

The Effect of Good Corporate **GOVERNANCE ON COMPANY VALUE WITH FINANCIAL PERFORMANCE AS A MODERATION VARIABLE (CASE STUDY OF INSURANCE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE)**



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**Abstract**

In Indonesia, service companies, especially insurance companies, are among the growing companies because they have a fairly good growth rate. Insurance companies are financial institution companies that collect funds in the form of premiums from the public. Therefore, the company's premium income must be utilized, one of which is by going public, namely by issuing securities offerings in the form of shares in the capital market. This study aims to determine the effect of Good Corporate Governance (GCG) proxied by the Board of Commissioners, Independent Commissioners, and the Audit Committee on Company Value with Financial Performance as a Moderating Variable (Case Study of Insurance Companies Listed on the Indonesia Stock Exchange for the 2018-2022 Period). The population of this study is insurance companies listed on the Indonesia Stock Exchange for the 2018-2022 period. This study uses secondary quantitative data methods and the terms of sample selection are 10 companies for 5 years with 50 samples. The method of data analysis in this study is purposive sampling and Moderate Regression Analysis (MRA) using SPSS 22.0. The results of this study indicate that Good Corporate Governance (GCG) before and after being moderated by financial performance simultaneously has a significant effect on firm value. This means that with an increase in the mechanism of Good Corporate Governance (GCG) and financial performance, investor confidence will emerge so that it can increase the value of the company.

**Keywords:** Corporate value (PBV), Good Corporate Governance (GCG), Financial Performance (ROA)

## INTRODUCTION

In Indonesia, service companies, especially insurance companies, are among the growing companies because they have a fairly good growth rate. Insurance companies are financial institution companies that collect funds in the form of premiums from the public. Therefore, premium income for companies must be utilized, one of which is by going public, namely by issuing securities offerings in the form of shares on the capital market (Hidayat et al., 2021)

The total assets of the Indonesian insurance industry in 2021 will reach IDR 1,643.90 trillion. this amount experienced an increase of 13.35% compared to the total assets of the previous year. From 2017 to 2021, the average insurance industry assets increased by 6.91% per year. total assets of life insurance companies increased by 9.84% from IDR 575.09 trillion in 2021, meanwhile, total assets of general insurance companies increased by 9.94% from IDR 173.65 trillion in 2020 to IDR 190.92 trillion in year 2021.

Meanwhile, the total assets of reinsurance companies increased by 7.98% from IDR 29.55 trillion in 2020 to IDR 31.90 trillion in 2021. The total assets of insurance companies organizing State Civil Apparatus (ASN), Soldier/Police (TNI/POLRI), general passenger accidents, and road traffic increased by 2.07% from IDR 135.93 trillion in 2020 to IDR 138.75 trillion in 2021. And in the Indonesian insurance industry investment funds in 2021 it is IDR 1,360.86 trillion. This number increased by 11.12% from the previous year which amounted to IDR 1,224.64 trillion (Statistics Financial Services Authority, 2021).

In this case, the company must continue to increase the value of the company by providing good information because it explains the phenomenon of activities that occur in the company, in addition to implementing Good Corporate Governance (GCG) on good company value can help companies increase their company value and will attract the attention of shareholders because the company has made efforts to minimize risks in decision making so that company value can be increased Good Corporate Governance (GCG) mechanism.

The company's financial performance is one of the parameters of the company's success in generating profits every year for the implementation of financial functions. The dimension with investor confidence in a company begins with good company performance if the funds or assets they invest are safe and can promise good returns too. Financial

performance is carried out in order to find out and assess the extent to which the level of success of the company is based on the financial activities that have been carried out while still complying with the standards and provisions contained in SAK (Financial Accounting Standards) or GAAP (Generally Accepted Accounting Principles) according to the provisions (Addina, Rahmi Syahriza 2023).

Basic principles Good Corporate Governance (GCG) consists of fairness, accountability, transparency, independence, and responsibility. while the mechanism of good corporate governance (GCG) includes: The number of commissioners, independent commissioners, the size of the board of directors, and the existence of an audit committee. Based on the basic principles and mechanisms of Good Corporate Governance (GCG), it is expected to be able to optimize company performance and company value. Thus, the company develops in a better direction with the development of the company's stock price as an indicator of assessment and the impact on achieving the desired company value.

The representation of the company's economic results through the company's activities in measuring the level of profit effectively and efficiently, which is attached to the company's financial statements in accordance with the results of financial analysis with a limited period of time is called financial performance (Putri, 2019). This can form the perspective of company leaders regarding the management carried out by the company so that it will form a good company management by optimizing the needs of corporate governance practices. In presenting financial reports, the criteria must be easy to understand, relevant, reliable, and accountable. Therefore, financial reports will present past and current financial information required by interested parties. However, specifically non-financial information is not presented in financial reports unless the information has an effect on next year's finances (Hasan & Mildawati, 2020).

(Al-Maidah: 1)

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ ۖ أُحِلَّتْ لَكُمْ بَهِيمَةُ الْأَنْعَامِ إِلَّا مَا يُنْتَلَىٰ عَلَيْكُمْ غَيْرَ  
مُحَلِّي الصَّيْدِ وَأَنْتُمْ حُرْمٌ ۗ إِنَّ اللَّهَ يَحْكُمُ مَا يُرِيدُ

“O you who believe, fulfill the *aqad-aqad*. Cattle are lawful for you, except for those that will be recited to you. (That is) by not making hunting lawful when you are performing Hajj. Indeed, Allah sets laws according to what He wills.”

This verse calls on all believers by ordering us to fulfill the agreements and agreements that have been agreed upon between them and to Allah. For that, disclosure corporate governance must be managed properly, measurably and in accordance with the interests of stakeholders or shareholders and society in general or investors.

Based on the description above, the formulation of the problem in this study is as follows: Is Good Corporate Governance (GCG) proxied by the board of commissioners, independent audit committee commissioners. effect on firm value with financial performance as a moderating variable?. And this research uses samples taken from insurance companies listed on the Indonesian Stock Exchange. In this research, it will be reviewed and it is hoped that this research will reinforce and strengthen existing theories and research that has been carried out by previous researchers that a gap research is a reference for novelty in this research.

## **REVIEW OF LITERATURE**

### **Agency Theory**

Managers are empowered by the owners of the company, namely the shareholders, to make decisions, which creates the potential for a conflict of interest known as agency theory. An agency relationship occurs when one or more individuals, referred to as principals, hire other individuals or organizations, referred to as agents, to perform a number of services and delegate authority to make decisions to these agents (Retno & Priantinah, 2019).

### **Good Corporate Governance (GCG)**

Good Corporate Governance (GCG) is the implementation of corporate governance. Corporate governance is a process and structure that is used by company organs to provide added value to the company on an ongoing basis in the long term for shareholders, while taking into account the interests of other stakeholders, based on statutory regulations and applicable norms (Lestari, 2021).

Good Corporate Governance (GCG) related to effective decision making. Built through organizational culture, values, systems, various processes, policies and organizational structures that aim to achieve a profitable, efficient and effective business in

managing risk and being responsible by taking into account the interests of stakeholders (Franita, R, 2018).

### **The Value of the Company**

Firm value is a real level of success for companies formed by investors so that they can increase results that can be trusted. The company is something that consists of groups of people who work together to obtain clear goals, where these goals are contained in the vision and mission of the company. The value of the company can be measured by the formation of the value of the stock price on the market based on which is a thought for the public's assessment of the company's actual performance. Companies can compete competitively and must be supported by the presentation of good financial statements. If the company's performance improves, it will have an influence on the company's value which will increase as well (Marini, 2019).

The firm value is the investor's perception of the company's level of success which is closely related to its share price, so that in this case the measure of the success of company management is seen from the company's ability to prosper its shareholders. High stock prices make the company value also high and increase market confidence, not only in the company's current performance but also in the company's future prospects (Aminah & Naser, 2021)

### **Financial Performance**

Financial performance is an indicator that states the extent to which a company can utilize assets or equity by applying certain models in its efforts to increase company revenue. In this study, the indicator for calculating financial performance is return on assets (ROA) (Hidayat, Triwibowo, & Vebrina Marpaung, 2021). Return on assets (Financial Performance) is the ability of the capital invested in total assets to create profits (imsar, 2022).

The financial performance can be seen from the ratios in the financial statements, one of which is the profitability ratio. Profitability ratio is a ratio that shows the amount of profit earned by a company in a certain period. This ratio is used to assess how efficiently the company's managers can seek profit or profit for each sale made. One measure used to see the profitability ratio is Return On Assets (ROA) (Rahmani, 2017).

### **Board of Commissioners**

The Board of Commissioners is a board whose duty is to supervise and provide advice or direction to the directors of a limited liability company (PT). The board of commissioners is appointed as a group of people who oversee the activities and operations of the company (Hardianti et al., 2023).

### **Independent Commissioner**

(Suhartanti & Fun, 2019) state independent commissioners are members of the Board of Commissioners who are not affiliated with the directors, other members of the board of commissioners and controlling shareholders, and are free from business relationships or other relationships that may affect their ability to act independently (Lestari, n.d.). The number of Independent Commissioners in the company is at least 30% of the total number of members of the board of Commissioners, this policy is mandatory for companies that have been listed on the IDX. Comparing the number of Independent Commissioners with the total members of the board of commissioners is a way to measure the variables of Independent Commissioners, where the formula for Independent Commissioners is:

$$\text{Independent Commissioner} = \frac{\text{Number of independent commissioners}}{\text{Total members of the board of commissioners}} \times 100\%$$

### **Audit Committee**

The audit committee is a committee formed by the company's board of commissioners, whose members are appointed and dismissed by the company's board of commissioners whose job is to assist the company's board of commissioners to carry out necessary checks on the implementation of the board of directors' functions in managing the company. The principle of the audit committee is to optimize the oversight function so that there are no information discrepancies that will result in company losses, thereby reducing the value of the company. The audit committee is one of the corporate governance mechanisms capable of reducing manipulation and fraud practices by upholding the principles of corporate governance, transparency, responsibility, fairness and accountability which in the process inhibit fraudulent practices within the company (Haposan Banjarnahor, Agus Defri Yando, 2018). The audit committee formula is:

$$\text{Audit Committee} = \text{Number of Audit Committee Meetings during One Period}$$

## Previous Research Review

In a study entitled "*Pengaruh Good Corporate Governance (GCG) dan Pengungkapan Corporate Sosial Responsibility Terhadap Nilai perusahaan (Studi Epiris pada perusahaan Yang terdaftar di Bursa Efek Indonesia 2007-2010)*" conducted by Reny and Denies (2012), with a sample of IDX, namely the results of research showing that GCG has a positive effect on firm value in companies listed on the IDX for the period 2007-2010.

Presearch conducted by Yushita Marini and Nisha Marina entitled "*Pengaruh Good Corporate Governance Terhadap nilai perusahaan (Studi Empiris Pada Perusahaan Manufaktur yang terdaftar di Bursa Efek Indonesia)*" with purposive sampling method which shows the results of independent commissioners have an effect on company value .

## Research Hypothesis

Based on the theoretical basis and previous research findings described above, the formulation described above, the research hypothesis can be formulated as follows:

### Hypothesis 1

H01 = There is no significant effect between Good Corporate Governance (GCG) on firm value.

H<sub>α1</sub> = There is a significant influence between Good Corporate Governance (GCG) on firm value.

### Hypothesis 2

H02 = Simultaneously there is no significant effect between Good Corporate Governance (GCG) on firm value and financial performance after being moderated.

H<sub>α2</sub> = Simultaneously there is a significant influence between Good Corporate Governance (GCG) on firm value and financial performance after being moderated

## RESEARCH METHOD

This type of research is a type of quantitative approach data with data collection carried out by recording the required information data according to the variables to be studied through the company's annual financial reports and this data can be accessed through the official website of the Indonesia Stock Exchange, namely: [www.idx.co.id](http://www.idx.co.id). And the secondary data used in this study, and the determination of the sample in this study were taken by purposive sampling and annual reports for the 2018-2022 period from

insurance companies that have become samples of Good Corporate Governance (GCG) research. This study used the Moderated Regression Analysis (MRA) method, in the regression equation (multiplication of two or more independent variables). The model for testing the regression analysis is as follows:

**Regression Model I**

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

**Regression Mode II**

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 Z + \beta_5 X_2 Z + \beta_6 X_3 Z + e$$

**Information :**

- Y : The value of the company
- $\alpha$  : Constant
- $\beta_1 - \beta_6$  : Regression Coefficient
- X1 : Board of Commissioners
- X2 : Independent Commissioner
- X3 : Audit Committee
- Z : Return on Assets
- e : Error

The population in this study are all insurance companies listed on the Indonesia Stock Exchange in 2018-2022, totaling 10 companies. The sample in this study was obtained by purposive sampling method. The sample selection criteria are as follows: a) An insurance company listed continuously on the Indonesia Stock Exchange during the 2018-2022 period; b) Insurance companies that publish financial reports consistently in 2018-2022; c) Insurance companies that have complete data on Corporate Governance (CG), Return on Assets (ROA) and Price Book Value (PBV) in 2018-2022.

Based on the criteria above, a sample of 10 companies was obtained for 5 years, the following insurance companies were the sample:

**Table 1**  
**List of Insurance Company Samples in 2018-2022**

No	Company Code	Company Name
1.	PNLF	PT Panin Financial Tbk
2.	PNIN	PT Paninvest Tbk

3.	MTWI	PT Malacca Trust Wuwungan Insurance Tbk
4.	TUGU	PT Asuransi Tugu Pratama Indonesia Tbk
5.	LPGI	PT Lippo General Insurance Tbk
6.	LIFE	PT Asuransi Jiwa Sinarmas MSIG Tbk
7.	ASJT	PT Asuransi Jasa Tania Tbk
8.	BHAT	PT Bhakti Multi Artha Tbk
9.	ASDM	PT Asuransi Dayin Mitra Tbk
10.	ASMI	PT Asuransi Maximus Graha Persada Tbk

Source: Indonesian Stock Exchange (IDX)

## Research Variable

### Dependent Variable

(Muttaqin et al., 2019) explains the variable or dependent variable that is affected or becomes the result, because of the independent variable. In this study the dependent variable is as follows:

### Price Book Value (PBV)

(Muttaqin et al., 2019) explains price to book value (PBV) is the ratio that shows whether the price of the stock being traded is overvalued (above) or undervalued (below) the book value of the stock. Price to book value (PBV) describes how much the market appreciates the value of the company's stock price. The higher this ratio, it means that the market believes in the company's prospects. the formula used to measure price to book value (PBV) is as follows:

$$PBV = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

### Independent Variable

(Marini, 2020) mentions independent variables are variables that affect or become the cause of changes or the emergence of independent variables.

### Moderation Variables

The moderating variable is used as the input in this study is Return on Assets (ROA) Financial Performance. Return on Assets (ROA) is a company's finances related to profitability measuring a company's ability to generate profits or profit at a certain level of income, assets and share capital. The Return on Assets (ROA) formula is as follows.

$$ROA = \frac{\text{Net profit}}{\text{Total Assets}} \times 100\%$$

**RESULTS AND DISCUSSION**

**Normality Test**

**Table 2**  
**Normality Test Results**

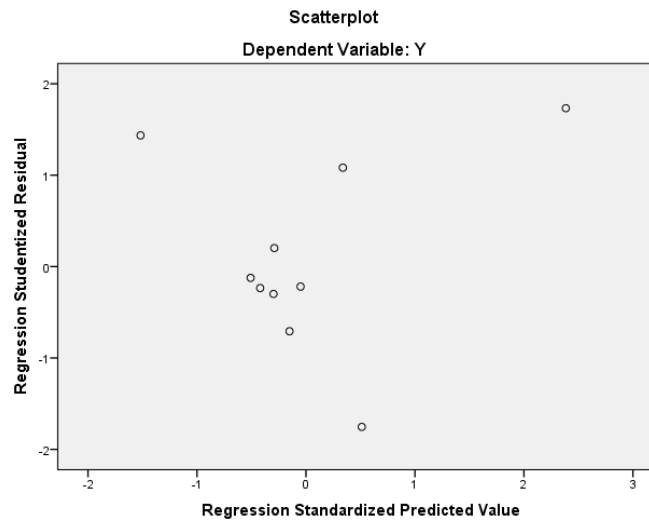
One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		10
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	2,18124169
Most Extreme Differences	Absolute	,189
	Positive	,160
	Negative	-,189
Test Statistic		,189
Asymp. Sig. (2-tailed)		,200 <sup>c,d</sup>

a. Test distribution is Normal.  
 b. Calculated from data.

Source: SPSS 22.0 Management Results

Based on table 1 it can be seen that the significance value of Asymp. Sig.(2-tailed) is 0.200. So, it can be concluded that the data is normally distributed.

**Heteroscedasticity Test**



**Figure 1**  
**Heteroscedasticity Test Results**

Source: SPSS 22.0 Management Results

Figure 1 shows that the dots spread randomly and are well spread on the Y axis. It can be concluded that there is no heteroscedasticity in the regression model, so the

regression model is appropriate to use to see the effect of Good Corporate Governance (GCG) on firm value with financial performance as moderating variable.

**Multicollinearity Test**

**Table 3**  
**Multicollinearity Test Results**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	36,125	25,334		1,426	,004		
DK	,203	,218	,317	4,932	,087	,462	2,164
KI	,490	,296	,975	3,655	,049	,154	6,503
KA	,078	,055	,765	6,427	,004	,186	5,383

a. Dependent Variable: Y  
Source: Processing Results of SPSS 22.0

Based on table 2 above, it can be seen that the tolerance value for the Board of Commissioners (DK) is 0.462 ( $0.462 > 0.10$ ), the tolerance value for Independent Commissioners (KI) is 0.154 ( $0.154 > 0.10$ ), and the tolerance value for the Audit Committee (KA) is 0.186 ( $0.186 > 0.10$ ), while the VIF value for the Board of Commissioners (DK) is 2.164 ( $2.164 > 10.00$ ), the VIF value for Independent Commissioners (KI) is 6.503 ( $6.503 > 10.00$ ), and the VIF value for the Audit Committee (KA) of 5.383 ( $5.383 > 10.00$ ). The conclusion from the results of the tolerance value is greater  $> 0.10$  and a smaller VIF value  $< 10.00$  means that there is no multicollinearity.

**Autocorrelation Test**

**Table 4**  
**Autocorrelation Test Results**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,824 <sup>a</sup>	,679	,519	2,67146	1,712

a. Predictors: (Constant), KA, DK, KI

value d	dL value	dU value	4-dL value	4-dU value
1,712	0.697	1,641	3,303	2,359

b. Dependent Variable: Y  
Source: Processing Results of SPSS 22.0

Based on table 4 above, the DW (Durbin Watson) value is 1.712. So the results of the Autocorrelation test conclude that the d value lies between dU and 4 – dU , where the cutoff value (dU ) is 1.641 << than the Durbin Watson (d) value which is 1.712 and < < 4 - dU value is 2.359. This means that there are no autocorrelation symptoms.

**Regression I**

**Table 6  
 Regression Results I**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	36,125	25,334		1,426	,004
	DK	,203	,218	,317	4,932	,087
	KI	,490	,296	,975	3,655	,049
	KA	,078	,055	,765	6,427	,004

a. Dependent Variable: Y  
 Source: Processing Results of SPSS 22.0

How to find out the results of regression I can be compiled with the equation formula below:

$$\gamma = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$\gamma = 36,125 + 0,203 + 0,490 + 0,078 + e$$

Based on table 5 and the results of the formulation of the multiple linear regression equation in the first regression test, the researcher can interpret it as follows: 1) The constant has a positive value of 36.125. This indicates that there is a unidirectional relationship between variable X and variable Y, that if the variables of the Board of Commissioners (DK), Independent Commissioner (KI), and Audit Committee (KA) are considered constant (0), then the total value of the company for the 2018-2022 period has increased, namely of 36.125; 2) The regression coefficient of the Board of Commissioners variable (X1) has a positive value of 0.203, meaning that the Board of Commissioners shows a unidirectional relationship between the Board of Commissioners and company value, i.e. if the Board of Commissioners is increased by 1 unit with the record that the variables of the Board of Commissioners, Independent Commissioners and Audit Committee are considered constant then it increases the Company Value period 2018 – 2022 of 0.203; 3) The regression coefficient of the Independent Commissioner variable

(X2) has a positive value of 0.490, meaning that the Independent Commissioner shows a unidirectional relationship between the Independent Commissioner and company value, that is, if the Independent Commissioner is increased by 1 unit with the record that the variables of the Board of Commissioners, Independent Commissioner and Audit Committee are considered constant, it will increase the value of the company the 2018 – 2022 period of 0.490; 4) The regression coefficient of the Audit Committee variable (X3) has a positive value of 0.048, meaning that the Audit Committee shows a unidirectional relationship between the Audit Committee and company values, i.e. if the Audit Committee is increased by 1 unit with the record that the variables of the Board of Commissioners, Independent Commissioners and Audit Committee are considered constant, it will increase the value of the company. the 2018 – 2022 period of 0.048.

The results of the multiple linear regression above state that the independent variable that has the strongest influence on the dependent variable is the Independent Commissioner. This statement can be proven by the regression coefficient value of 0.004 compared to the regression coefficient values of other independent variables, therefore the Audit Committee has the strongest (significant) effect on firm value.

## t Test

### t Test Results

How to find the t table before the results of the t test table, the results of the t table are known, namely by using the following formula:

$$T \text{ table} = (a / 2 ; n - k - 1) = t (0.05/2 ; 10-3-1) = (0.025;6) = 2.446$$

Based on table 5 above, it can be concluded that the results of hypothesis testing through the t test are as follows: 1) **Board of Commissioners (X1)**. The results of the t test show that the significance value (Sig) for influencing X1 on Y is  $4.387 > 0.05$  and the tcount value is 4.932 greater than  $> t_{table} (2.446)$  so it can be concluded that the Board of Commissioners has an effect on company value; 2) **Independent Commissioner (X2)**. The results of the t test show that the significance value (Sig) for influencing X2 on Y is  $3.149 > 0.05$  and the tcount value is 3.655 greater than  $> t_{table} (2.446)$  so it can be concluded that the Independent Commissioner has an effect on firm value; 3) **Audit Committee (X3)**. The results of the t test show that the significance value (Sig) to

influence X3 on Y is  $6.204 > 0.05$  and the tcount is 6.427 greater than  $>$  ttable (2.446) so it can be concluded that the audit committee has an effect on firm value.

**Determination Coefficient Test (R2)**

**Table 7**  
**Test Results (R2)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,824 <sup>a</sup>	,679	,519	2,67146

a. Predictors: (Constant), KA, DK, KI  
Source: Processing Results of SPSS 22.0

From the results of table 5 it is explained that the relationship value (R) is equal to 0.824. From this output obtained a coefficient of determination (R Square) of 0.679 which contains an explanation that the ability of the independent variable to explain the dependent variable is 67.9% while the rest is explained by other variables of 32.1% which are not included in this study.

**Regression Test II**

**Table 8**  
**Regression Test II Results with Moderation Variable**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	40,788	21,771		1,036	,073
	DK	,521	,263	,814	1,980	,042
	KI	,424	,242	,844	1,754	,078
	KA	,003	,051	,026	,053	,061
	X1Z	1,903	,294	,877	5,069	,055
	X2Z	2,273	,310	,456	5,882	,043
	X3Z	2,017	,007	1,061	7,405	,095

a. Dependent Variable: Y  
Source: Processing Results of SPSS 22.0

How to find out the results of regression II can be compiled with the equation formula below:

$$\gamma = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 Z + \beta_5 X_2 Z + \beta_6 X_3 Z + e$$

$$\gamma = \alpha + 0,521 + 0,424 + -0,003 + -0,903 + -,273 + 0,017 + e$$

Based on table 8 and the results of the formulation of the multiple linear regression equation with the second regression test, the researcher interprets it as follows: 1) The constant has a positive value of 40.788. This shows that there is a unidirectional relationship between variables X and variable Y, that if the variables of the Board of Commissioners, independent commissioners, and audit committees are with a moderating variable, namely financial performance is considered constant (0), then the total value of the company for the 2018-2022 period has increased by 40,788; 2) The regression coefficient of the Board of Commissioners variable after being moderated with the Financial Performance variable (X1Z) has a positive value of 1.521 meaning that if the Board of Commissioners variable is increased by 1 unit, it will affect the company value by and vice versa; 3) The regression coefficient of the Independent Commissioner variable after being moderated by the Financial Performance variable (X2Z) has a positive value of 2.273 meaning that if the Independent Commissioner variable decreases by 1 unit of the independent commissioner variable, it will affect the company value of 2.273 and vice versa; 4) The regression coefficient of the Audit Committee variable after being moderated with the Financial Performance variable (X3Z) has a positive value of 2.017, meaning that for every 1 unit increase in the audit committee variable, it will affect the company value by 2.017.

**Simultaneous Test (F)**

**Table 9**  
**Simultaneous Test Results (F)**

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	127,348	6	21,225	10,188	,042 <sup>b</sup>
	Residual	6,250	3	2,083		
	Total	133,597	9			

a. Dependent Variable: Y

b. Predictors: (Constant), X3Z, KA, DK, X1Z, KI, X2Z

How to find the F table before the results of the F test table, it is necessary to know the results of the F table, namely by using the following formula:

$$F_{table} = (k ; nk) = (3 ; 10 - 2) = 3;8 = 4.07$$

Based on table 9 above, it can be seen that the significance value (Sig) for the effect of the independent variable on the dependent variable is 0.042 < 0.05 and the Fcount value

is  $10.188 > F_{table} (4.07)$ , so it can be concluded that there is influence from the Board of Commissioners, Independent Commissioners, and the Audit Committee and financial performance as moderating variables jointly affect firm value.

### **The Influence of Good Corporate Governance (GCG) on Company Value**

Based on the results of the study, it shows that the first hypothesis states that Good Corporate Governance (GCG) has a significant influence on company value. It can be seen from table 4 that it can be seen that the t test on the Board of Commissioners variable shows a significance value to company value isof  $4.387 > 0.05$  and the tcount value is 4.932 greater than  $> t_{table} (2.446)$ , Independent Commissioners shows the significance value of the company's value isof  $3.149 > 0.05$  and the tcount value is 3.655 greater than  $> t_{table} (2.446)$ , and the audit committee shows the significance value of the company's value is  $6.204 > 0.05$  and tcount 6.427 is greater than  $> t_{table} (2.446)$ . Then  $H_{01}$  is rejected by  $H_{a1}$  accepted. That is, there is a significant influence between Good Corporate Governance (GCG) on company value at insurance companies listed on the Indonesia Stock Exchange.

The results of this study are in line with research conducted by (Fatoni & Ibrahim, n.d.) which states that Good Corporate Governance (GCG) which is proxied by the board of commissioners, independent commissioners, and the audit committee has a significant effect on firm value. Good Corporate Governance (GCG) has the main objective of improving company performance by monitoring the performance of management at the company. Good Corporate Governance (GCG) also demonstrates the ability of management accountability to stakeholders and other interest users based on predetermined regulations. Good Corporate Governance (GCG), can create added value because by implementing the Good Corporate Governance (GCG) system it is hoped that insurance companies will have good performance so that they can create added value and increase company value. The higher the company value will increase profits for shareholders or company owners. In more detail, the terminology of Good Corporate Governance GCG can be explained based on the board of commissioners, independent commissioners and audit committees, company management and shareholders.

One of the considerations for investors in buying shares is to see the financial value of the company. Because this value can be convincing and provide an overview of the development of returns to investors from investing in shares. By having a high financial

value, the benefits of buying shares in Islamic commercial banks can also provide high returns.

### **The Influence of Good Corporate Governance (GCG) on Firm Value with Financial Performance as A Moderating Variable**

Based on the results of the study, it indicates that the second hypothesis which states that Good Corporate Governance (GCG) with financial performance after being moderated on firm value has a significant influence on firm value.  $F_{count}$  is 10.188 >  $F_{table}$  (4.07) with a significance level of 0.042 < 0.05, because the significance level is less than 0.05 then  $H_{02}$  rejected  $H_{a2}$  accepted. That is, simultaneously there is a significant influence between Good Corporate Governance (GCG) with financial performance after being moderated on company value at insurance companies listed on the Indonesia Stock Exchange.

The results of this study are not in line with research conducted by (Hidayat, Triwibowo, & Marpaung, 2021) which states that Good Corporate Governance (GCG) with the Financial Performance variable on firm value with moderating variables does not affect firm value, which means that the high and low financial performance of a company does not affect anything on Good Corporate Governance (GCG) with firm value.

### **CONCLUSION**

Based on the results of research conducted on insurance companies listed on the Indonesian Stock Exchange (IDX) for 2018-2022, it can be concluded as follows: 1) Good Corporate Governance (GCG) affects the value of the company. Shown with a significance value The proxy for the Board of Commissioners is 0.087 less than < 0.05 (0.087 < 0.05), Independent Commissioners is 0.049 less than < 0.05 (0.049 < 0.05), and the Audit Committee is 0.004 less than < 0.05 (0.004 < 0.05). When a company has a good implementation of Good Corporate Governance, the company can slowly provide management arrangements that are good for company performance, and will further increase the value of the company. 2) Good Corporate Governance (GCG) with financial performance after being moderated on firm value has a significant influence on firm value. It can be seen from table above, it shows that the results of the F test obtained a value  $F_{count}$  is 10.188 >  $F_{table}$  (4.07) with a significance level of 0.042 < 0.05, because the

significance level is less than 0.05 then  $H_{02}$  rejected  $H_{\alpha 2}$  accepted. That is, simultaneously there is a significant influence between Good Corporate Governance (GCG) with financial performance after being moderated on company value at insurance companies listed on the Indonesia Stock Exchange.

From the results of this study, the suggestions that can be put forward are as follows. First, for investors who, when carrying out investment activities on shares traded on the stock exchange, investors should be more careful in studying a company's financial condition that does not only originate from only from the company's financial reports because this is to avoid any manipulation of financial reports and can be from how much GCG is implemented. And for further research it is expected to add research variables, the number of samples and the year of research, so that it can be seen how much influence the independent variables and intervening variables have on firm value.

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