporate Social Responsibility (CSR), and financial performance, especially Return on Assets (ROA). This research is expected to provide a stronger basis for future studies that focus on similar topics. Apart from the previous research conducted by Fajrinnaski (2017), Djamilah and Surenggono (2017), Wulandari (2020), Mahrani and Soewarno (2021), Ogabo et al. (2021), Nurlaelah (2022), Rahmawati et al. (2022), Trisnaningsih and Rahmasari (2022), Puteri et al. (2023), Paramitha and Suryanawa (2023), where the effect of GCG and CSR showed inconsistent results and the test results

in the previous ones are only partial, while this study discussed the effect of good corporate governance which is proxied into managerial ownership, audit committee, board of commissioners and corporate social responsibility and answered suggestions and weaknesses from previous researchers. This study could add information to further researchers that with this research the results obtained, namely the board of commissioners and corporate social responsibility had a significant effect on financial performance proxied by Return on Asset (ROA). Meanwhile, managerial ownership and audit committee had no significant effect on financial performance proxied by Return on Asset (ROA).

2. For the Company

This study provided input for company management regarding the importance of effective GCG implementation in Managerial Ownership, Board of Commissioners, Audit Committee, and CSR. Based on the results of this study, managerial ownership, board of commissioners, audit committee, and corporate social responsibility are factors that affect financial performance proxied by Return on Asset (ROA). So that management can use these findings to improve corporate governance practices and social responsibility in order to improve the company's financial performance which was not only based on the short term in Return on Asset (ROA).

3. For General Public

This study provided an understanding to the public that the results of this study indicated that the interaction between GCG and CSR had a positive effect on society. Thus, construction companies that are listed on the IDX and had good GCG and good CSR can improve the quality of life of the community through effective supervision, high transparency, and positive reputation development.

5.3 Research Limitations

According to other researchers, there are several obstacles that researchers faced when conducting research. Some limitations or obstacles can affect the results of the research which made the results different from some of the research that has been done. Among these obstacles are as follows:

a. Out of the 22 companies that are used as the sample of this research, data could not be obtained for 7 of them. Thus, 15 companies did not publish annual reports in their entirety.

b. ROA disclosures are still evaluated on a limited basis. The GRI standard assessment is too complicated and only considers quantity and not quality, requiring caution in data collection.

5.4 Suggestions

Based on the results of the research analysis that has been presented, there are still limitations, so the suggestions that can be given by the examiner are as follows:

a. For future researchers

It is expected that based on the research findings on the effect of good corporate governance and corporate social responsibility on corporate financial performance, more information will be available for future research on related topics.

b. Some improvements that can be made for future research are to change the research model by conducting a longer study of other variables that can affect performance. Not only that, the research object can also be used for the sample used in the study.

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Appendix

Appendix 1 Variable Recapitulation

NO,	PERUSAHAAN	TAHUN	KEPEMILIKAN MANAJERIAL	KOMITE AUDIT	DEWAN KOMISARIS	CSR	ROA
1	PT Acset Indonusa Tbk - ACST	2018	0,00	4	7	98,00	8,5
		2019	0,30	3	7	98,00	7,44
		2020	0,00	4	7	98,00	7,5
		2021	0,00	4	7	98,00	7,5
		2022	0,00	4	6	96,91	5,28
		2023	47,06	23	7	90,11	7,36
2	PT Adhi Karya (Persero) Tbk - ADHI	2018	2,88	7	7	90,11	7,36
		2019	0,00	4	5	89,01	4,65
		2020	0,00	4	6	89,01	5,58
		2021	85,00	14	5	89,01	4,68
		2022	2,88	12	6	89,01	6,36
		2023	0,15	4	6	89,01	6,64
3	PT Bukaka Teknik Utama Tbk - BUKK	2018	0,15	3	6	89,01	5,44
		2019	0,10	4	6	89,01	5,23
		2020	0,00	4	5	87,91	4,11
		2021	0,00	4	5	87,91	4,28
		2022	5,52	8	5	87,91	4,1
		2023	0,06	3	5	87,91	4,22
4	PT Nusa Konstruksi Enjiniring Tbk - DGIK	2018	0,01	4	5	87,91	4,11
		2019	0,01	12	5	85,71	4,07

		2020	85,00	14	5	84,12	5,09
		2021	0,00	12	5	83,02	4,24
		2022	0,05	20	5	79,12	3,12
		2023	0,00	4	5	79,12	3,64
5	PT Indonesia Pondasi Raya Tbk - IDPR	2018	0,30	3	5	79,12	3,64
		2019	0,70	21	5	79,12	3,65
		2020	0,00	14	5	79,12	3,09
		2021	0,00	6	5	79,12	3,65
		2022	0,06	3	5	79,12	3,12
		2023	2,88	21	6	79,02	5,48
6	PT Jaya Konstruksi Manggala Pratama Tbk - JKON	2018	0,30	4	4	78,13	1,65
		2019	0,00	8	5	78,02	2,56
		2020	0,05	21	5	78,02	2,48
		2021	0,00	11	5	78,02	2,75
		2022	0,20	3	5	78,02	2,49
		2023	0,20	3	5	78,02	2,41
8	PT Nusa Raya Cipta Tbk - NRCA	2018	0,20	12	5	78,02	2,24
		2019	0,01	13	5	76,33	3,78
		2020	0,01	12	5	75,82	2,14
		2021	0,15	3	6	75,73	5,64
		2022	0,00	6	4	75,33	1,72
		2023	0,00	3	4	74,73	1,84
9	Pt Paramita Bangun J Sarana Tbk	2018	85,00	2	4	74,73	1,82
		2019	5,52	13	4	74,73	1,93
		2020	0,01	6	4	74,73	1,93
		2021	0,00	6	4	74,72	1,79
		2022	0,00	12	4	74,72	1,79
		2023	89,00	22	4	74,72	1,62
10	PT PP Presisi Tbk - PPRE	2018	6,52	7	4	74,72	1,62
		2019	0,00	4	4	72,84	1,92
		2020	3,40	12	4	72,84	1,01
		2021	2,88	12	4	71,43	1,14
		2022	2,88	4	4	71,42	0,9

		2023	0,00	6	4	70,93	1,07
11	PP (Persero) Tbk - PTPP	2018	6,30	13	4	70,33	0,78
		2019	2,88	6	4	70,33	0,72
		2020	0,00	6	4	69,23	0,69
		2021	0,05	3	6	68,13	0,36
		2022	0,00	14	6	68,13	0,24
		2023	0,00	4	6	68,13	0,34
12	PT Surya Semesta Internusa Tbk - SSIA	2018	89,00	11	6	68,13	0,22
		2019	2,88	12	4	68,13	0,5
		2020	0,01	22	6	68,13	0,09
		2021	0,00	12	4	68,13	0,44
		2022	0,00	4	4	68,13	0,65
		2023	0,00	6	6	65,93	0,07
13	PT Total Bangun Persada Tbk - TOTL	2018	0,10	4	4	65,93	0,06
		2019	0,00	6	4	65,93	0,06
		2020	0,00	6	4	65,93	0,03
		2021	0,00	4	4	65,92	0,01
		2022	47,06	22	6	64,84	-1,73
		2023	2,85	12	4	64,84	0,01
14	PT Wijaya Karya Bangunan Gedung Tbk - WEGE	2018	2,60	11	6	64,84	-0,9
		2019	2,85	3	4	64,84	-0,08
		2020	0,15	20	4	64,84	0,01
		2021	0,06	21	4	64,84	0,01
		2022	0,00	6	4	64,84	-0,9
		2023	0,00	3	6	64,83	-2,18
15	PT Wijaya Karya (Persero) Tbk - WIKA	2018	0,00	10	6	64,44	-1,19
		2019	0,90	6	6	60,44	-5,96
		2020	0,00	10	4	60,44	-2,19
		2021	0,15	9	4	60,44	-2,31
		2022	0,00	4	5	60,43	-8,77
		2023	0,00	12	4	83,02	4,24

16	PT Waskita Karya (Persero) Tbk - WSKT	2018	0,00	12	4	71,43	1,14
		2019	0,00	6	3	65,93	0,06
		2020	0,00	4	7	65,93	0,06
		2021	0,00	4	7	60,43	-8,77
		2022	0,00	3	7	64,84	-0,08
		2023	0,00	4	6	72,84	1,92

Appendix 2 Descriptive Statistics

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean		Std. Deviation	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	
KM	83	89.00	.00	89.00	7.0756	1.90302	21.40505	
KA	83	21.00	2.00	23.00	8.6988	.68518	5.88389	
DK	83	4.00	3.00	7.00	4.9880	.12969	0.95051	
CSR	83	43.05	54.95	98.90	76.3090	1.30417	9.99179	
ROA	83	7.50	.00	8.50	2.1982	.27323	2.93377	
Valid N (listwise)	83							

Appendix 3. Normality Test Output

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		83
Normal Parameters[a,b]	Mean	0

	Std. Deviation	1
Most Extreme Differences	Absolute	.200
	Positive	.159
	Negative	-.200
Kolmogorov-Smirnov Z		1.616
Asymp. Sig. (2-tailed)		.016
a. Test distribution is Normal.		
b. User-Specified		

Appendix 3 Multicollinearity Test Output

Coefficients[a]				
Model		Collinearity Statistics		
		Tolerance	VIF	
1	(Constant)			
	KM	.938	1.077	
	KA	.999	1.011	
	DK	.934	1.082	
	CSR	.994	1.017	

a. Dependent Variable: ROA

Appendix 4 Heteroscedasticity Test Output

Coefficients[a]					
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	

		B	Std. Error	Beta			
1	(Constant)	-.155	.476		-.324	.756	
	KM	.000	.009	-.019	-.116	.917	
	KA	.008	.015	.047	.348	.738	
	DK	.099	.058	.230	1.775	.086	
	CSR	.008	.010	.079	.608	.554	
a. Dependent Variable: Abs_RES							

Appendix 5 Autocorrelation Test Output

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.908[a]	.858	.818	.71563	1.852
a. Predictors: (Constant), CSR, KA, KM, DK					
b. Dependent Variable: ROA					

Appendix 6 Coefficient of Determination Test

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908[a]	.858	.818	.71563
a. Predictors: (Constant), CSR, KA, KM, DK				
b. Dependent Variable: ROA				

Appendix 7 F-Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	327.394	9	76.848	133.779	.000[b]
	Residual	38.777	68	.050		
	Total	366.170	72			
a. Dependent Variable: ROA						
b. Predictors: (Constant), CSR, KA, KM, DK						

Appendix 8 T-Test

Coefficients[a]						
Model		Model B	Model Std. Error	Model Beta	Model	Model
1	(Constant)	-32.459	4.026		-7.599	.000
	KM	-.012	.007	-.036	-.006	.984
	KA	.143	.121	.129	1.184	.126
	DK	.084	.747	.522	6.251	.039
	CSR	.428	.026	.611	5.419	.001
a. Dependent Variable: ROA						

Appendix 9 Multiple Linear Regression Test Output

Coefficients[a]						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-32.459	4.026		-7.599	.000
	KM	-.012	.007	-.036	-.006	.984
	KA	.143	.121	.129	1.184	.126
	DK	.084	.747	.522	6.251	.039

	CSR	.428	.026	.611	5.419	.001
a. Dependent Variable: ROA						