

THE EFFECT OF GOOD CORPORATE GOVERNANCE, CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PERFORMANCE ON FINANCIAL PERFORMANCE IN STATE-OWNED ENTERPRISES LISTED ON THE INDONESIA STOCK EXCHANGE IN THE 2019-2022 PERIOD

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Abstract:

Social Responsibility, and Environmental Performance on Financial Performance of State-Owned Enterprises Listed on the Indonesia Stock Exchange for the 2019-2022 Period. Research This due to fluctuations performance state-owned enterprise finances and difference results study previously related connection third factor the to performance finance. Research This use method quantitative with approach analysis panel data regression. Population in study This consists of of the 34 state-owned companies which then selected with technique purposive sampling, obtained 18 companies that met the requirements criteria research. The data used originate from report annual and reports sustainability company during period 2019-2022. The main theory used in study This is Institutional Theory. The results of the study show that Good Corporate Governance influential positive to performance finance. Corporate Social Responsibility influential positive to performance finance. While that, Environmental Performance influential negative to performance finance.

Keywords: Good Corporate Governance, Corporate Social Responsibility, Environmental Performance, Financial Performance

INTRODUCTION

In the competitive era of globalization, performance finance become indicator main the success of BUMN, especially through Return on Assets (ROA) which reflects efficiency use asset in produce profit. However, BUMN still face challenge in achieve optimal ROA, it is seen from decline sharply in 2019 and 2020 as a result the descent profit clean up to 91.94%. Imbalance between growth assets and profits This to signify the need for a more financial strategy effective. Fluctuations in ROA are suspected influenced by the implementation Good corporate governance is not optimal, lack of implementation corporate social responsibility, and its weakness performance environment sustainable.

Corruption case at PT Timah Tbk highlight importance implementation good corporate governance, corporate social responsibility, and environmental performance. With state losses of around 271 trillion rupiah and the impact environment serious, case This weaken trust public and investors. For prevent matter similarly, BUMN needs to strengthen third aspect the use guard stability and improve performance finance.

Good corporate governance prevent deviation through transparency, corporate social responsibility tighten connection with community, and concern environment reduce risk



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regulation. Strengthening aspect This support sustainability and building trust that has an impact positive on performance finance.

Financial performance reflect ability company in produce profit from sales, assets and capital owned (Ardy et al.,2022). Indicators this is very important Because become base for investors in evaluate prospects and sustainability business company. In BUMN, performance finance influential to satisfaction holder stocks and trust stakeholders interest others. Therefore that, achievement performance optimal finance becomes key success operational company.

Good corporate governance is a system that regulates and controls company For create mark plus for all over stakeholders interest (Cahyani and Mayangsari, 2022). Good corporate governance play a role important in increase efficiency operational and prevent deviation like corruption through strict internal supervision.

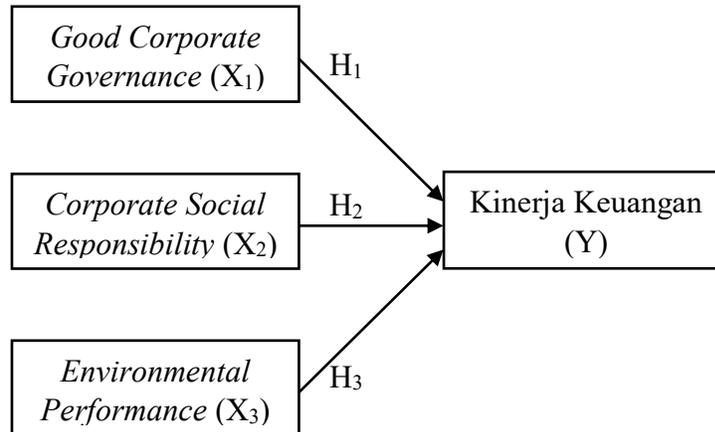
Implementation principle accountability and transparency in Good corporate governance also strengthens investor confidence and facilitate access funding. With Thus, good corporate governance is good in a way direct contribute to the improvement and stability performance finance company.

Corporate social responsibility is commitment company for contribute to development economy sustainable with notice aspect social and environmental (Budhijana, 2022). Corporate social responsibility help build image positive company in the eyes society and create connection harmonious with environment about. The right corporate social responsibility program target can increase loyalty customers and expand the market. therefore that is, integrated corporate social responsibility in business strategy contribute to improvement profit and performance finance term long.

Environmental performance is size on effort company in manage impact its operation to environment, such as management waste and efficiency source Power (Sari et al., 2024). Companies with performance good environment tend more trusted by investors and the public. In addition to helping reduce risk regulation, practice friendly environment can also press cost operational. So from that, strong environmental performance become element important in support sustainability and performance finance company.

Based on phenomenon that has outlined previously , researchers pushed for to study repeat issue the in a way more deep. Therefore that, research This will done with title: "The Influence of Good Corporate Governance, Corporate Social Responsibility, and Environmental Performance on Financial Performance of State-Owned Enterprises Listed on the Indonesia Stock Exchange for the 2019-2022 Period.





Source: Data Processed

Figure 1. Framework Draft

H 1 : Good corporate governance influential to performance finance

H 2 : Corporate social responsibility influential to performance finance

H 3 : Environmental performance influential to performance finance

METHODS

Study This conducted on state-owned companies listed on the Indonesia Stock Exchange for the 2019-2022 period, the taking of sample in study This is use technique purposive sampling, sample in research this is what meets the above criteria amount to as many as 18 companies during 2019 to 2022. Variables dependent in study This is performance measured finance use return on asset. The variables independent in study This is good corporate governance is measured with GCG score referring to the score evaluation based on the Decree of the Secretary of the Ministry of State-Owned Enterprises Number SK-16/S.MBU/2012, corporate social responsibility measured use Corporate Social Responsibility Index (CSRI), which refers to indicators that have been set in Global Reporting Initiative (GRI), and environmental performance measured use Environmental Disclosure Index (EnDI), which refers to indicators environment that has been set in Global Reporting Initiative (GRI).

Table 1. Global Reporting Initiative

No	Variables and Definitions Operational	Measurement	Measurement Scale
1	Financial Performance (Y ₁)	$ROA = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \times 100\%$	Ratio



2	Good Corporate Governance (X ₁)	$GCG = \sum_{i=1}^n (\text{Aspect Weight} \times \frac{\text{Score Achievemen}}{\text{Maximum Score}_i})$	Ratio
3	Corporate Social Responsibility (X ₂)	$CSRI_j = \frac{\sum X_{ij}}{n_j}$	Ratio
4	Environmental Performance (X ₃)	$EnDI = \frac{(\sum \text{[Disclosed En Indicators]})}{(\sum \text{Total Disclosure Indicators})}$	Ratio

Data Analysis Techniques Analysis techniques used in study This namely : technique analysis descriptive , model selection test (Chow test, Hausman test , and Lagrange multiplier test), assumption test classic , analysis panel data regression , and hypothesis testing consisting of from partial test (t-test) and coefficient test determination (R Square test)

RESULT AND DISCUSSION

Table 2. Analysis Descriptive

	Financial Performance (Y)	Good Corporate Governance (X ₁)	Corporate Social Responsibility (X ₂)	Environmental Performance (X ₃)
Mean	1,524	92,086	0.566	0.446
Maximum	11,662	99,020	0.983	1,000
Minimum	-5,803	81,490	0.333	0.032
Std. Dev	3,144	4.824	0.183	0.283
Observations	72	72	72	72

Source: Data Processed (2025)

Based on results analysis descriptive against 72 observation data, variables performance finance own the average value is 1.524 with mark maximum 11,662, minimum -5,803, and standard deviation 3.144. Variable good corporate governance own average value of 92.086, value maximum 99,020, minimum 81,490, and standard deviation 4.824. Variable corporate social responsibility show the average value is 0.566 with mark maximum 0.983, minimum 0.333, and standard deviation 0.183. While that, variable environmental performance has an average of 0.446 with mark maximum 1,000, minimum 0.032, and standard deviation 0.283.



Table 3. Model Selection Chow Test

Redundant Fixed Effects Tests			
Equation: Untitled			
Cross-section fixed effects test			
Effects Test	Statistics	df	Prob.
Cross-section F	3,153	(17.51)	0.001

Source: Data Processed (2025)

Based on chow test results, obtained mark probability of 0.001, the value This more small from level significance 0.05 ($0.001 < 0.05$). With Thus, a more advanced model in accordance For used in analysis This is FEM.

Table 4. Hausman test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Cross-section random effects test			
Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross section	11,147	3	0.011

Source: Data Processed (2025)

Based on Hausman Test results, obtained mark probability of 0.011, the value This more small from level significance 0.05 ($0.011 < 0.05$). With Thus, the most appropriate model For used in analysis This is FEM. With return the FEM model is selected, then the CEM and REM models are not Again used in study This Because Already eliminated in the previous test.

Assumption Test Classic selected model is FEM, according to (Napitupulu et al., 2021) assumption test classic required only heteroscedasticity test and multicollinearity test are necessary done.

Table 5. Heteroscedasticity Test

Dependent Variable: RESABS				
Method: Least Square Panel				
Sample: 2019 2022				
Periods include: 4				
Cross-sections include: 18				
Total panel (balanced) observations: 72				
Variable	Coefficient	Std. Error	t- Statistics	Prob.
C	-6,411	8,816	-0.727	0.471
Good Corporate Governance (X ₁)	8,240	9,820	0.839	0.405

Corporate Social Responsibility (X ₂)	2,740	3,550	0.772	0.444
Environmental Performance (X ₃)	-1,631	2,050	-0.796	0.430

Source: Data Processed (2025)

Based on results of the heteroscedasticity test conducted with using the glejser test obtained mark probability of X 1 is 0.405, the value the probability of X 2 is 0.444, and the value The probability of X 3 is 0.430. Because the value probability all variable more big from 0.05, then can concluded free from symptom heteroscedasticity.

Table 6. Multicollinearity Test

	Good Corporate Governance (X ₁)	Corporate Social Responsibility (X ₂)	Environmental Performance (X ₃)
Good Corporate Governance (X ₁)	1,000	0.532	0.442
Corporate Social Responsibility (X ₂)	0.532	1,000	0.883
Environmental Performance (X ₃)	0.442	0.883	1,000

Source: Data Processed (2025)

Obtained mark correlation variable X 1 with X 2 of 0.532, variable X 1 with X 3 of 0.442, and variable X 2 with X 3 of 0.883. Because the value correlation third variable the more small from 0.9, then can concluded free from multicollinearity.

Analysis Panel Data Regression

Based on results panel data regression with Fixed Effect Model (FEM), equation regression obtained is:

$$Y = -30.995 + 0.001 X_1 + 8.506 X_2 - 4.355 X_3$$

Analysis results regression show that mark constant of -30.995 indicates that without influence variable good corporate governance (X 1), corporate social responsibility (X 2), and environmental performance (X 3), performance finance (Y) predicted of -30,995. Variable good corporate governance (X 1) has an effect positive with coefficient 0.001, meaning every increase of 1 unit good corporate governance will increase performance finance of 0.001. Corporate social responsibility (X 2) also has an effect positive with coefficient 8.506, which means increase of 1 unit corporate social responsibility will increase performance finance of 8.506. On the other hand , environmental performance (X3) has an effect negative with coefficient -4.355, which indicates that 1 unit increase in a variable This precisely lower performance finance of 4,355.



Table 7. Hypothesis Testing

Dependent Variable: Y
 EGLS panel (Cross-section weights)
 Sample: 2019 2022
 Periods include: 4
 Cross-sections include: 18
 Total panel (balanced) observations: 72
 Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t- Statistics	Prob.
C	-30,995	14,247	-2,176	0.034
Good Corporate Governance (X ₁)	0.001	0.001	2,072	0.043
Corporate Social Responsibility (X ₂)	8,506	2,307	3,687	0.001
Environmental Performance (X ₃)	-4,355	1,332	-3,269	0.002

Source: Data Processed (2025)

The results of the t-test show that variable good corporate governance (X₁) has an effect positive in a way partial to performance finance (Y) with mark probability of 0.043. Variable corporate social responsibility (X₂) also has an influence positive in a way partial to performance finance with mark probability of 0.001. While that , variable environmental performance (X₃) has an effect negative in a way partial to performance finance with mark probability by 0.002

Table 8. R Square Test

R -squared	0.657
Adjusted R- squared	0.523
SE of regression	2,474
F- statistic	4,893
Prob (F- statistic)	0,000

Square Value of 0.657 indicates that 65.7% of the variation in performance finance can explained by variables good corporate governance, corporate social responsibility, and environmental performance , meanwhile The remaining 34.3% is explained by other factors outside the model. After adjusted , value Adjusted R-Squared of 0.523 shows that model capabilities in explain variable dependent is by 52.3%.

CONCLUSION

1. Good corporate governance influential positive to performance finances of state-owned companies listed on the Indonesia Stock Exchange during period 2019-2022, because the more tall the quality of governance implemented , the more good profitability too company . Findings This in line with theory institutional through coercive isomorphism ,



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where the pressure regulatory push company apply principles good corporate governance in order to get legitimacy and trust public .

2. Corporate social responsibility influential positive to performance finances of state-owned companies listed on the Indonesia Stock Exchange during period 2019-2022, because commitment to not quite enough answer social increase stakeholder trust which has an impact on increasing profitability . According to theory institutional through normative isomorphism , company pushed For follow social norms in implementation corporate social responsibility in order to maintain reputation and existence in the industry .
3. Environmental performance has an impact negative to performance finances of state-owned companies listed on the Indonesia Stock Exchange during period 2019-2022, because cost tall For activity environment Not yet give impact positive term short . Findings This explained through mimetic isomorphism in theory institutional , where the company copy practice competitor without a mature strategy so that results finance not optimal

Limitations Study

1. Data only until 2022 because score Good Corporate Governance No Again listed in report annual post the revocation of SK -16/S.MBU/2012 in 2023. This make results study Not yet reflect condition latest .
2. Study No differentiate sector state-owned enterprise industry , even though each sector own characteristics unique that can influence connection between good corporate governance, corporate social responsibility , and environmental performance towards performance finance

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