

THE ROLE OF FINANCIAL PERFORMANCE AS INTERVENING BETWEEN GOOD CORPORATE GOVERNANCE, COMPANY CHARACTERISTICS, AND COMPANY VALUE IN HOTEL, RESTOURANT AND TOURISM LISTED IN BEI

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Abstract

This research is a research study (explanatory Research) with a quantitative approach, the object of research in the entire sub-sector of the hotel, restaurant and tourism which reported the annual report in the year 2013 until the year 2018 Listed in IDX as many as 14 companies. The analysis used is track analysis. Independent variables in Good Corporate Governance (GCG) and company characteristics with institutional ownership (KI) and age (UM) as a proxy, the intervening variables in this research are financial performance with Return On Equity (ROE) as Proxy. The dependent variables in the research of this company's value are represented by Tobin's Q. The results of simultaneous research of good corporate governance and the characteristics of the company have no influence on financial performance. Simultaneously GCG, corporate characteristics and financial performance have an influence on the value of the company.

Keyword: *Good Corporate Governance, Financial Performance Company Characteristics, Company Value*

1. INTRODUCTION

Developments in the business world today are growing rapidly, in order to excel in the company's competition is demanded to be effective and efficient. The implementation of GCG will consistently strengthen the company's competitive position, maximize the value of

the company, manage resources and risks more efficiently and effectively, which will ultimately strengthen the trust of shareholders and stakeholders. Implementation of GCG is expected to improve the management of the company more transparent to stakeholders. Implementation of GCG requires the commitment of all personal organization as the basic policy of order that must be adopted and applied by top management as a code of ethics that must be complied by all parties in the company.

The company's characteristic is the hallmark of a business entity. One of the characteristics of the company is the company's age. The longer the company stands then the better the management. Measurement of the company's performance is an indicator used by investors to assess a company from the market price of the stock on the Indonesia stock Exchange. The better the company performance then the higher the return will be gained by the investor.

Sub-sectors of hotels, restaurants and tourism are one of the industries that are experiencing a rapid increase. Based on the official data of the World Economic Forum the tourism sector has increased in the year 2017 was ranked at 42 and in 2019 Indonesia has reached number 30. So, it is important to further analyse the role of financial performance as a intervening between good corporate governance (GCG), company characteristics and value of the company in the sub sectors of hotels, restaurants and tourism listed on the IDX 2014-2018.

2. LITERATUR REVIEW

2.1. Relation of Good Corporate Governance (GCG), company characteristics and financial performance

The performance of a company is closely related to corporate governance. Good corporate governance will result in good company performance. The company's proprietary structure affects the achievement of the company's objectives because the ownership structure will greatly influence the financial decision making consisting of investment decisions, funding, and policy. Institutional ownership is one of the key corporate governance mechanisms that help to control agency conflict. In Cintia Research (2014) expressed higher institutional ownership, the stronger external control over the company and reduced agency cost, so that the company will use a low dividend.

The proportion of managerial ownership in the company may indicate that there is a common interest between management and shareholders and the small amount of managerial shares in the company may indicate a common The interest between management and shareholders.

The company's characteristics in this research are represented by the company's age. The company's age indicates how long the company was formed and operated. According to Sri (2011) The longer the company operates then the community will know more information about the company. The company's age relies heavily on the length of the company, which also affects financial performance.

2.2. Relation of Good Corporate Governance (GCG), company characteristics, financial performance and company value

According to Retno and Priantinah (2012), the financiers handed the management of the company to professionals, which is the manager and the Commissioner to achieve the value of the company can increase. The long-established company is possible to have a better reputation than the company that has just stood up, because as many as the longer time travel means the company has faced a wide range of conditions that are constantly developing and Different. Companies that can go through these conditions indicate stability in the management of the company.

The longer the company stands then its financial performance is getting better because of the experience that the company has. According to Endang (2013) The characteristics of the company have a significant influence on the company's financial performance. Companies with longer lifespan have the ability to better manage their financial performance so that they can increase the value of the company.

3. RESEARCH METHODS

This type of research is explanatory research with a quantitative approach, i.e. research that intends to explain the relationship between variables through hypothesis testing. The population in this research is the entire hotel, restaurant and tourism company listed on the Indonesia Stock exchange period of 2014-2018. This research has no problems in obtaining data, so the entire population is used as a research object. Therefore, research samples are not used or called census. The variables in this study are grouped into three types, namely,

- a. Independent variables in this study were two: Good Corporate Governance (GCG) and characteristics of companies with institutional ownership (KI) and age (Um) as proxies.
- b. The intervening variables in this research are financial performance with Return On Equity (ROE) as a proxy.
- c. Dependent variables in the research of this company's value are represented by Tobin's Q.

4. DISCUSSION

The research used the sub-sector companies of hotels, restaurants and tourism which reported the annual report from 2013 to 2018. The number of companies engaged in the sub-sector of hotels, restaurants and tourism listed in IDX as many as 14 companies. The list of companies can be seen in table 4.1 below:

Table 4.1 List of Companies

No.	Stock code	Company Name

1.	BAYU	Bayu Buana Tbk
2.	BUVA	Bukit Uluwatu Villa Tbk
3.	FAST	Fast Food Indonesia Tbk
4.	HOME	Hotel Mandarin Regency Tbk
5.	ICON	Island Concepts Indonesia Tbk
6.	JIHD	Jakarta International Hotels dan Development
7.	JSPT	Jakarta Setiabudi Internasional
8.	KPIG	MNC Land Tbk
9.	PANR	Panorama Sentrawisata Tbk
10.	PDES	Destinasi Tirta Nusantara Tbk
11.	PGLI	Pembangunan Graha Lestari Indah Tbk
12.	PJAA	Pembangunan Jaya Ancol Tbk
13.	PNSE	Pujiadi & Sons Tbk
14.	PTSP	Pioneerindo Dourmet International Tbk

Sumber : Indonesia Stock Exchange, (2019)

Based on hypothesis testing results and track analysis shows that the hypotheses submitted are not all acceptable, meaning that not all paths have significantly influence either directly or indirectly between variables Independent and dependent variables.

4.1. The role of Good Corporate Governance and corporate characteristics of financial performance

The result of the analysis of the pathway indicates that the GCG variable and the company characteristic variables that are proscribed with institutional ownership and the company's age have a fcalculate value of $2.30 < F_{table} 2.38$ Hence the basis of decision making in Test F can be concluded that GCG and KrP simultaneously have no effect on the financial performance.

This insignificant influence can occur because the company's legacy and the benefits that can be felt from the implementation of GCG are long term, while the value of financial performance in terms of profitability (ROE) is the size Its periodic performance, thus its influence cannot be seen directly

4.2. The role of Good Corporate Governance, corporate characteristics and financial performance of corporate values

The result of the pathway analysis indicates that the GCG variable, the company's characteristic variable and the financial performance variable which is in the proximate with institutional ownership, age and the company ROE has a Fcount value of $3.25 < F_{table} 2.17$ Then in accordance with the basis of decision making in Test F can be concluded that GCG, company characteristics and the simultaneous financial performance affect the company's value.

Increased institutional ownership will be able to suppress management to further enhance its performance in accordance with GCG practices. The increased performance of the company will be followed by the growth of value companies that can provide added value to institutional investors.

4.3. Correlation between Good Corporate Governance and Company Characteristics

Analysis results known the value of R count for the GCG relationship and the characteristics of the company is R Count $0.392 > R_{table} 0.379$ then it can be concluded that there is a relationship or correlation between the GCG variable and the company's characteristic variables. Because the R count in this analysis is positive value then it means the relationship between the two variables are positive or in other words the increasing GCG will increase the characteristics of the company

5.CONCLUSION

This research aims to analyse the role of financial performance as a intervening between good corporate governance, company characteristics and corporate values in hotel sector companies, restaurants and tourism with the number of research objects As many as

14 companies. Based on the results of data analysis and discussion can be concluded:

1. Simultaneously good corporate governance and corporate characteristics have no influence on financial performance. The higher the good corporate governance and characteristics of the company do not affect the financial performance in a company.
2. Simultaneously GCG, corporate characteristics and financial performance have an influence on the value of the company. The longer the company's governance will experience improved financial performance will be better so that it can increase the value of the company.
3. There is a correlation between good corporate governance and corporate characteristics.

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