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THE INFLUENCE OF FOREIGN OWNERSHIP AND INSTITUTIONAL OWNERSHIP ON THE COMPANY'S FINANCIAL PERFORMANCE (CASE STUDY OF BANKING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE)

[1*]Tri Dharma Sipayung, Methodist University of Indonesia
email: darmacom29@gmail.com
[2]Arthur Simanjuntak, Methodist University of Indonesia
email: as-smjt@rocketmail.com
[3]Thomas Sumarsan Goh, Methodist University of Indonesia
email: gohtho@gmail.com
[4]Gracesiela Y. Simanjuntak, Methodist University of Indonesia
email: gracesielasimanjuntak@gmail.com
[5]Arthika Iradat R Lase, Methodist University of Indonesia
email: thikalase31@gmail.com

*Correspondence Email: darmacom29@gmail.com

ABSTRAK
Penelitian ini bertujuan untuk mengkaji dampak kepemilikan asing dan kepemilikan institusional terhadap kinerja keuangan perusahaan. Dalam penelitian ini, kinerja keuangan diukur dengan Return On Assets (ROA). Populasi dalam penelitian ini meliputi perusahaan perbankan yang terdaftar di Bursa Efek Indonesia (BEI) dan telah menerbitkan laporan keuangan untuk tahun 2020 - 2022. Metode pengambilan sampel menggunakan teknik purposive sampling dan sebanyak 33 perusahaan dijadikan sampel dalam penelitian ini. Hasil penelitian menunjukkan bahwa kepemilikan asing berpengaruh negatif signifikan terhadap kinerja keuangan perusahaan. Selanjutnya kepemilikan institusional tidak berpengaruh terhadap kinerja keuangan perusahaan. Hasil penelitian selanjutnya menyatakan bahwa kepemilikan asing dan kepemilikan institusional secara bersama-sama berpengaruh positif signifikan terhadap kinerja keuangan perusahaan.
Kata Kunci: Kepemilikan Asing, Kepemilikan Institusional, Kinerja Keuangan Perusahaan

ABSTRACT
This study aims to examine the impact of foreign ownership and institutional ownership on the company's financial performance. In this study, financial performance is measured by Return On Assets (ROA). The population in this study includes banking companies listed on the Indonesia Stock Exchange (IDX) and have published financial reports for 2020-2022. The sampling method used purposive sampling technique and as many as 33 companies were sampled in this study. The results showed that foreign ownership has a significant negative effect on the company's financial performance. Furthermore, institutional ownership has no effect on the company's financial performance. The next research results state that foreign ownership and institutional ownership together have a significant positive effect on the company's financial performance.
Keywords: Foreign Ownership, Institutional Ownership, Company Financial Performance

I. INTRODUCTION

This study aims to determine the effect of foreign ownership and institutional ownership on financial performance in banking companies listed on the Indonesia Stock Exchange (IDX) in 2020-2022. The word “bank” is often heard, especially by people in cities and villages. Banks are always associated with money. Bank comes from the Italian word, “banca” which means bench. A bench is defined as a table where bankers work to provide services to their customers (Hasan, 2014). Banks include service companies that have a function in being a liaison between those who have money and those who need money (Dangnga & Haeruddin, 2018). Banks are institutions that are trusted by the public so that bank performance must be maintained. Bank performance is a description of the achievements of a bank through its productivity, including financial, sales, collection and distribution of funds, technology, and human resources.

Companies with good performance make the profits maximized and produce a high level of return on investment (Ningsih & Wuryani, 2021). The resulting bank performance encourages people to take credit and entrust banks to save funds. One performance that needs to be maintained by banks is financial performance. One form of evaluating financial performance is to examine the bank's financial information records by calculating each financial ratio, thus showing a reflection of the bank's performance over a certain period of time.

An indicator that is often used to analyze a financial performance is the profitability ratio shown in Return on Assets (ROA). The high ROA value shows that the company uses assets more effectively (Marwansyah & Setyaningsih, 2018). To assess whether financial performance is good or not, management must consider aspects that influence financial performance. One of the aspects that can affect a bank's financial performance is the ownership structure. This theory explains why shareholders and managers are different because each party has its own needs in a company. This results in agency problems. Changing the relationship between management and shareholders when setting company goals can solve agency problems (Sabrina, 2014).

Agency problems can also be solved by implementing good corporate governance (GCG). One of the main objectives of GCG implementation is to protect stakeholders from bad management actions and lack of transparency and add corporate value through improving the bank's financial performance and minimizing the risks associated with investment decisions that have an interest impact (Adi & Suwarti, 2022). GCG implementation can be done in the ownership structure.

Foreign ownership is the ratio of total foreign owned shares to total shares (Khoirunnisa & Surono, 2022). The important role of foreign shareholders is to oversee management and assist in better scrutiny. Companies that have a high value of foreign ownership will be able to improve the financial performance of the company because management is more focused on directing the company's operations. Foreign ownership in a company is considered responsible for improving good corporate governance. Foreign ownership can influence the company's management decisions related to the implementation of foreign management, which can lead to improved company performance. (Handayani, 2021).

Institutions or institutions that are responsible for overseeing the company's financial performance can own shares in the company which can be referred to as institutional ownership. With institutional ownership, it is able to overcome any conflicts that arise from management and shareholders. So that institutional involvement with the company can improve financial performance (Nurhidayah, 2020). In addition, capital with a high value in the capital market, making institutional ownership has a fundamental role in overseeing management so that control can be more effective and make shareholders more prosperous (Elisetiawati & Artinah, 2016). Shareholders who are supervised by institutions have the ability to increase the effectiveness of corporate supervision through their role as external supervisors (Hartati et al., 2019). The more institutional ownership, the less opportunistic behavior of managers, which in turn can reduce agent costs (Wardhani & Suwarno, 2021).

The analysis method used is multiple linear regression analysis using financial data of banking companies listed on the Indonesia Stock Exchange (IDX). The goal is to broaden insights into factors that can affect the financial performance of banking companies.

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Table 1
ROA Value, Foreign Ownership and Institutional Ownership

Issuer Name	Issuer Code	Year	***Return on Asset***	Foreign Ownership	Institutional Ownership
PT. Bank MNC International Tbk	BABP	2020	0,15	39,22	51,26
		2021	0,18	34,29	46,68
		2022	1,04	33,06	51,01
PT. Bank Tabungan Negara (Persero) Tbk	BBTN	2020	0,69	11,23	18,42
		2021	0,81	11,78	19,14
		2022	1,02	9,75	14,66
PT. Bank Cimb Niaga Tbk	BNGA	2020	1,06	94,95	2,61
		2021	1,88	93,83	2,14
		2022	2,16	93,63	1,12
PT. Bank Oke Indonesia Tbk	DNAR	2020	0,35	94,19	1,25
		2021	0,38	92,10	1,04
		2022	0,22	93,44	**0,93**

The variable used to measure the company's financial performance is Return On Assets (ROA). High foreign ownership and institutional ownership will improve the company's financial performance. However, the table presented shows that when foreign ownership and institutional ownership decrease, ROA actually increases. This shows that ROA with other variables is not in accordance with the existing theory. For example, PT Bank Cimb Niaga Tbk (BNGA) experienced a decrease in foreign ownership and institutional ownership from 2020 to 2022, but ROA actually increased every year. This phenomenon is different from the theory which states that high foreign ownership will result in good financial performance, so if foreign ownership decreases, ROA should also decrease. Likewise with institutional ownership, where it is stated that institutional ownership of the company will improve financial performance because it can overcome problems between management and shareholders, which means that if institutional ownership increases, financial performance will also increase. However, in the findings obtained, institutional ownership does not show a positive relationship with financial performance.

Previous research on foreign ownership and institutional ownership on financial performance shows inconsistent research results. Research (Wisnuwardana & Novianti, 2018) and (Tjahjadi & Tjakrawala, 2020) explain that foreign ownership can positively affect financial performance. However, the findings produced by (Dianitasari & Hersugondo, 2020) and (Nizami & Sakir, 2020) are different where it states that foreign ownership has a negative influence on financial performance. Research (Shevira, 2023) states that institutional ownership significantly affects financial performance. However, the resulting research is different from the findings obtained (Wardhani & Suwarno, 2021) explaining that institutional ownership does not significantly affect financial performance.

Since there are conflicting results between the phenomenon gap and previous research, it is necessary to investigate further to understand what factors can affect changes in company financial performance. A more detailed explanation is needed to understand the reasons why an inverse relationship between the variables in this study can occur.

Therefore, the authors are interested in conducting further research with the title “The Effect of Foreign Ownership and Institutional Ownership on Corporate Financial Performance (Case Study of Banking Companies Listed on the Indonesia Stock Exchange).”

II. LITERATURE REVIEW

Agency Theory

Agency theory explains the correlation between shareholders as contract givers and management as contract recipients (Cahyono, 2019). According to this theory, shareholders contract management to run the business and are required to achieve the company's main target of optimizing the assets of shareholders, so that shareholders give management decision-making permission to achieve these goals (Rahmawati, 2017). Agency theory arises because of the inequality of goals which results in each party trying to increase profits for personal gain. For example, an increase in dividends from shares shows that investors want a large return on their investment. While each party acts in its own interest, conflicts between shareholders and management will arise if each party acts in its own interest (Nur W.A et al., 2021).

In addition, there is an agency problem due to the asymmetry of shareholders regarding how the business runs, and they are unable to control all management considerations or activities which results in management prioritizing their personal interests. This situation is said to be a moral hazard problem. The second cause of agency problems is inappropriate selection. This means that shareholders are unable to select management when hiring because they are unable to assess management's suitability (Gunawan, 2022).

Corporate Governance

Corporate governance is a number of procedures applied in bridging the interests of parties in the organization in relation to reducing agency conflicts to create company value (Rahmawati, 2017). Each company needs to pay attention to the implementation of Good Corporate Governance carried out in all parts of the company. GCG is defined as an order that controls and checks every stage of sustainable business handling in optimizing share value, so as to make company value increase and provide commitment to shareholders without ignoring the priority of creditors, employees, and the wider community.

Companies with good management have an organizational culture in them, norms, orders, stages, regulations, and organizational structures that are carried out with the aim of obtaining profits, efficiency, and effectiveness of the business being run with good risk management in line with taking into account the interests of stakeholders (Gunawan, 2022). Corporate governance control mechanisms are established to reduce corporate management failures caused by moral risks and decision-making errors that make it impossible to achieve corporate goals. Mechanisms are required to manage complex and integrated enterprise management systems. The emergence of Good Corporate Governance (GCG) is due to differences in ownership and management of the organization or as agency problems. GCG is needed to overcome agency problems with owners and managers.

Definition and Types of Banks

In the book Banking and Financial Literacy (Ismanto et al., 2019), Banks are financial institutions that act as intermediaries in collecting funds obtained from those who have funds and reallocating them to people who need funds in the form of loans. According to the Financial Services Authority, in the book Banking and Financial Literacy (Ismanto et al., 2019), banks are divided into several types based on their functions and operational activities. In accordance with their role, banks include: Central Bank (BI) is a bank that manages financial regulations and maintains price stability and currency value in Indonesia, Commercial Bank is a bank tasked with serving financial traffic services, Rural Bank is a bank tasked with saving deposits in the form of savings or other forms.

Based on their operational activities, banks consist of: Conventional Banks are banks that carry out their business activities based on customs and general agreements that develop, by applying the operating principle of applying the interest method and Sharia Banks are banks that operate their business activities based on sharia principles regulated by the Indonesian Ulema Council.

Company Financial Performance

The company's financial performance is the financial condition of an organization whose analysis is carried out based on financial analysis tools, so that the financial condition can be observed through the work performance obtained from a certain time (Faisal et al., 2017). Measurement of bank financial performance is done through the use of assessments, such as profitability ratios, liquidity ratios, solvency ratios, and activity ratios (Faisal et al., 2017). Profitability ratios are the most important assessment that must be included in financial information records because profit is one of

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the company's goals that is expected to be achieved (Marwansyah & Dyah Setyaningsih, 2018). In this study, the financial ratio used is Return on Asset (ROA) which is used in reviewing the net profit earned by the bank from the use of bank assets (Marwansyah & Setyaningsih, 2018).

Bank Ownership Structure

Ownership structure is the distribution of shares owned in a company (Fahdiansyah et al., 2018). Company owners provide capital into the company, while managers are responsible for managing and making decisions for the company. Company owners direct managers to improve company performance (Wisnuwardana & Novianti, 2018). The ownership structure can reduce agency costs in the company. In addition, the ownership structure is also able to influence the considerations taken by a manager.

Foreign Ownership

High internal control and governance is often associated with foreign ownership in a company to observe the management of the company can be directed and in line with long-term goals. In addition, better funding capabilities and resource capabilities are realized by an increased ability to manage risks and run its business more efficiently (Sijabat et al., 2020). Foreign share ownership shows the results of company performance that can make foreign investors interested in investing. Foreign ownership of a company provides more benefits than not for a number of reasons: Firstly, the foreign company receives good accounting training from its overseas parent company. Secondly, the company can effectively establish news arrangements to achieve internal and parent company interests. Third, the general public, consumers, and suppliers trust companies with foreign fundamentals more (Hermiyetti & Katlanis, 2016).

The need for foreign capital creates opportunities for foreign banks to operate in Indonesia. Foreign banks should also enter Indonesia, because it can encourage the growth of banking and the Indonesian economy. Banks with foreign ownership have many advantages, but also have weaknesses and limitations.

Institutional Ownership

If the company has institutional ownership, it will help management work better. This is the reason why institutional ownership is so important to supervise the management of the company. Since significant investment in the capital market by institutional ownership as a supervisory agent reduces the influence of management, such supervision will definitely benefit shareholders (Shevira, 2023). Effective supervision from institutional investors will also prevent management from messing up money, which in turn will have an impact on company profits which can be seen from the company's financial information records which will show its financial performance (Aprianingsih, 2016).

Research Hypothesis

The Effect of Foreign Ownership on Company Financial Performance

The results of previous studies show that foreign ownership has a positive and significant effect on the company's financial performance. This means that the high value of foreign ownership in a company is able to achieve good financial performance because management has the capability to manage business operations efficiently, which will make the company's targets achievable and the profits generated can also be maximized (Astuti et al., 2014). In addition, foreign parties have management, technology, and sales arrangements that are considered good so that they can have a good impact on the company. Thus, the company is able to achieve the specified target due to the good relationship formed between shareholders and managers. Thus, the alternative hypothesis proposed is:
H1: Foreign ownership has a positive influence on financial performance

The Effect of Institutional Ownership on Corporate Financial Performance

According to agency theory, the correlation between institutional ownership and company performance is as follows: Institutional owners are responsible for all management actions and make decisions for the company so that the decisions made by management are in accordance with the development of company performance. Previous research shows that institutional ownership has a

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positive and significant effect on the company's financial performance. This means that institutional investors who have more ownership, encourage management to optimize performance so that the financial performance obtained is maximized. Theoretically, more control by company owners makes institutional ownership in the company even greater. Thus, the alternative hypothesis proposed is:
H2: Institutional ownership has a positive influence on financial performance.

The Effect of Foreign Ownership and Institutional Ownership on Corporate Financial Performance

Foreign ownership can provide positive things to the banking company (Hartati et al., 2019). This is because companies with foreign ownership can apply the latest technology to the company. Institutional ownership has the ability to oversee manager performance to improve company performance, so they can reduce agency conflicts with shareholders and corporate governance. Thus, the alternative hypothesis proposed is:
H3: Foreign ownership and institutional ownership simultaneously affect financial performance**.**

III. RESEARCH METHOD

This type of research is quantitative research. Quantitative research analyzes data statistically on hypotheses that have been formed. The type of data in this study is secondary data obtained from the annual financial statements of banking companies listed on the Indonesia Stock Exchange in 2020 - 2022. The sample selection method used is purposive sampling, where the sample is selected based on predetermined criteria. This study uses a causal quantitative approach, where this research is conducted by looking at the correlation of objects in each variable studied and ensuring the effect of the independent variable on the dependent variable.

The operational definition of variables can be explained as follows:

Table 2
Operational definition

Variable	Definition	Measurement Formulation	Unit	Scale
Foreign Owner ship (X_1)	Foreign ownership of a bank is the number of shares owned by foreigners. (Hermiyetti & Katlanis, 2016)	Foreign Ownership = $\frac{Total\ foreign\ share\ ownership}{Total\ shares\ outstanding} \times 100\%$ (Astini et al., 2022)	%	Ratio
Institu tional Owner ship (X_2)	Institutional ownership is a condition that shows how many shares are owned by an institution in a company. (Partiwi & Herawati, 2022)	Institutional Ownership = $\frac{Number\ of\ shares\ owned\ by\ institutions}{Total\ shares\ outstanding} \times 100\%$ (Partiwi & Herawati, 2022)	%	Ratio
Return on Assets (Y)	ROA is an assessment used in measuring the capability of bank management to earn profits. (Khoirunnisa & Surono, 2022)	ROA = $\frac{Net\ profit}{Total\ Assets} \times 100\%$ (Dangnga & Haeruddin, 2018)	%	Ratio

IV. RESULTS AND DISCUSSION
Research Results
Descriptive statistical analysis

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Descriptive statistics is one of the fields of statistics that has activities such as collecting, organizing, summarizing, and preparing data so that the data obtained has meaning, can be read and understood by those who use it. Descriptive statistics explain data through measuring the mean, standard deviation, largest and smallest values based on the data studied. The use of the mean aims to observe the average of the data concerned. The use of standard deviation is carried out with the aim of identifying the amount of data concerned against the average variation.

The maximum value is used in observing the highest result in the data concerned, while the minimum value is used in observing the lowest result of the data concerned varying from the average.

The results in this study use research results based on data transformation. Data transformation aims to change the measurement scale on the original data, so that it can be in accordance with each assumption that is the basis of analysis.

Table 3
Descriptive Statistical Analysis

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Abs_resY	80	.02	4.14	1.0998	1.05150
Abs_resX$_1$	80	.10	99.00	47.1431	35.63748
Abs_resX$_2$	80	70.86	100.00	92.8728	7.07600
Valid N (listwise)	80				

In the table above, there are characteristics of the data used in the study as follows:

a. There are 80 observation data used in the analysis.
b. The foreign ownership variable (Abs_resX$_1$) has a minimum value of 0.10, a maximum value of 99, a mean value of 47.1431, and a standard deviation of 35.63748.
c. The institutional ownership variable (Abs_resX$_2$) has a minimum value of 70.86, a maximum value of 100, an average value (mean) of 92.8728, and a standard deviation of 7.07600.
d. The company's financial performance variable (Abs_resY) as measured by Return On Assets (ROA) has a minimum value of 0.02, a maximum value of 4.14, an average value (mean) of 1.0998, and a standard deviation of 1.05150.

Classical Assumption Test

Normality Test

The normality test aims to determine whether the residual or confounding variables in the regression model have a normal distribution. Normality can be seen based on the histogram of the residuals: if the data is distributed in the diagonal line area and approaches the diagonal line or histogram graph, it will produce a normal distribution form and regression in accordance with the normality estimate. If the data distribution moves away from or does not approach the diagonal line or the histogram graph does not show a normal distribution, the regression model is considered unable to achieve an estimate of normality. There are two attempts to determine whether the residual distribution pattern occurs normally or not, namely through graph analysis and statistical tests. In this test, the one sample Kolmogorov - Smirnov test method is used on the residual equation. The test criteria used are if the probability value is greater than 0.05, then the data is considered to have a normal distribution. Conversely, if the probability value is smaller or equal to 0.05, then the data is considered not to have a normal distribution.

Table 4
Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		80
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.00530519

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Most Extreme Differences	Absolute	.139
	Positive	.139
	Negative	-.083
Test Statistic		.139
Asymp. Sig. (2-tailed)		.001[c]
Exact Sig. (2-tailed)		.084
Point Probability		.000
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

From the above results, it shows that Asymp. Sig. (2-tailed) generated is 0.001 <0.05. The results obtained mean that the confounding variables do not distribute normally. Therefore, the researcher used Exact Sig. (2-tailed) and shows a result of 0.084, which exceeds 0.05, which means that the confounding variables are normally distributed. Thus, the researcher concluded that the normality test used showed that the distribution of data in the regression equation occurred normally. In addition to testing using the one sample Kolmogorov - Smirnov method, the normality test also uses graphical analysis, namely the histogram graph and the Normal P-P Plot of Regression Standarizied Residual graph.

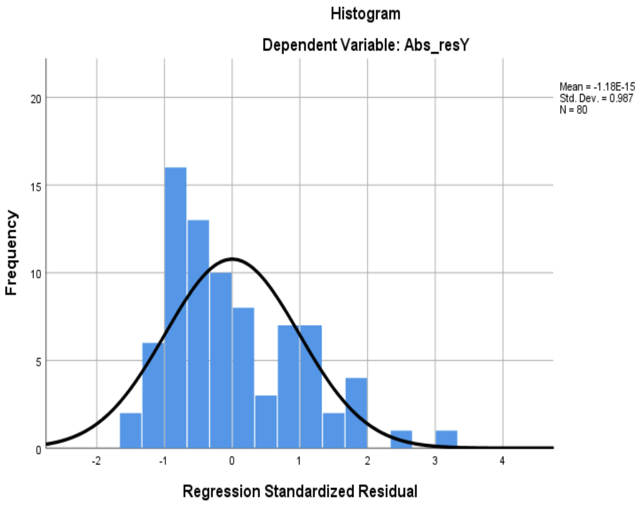

Figure 1. Histogram Graph of Normality Test

The histogram graph shows that the data forms a pattern that is close to normal or normally distributed because the data that spreads does not have a symmetrical shape (skew) to the left or right.

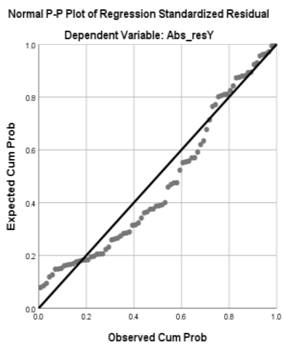

Figure 2. P - Plot Graph of Normality Test

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The Normal P-P Plot of Regression Standarizied Residual results graph obtained shows that the data distribution does not move away from or approach the direction of the diagonal line. This condition means that data distribution occurs normally.

Multicollinearity Test

To determine the presence of multicollinearity in the regression model, it is done through observing the Tolerance value or Variance Inflation Factor (VIF). Tolerance value assesses the diversity in certain independent variables, where other independent variables are unable to provide an explanation. Thus, if the resulting tolerance value is small, the resulting VIF will be high. If the tolerance value > 0.10 and the VIP value < 10, then the conclusion is that there is no multicollinearity in the independent variables in the regression model. If the tolerance value <0.10 and the VIF value > 10, then the conclusion is that multicollinearity is found for the independent variables in the regression model.

Table 5. Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Abs_resX_1	.892	1.122
	Abs_resX_2	.892	1.122

From the results of the table analysis, it is concluded that there are no symptoms of multicollinearity in the independent variables in the regression model used, this can be seen in the two independent variables which have a Tolerance value generated > 0.10, namely 0.866 and VIF results < 10, namely 1.154. Thus, multiple regression models can be used in research.

Heteroscedasticity Test

The purpose of conducting a heteroscedasticity test is to measure the difference in variance contained in the regression model from the residuals of one observation to another. Heteroscedasticity can be analyzed through the spread of points on the scatterplot image. If it forms a certain pattern, then some points have a structured pattern (there are waves, widening, and narrowing), then it is considered that there is heteroscedasticity. If the distribution of several points occurs on the Y axis above or below the value of 0 and does not have a certain shape, it is considered that there is no heteroscedasticity (Ghozali, 2018).

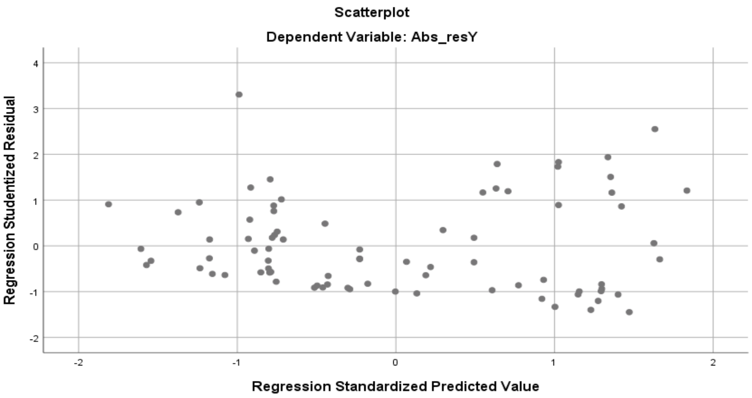

Figure 3. Heteroscedasticity Test Results

From the scatterplot graph above, it shows that the dots (data) are scattered irregularly and do not have a certain shape. Scattered data occurs on the Y axis, both above and below the number 0. Based on the above results, the researcher concludes that there is no heteroscedasticity problem in the

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regression model.

Autocorrelation Test

The purpose of conducting an autocorrelation test is to measure the effect contained in the regression model between residuals in period-t against residuals in the previous period (t-1) (Ghozali, 2018). If autocorrelation is found, then there is an autocorrelation problem. The emergence of autocorrelation is caused by observations that are made continuously over time and are interconnected with each other. This problem occurs because the residuals are not free from one observation to another. This condition is usually obtained in time series because the "problem" contained in the subject that has a dominant influence on the "problem" in the same subject in the next time (Ghozali, 2018).

One of the efforts that can be used in determining the presence of autocorrelation is through Durbin-Watson testing. According to (Santoso, 2019) the criteria for determining the presence of autocorrelation are:

1. The D-W result is below -2, meaning there is positive autocorrelation.
2. D-W results are at -2 to +2, meaning there is no autocorrelation.
3. D-W results exceed -2, meaning there is negative autocorrelation.

Table 6
Autocorrelation Test Results

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.293[a]	.086	.062	1.01828	1.263

From the data processing table, the statistical result of Durbin - Watson (DW) is 1.263. The test carried out applies the DW table which has a value of $-2 < DW < +2$. The DW results in this study are between $-2 < 1.263 < 2$. So, the researcher concluded that there was no autocorrelation in the regression model.

Hypothesis Test

Partial Test (t-test)

The implementation of the t test aims to measure the correlation formed individually from the independent variable on the dependent variable which assumes that the other independent variables are considered fixed. This test uses a comparison of the t statistical value with the t_{table} value. In addition, testing can also be carried out with the use of a significance level of 0.05 ($\alpha = 5\%$). Determination of the criteria set, namely:

1. H0 is accepted if the value of $t_{count} < t_{table}$ or the resulting sig > α. This means that there is no partial effect of the foreign ownership and institutional ownership variables on financial performance.
2. H0 is rejected if the value of $t_{count} > t_{table}$ or the resulting sig < α. This means that there is a partial influence of the foreign ownership variable and the institutional variable on financial performance

Table 7
Partial Hypothesis Test Results (t Test)
Coefficients[a]

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	-1.166	1.551		-.751	.455
	Abs_resX1	-.009	.003	-.293	-2.538	.013
	Abs_resX2	.029	.017	.194	1.678	.097
a. Dependent Variable: Abs_resY						

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1. The foreign ownership variable shows a significant effect on the company's financial performance because the significance value and the tcount value are at 0.013 < 0.05 and -2.538 < 1.991.
2. However, the institutional ownership variable does not have a significant effect on the company's financial performance because the tcount and significance values are 1.678 < 1.991 and 0.097 > 0.05.

Simultaneous test (F test)

The F test is a type of test carried out on the regression coefficient simultaneously. The purpose of conducting this test is to identify the effect of all independent variables in the regression model simultaneously on the dependent variable. F calculation results will be calculated through a comparison of $Ftabel$ obtained from the use of a significance level of 5% based on the criteria:

1. H0 is not accepted if F_{count} > from F_{table} or the resulting sig < α, which means that there is a simultaneous influence of foreign ownership and institutional ownership variables on financial performance.
2. H0 is accepted if F_{count} < than F_{table} or the resulting sig > α, which means that there is no simultaneous effect of foreign ownership and institutional ownership variables on financial performance.

Table 8
Simultaneous Hypothesis Test Results (F Test)

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	7.507	2	3.753	3.620	.031[b]
	Residual	79.840	77	1.037		
	Total	87.347	79			
a. Dependent Variable: Abs_resY						
b. Predictors: (Constant), Abs_resX_2, Abs_resX_1						

From the above results, it shows that the acquisition of Fcount is 3.620> 3.115 with a significance level of 0.031 <0.05. From this acquisition, the conclusion is that simultaneously Foreign Ownership and Institutional Ownership can significantly affect Banking Financial Performance.

Coefficient of determination (R^2)

The coefficient of determination (R^2) is the percentage of the relationship of each independent variable on the dependent variable. The percentage obtained shows the strength of the independent variable to clarify the dependent variable.

Table 9
Determination Coefficient Test Results

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.293[a]	.086	.062	1.01828	1.263
a. Predictors: (Constant), Abs_resX_2, Abs_resX_1					
b. Dependent Variable: Abs_resY					

Based on the above results, the result of Adjusted R-Square is 0.062, which means that 6.2% of the variation in the value of Banking Financial Performance is influenced by the role of variations in the value of Foreign Ownership and Institutional Ownership. So the conclusion is that the role of Foreign Ownership and Institutional Ownership values can affect the value of Banking Financial Performance by 6.2%, while 93.8% is influenced by other variables that are not part of this study.

Discussion

The Effect of Foreign Ownership on Corporate Financial Performance

The results showed that foreign ownership negatively affects the company's financial

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performance with the level of significance obtained (t = -2.538, p = 0.013). This condition shows that the amount of foreign ownership that increases through the spread of technology to domestic companies depends on many things, such as low mobility between local and foreign branches, limited number of local employees in managerial positions, limited spending on projects in local companies and lack of research from foreign branches. In addition, due to the influence of Indonesia's still developing capital market conditions, foreigners easily enter and exit the stock market, making it very sensitive to foreign movements that can affect the performance of the Indonesian market. The results of this study are in line with previous research, namely (Dianitasari & Hersugondo, 2020) and research (Nizami & Sakir, 2020), but different from research (Wisnuwardana & Novianti, 2018).

The Effect of Institutional Ownership on Company Financial Performance

The results showed that institutional ownership had no effect on financial performance with a t value of 1.678 and a p value of 0.097. This condition occurs because management has more information so that management can control the company. This is because in institutional ownership the majority owner is an institution that participates in controlling the company, so that it often takes action for personal gain. In addition to institutional ownership as an owner who is more focused on short-term and temporary profits. These results are in accordance with research (Wardhani & Suwarno, 2021) and research (Pangaribuan, 2017), but different from research (Adi & Suwarti, 2022).

The Effect of Foreign Ownership and Institutional Ownership on Financial Performance

The results showed that simultaneously foreign ownership and institutional ownership had a significant positive effect on the company's financial performance with an f value of 3.620 and a p value of 0.031.

V. CONCLUSION

1. The results show that foreign ownership has a significant negative effect on the company's financial performance (with a t-value = -2.538 and a significance value of p = 0.013). Therefore, hypothesis H1 is rejected. This is in line with previous research such as (Dianitasari & Hersugondo, 2020) and research (Nizami & Sakir, 2020), but different from research (Wisnuwardana & Novianti, 2018).
2. The results showed that institutional ownership had no effect on financial performance with a t value of 1.678 and a p value of 0.097. So that hypothesis H2 is rejected. These results are in accordance with research (Wardhani & Suwarno, 2021) and research (Pangaribuan, 2017), but different from research (Adi & Suwarti, 2022).
3. The results showed that simultaneously foreign ownership and institutional ownership had a significant positive effect on the company's financial performance with an f value of 3.620 and a p value of 0.031.
4. The Adjusted R^2 value in banking companies is 0.062. This condition means that the independent variable has a large influence in influencing financial performance (ROA) is 6.2% while the other 93.8% is influenced by external variables that are not part of this research regression model.

Suggestions and Limitations

This research certainly has some limitations. First, the research time is short, namely three years. Second, using only two independent variables, namely foreign ownership and institutional ownership, other variables that can affect the company's financial performance are not used in this study. Third, the research sample only uses banking companies listed on the Indonesia Stock Exchange, so the results cannot be used by other companies, only by banking companies.

Based on the conclusions and limitations of the study, several suggestions can be considered for future research. First, future research can expand the research period to five years or more so that the results obtained produce a picture that occurs in the long term. Second, future research can use other variables, such as managerial ownership, debt policy, dividend policy, and other variables. Third, future research can use companies in various sectors on the Indonesia Stock Exchange.

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