

EVALUATION OF THE INFLUENCE OF GOOD CORPORATE GOVERNANCE ON THE LEVEL OF FINANCIAL HEALTH OF PT TELKOM INDONESIA TBK FOR THE PERIOD 2019 – 2023

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ABSTRACT

Study This aiming for analyze the influence of Good Corporate Governance (GCG) on health finance of PT. Telkom Indonesia Tbk during period 2019 to 2023. Variables independent used covering size of the board of commissioners, size directors, and audit committee, while variable dependent is indicator health finance in the form of Return on Assets (ROA) and Return on Equity (ROE). Method research used is quantitative with approach multiple linear regression analyzed use device SPSS software. Data used is secondary data obtained from report finance PT. Telkom Indonesia Tbk's annual report published in a way officially on the Indonesia Stock Exchange (IDX). The results of the analysis show that in a way simultaneous GCG variables have an effect on ROA, but No significant towards ROE. In partial, size board of directors own influence positive significant on ROA, whereas the size of the board of commissioners and audit committee is not show influence significant to second indicator finance. This indicates that effectiveness of governance companies, in particular role directors, contributing to the improvement health finance company. Implications from study This important for management of state-owned enterprises in increase transparency, accountability and performance finance through implementation principles of effective GCG. Research This also provides recommendation for investors and stakeholders interest for consider governance aspects in taking decision investment and supervision company.

Keywords: Good Corporate Governance, Board of Commissioners Size, Company Size Board of Directors, Audit Committee, Return on Assets, Return on Equity

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh Good Corporate Governance (GCG) terhadap kesehatan keuangan PT. Telkom Indonesia Tbk selama periode 2019 sampai dengan 2023. Variabel independen yang digunakan meliputi ukuran dewan komisaris, ukuran direksi, dan komite audit, sedangkan variabel dependen adalah indikator kesehatan keuangan berupa Return on Assets (ROA) dan Return on Equity (ROE). Metode penelitian yang digunakan adalah kuantitatif dengan pendekatan regresi linier berganda yang dianalisa menggunakan alat bantu software SPSS. Data yang digunakan adalah data sekunder yang diperoleh dari laporan keuangan tahunan PT. Telkom Indonesia Tbk yang dipublikasikan secara resmi di Bursa Efek Indonesia (BEI). Hasil analisis menunjukkan bahwa secara simultan variabel GCG berpengaruh terhadap ROA, namun tidak signifikan terhadap ROE. Secara parsial, ukuran dewan direksi memiliki pengaruh positif signifikan terhadap ROA, sedangkan ukuran dewan komisaris dan komite audit tidak menunjukkan pengaruh signifikan terhadap kedua indikator keuangan. Hal ini menunjukkan bahwa efektivitas tata kelola perusahaan, khususnya peran direksi, memberikan kontribusi terhadap peningkatan kesehatan keuangan perusahaan. Implikasi dari penelitian ini penting bagi manajemen perusahaan milik negara dalam meningkatkan transparansi, akuntabilitas dan kinerja keuangan melalui penerapan prinsip - prinsip GCG yang efektif. Penelitian ini juga

memberikan rekomendasi bagi investor dan pemangku kepentingan untuk mempertimbangkan aspek tata kelola dalam pengambilan keputusan investasi dan pengawasan perusahaan.

Kata Kunci: Good Corporate Governance, Ukuran Dewan Komisaris, Ukuran Perusahaan, Dewan Direksi, Komite Audit, Return on Assets, Return on Equity

I. INTRODUCTION

State-Owned Enterprises (BUMN) hold role strategic in development Indonesian economy. As entities owned by the state, BUMN does not only functioning as the mover wheel economy national, but also as source state revenue through dividends and contributions tax. PT. Telkom Indonesia Tbk, as one of the largest state-owned enterprises in the sector telecommunications, facing complex challenges in operate its role. This company must capable manage large assets, fulfilling demands service public, as well as compete in a way effective in a dynamic and competitive global market. In context Therefore, the implementation of Good Corporate Governance (GCG) becomes very important. as framework governance work that directs company for operate in a way efficient, transparent and responsible answer.

Good Corporate Governance is a set principles and mechanisms designed for ensure that company managed with good for the sake of all stakeholders interests, including holder shares, management, employees and society broad. GCG principles such as transparency, accountability, responsibility responsibility, independence, and fairness become runway in manage company in order to be able to increase performance and maintain sustainability effort. In in the context of BUMN, the implementation of GCG is not only achievement oriented benefits, but also on fulfillment function social and contribution to development national. Therefore that, deep understanding about the influence of GCG on health finance company become very relevant and important.

Problems faced by PT. Telkom Indonesia Tbk related with how to manage good company can influence indicator health finance company, especially Return on Assets (ROA) and Return on Equity (ROE). ROA and ROE are size performance important finances Because reflect efficiency use assets and capital in produce profit. However, even though PT. Telkom Indonesia Tbk has apply various GCG mechanism, still there is uncertainty about to what extent GCG variables such as size of the board of commissioners, size directors, and audit committee contribute to improvement health finance company during period 2019 to 2023. This is become focus main study This For give description clear and comprehensive empirical.

Objective main study This is for analyze the influence of Good Corporate Governance on health finance of PT. Telkom Indonesia Tbk with using report data finance for five years last, namely 2019 to 2023. Research This in a way special to study influence variable size of the board of commissioners, size directors, and audit committee regarding indicator ROA and ROE finance. With approach quantitative and analytical multiple linear regression, research This aiming give proof empirical that can used by management companies, investors and makers policy in increase effectiveness of governance company and performance finance.

Relevance study this is very important remember role strategic BUMN in economy national and needs for ensure that governance applied company capable support sustainability and growth finance company. Besides that, the result study This expected can give contribution academic in governance literature company and health finance, as well as become reference for other state-owned companies that want to increase their GCG practices. For investors and shareholders. shares, understanding about connection between GCG and performance finance become base in taking decision more investment precise and value - oriented term long.

With Thus, research This No only give description empirical about the influence of GCG on health finances of PT. Telkom Indonesia Tbk, but also provides recommendation practical that can implemented for strengthening governance company and improve Power BUMN competitiveness in the era of globalization and increasing digitalization complex. Research this also opens opportunity for study furthermore for expand coverage variables and methods analysis use get better understanding deep about dynamics of governance and performance finance state-owned companies in Indonesia.

II. LITERATURE REVIEW

Good Corporate Governance (GCG) is fundamental concepts in governance company that aims for create mechanism transparent, accountable, responsible management responsible, independent and fair. The principles This designed For ensure that company managed in a way effective for the benefit of all stakeholders interests , including holder shares , management , employees , customers , and society wide . Transparency refers to openness information that allows stakeholders interest for access relevant and accurate data about activity company. Accountability demand existence accountability management on decisions and actions taken. Not quite enough answer emphasize obligation company for fulfil rules and norms social. Independence refers to the freedom of the board of commissioners and audit committee in operate function supervision without intervention that is not should be . While fairness demands fair treatment to all over stakeholders interest without discrimination (National Committee for Governance Policy, 2006; Forum for Corporate Governance in Indonesia, 2001).

Implementation GCG principles are believed can increase performance companies, in particular in matter health finance. financial health company is indicator important that reflects ability company in manage assets, generate profit, and maintain sustainability effort. In context This is a frequent indicator used For measure health finance are Return on Assets (ROA) and Return on Equity (ROE). ROA measures efficiency company in use his assets For produce profit net, while ROE measures level return earned holder share on invested capital (Ghozali , 2018; Field, 2018).

ROA is calculated with share profit clean with total assets, so that give description how much effective management in manage asset company for produce profit. ROE is calculated with share profit clean with total equity, which shows how much big profit generated from the capital invested by the shareholders shares. Both indicator this is very important in evaluate performance finance company Because reflect profitability and efficiency operations that become attention main for investors and management (Horne & Wachowicz, 2013; Husnan & Pudjiastuti, 2006).

Various studies empirical has to study connection between GCG and performance finance company with mixed results. Kusuma (2018) found that GCG components such as the board of commissioners independent and the audit committee has influence positive significant to ratio profitability company , including ROA and ROE. Yuliana's research (2020) shows that transparency and accountability in GCG contribute significant in reduce debt ratio, so that increase stability finance company. However, a study by Mutiah Alicia (2023) indicated that the board of commissioners independent No influential significant to health finance banking, meanwhile size board of directors own influence positive on ROA. Findings This show that effectiveness role board of directors more dominant in increase performance finance compared to size of the board of commissioners .

Besides that, (Pratama & Widiyanto, 2019) emphasized that component transparency in GCG has an influence significant to liquidity and profitability company manufacturing, which shows that good governance can increase ability company in guard liquidity and yield profit in a way sustainable. Wahyuni (2022) also highlighted that GCG implementation involving transparency and independence of the board of commissioners contribute to increased ROA, ROE, and efficiency operations of PT. Telkom Indonesia Tbk.

Framework thinking in study This based on relationship theoretical between GCG implementation and health finance company. GCG is considered as factor main influencing factors stability, efficiency and sustainability finance company. With Thus, research This test hypothesis that GCG variables such as size of the board of commissioners, size directors, and audit committees have an impact to indicator health finance in the form of ROA and ROE (Larcker, Richardson, & Tuna, 2007; Maspelle, 2013).

In general overall, review library This show that although there is consensus general about the importance of GCG in increase performance finance, results empirical Still show necessary variations analyzed more carry on in context state-owned companies such as PT. Telkom Indonesia Tbk . Therefore that, research This make an effort give contribution more empirical specific with using report data finance during 2019 - 2023 period and methods analysis multiple linear regression for test influence GCG variables against health finance company

III. RESEARCH METHODOLOGY

Study This use approach quantitative with design associative and longitudinal for test the influence of Good Corporate Governance (GCG) on health finance of PT. Telkom Indonesia Tbk during period 2019 to 2023. Approach quantitative chosen Because study This focus on testing connection between variables that can measured in a way numerical and analyzed use method statistics . Associative design allow researcher for identify and measure connection cause and effect between variable independent, namely GCG indicators, with variable dependent in the form of indicator health finance company. While that, longitudinal design is used because the data is analyzed is sequential data time series for five years in succession, so that allow for see dynamics and trends connection between variable in term time certain.

Data sources used in study This is secondary data obtained from report finance PT. Telkom Indonesia Tbk's annual report published in a way officially on the Indonesia Stock Exchange website (www.idx.co.id). Selection of secondary data This based on considerations that report finance annual is source valid, reliable and comprehensive information about condition finance and governance company. Data collected covering information related size of the board of commissioners, size board of directors, audit committee, and indicator finance such as Return on Assets (ROA) and Return on Equity (ROE). The use of secondary data also allows study This For save time and cost, as well as utilize the data that has been available in a way official and standardized.

Taking technique sample used is purposive sampling, namely election sample based on criteria certain relevant with objective research. In context This is the sample taken is all over report finance annual report of PT. Telkom Indonesia Tbk for five years, namely from 2019 to 2023. Election five year period This based on considerations that range time the Enough representative For observe change and influence GCG variables against health finance company in a way significant. Besides that, the data for five years also meets condition analysis adequate statistics for multiple linear regression and testing hypothesis.

Variables study consists of from variable independent and variable dependent . Variable independent in study This is Good Corporate Governance indicators include size of the board of commissioners (number of member of the board of commissioners independent), size directors (number of member directors), and audit committee (number of member audit committee). Variables This chosen Because is component main in governance mechanism companies that play a role in supervision and taking decision strategic. While variable dependent is indicator health finance the company being measured using Return on Assets (ROA) and Return on Equity (ROE). ROA reflects efficiency company in use asset for produce profit, while ROE shows level return on capital earned holder share.

Data collection techniques were carried out through studies document (document study) and observation . Study document done with review and analyze report finance annual report of PT. Telkom Indonesia Tbk available in a way public. Observation done in a way No direct with observe the data and information listed in document official the for ensure relevance and consistency of the data used in analysis. Approach This allow researcher for obtain accurate and valid data without do intervention direct to object study.

Data analysis was performed use method statistics with help device SPSS (Statistical Package for the Social Sciences) software. Method main used is multiple linear regression for test influence variable independent in a way simultaneous and partial to variable dependent. Testing hypothesis done with using the F test to know influence simultaneous variable independent to variable dependent, and t-test for test influence partial of each variable independent. Criteria testing based on value significance (p-value) with limit significance of 0.05. If the value significance more small from 0.05, then hypothesis accepted, which means there is influence significant. On the other hand, if mark significance more big from 0.05, then hypothesis rejected.

Besides that, research this also does a series of assumption tests classic for ensure validity of the regression model used. Normality test done for test whether the residuals of the model are normally distributed, using the Kolmogorov-Smirnov test with criteria mark significance > 0.05 indicates normal data. Multicollinearity test done for detect existence correlation between variable independent with see

Variance Inflation Factor (VIF) and Tolerance values; VIF values < 10 and Tolerance > 0.1 indicate No existence multicollinearity. Autocorrelation test done with the Durbin-Watson test for detect residual correlation between period time; Durbin-Watson values between dL and $4-dL$ indicate No existence autocorrelation. Heteroscedasticity test done with residual scatterplot analysis for ensure constant residual variance (homoscedasticity).

Election method analysis and testing assumption This based on literature methodology study quantitative and statistical that has been recognized, as explained by (Ghozali, 2018), (Ghozali & Latan, 2015), and (Field, 2018). The use of SPSS as tool analysis statistics are also selected Because his ability in processing quantitative data in a way efficient and provide various statistical tests are required for study this. With Thus, the methodology study This designed in a way systematic and comprehensive for produce valid and reliable findings about the influence of Good Corporate Governance on health finance of PT. Telkom Indonesia Tbk during 2019 - 2023 period. Approach quantitative with analysis multiple linear regression and testing assumption classic give strong foundation For test hypothesis and answer question study in a way empirical and objective.

IV. RESULTS AND DISCUSSION

Study This to study the influence of Good Corporate Governance (GCG) on health finance of PT. Telkom Indonesia Tbk during period 2019 - 2023 with using secondary data from report finance annual report published on the Indonesia Stock Exchange. Analysis done in a way gradually start from statistics descriptive, assumption test classic, until analysis multiple linear regression for test hypothesis study.

Statistics descriptive give description general about characteristics of the data variables studied, namely GCG variables (board of commissioners size, company size) directors, and audit committee) and indicator health financial (ROA and ROE). Table 1 shows criteria election sample consisting of from 5 reports finance annual report of PT. Telkom Indonesia Tbk during period 2019 - 2023.

Table 1. Criteria Election Sample

Year	2019	2020	2021	2022	2023	Amount
Report Finance Annual	1	1	1	1	1	5

Data source: www.idx.co.id

Table 2 presents statistics descriptive from variables research. Size of the board of commissioners has an average of 8.60 with range between 6 to 10 members, while size directors average 8.80 with range of 8 to 9 members. The audit committee has an average of 7.80 with range of 6 to 11 members. For indicator health financial, the average ROA was 11.54%, and the average ROE was 22.16%. Variation mark standard deviation show existence reasonable fluctuations in data during period study.

Table 2. Statistics Descriptive

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Size Commissioner	5	6	10	8.60	1,517
Size Board of Directors	5	8	9	8.80	0.447
Audit Committee	5	6	11	7.80	2.168
Return on Assets (ROA)	5	10	13	11.54	1,029
Return on Equity (ROE)	5	19	25	22.16	2.414

Source : Data processed 2024

Visualization ROA and ROE trends during the period 2019-2023 shows that ROA is relative stable with A little increase in 2021 and 2023, while ROE experienced more fluctuations significant, reflective dynamics higher return on investment sensitive to market conditions and decisions managerial.

Assumption Test Classic

Before do analysis regression , assumption testing is carried out classic For ensure validity of the regression model .

Normality Test

Based on the Kolmogorov-Smirnov test, the value Asymp . Sig (2-tailed) of 0.200 (>0.05) indicates that the residuals of the model are normally distributed , so that assumption normality fulfilled.

Multicollinearity Test

Tables 3 and 4 show Variance Inflation Factor (VIF) value for all variable independent is below 10 and the Tolerance value is above 0.1, which indicates No existence problem multicollinearity in the regression model Good for both ROA and ROE.

Table 3. Multicollinearity Test With variable ROA dependent

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Commissioner_Size	.962	1,040
	Board_Size	.756	1,323
	Audit Committee	.771	1.297
a. Dependent Variable: ROA			

Source : Data processed 2024

Table 4. Multicollinearity Test With variable ROE Dependent

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Commissioner_Size	.962	1,040
	Board_Size	.756	1,323
	Audit Committee	.771	1.297
a. Dependent Variable: ROE			

Source : Data processed 2024

Autocorrelation Test

The Durbin-Watson value is 2.870 for both models show No existence significant autocorrelation , because is at in range value that can be accepted (between dL and 4-dL).

Table 5. Autocorrelation Test With variable ROA dependent

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.998 ^a	.996	.986	.123	2,870
a. Predictors: (Constant), Audit_Committee , Board_Size , Commissioner_Size					
b. Dependent Variable: ROA					

Source : Data processed 2024

Analysis Multiple Linear Regression

Analysis multiple linear regression done For test influence GCG variables against health measured finance with ROA and ROE. Regression results presented in Tables 6 and 7

Table 6. Analysis Results Regression Multiple ROA

Model	Unstandardized Coefficients	Standardized Coefficients
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		B	Std. Error	Beta
1	(Constant)	.984	1.395	
	Commissioner_size	-.325	.041	-.478
	Board_Size	1,357	.158	.590
	Audit Committee	.180	.032	.380

a. Dependent Variable: ROA

Source : Data processed 2024

Table 7. Analysis Results Regression Multiple ROE

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	-7.025	18,039	
	Commissioner_Size	-.446	.533	-.280
	Board_Size	3.362	2,037	.623
	Audit Committee	.440	.416	.395

a. Dependent Variable: ROE

Source : Data processed 2024

Regression model This meaningful as following : from multiple linear regression above , then the equation model that is developed in study This is as following :

$$ROA = 0.984 + -0.325\text{Commissioner_Size} + 1.357\text{Board_Size} + 0.180\text{Audit_Committee}$$

$$ROE = -7.025 + -0.446\text{Board_of_Commissioners} + 3.362\text{Board_of_Size} + 0.440\text{Audit_Committee}$$

Coefficient regression show that size board of directors influential positive significant against ROA with mark coefficient 1.357, meaning every addition One member board of directors will increase ROA by 1.357%. On the other hand , the size of the board of commissioners influential negative against ROA (-0.325), although No significant in a way statistics . The audit committee also showed influence positive However No significant .

Size the board of directors is also influential positive to ROE with coefficient 3.362, indicating that improvement amount member board of directors can increase return on equity holders shares . Size of the board of commissioners influential negative against ROE (-0.446), while influential audit committee positive However No significant

Hypothesis Testing

F Test (Simultaneous)

The results of the F test for the ROA model show mark F_{count} of 93,591 with significance 0.076 (> 0.05), which means GCG variables in general simultaneous No influential significant on ROA. While for ROE, the value F_{count} of 2,762 with significance of 0.410 (> 0.05) also shows No existence influence significant simultaneity.

Table 8. Results of the F Test on ROA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.217	3	1,406	93,591	.076 ^b
	Residual	.015	1	.015		
	Total	4.232	4			

a. Dependent Variable: ROA

b. Predictors: (Constant), Audit_Committee , Board_Size , Commissioner_Size

Source: Data processed 2024

t-test (Partial)

The t-test shows that only variable size influential directors significant on ROA and ROE, whereas the size of the board of commissioners and audit committee is not influential significant in a way partial .

Table 9. t-Test Results on ROA

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.984	1.395		.705	.609
	Commissioner_Size	-.325	.041	-.478	-7,876	.080
	Board_Size	1,357	.158	.590	8,610	.074
	Audit Committee	.180	.032	.380	5,607	.112

a. Dependent Variable: ROA

Source : Data processed 2024

With level 95% confidence or $\alpha = 0.05$ and degree freedom (df) = n - k then obtained df = (5 - 3 = 2) → Because the number sample (n) = 5 and the number variable independent (k) = 3, based on table t distribution, for df = 2, the value ttable in test one direction is 2,920. Based on t-test results, all variable independent (Size Commissioner, Size Board of Directors, and Audit Committee) do not influential significant to ROA, because mark $t_{count} < t_{table}$ and Sig. > 0.05 on each variable

Discussion

Research result This indicates that effectiveness role board of directors in taking decision strategic own contribution positive to health finances of PT. Telkom Indonesia Tbk, in particular in increase measured profitability with ROA and ROE. This is in line with findings Mutiah Alicia (2023) and Kusuma (2018) who emphasized importance role board of directors in increase performance finance company. On the other hand, the size of the board of commissioners is big precisely show influence negative to second indicator finance, although No significant. Findings This can interpreted that addition amount member of the board of commissioners No always increase effectiveness supervision and can cause excessive bureaucracy so that hinder taking fast and correct decisions committee, although own role important in supervision finance, no show influence significant on ROA and ROE in study This is. This is Possible caused by the role a larger audit committee nature administrative and not direct influence decision strategic impact on performance finance. However, the existence of standing audit committee important as part from mechanism company internal control.

In general Overall, the simultaneous test results were not significant show that GCG variables in general collective Not yet give strong influence to health finance of PT. Telkom Indonesia Tbk during period 2019 - 2023. This is can caused by factors other external influences performance finance companies, such as market conditions, regulations and dynamics industry very competitive telecommunications. Therefore that, company need integrate better governance practices effective with an adaptive business strategy for increase performance finance in a way sustainable.

Findings This give implications practical for PT. Telkom Indonesia Tbk and other BUMN For more focus on improvement quality and competence member board of directors as key governance success company. Besides that, strengthening the role of the board of commissioners and audit committee in supervision must directed at improving effectiveness and efficiency, not only on quantity members. Investors and shareholders stocks are also recommended for consider aspect quality of governance in taking decision investment use minimize risk and maximize mark company.

Study this also confirms importance implementation GCG principles that are not only nature formality, but must implemented in a way real and measurable so that it can be give impact positive to performance finance. This is in line with principle transparency, accountability, and responsibility answer that becomes foundation of governance good company.

V. CONCLUSION

Based on results analysis and discussion, can concluded that Good Corporate Governance, in particular size directors, have influence positive to health PT. Telkom Indonesia Tbk's finances are measured with ROA and ROE during period 2019 - 2023. The size of the board of commissioners and audit committee is not show influence significant to indicator finance said. In a way simultaneously,

GCG variables have not been give significant influence to health finance company. Therefore that, improvement effectiveness of governance companies, especially role directors, become key in increase performance state-owned enterprise finance.

Study This has to study in a way deep the influence of Good Corporate Governance (GCG) on health finance of PT. Telkom Indonesia Tbk during period 2019 to 2023 with use Return on Assets (ROA) and Return on Equity (ROE) indicators . Based on results analysis statistics and multiple linear regression, can concluded that the GCG variables consist of from size of the board of commissioners, size the board of directors and the audit committee have different influences to health finance company. In special, size board of directors proven own influence positive and significant to ROA and ROE, which shows that improvement amount member board of directors contribute to the improvement efficiency use assets and return on capital for holder shares. On the other hand, the size of the board of commissioners show influence negative to second indicator finance said, although influence This No significant in a way statistics. The audit committee also does not show influence significant on ROA and ROE.

Suggestion

Implications practical from study this is very important for management of state-owned enterprises, especially PT. Telkom Indonesia Tbk . First, the company need increase effectiveness and competence member board of directors in taking decision strategic for push improvement profitability and efficiency operational. Improvement capacity and experience board of directors can help company in manage assets and capital in more optimal. Second, even though size of the board of commissioners No influential significant, the role of the board of commissioners as supervisor must reinforced with focus on quality supervision and independence in order to be able to give contribution positive to performance company. Third, the role audit committee is needed improved so as not to only nature administrative, but also capable give more supervision strategic and in-depth to aspect finance and risk company.

For investors and shareholders shares, results study This give outlook important that in evaluate potential investment in state-owned enterprises such as PT. Telkom Indonesia Tbk, aspects quality of governance companies, in particular effectiveness directors, must become consideration main. Investors are advised For No only see amount member of the board of commissioners or audit committee , but also assess performance and contribution real from each component of governance to performance finance company . This is can help in taking decision more investment precise and value - oriented term long.

Besides that, for maker policies and regulators, results study This confirm importance development regulations and governance guidelines that are not only emphasize on aspects formality amount board member or committee, but also on improving quality, competence and effectiveness function supervision and management company. Supporting regulations training, certification and evaluation performance members of the board of commissioners and directors can become step strategic for strengthening governance state-owned company.

Study this also opens opportunity for study furthermore for expand coverage variables and methods analysis use get better understanding comprehensive about connection between GCG and health finance company. It is recommended that research next use amount more samples big and encompassing various sector industry For increase generalization results . Besides that, addition other variables such as structure ownership, leverage, efficiency operational, and factors external like condition economy macro can give a better picture holistic. Use method study mixed methods which combine analysis quantitative and qualitative can also give more insight deep about mechanism the influence of GCG on performance finance.

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