THE INFLUENCE OF GOVERNANCE, RISK AND COMPLIANCE (GRC) AND COMPANY CHARACTERISTICS ON FINANCIAL PERFORMANCE WITH MODERATION OF IT INVESTMENT IN THE ERA OF DIGITALIZATION

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Abstract

The study aims to determine the influence of Governance, Risk and Compliance (GRC) and company characteristics proxied by firm size, leverage, and sales growth on the company's financial performance, and to determine its influence when moderated by IT investment in the digitalization era in consumer goods industry sector companies listed on the IDX in 2019-2022. To achieve these objectives, the study was conducted using quantitative methods multiple linear regression methods, and using purposive sampling techniques for sampling. The data samples used in this study were 86 samples that were free from outlier data. Based on the evaluation results, it was found that GRC did not affect financial performance. Leverage had a negative effect on financial performance. While firm size and sales growth had a positive effect on financial performance. Then it was found that IT investment had no effect in strengthening the influence of GRC, firm size, and sales growth on financial performance, but IT investment could reduce the negative effect of leverage on the company's financial performance.

Keywords: Governance, Risk and Compliance (GRC), Company Characteristics, Financial Performance, IT Investment

INTRODUCTION

Technological advances in the digital era have an impact on the progress and development of the economy throughout the world, including in Indonesia. This economic development encourages the development of increasingly modern businesses and triggers the emergence of competitive competition between companies. These companies compete with each other to make innovations by utilizing current technology to improve their performance to survive and compete with other companies. Companies need to determine things that are superior and different from other companies in order to easily realize the goals they want to achieve. The main goal of the company is to obtain maximum profit, so that with this profit it can maintain the sustainability of the company (Jastine & Susanto, 2022).

Improving company performance as a form of action in facing competitive competition can be done by creating good financial performance so that it can improve the image and trust of stakeholders and the public towards the company (Halim & Wijaya, 2020). Financial performance or financial performance is an important indicator that describes the financial condition of a company in good or bad conditions in a certain period that reflects the company's achievements. Information related to the company's financial performance is an important guideline for investors in making decisions related to investing funds in the company.

The measurement of a company's financial performance can be done by analyzing profitability, especially Return on Assets (ROA). ROA can assess the quality of a company's financial performance, especially in terms of its ability to make a profit (profitability) by utilizing the total assets owned. A larger ROA value can indicate that the profits achieved by the company are also greater, so the company has a better position in utilizing the assets owned (Mandasari, 2021).

Consumer goods industry sector companies are one of the sectors with strong competitive competition compared to other sectors because in this sector they can provide and fulfill both the primary and secondary needs of each person so the number of companies established in this sector is quite large compared to other sectors. Companies in this sector also make investments and innovations in development in the digitalization era. According to Gani (2022), the consumer goods industry is an industry that can increase sales and profits

if it has the right strategy such as investing in IT and being able to innovate in creating new products. The ability of IT investment and innovation owned by the company in creating new products can expand the company's consumer target, so that it can increase profits and create good financial performance.

Total Assets and Net Profit of Consumer Goods Industry Sector Companies
Source: Data Processed from Company Annual Reports

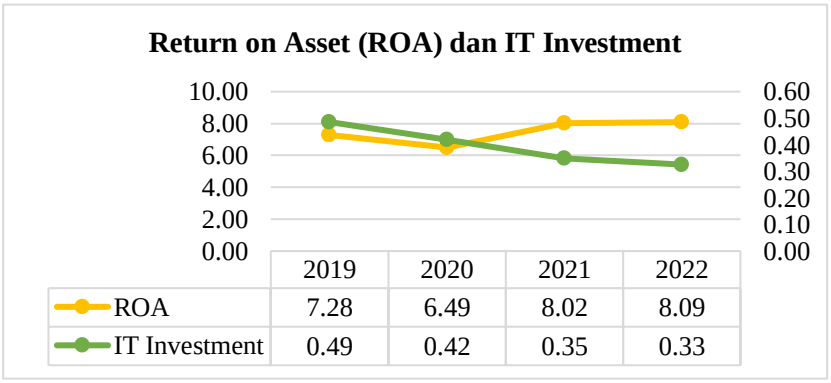

Figure 2.
ROA and IT Investment in the Consumer Goods Industry Sector Companies
Source: data processed from company annual reports.

Based on Figure 1, the total assets of consumer goods industry companies listed on the IDX in 2019-2022 show data results that have increased from year to year, but are not in line with the fluctuations in net profit obtained by the company each year. Then in Figure 2, it shows the company's ROA which has fluctuated from year to year and is not in line with the level of IT Investment in the company which has decreased from year to year. Figures 1 and 2 show that if the increase in total assets is stable and the fluctuation of the company's net profit is not in line with the fluctuation of ROA, where when the company's assets

increase, the company's financial performance should also increase. According to Pertiwi & Muslih (2023) when total assets owned increase, the company's profitability will also increase. The decline in profitability reflecting the company's financial performance must be known for its causal factors so that it can be resolved immediately and profitability can be increased in the following years. The factors causing the decline and increase in company profitability can be internal and external factors of the company. Some internal factors that cause a decline in company profitability can occur due to the influence of Governance, Risk, and Compliance (GRC) and company characteristics including firm size, leverage, and sales growth.

According to Maulana & Iradianty (2022), GRC implementation cannot be separated from efforts to achieve company performance, where GRC is the optimal solution for companies to support a healthy business climate with good governance, efficient risk management, and compliance in the company. In the era of digitalization, the implementation of IT investment in companies can encourage the implementation of three GRC concepts, namely governance, risk, and compliance into increasingly integrated and sustainable concepts. So, integrated GRC can encourage the level of company performance and prevent weak coordination that leads to inefficient cost management and affects the company's financial performance (Habsyi et al., 2021).

In addition to implementing GRC, companies in improving financial performance also need to pay attention to the characteristics of the company to achieve success in competitive competition with other companies. Company characteristics are distinctive features that are owned and can be seen in companies from various aspects, for example from the company's firm size, leverage, and sales growth (Ramadan & Suripto, 2022).

Previous research conducted by Habsyi et al. (2021)stated that GRC has a positive effect on the company's financial performance, but according to Pertiwi & Muslih (2023), GRC does not affect the company's financial performance. Furthermore, previous research conducted bySinaga et al., (2024), And (Bahri et al., 2022) states that firm size has a positive effect on the company's financial performance. However, according to research by Pertiwi & Muslih (2023), and Amalia & Khuzaini (2021), firm size has a negative effect on the company's financial performance.

In the research conducted by Agatha, (2024), Ferli et al. (2024) state that leverage has a negative effect on the company's financial performance. However, according to researchSusanti et al. (2022) and Bahri et al. (2022), leverage has a positive effect on the company's financial performance. Then the research conducted by Putri & Rahyuda (2020) that sales growth has a positive effect on the company's financial performance. However, according to Sulistina et al. (2022) and Cahyana & Suhendah (2020) Sales growth has a negative impact on the company's financial performance.

The differences in research results that occurred in previous studies and the phenomenon of ROA fluctuations in consumer goods industry sector companies listed on the IDX in 2019-2022, prompted the author to conduct this research.

RESEARCH METHOD

The research was conducted using quantitative research with multiple linear regression method, where this study combines time series data and cross-section data. The population used by the author in this study is 52 consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2019-2022. The data used in the study is secondary data obtained through sources originating from the official website of the Indonesia Stock Exchange and the company's official website. The research was conducted using a sampling technique, namely the purposive sampling technique equipped with several criteria that have been set by the authors.

Measurement of Variables

According to the GRC Forum Indonesia (2020), GRC consists of three components, namely process, manpower, and tools. The implementation of GRC in a company can be measured from the indicator components applied and disclosed by the company in the annual report, sustainability report, company financial report, and the company's official website. GRC measurement is carried out based on the GRC Forum Indonesia guidelines in collaboration with OJK.

According to Pertiwi & Muslih (2023), the way to calculate the firm size in a company can be done by calculating Ln on the company's total assets. According to Putri & Rahyuda

(2020), the level of leverage of a company can be measured by the Debt to Equity Ratio (DER). According to Iqbal et al., (2020), the method that can be used to measure DER is to divide the company's total debt by the company's total equity.

According to Murdhaningsih et al. (2024), the method that can be used to calculate sales growth is to divide the total sales of the current year minus the total sales of the previous year by the total sales of the previous year. According to Pertiwi & Muslih (2023), financial performance measurement can be done by using the Return on Asset (ROA) ratio, namely dividing net profit after tax by the company's total assets.

According to Andriani & Aryati (2019), IT investment can be obtained from the total amount of investment in software, hardware, data, procedures, and human resources used to create the information technology used in the company, then divided by the company's total assets.

Data Analysis Method

In this study, the multiple linear regression formula used is as follows:

$$\mathbf{Y = \alpha + \beta 1GRC + \beta 2SIZE + \beta 3LEV + \beta 4SG + \beta 5GRC \times IT + \beta 6SIZE \times IT + \beta 7LEV \times IT + \beta 8SG \times IT + \varepsilon}$$

Information:

Y	= Financial Performance (ROA)
α	= Constantine
β1 – β8	= Regression Coefficient
ε	= Errors
GRC	= Governance, Risk and Compliance (GRC)
SIZE	= Firm Size
LEV	= Leverage
SG	= Sales Growth
IT	= IT Investment

RESULTS AND DISCUSSION

This study uses research objects in consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2019-2022. The sample used in this study was 33

consumer goods industry sector companies, the sample selection criteria that have been determined are as follows:

Table 1.
Sample Criteria Used

Information	Amount
• Number of consumer goods industry sector companies listed on the IDX from 2019 to 2022.	52
• The number of companies in the consumer goods industry sector that do not routinely present reports in rupiah currency between 2019-2022.	(4)
• Number of companies in the consumer goods industry sector that did not include information related to IT investment between 2019-2022.	(15)
Number of samples of consumer goods industry sector companies listed on the IDX in 2019-2022.	33
• Number of research observation periods.	4
Number of samples for observation years 2019-2022.	132
• Number of outlier data samples.	(46)
Number of samples used.	**86**

Source: Selected data.

Descriptive Statistics

A descriptive statistical test is a test that can be used to determine the number of data samples that will be used in multiple linear regression analysis testing, as well as to determine the maximum value, minimum value, average value (mean), and standard deviation value of the research data sample. So, descriptive statistics need to be carried out and presented to explain the data description of all data sample variables used in the research conducted.

Table 2.
Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	86	-.02076	.22179	.07714	.05361
GRC	86	1.50497	2.49756	2.07189	.27012
Firm Size	86	25.75252	32.82638	28.86397	1.68528
Leverage (DER)	86	.10854	1.58600	.72053	.42991
Sales Growth	86	-.34451	.47468	.10635	.15699

IT Investment	86	.00129	.01081	.00412	.00198
Valid N (listwise)	86				

Source: SPSS data processing.

Based on the results of the descriptive statistical test, the number of final samples (N) for each research variable is 86 data that can be used as the final research data sample for data processing. In the dependent variable, namely financial performance, which is proxied by measuring the Return on Asset (ROA) ratio, it is known that the company Akasha Wira International Tbk. in 2022 has the highest ROA value. Then in the independent variable Governance, Risk, and Compliance (GRC) the highest value is in the company Kalbe Farma Tbk. in 2022, for firm size the maximum value occurs in the company Indofood Sukses Makmur Tbk. in 2022, at the level of company leverage proxied and measured by the Debt-to-Equity Ratio (DER) the maximum value is obtained in the company Phapros Tbk. in 2020 and the company's sales growth is known to have a maximum value in the company Wilmar Cahaya Indonesia Tbk. in 2021. Meanwhile, in the moderation variable IT Investment the maximum value is obtained in the company Garudafood Putra Putri Jaya Tbk. in 2019.

Normality Test

The normality test is carried out to determine and test the distribution of data in the regression model on the residual variables whether they are normally or not normally distributed (Ghozali & Chariri, 2020). Data normality testing can be done using the One-Sample Kolmogorov-Smirnov test.

Table 3.
Kolmogorov – Smirnov Normality Test Results

Before Outlier		**After Outlier**	
Information	**Unstandardized Residual**	**Information**	**Unstandardized Residual**
N	132	N	86
Asymp. Sig (2-tailed)	0,000	Asymp. Sig (2-tailed)	0.200
Asymp. Sig (1-tailed)	0,000	Asymp. Sig (1-tailed)	0.100

Source: SPSS data processing

The One-Sample Kolmogorov-Smirnov normality test was performed before the outliers obtained data that was not normally distributed. Therefore, an outlier test is carried

out to be able to eliminate and delete outlier data that has extreme values or values that are far different from most of the other data, so as not to interfere with normally distributed data.

The results of outlier testing on the data produced 46 data that had to be removed and deleted, resulting in 86 data from the research sample free from outliers. The results of the normality test using the One-Sample Kolmogorov-Smirnov test on the data sample that was free from outliers showed an Asymp. Sig. (2-tailed) value of 0.200 which is more than 0.05, so the data is normally distributed. Therefore, it can be concluded that the regression model can be tested further to determine how each independent variable affects the dependent variable.

Multicollinearity Test

The multicollinearity test is used to determine whether or not there is a correlation between independent variables. A good regression model is a regression model that does not have intercorrelation (strong relationship) between independent variables. The following are the results of the multicollinearity test conducted.

Table 4.
Multicollinearity Test Results

Variables	Tolerances	VIF	Conclusion
GRC	0.148	6,753	There is no multicollinearity
SIZE	0.201	4,971	There is no multicollinearity
DER	0.118	8,501	There is no multicollinearity
SG	0.189	5,286	There is no multicollinearity
IT	0.002	435,169	Multicollinearity occurs
GRC*IT	0.012	80,270	Multicollinearity occurs
SIZE*IT	0.003	377,498	Multicollinearity occurs
DER*IT	0.085	11,766	Multicollinearity occurs
SG*IT	0.185	5,400	There is no multicollinearity

Source: SPSS data processing

Independent variables that have a VIF value of less than 10 and a Tolerance value of more than 0.10 are the variables Governance, Risk and Compliance (GRC), firm size (SIZE), leverage (DER), sales growth (SG), and sales growth x IT investment (SG * IT), thus indicating that these variables do not have multicollinearity problems. Meanwhile, the variables GRC x IT investment (GRC * IT), firm size x IT investment (SIZE * IT), and leverage x IT investment (DER * IT), as well as the moderation variable IT investment (IT)

have a VIF value of more than 10 and a Tolerance value of less than 0.10, indicating that there is a multicollinearity problem in these variables.

This study includes research with moderating regression analysis so that research with this analysis can cause multicollinearity problems (intercorrelation) or strong relationships between independent variables. The intercorrelation occurs, for example, between the GRC variable and the IT investment moderation variable which produces a new independent variable (GRC * IT), where the variable contains elements of GRC and IT investment. Then according to Gujarati (2012), regression modeling using moderation variables has a greater possibility of multicollinearity than regression modeling without moderation variables. So, the occurrence of multicollinearity in variables is not a serious problem, because the results of the determination coefficient test (R2) show that the independent variables have a strong enough ability to explain the dependent variables in the study.

Heteroscedasticity Test

The heteroscedasticity test is conducted to determine whether there is an inequality of variance from the residuals in the regression model used in the study. So in this study, the Spearman Test is used to test the data samples used.

Table 5.
Heteroscedasticity Test Results

Variables	Sig.(2-Tailed)	Sig.(1-Tailed)	Conclusion
GRC	0.594	0.297	Does not experience heteroscedasticity
SIZE	0.945	0.473	Does not experience heteroscedasticity
DER	0.938	0.469	Does not experience heteroscedasticity
SG	0.989	0.495	Does not experience heteroscedasticity
IT	0.612	0.306	Does not experience heteroscedasticity
GRC*IT	0.714	0.357	Does not experience heteroscedasticity
SIZE*IT	0.764	0.382	Does not experience heteroscedasticity
DER*IT	0.669	0.335	Does not experience heteroscedasticity

SG*IT	0.771	0.386	Does not experience heteroscedasticity

Source: SPSS Data Processing

All variables have a value (Sig.(2-Tailed)) of more than 0.05, so it can be concluded that all variables do not experience heteroscedasticity problems and the regression model has met the assumption of passing the heteroscedasticity test.

Autocorrelation Test

The autocorrelation test is used to determine whether there is a correlation or relationship between the residuals in period t and the residuals in period t-1 (previously). In this study, the Durbin Watson (DW) test was used to test the autocorrelation of the data sample. Where a good regression model is a regression model that is free from autocorrelation symptoms.

Table 6.
Autocorrelation Test Results

dL	dU	DW	4 – dU	4 - dL	Conclusion
1,453	1,857	1,971	2,143	2,547	No autocorrelation occurs

Source: SPSS data processing.

The Durbin Watson (DW) value is 1.971 with a dL value of 1.453, dU of 1.857, and the 4-dU result is 2.143. So the DW value is between the dU and 4-dU values or dU < DW < 4-dU, where 1.857 < 1.971 < 2.143 then it can be stated that there is no autocorrelation in the regression model in the research conducted.

Coefficient of Determination Test (R2)

The determination coefficient test (R2) has a provision criterion, namely if the Adjusted R-square test result is closer to 0. The ability of the independent variable to explain the dependent variable is increasingly limited. However, if the Adjusted R-square test result is closer to 1, then the ability of the independent variable to explain the dependent variable is increasingly high.

Table 7.
Results of the Determination Coefficient Test

Model	R	R Square	Adj. R Square	Std. Error of The Estimate
1	0.799	0.639	0.596	0.03683867

Source: SPSS data processing

The value of Adjusted R Square for the research conducted is 0.528. So it can be interpreted that the independent variables GRC, Firm Size, Leverage (DER), Sales Growth, IT Investment, GRC * IT, SIZE * IT, DER * IT, and SG * IT can explain the dependent variable of financial performance which is proxied by the measurement of the Return on Asset (ROA) ratio of 59.6%. While the remaining 40.4% (100% - 59.6%) indicates that other factors can explain the dependent variable, outside the independent variables in the research and the regression model used.

F Test (Simultaneous)

In the F statistical test (simultaneous) there are provision criteria, namely by paying attention to the significance value in the ANOVA table, if the significance value result is less than 0.05 or 5% then it can be stated that the regression model in the study is suitable for use. The following are the results of the F statistical test (simultaneous) that have been carried out.

Table 8.
F Test Results

Variables	F	Sig	Information
GRC, SIZE, DER, SG, IT, GRC*IT, SIZE*IT, DER*IT, SG*IT.	14,947	0,000	Significant

Source: SPSS data processing.

The significance value produced is 0.000 indicating that the value is 0.000 <α <0.05, smaller than 0.05 or 5% so that it can be stated that the regression model in the study is feasible to use. Thus, the results of the F statistical test (simultaneous) that have been carried out in this study can be interpreted if the regression model with independent variables GRC, Firm Size, Leverage (DER), Sales Growth, IT Investment, GRC * IT, SIZE * IT, DER * IT, and SG * IT can simultaneously influence the dependent variable financial performance (ROA).

Statistical t Test (Partial)

In the t-statistic test (partial) there are provision criteria, namely by paying attention to the significance value in the coefficients table, if the significance value result is less than

0.05 or 5% then it can be stated that the independent variable in the study has a significant effect on the dependent variable.

Table 9.
T-Test Results

Variables	Expectation	Coef (β)	T	Sig		Decision
				2-Tailed	1-Tailed	
GRC	+	-0.025	-0.685	0.496	0.248	H1 rejected
SIZE	+	0.010	2,978	0.004	0.002	**H2 accepted**
DER	-	-0.139	-5,058	0,000	0,000	**H3 accepted**
SG	+	0.159	2,713	0.008	0.004	**H4 accepted**
GRC*IT	+	6,271	0.787	0.434	0.217	H5 rejected
SIZE*IT	+	-0.585	-,928	0.356	0.178	H6 rejected
DER*IT	+	11,614	2,011	0.048	0.024	**H7 accepted**
SG*IT	+	-19,352	-1,316	0.192	0.096	H8 rejected
IT		-15,772	-1,748	0.135	0.068	

Source: SPSS data processing.

Four independent variables result in the decision of the hypothesis being accepted. The four independent variables have a significant effect on the dependent variable of financial performance proxied by the measurement of ROA, namely firm size (SIZE), leverage (DER), sales growth (SG), and DER x IT Investment (DER*IT). While the other four independent variables result in the decision of the hypothesis being rejected. The four independent variables that do not have a significant effect on the dependent variable of financial performance proxied by the measurement of the Return on Asset (ROA) ratio, namely GRC, GRC*IT, SIZE*IT, and SG*IT.

Multiple Linear Regression Analysis

In the research that has been conducted using multiple linear regression analysis to measure the extent of the influence of independent variables, namely GRC, SIZE, DER, SG, GRC * IT, SIZE * IT, DER * IT, and SG * IT on the dependent variable financial performance (ROA). Based on the decision table of multiple linear regression analysis, the regression equation model can be stated as follows:

ROA = -0.091 – 0.025 GRC + 0.010 SIZE – 0.131 LEV + 0.159 SG – 15.772 IT + 6.271 GRC*IT – 0.586 SIZE*IT + 11.614 LEV*IT – 19.352 SG*IT

The Influence of Governance, Risk and Compliance (GRC) on Company Financial Performance.

The influence of Governance, Risk, and Compliance (GRC) in improving the company's financial performance is significantly negative. The implementation of GRC does not affect the company's financial performance, which can occur because the implementation of GRC is often indirectly felt by the company, such as governance and compliance, and does not directly affect financial metrics such as revenue or profit so that it is not immediately reflected in the financial statements (Anastasya & Novita, 2019). In addition, GRC does not affect financial performance because companies are still lacking in considering aspects of sustainable development, as evidenced by the fact that there are still companies that have not made sustainability reports. According to Habsyi et al. (2021), GRC affects the financial performance of companies that implement GRC and will consider several aspects of sustainable development, nature conservation products, and regulations that support sustainable economic development. The results of this study are in line with research conducted by Pertiwi & Muslih (2023) which states that GRC does not affect the company's financial performance.

The Influence of Firm Size on Company Financial Performance

InfluenceThe characteristics of firm size in increasing the company's financial performance are significantly positive. The positive influence of firm size on increasing the company's financial performance can occur because the size of a large company can be determined through the total assets owned, so the more total assets owned, the bigger the company's business and vice versa. The greater the total assets and business of the company, the company can produce more products to generate large profits with lower production costs per unit (Oktaviyana et al., 2023). The results of this study are in line with the results of research by Ferli et al. (2024), Khatami & Raharjo (2023), Sinaga et al. (2024), Oktaviyana et al. (2023), Wulandari & Tan (2023), Bahri et al. (2022), and Erawati et al. (2022) state that firm size has a positive effect on the company's financial performance.

The Influence of Leverage on Company Financial Performance

The influence of leverage company characteristics proxied by the measurement of Debt to Equity Ratio (DER) in increasing the company's financial performance is significantly negative. The negative influence of leverage on increasing the company's financial performance occurs because the greater the loan funds, the greater the interest costs that must be paid and reduce the company's profits (Agatha, 2024). The decrease in profits obtained by the company can reduce the company's financial performance proxied by Return on Assets (ROA). The results of this study are in line with research conducted by Agatha (2024), Ferli et al. (2024), Arhinful & Radmehir (2023), Oktaviyana (2023), Amalia & Khuzaini (2021), Bintara (2020) and Danso et al. (2020) state that leverage has a negative effect on the company's financial performance.

Influence of Sales Growth on Company Financial Performance

The influence of sales growth company characteristics in increasing the company's financial performance is significantly positive. Companies can find out how their business is developing by looking at the level of sales growth each year. At the level of sales growth or sales growth that continues to increase, the company's financial performance can be increased as proxied by Return on Assets (ROA) due to increased profits due to increased sales each year at the company. The results of this study are in line with research conducted by Putri & Rahyuda (2020) which states that sales growth has a positive effect on the company's financial performance.

The Influence of IT Investment in Moderating the Relationship Between Governance, Risk, and Compliance (GRC) on Company Financial Performance

The effect of IT Investment in moderating the relationship between Governance, Risk, and Compliance (GRC) on the company's financial performance is positive but insignificant. IT Investment does not affect moderating the relationship between GRC and financial performance because the implementation of IT Investment in the company requires high initial costs even though it can reduce the company's operational costs. The financial benefits of IT Investment in GRC take a long time to materialize due to the large initial costs

(Anwar & Saiful, 2024), so in the short term, the investment has not shown a significant effect on the company's financial performance.

The Influence of IT Investment in Moderating the Relationship Between Company Characteristics Firm Size and Company Financial Performance

The influence of IT Investment in moderating the relationship between firm size and company financial performance has a negative and insignificant effect. IT Investment is part of the company's intangible assets, so adding value to IT Investment will increase the size of the company. The larger size of the company does not necessarily increase profitability in the company, because IT investment in increasing the company's operational efficiency without considering the size of the company (Andriani & Aryati, 2019). The results of this study are not in line with the research conducted by Naguib et al. (2024) which states that IT investment affects increasing the company's financial performance, especially in companies with large sizes.

The Influence of IT Investment in Moderating the Relationship Between Company Characteristics Leverage and Company Financial Performance

The influence of IT Investment in moderating the relationship between leverage (DER) in improving the company's financial performance, has succeeded in changing the influence that was initially significantly negative to significantly positive. The positive influence of leverage (DER) on improving the company's financial performance with the moderation of IT Investment can occur because the implementation of IT Investment increases the efficiency and automation of the company's business process operations so that the company can minimize the amount of operational costs and increase profit income to help pay off the company's debt obligations. In addition, the implementation of IT Investment related to the company's leverage level (DER) can help the company manage cash flow more effectively and efficiently (Hamdan et al., 2021).

The Influence of IT Investment in Moderating the Relationship Between Company Characteristics Sales Growth and Company Financial Performance

The effect of IT Investment in moderating the relationship between sales growth and the company's financial performance is negative and insignificant. IT Investment does not

have an effect in moderating the relationship between sales growth and financial performance because the implementation of IT Investment in the company increases the cost burden on the company, both implementation costs, high IT maintenance costs, and ongoing costs for training and upgrading the company's IT systems. If the high-cost burden incurred due to IT Investment coincides with a decrease in sales growth or sales growth in the company, this can reduce the company's financial performance level due to low profits obtained with increasing total assets (Anwar & Saiful, 2024).

CONCLUSION

The conclusions obtained from the research that has been conducted related to the influence of Governance, Risk, and Compliance (GRC), and company characteristics on financial performance with IT investment moderation in the digitalization era in consumer goods industry sector companies listed on the Indonesian Stock Exchange in 2019-2022 are as follows:

1. Governance, Risk, and Compliance (GRC) does not affect the company's financial performance.
2. Company characteristics firm size has a positive effect on the company's financial performance.
3. The characteristics of leveraged companies as proxied by the Debt-to-Equity Ratio (DER) measurement have a negative effect on the company's financial performance.
4. The characteristics of a sales growth company have a positive effect on the company's financial performance.
5. IT Investment has no effect in strengthening the influence of Governance, Risk, and Compliance (GRC) on the company's financial performance.
6. IT Investment does not have an effect in strengthening the influence of firm size characteristics on the company's financial performance.
7. IT investment can reduce the negative influence of leverage company characteristics on the company's financial performance.

8. IT Investment has no effect in strengthening the influence of company characteristics on sales growth on company financial performance.

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