

**DAMPAK TATA KELOLA PERUSAHAAN YANG BAIK, UKURAN PERUSAHAAN DAN LEVERAGE
TERHADAP KINERJA KEUANGAN SEKTOR INFRASTRUKTUR**

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ABSTRAK

Pembangunan infrastruktur memberikan dampak positif pada aspek sosial dan pembangunan manusia serta investasi strategis dalam pertumbuhan ekonomi dan kesejahteraan masyarakat. Penelitian ini bertujuan untuk menganalisa pengaruh *Good Corporate Governance*, *Firm Size* dan *Leverage* terhadap *Financial Performance* sektor infrastruktur. Penelitian ini menggunakan data sekunder di mana data diperoleh berasal dari laporan keuangan perusahaan. Teknik pengumpulan data adalah teknik *purposive sampling*. Jumlah sampel dalam penelitian adalah 49 perusahaan. Metode analisa data menggunakan teknik analisis kuantitatif dengan *software Smart PLS*. Hasil penelitian menunjukkan bahwa dewan direksi berpengaruh positif dan signifikan terhadap *financial performance* dan komite audit berpengaruh negatif dan signifikan terhadap *financial performance*. Sedangkan untuk variabel dewan komisaris, *firm size* dan *leverage* berpengaruh tidak signifikan terhadap *financial performance*.

Kata kunci: *Financial Performance; Good Corporate Governance; Firm Size, Leverage*

**IMPACT ON GOOD CORPORATE GOVERNANCE, FIRM SIZE AND LEVERAGE ON FINANCIAL
PERFORMANCE INFRASTRUCTURE SECTOR**

ABSTRACT

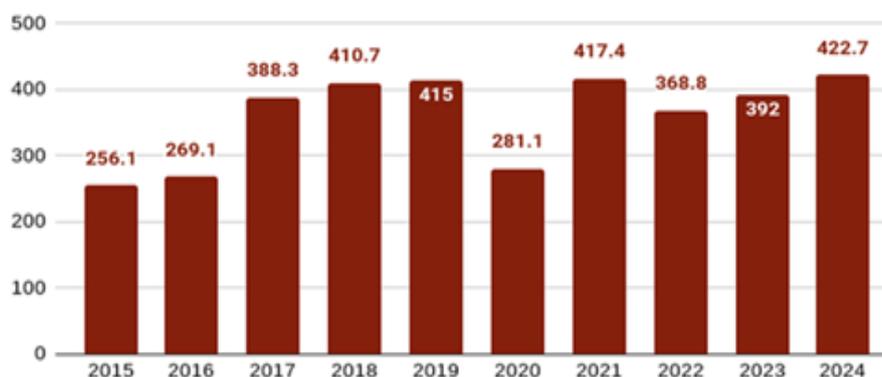
Infrastructure development has a positive impact on social aspects and human development as well as strategic investment in economic growth and community welfare. This research aims to analyze the impact on Good Corporate Governance, Firm Size, and Leverage on Financial Performance Infrastructure Sector. This research uses secondary data, which is obtained from the companies' financial statements. The data collection technique used is purposive sampling. The sample size consists of 49 companies. The research method used is quantitative analysis with Smart PLS software. The results indicate that board of directors has a positive and significant impact on financial performance, while audit committee has a negative and significant impact on financial performance. board of commissioners, firm size, and leverage have no significant impact on financial performance.

Keywords: *Financial Performance; Good Corporate Governance; Firm Size, Leverage*

INTRODUCTION

Infrastructure development must be carried out to improve the prosperity and welfare of all Indonesian citizens without exception. Moreover, infrastructure plays an important role in improving the accessibility of various regions, thereby reducing disparities in the prices of goods and logistics, increasing regional productivity, and accelerating economic growth (portal.dephub.go.id, 2020).

The following is an overview of the Indonesian government's budget allocation for infrastructure development over the past ten years (in triliun Rp).



Source: Kompas, 2023

Figure 1. Indonesian government's budget allocation for infrastructure development

Based on Figure 1, it can be observed that from 2016 to 2019, the infrastructure budget experienced an upward trend. Subsequently, the budget showed fluctuations, with the most significant decrease occurring in 2020, reaching 281.1 trillion rupiah. However, by 2024, there was an increase in the budget to 422.7 trillion rupiah.

The budget allocated for infrastructure development in 2024 are being utilized strategically to generate tangible outputs. In the basic services and food sectors, the government targets the construction of 6,032 units of flats and special housing, along with the rehabilitation of 613 units of elementary and secondary education facilities. Additionally, the development includes the construction of a Drinking Water Supply System (SPAM) with a capacity of 2,270 liters per second and the construction of an irrigation network covering 4,000 hectares and benefiting a total area of 38,000 hectares.

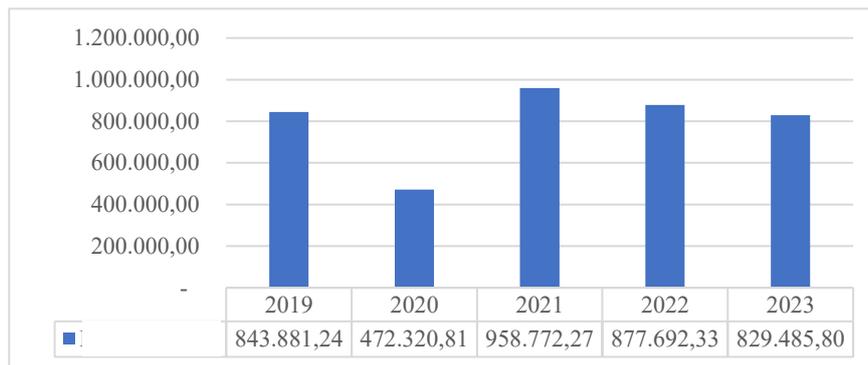
In the connectivity and transportation sectors, the infrastructure budget is allocated for the construction of 271.2 km of new roads, 50.8 km of operational toll roads, and 7,451 km'sp of railways. The construction of new bridges with a total length of 4,796.2 meters, as well as the construction of flyovers, underpasses, and tunnels totaling 2,231.1 meters, constitutes an integral part of the government's efforts to improve national connectivity. Investment also includes the construction of 21 new airport locations and 36 new ferry ports.

In the energy and electricity sectors, the infrastructure budget is allocated to support ongoing strategic projects such as the construction of the first phase of the natural gas transmission pipeline (Cirebon–Semarang section), the construction of 16 dams, and the installation of electricity connections for 80,000 new households. Meanwhile, in the information and communication technology (ICT) sectors, the budget is allocated for the establishment of 62 digital broadcasting systems, the provision of new internet access in 30 locations, and the implementation of the SATRIA project to provide satellite capacity (leased capacity satellite), phases 1 and 2, totaling 29.7 Gbps.

Construction companies, as service-based enterprises engaged in infrastructure development, play a pivotal role in influencing Indonesia's economic growth. According to data from the Central Statistics Agency, the construction sector contributed 9.92 percent to the Gross Domestic Product (GDP) in the fourth quarter of 2023 and 10.23 percent in the first quarter of 2024. Ranking consistently in fourth place, this indicates that the construction sector is one of the largest contributors to the Indonesian economy.

To support smooth business operations, construction companies require investors, as infrastructure projects typically demand substantial and long-term capital investments for both construction and maintenance. Investors provide the necessary funding to finance these projects, thereby alleviating the financial burden on the company. Moreover, investor involvement can help mitigate financial risk and improve the company's capacity to plan and implement projects effectively, while also offering investors potential returns on their investment.

In general, investors are becoming increasingly analytical and cautious in assessing company performance (Aritonang and Rahardja, 2022). Potential investors consider financial performance as a key factor when deciding whether to invest in a company's shares. This dynamic motivates companies to pay close attention to financial performance reports, which are central to fundraising activities and operational financing, with the fundamental objective of generating profits in line with investor expectations (Indrati and Amelia, 2022).



Source: Data Processed, 2024

Figure 2. Profitability Average Infrastructure Sector

Based on Figure 2, the average profitability of construction companies has exhibited significant fluctuations over the years. The lowest profitability was recorded in 2020, likely due to the global economic impact of the COVID-19 pandemic. In contrast, the highest profitability was recorded in 2021, reflecting a strong post-pandemic economic recovery. However, profitability decreased again through 2023, potentially indicating persistent challenges in the sector, such as rising operational costs or shifting market conditions.

The objective of this study is to analyze the influence of good corporate governance, company size, and leverage on the financial performance of companies in the construction sector.

LITERATURE REVIEW

Agency Theory

Agency theory addresses the existence of agency relationships, as explained by Jensen and Meckling, which involve the separation of ownership and control between shareholders and managers. In this context, management is entrusted by the owners (shareholders) to operate and manage the company. However, if the company fails to deliver satisfactory results, the owners have the right to replace management that does not increase shareholder wealth.

Shareholders expect the company's financial performance to be stable and favorable to maximize returns. Similarly, management aims for strong financial performance by determining an optimal capital structure, balancing internal and external sources of capital. However, if management opts to rely on external capital to support the company's financial needs, it may lead to an increase in the company's debt burden. This scenario can become problematic, as rising debt levels may reduce company profitability and, consequently, diminish the returns available to shareholders.

Financial Performance

Company performance assessment focuses on performance information derived from financial statements. A company's long-term financial strategy directly influences shareholder value. Since company performance assessment is primarily based on financial statements, financial ratios are utilized to conduct such assessments. One key indicator of company performance presented in the financial statements is Return on Assets (ROA).

According to Ananda (2022), Return on Assets is a ratio used to measure a company's ability to utilize its assets to generate profit. A higher ROA value indicates improved company performance. ROA is commonly utilized by companies to assess how efficiently their assets are used in operational activities to generate profits (returns). Some companies focus on achieving high net profit margins as a means to increase their ROA.

Good Corporate Governance

Good Corporate Governance is a set of rules that govern the relationships among shareholders, company managers, creditors, government, employees, and other internal and external stakeholders, each with their respective rights and obligations. In other words, it constitutes a system that supervises the management and operations of the company. To improve financial performance, the implementation of good corporate governance is essential. This implementation emphasizes the importance of shareholders receiving information accurately, correctly, and in a timely manner (Indriati, 2018).

The board of commissioners plays an important role in minimizing the risk of dishonest and non-transparent practices within the company's operations. Their primary responsibility is to supervise management in order to ensure the proper implementation of good corporate governance principles. This supervision aims to improve overall company performance, including financial performance, which can ultimately attract investors to invest in companies—especially in the banking sector—create added value for the company, and promote positive

financial growth (Nuraini and Rohman, 2024). As part of the highest governance structure, the board of commissioners plays an important role in supervising managerial performance (Irma, 2023). According to Ananda (2022), the board of commissioners has a positive influence on company performance. The board of commissioners is responsible for supervising and ensuring the implementation of good corporate governance. An increased number of commissioners can improve the effectiveness of supervision and improve the quality of strategic advice provided to the board of directors, thereby contributing to better company performance. This finding aligns with the results of studies conducted by Febrina and Sri (2022), Fidiawati and Sulistyowati (2022), Purnamasari (2019), Putri and Mulyati (2024), and Putri (2022). However, Gunawan (2018) found that the board of commissioners does not have an influence on company performance.

H1: Board of commissioners has a positive influence on financial performance.

The board of directors holds full responsibility for the management and operations of the company in order to achieve corporate objectives. In addition, the board of directors plays an important role in policy formulation, strategic planning, maintaining an effective organizational structure, and ensuring that authority is delegated appropriately—all of which ultimately have a positive influence on company performance (Ananda, 2022). A board of directors composed of individuals with diverse skills and professional experiences can offer broader strategic perspectives, enabling the company to innovate and compete more effectively in the market. Moreover, the board of directors serves as a mediator in harmonizing the interests of various stakeholders, thereby minimizing potential conflicts and fostering improved and sustainable financial performance. These efforts also increase investor confidence and support the company's growth and long-term development (Nuraini and Rohman, 2024). According to a study by Setyawan (2019), the number (size) of board of directors has a positive and significant influence on financial performance. Directors are key decision-makers who, together with other board members, determine strategic actions required for company development. The findings suggest that a larger board of directors can help optimize the financial performance of construction companies. This conclusion aligns with the results of studies conducted by Putri (2022) and Ananda (2022).

H2: Board of directors has a positive influence on financial performance.

In carrying out its duties, the audit committee must maintain independence, both in terms of its membership and audit function. When the audit committee performs its role effectively, the transparency and credibility of the company's managerial accountability are improved. The audit committee's responsibility in safeguarding the interests of minority shareholders also contributes to increased investor confidence in the company. The presence of an audit committee ensures that the financial reporting process and corporate governance mechanisms function properly, owing to the committee's adequate capabilities and independence. Therefore, the audit committee is expected to mitigate the risk of financial statement fraud, which could negatively impact company performance (Anandamaya and Hermanto, 2021). An effectively functioning audit committee also supports the principal's ability to access transparent financial information. Consequently, increasing the size of the audit committee may improve company performance through more efficient supervision of managerial actions, thereby minimizing agency conflicts (Irma, 2023). According to a study by Shanti (2020), the audit committee has a positive and significant influence on company financial performance, where companies listed on the Indonesia Stock Exchange (IDX) have complied with the required standards concerning audit committee size, as stipulated in prevailing regulations. Effective supervision by the audit committee can improve the quality of financial reporting. This finding aligns with the results of studies conducted by Addina et al. (2023) and Syadeli and Saadah (2021). However, contrasting results were found in a study by Irma (2019), which concluded that a larger audit committee may have a negative influence on company performance.

H3: Audit committee has a positive influence on financial performance.

Firm Size

According to Ifadah (2021), firm size is an indicator used to measure a company's wealth. This measurement reflects the scale of the company and can be observed through total assets, total sales, average sales, and average total assets. Firm size indicates how large or small a company is, with larger companies typically finding it easier to obtain external financing, either in the form of debt or equity. This is because large companies generally hold a stronger reputation in the eyes of the public (Setiawati, 2019).

The larger the company, the greater its ability to attract attention from investors, creditors, and consumers. This increased visibility increases the company's competitiveness in both sales and funding. A large firm size can positively influence profitability, as such companies often possess stronger market power and greater potential to optimize operational capital efficiency without compromising the quantity or quality of their products. Consequently, the company's return on assets (ROA) is likely to increase in line with its growing size (Azzahra and Sampurno, 2023). Moreover, the larger the company, the broader its operational activities, which correlates with a higher ability to generate profits. Companies with substantial assets can utilize their available resources more efficiently to achieve optimal profits. In contrast, companies with smaller asset bases tend to generate proportionately lower profits, in accordance with their operational scale (Setiawati, 2019). According to a study by Ifadah (2021), firm size has a partial but positive and significant influence on financial performance. Large

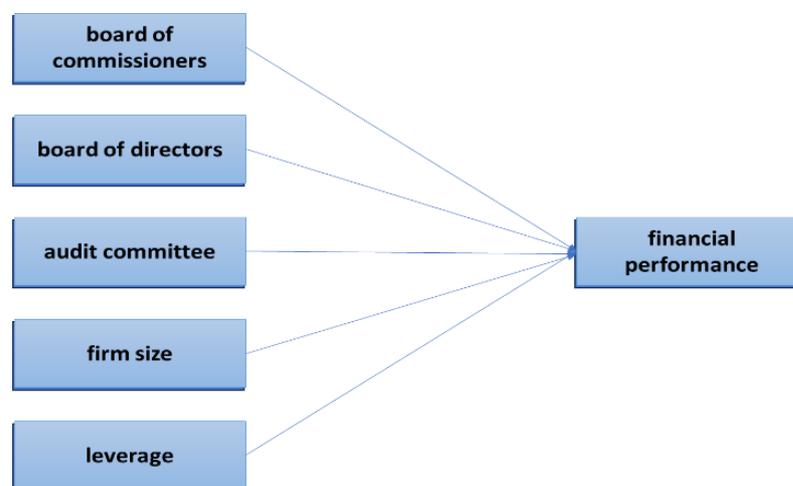
capital expenditures can support higher production capacity, which, in turn, boosts sales and ultimately leads to increased profitability. This conclusion aligns with the results of studies conducted by Anandamaya and Hermanto (2021), Portuna (2022), Wiandani (2024), Ayuningtyas and Mawardi (2022).

H4: Firm Size has a positive influence on financial performance

Leverage

Leverage refers to a company's ability to utilize assets or funds with fixed charges to increase profitability. A higher level of leverage indicates a greater financial risk for the company; however, it also presents a higher potential for returns (Arumningsih, 2018). A leverage level considered safe is approximately 40%, whereas extreme leverage falls within the range of 80%–90%, which may expose a company to significant financial distress. Leverage becomes a persistent concern for companies that carry fixed operational and financial expenses. This leverage ratio is generally used to determine the proportion of a company's total assets financed through debt. A high leverage ratio indicates a capital structure that is more heavily weighted toward debt than equity. If leverage is high, it implies that a greater portion of the company's assets is financed through external loans. Conversely, low leverage suggests that the company relies more on internal funding. Debt financing may reduce the company's tax burden, as interest expenses are tax-deductible, thereby potentially increasing profitability. However, high levels of debt also raise the risk of insolvency. Debt utilization is considered rational as long as it contributes to returns that exceed the associated interest costs (Anandamaya and Hermanto, 2021). Companies may experience improved growth through the strategic use of debt. An increase in debt can lead to an expansion of asset value, thereby enabling the company to fund business activities that support profitability. Greater access to financial resources offers higher potential for returns, although this comes with increased financial risk (Murdhaningsih et al., 2023). According to a study by Putri and Mulyati (2024), leverage has a positive and significant influence on financial performance. Businesses that demonstrate sound financial management can improve their financial performance even when managing substantial levels of debt. As long as debt is effectively managed and allocated toward revenue-generating expenditures, financial performance may improve. Research by Ofulue *et al.*, (2022), Arhinful & Radmehr (2023), leverage has a negative influence on financial performance. This finding aligns with the results of studies conducted by Arumningsih (2018), Situmorang (2021), Ofulue *et al.*, (2022), Arhinful & Radmehr (2023), and Safitri and Akbar (2024).

H5: Leverage has a negative influence on financial performance



Source : Anandamaya and Hermanto, 2021; Safitri and Akbar (2024)

Picture 3. Research Model

RESEARCH METHODOLOGY

Population and Sample

The population in this study comprises construction (infrastructure) sector companies listed on the Indonesia Stock Exchange (IDX). Based on data obtained in 2024, the total number of companies in this population was 69. The sampling technique used in this study was purposive sampling, with the following criteria: (1) construction (infrastructure) sector companies listed on the IDX during the 2019–2023 period, (2) companies that conducted their Initial Public Offering (IPO) in or before 2019, and (3) companies that did not experience delisting during the study period (2019–2023). Based on these criteria, the research sample consisted of 49 construction sector companies listed on the Indonesia Stock Exchange during the 2019–2023 period.

Operational Variable**Table 1. Operational Variable**

No.	Variable	Indicator	Scale
1	financial performance (Y)	$ROA = \frac{\text{Earning After Taxes}}{\text{Total Assets}}$ Source: Purnamasari (2019)	Ratio
2	board of commissioners (X1)	Board of commissioners = amount of board of commissioners Source: Portuna (2022)	Ratio
3	board of directors (X2)	Board of directors = amount of board of directors Source: Setyawan (2019)	Ratio
4	audit committee (X3)	KOMA = \sum Audit Committee Source: Dewi (2023)	Ratio
5	firm size (X4)	FS = Ln Total Assets Source: Anandamaya dan Hermanto (2021)	Ratio
6	leverage (X5)	$DAR = \frac{\text{Total Debt}}{\text{Total Assets}}$ Source: Abdillah (2020)	Ratio

Analysis Technique

This research used descriptive analysis, multicollinearity test, path analysis, coefficient of determination and hypothesis testing (t-test).

RESULT AND DISCUSSION**Descriptive Analysis****Table 2. Descriptive Analysis**

No.	Variable	Year				
		2019	2020	2021	2022	2023
1	ROA	-0.0272	-0.6963	-0.1171	-0.4445	-0.9504
2	DK	4.3265	4.2857	4.4082	4.3673	4.3673
3	DD	4.7143	4.5306	4.6327	4.5714	4.4490
4	KOMA	3.1224	3.0816	3.0612	3.1020	3.1837
5	FS	14.5510	14.5085	14.5881	14.6259	14.6415
6	DAR	27.7171	71.2224	6.2582	4.2212	2.6088

Table 2 shows the average values across all companies. From the table, it can be observed that each ratio exhibits increases and decreases, as seen with the company size (firm size/FS) variable. Other variables, such as the board of commissioners (DK) and board of directors (DD), tend to remain stable, with the average number of commissioners (DK) around 4.3, indicating that companies maintain a balanced governance structure. The board of directors (DD) shows a slight decline. The audit committee (KOMA) increased slightly, suggesting relatively stable governance and supervision. Company size (firm size/FS) remained nearly unchanged, while the debt-to-asset ratio (DAR) spiked significantly in 2020, likely due to pandemic-related impacts, before declining sharply in 2023, indicating a reduction in reliance on debt. Overall, despite fluctuations, companies demonstrated improvements in several aspects of financial performance.

Multicollinearity Test

The multicollinearity test aims to determine whether there is a high correlation among the independent variables in the regression model. This test uses the Variance Inflation Factor (VIF), where a VIF value of less than 10 (<10) indicates the absence of multicollinearity.

Table 3. Multicollinearity Test

No.	Variable	VIF	Conclusion
1	DAR	1.039	No Multicollinearity
2	DD	1.696	No Multicollinearity
3	DK	1.626	No Multicollinearity
4	FS	1.413	No Multicollinearity
5	KOMA	1.289	No Multicollinearity

Source: *Smart PLS, 2024*

Table 3 shows that all independent variables have VIF values below 10, indicating that the regression model is free from multicollinearity issues

Coefficient of Determination (R²)

In this research, the model's goodness-of-fit was assessed using the coefficient of determination (R²). This statistic measures the extent to which the independent variables explain the variation in the dependent variable. However, a known limitation of R² is that it increases with the addition of independent variables, regardless of their actual contribution. Therefore, the Adjusted R² is used as a more reliable measure, as it accounts for the number of predictors and only increases if the new variable improves the model.

The Adjusted R² value for the independent variables—board of commissioners size, board of directors size, audit committee, firm size, and leverage on financial performance is 0.264, or 26.4%. This indicates that 26.4% of the variation in financial performance is explained by the model, while the remaining 73.6% is attributable to other variables not included in this research.

Hypothesis Test (T Test)

Table 4. Path Coefficients Result

Variable	Original Sample (O)	T Statistics	P Values	Conclusion
DK -> ROA	0.015	0.770	0.441	No Significant
DD -> ROA	0.103	2.453	0.014	Significant
KOMA -> ROA	-0.067	1.951	0.051	Significant
FS -> ROA	0.093	1.613	0.107	No Significant
DAR ->ROA	-0.479	1.399	0.162	No Significant

Source: *Smart PLS, 2024*

DISCUSSION

Board of Commissioners on Financial Performance

Based on the results of the t-test that has been conducted, it can be concluded that H1 is rejected and H0 is accepted, indicating that the size of the board of commissioners has no significant influence on financial performance. This suggests that variations in the size of the board of commissioners do not significantly impact financial performance.

Thus, corporate governance mechanisms—specifically through the presence of the board of commissioners—does not contribute significantly to improving financial performance. Although the average number of commissioners is above four, this suggests that the presence of the board of commissioners in the company is not yet able to generate a meaningful positive impact, particularly in fulfilling its supervising role over company management. As a result, market participants may not fully trust the effectiveness of the board of commissioners' supervisory function. Therefore, the supervisory function that should be carried out by the board of commissioners has not been implemented optimally, especially in preventing actions that could harm the company, even though the company continues to incur costs to finance the board of commissioners.

This finding aligns with the results of studies conducted by Gunawan (2018), which stated that the board of commissioners does not influence company performance. Similarly, Ananda (2022) concluded that the board of commissioners does not have a significant effect on company performance, as did Febrina and Sri (2022), Fidiawati and Sulistyowati (2022), Gunawan (2019), Putri and Mulyati (2024), and Putri (2022).

Board of Directors on Financial Performance

Based on the results of the t-test that has been conducted, it can be concluded that H1 is accepted and H0 is rejected, indicating that the size of the board of directors has a positive and significant influence on financial performance. This suggests that the larger the size of the board of directors, the better the financial performance, and vice versa.

The presence of the board of directors can have a significant impact on financial performance, depending heavily on its effectiveness in carrying out strategic decision-making and addressing the problems faced by the company. If the board of directors performs its function effectively—especially in setting policies and ensuring proper supervision—this can lead to better decision-making processes and higher transparency in financial management. Conversely, if the board of directors is ineffective or exists merely to fulfill formal requirements, then an increase in the number of directors will not contribute positively to financial performance.

According to a study by Setyawan (2019), the number of directors has a positive and significant influence on financial performance, with the board of directors collectively making key strategic decisions necessary for company operations. The findings indicate that a larger number of directors improves the financial performance of construction companies. This finding aligns with the results of studies conducted by Putri (2022) and Ananda (2022).

Audit Committee on Financial Performance

Based on the results of the t-test that has been conducted, it can be concluded that H1 is accepted and H0 is rejected, indicating that the audit committee has a negative and significant influence on financial performance. This suggests that the larger the audit committee, the lower the financial performance, and vice versa.

The finding indicates no positive relationship between the size of the audit committee and financial performance. This may be attributed to several factors, such as unclear roles and responsibilities of the audit committee and weak accountability mechanisms, which result in reduced motivation for the audit committee to perform effectively. However, this finding does not imply that the audit committee is unimportant. The audit committee continues to play an important role in supervising financial reporting and internal control processes within the company. This finding, however, highlights the need for a thorough evaluation of the audit committee's effectiveness, as well as the broader corporate governance framework, to ensure that they function optimally and contribute to improved financial performance.

According to a study by Irma (2019), audit committees with a larger size have a negative influence on company performance. This contrasts with the findings of Shanti (2020), who reported that the audit committee has a positive and significant influence on financial performance. This latter finding is supported by the studies of Addina et al. (2023) and Syadeli and Saadah (2021).

Firm Size on Financial Performance

Based on the results of the t-test that has been conducted, it can be concluded that H1 is rejected and H0 is accepted, indicating that size has no significant influence on financial performance. This suggests that the size of the company does not significantly impact financial performance, and vice versa.

Therefore, an increase in firm size does not necessarily guarantee improved financial performance. The findings of this study do not support the agency theory proposed by Jensen and Meckling (1976), which states that larger companies typically have a broader stakeholder base, thereby increasing the impact of their policies on the public interest compared to smaller companies. While large total assets may reflect a company's capabilities and imply that large, established companies tend to have stable financial conditions and benefit from economies of scale, these factors do not automatically translate into improved financial performance.

This finding aligns with the results of a study by Cahyono *et al.*, (2021), Fidiawati and Sulistyowati (2022), which concluded that firm size does not influence financial performance. This contrasts with the findings of Chandra *et al.*, (2019), Afriyie *et al.*, (2021), Wiandani (2024), who reported that firm size has a positive influence on financial performance.

Leverage on Financial Performance

Based on the results of the t-test that has been conducted, it can be concluded that H1 is rejected and H0 is accepted, indicating that leverage has no significant influence on financial performance. This suggests that the level of leverage, whether high or low, does not significantly impact financial performance, and vice versa.

Although leverage can provide companies with access to greater funds for financing expansion or investment, the data shows that other factors—such as risk management, investment strategies, and debt management practices—have a greater influence on financial performance. The descriptive analysis reveals that companies with high leverage levels do not necessarily experience significant improvements in financial performance, as high debt levels may introduce additional risks, including increased interest expenses and liquidity constraints. Conversely, companies with low leverage may adopt more conservative financial strategies,

but this does not automatically result in better financial performance, as they may forgo potentially profitable expansion opportunities.

This finding aligns with the results of a study by Cahyono *et al.*, (2021), (Yester *et al.*, 2020), which concluded that leverage has no significant influence on financial performance. This contrasts with the findings of (Putri and Mulyati, 2024), who reported that leverage has a positive influence on financial performance and contrast with research by Ofulue *et al.*, (2022), Arhinful & Radmehr (2023), leverage has a negative influence on financial performance

CONCLUSIONS

Based on the data analysis that has been conducted and the discussion that has been presented, the results of this study can be concluded as follows: (1) The size of the board of commissioners has no significant influence on financial performance, indicating that variations in the size of the board of commissioners do not significantly impact financial performance; (2) The size of the board of directors has a positive and significant influence on financial performance, indicating that the larger the size of the board of directors, the better the financial performance, and vice versa; (3) The audit committee has a negative and significant influence on financial performance, indicating that the larger the audit committee, the lower the financial performance, and vice versa; (4) firm size has no significant influence on financial performance, indicating that the size of the company does not significantly impact financial performance, and vice versa; (5) Leverage has no significant influence on financial performance, indicating that the level of leverage, whether high or low, does not significantly impact financial performance, and vice versa

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