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The Impact of Implementing Green Accounting And Firm Size On Financial Performance With Moderation Of Good Corporate Governance (Study Of Mining Sector Issuers Period 2018-2019)

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ABSTRACT

This study aims to examine the effect of the application of Green Accounting and Firm Size on Financial Performance with the moderation of Good Corporate Governance. The sampling technique in this study uses a purposive sampling method with the population of mining companies listed on the Indonesia Stock Exchange (IDX) in 2018 – 2022 and obtained a sample of 60. The data used in this study is secondary data taken from annual reports, sustainability reports, and the website of the Indonesia Stock Exchange (IDX) or the company's official website. The results of this study show that the implementation of Green Accounting has a positive effect on financial performance, Firm *Size* has a positive effect on financial performance, Good Corporate Governance is able to strengthen the relationship between Green Accounting and financial performance, and Good Corporate Governance weakens the relationship *between* Firm Size and financial performance.

Keywords: Green Accounting, Firm Size, Good Corporate Governance, Financial Performance

INTRODUCTION

Environmental problems in Indonesia often occur due to company operational factors, one of which is problems related to waste disposal. This can lead to landslides, storms, floods, and droughts(Ramadhani et al., 2022). One of them is caused by mining companies. Mining companies are one of the strong supporters of national economic development because they have the ability to generate various types of profits, one of which is the country's foreign exchange(Abdullah et al., 2021). However, the mining industry has a negative impact on the environment because it results in a fairly high environmental risk where raw materials are taken directly from nature, causing waste that has an impact on the environment (Khasanah et al., 2023). Referring to the closing document of the Mining Advocacy Network (JATAM) in 2020, there were 45 mining conflicts, of which 22 cases were caused by pollution and environmental damage (https://www.bbc.com, 2021).

From the problem of environmental damage that occurs, companies must apply green accounting to overcome problems related to the environment with the company and with the surrounding community (Sari & Wahyuningtyas, 2020). Green accounting is the science of accounting related to the calculation and inclusion of preventive costs as well as those that have occurred as a result of the company's operational activities that have an impact on the environment and society (Hamidi, 2019). According to the application ofLusiana et al., (2021) green accounting in a company, it can improve the performance of its environment so that it affects the improvement of the company's financial performance.

The company's financial performance is one of the important factors that investors must pay attention to because it is a benchmark for investment decision (Sari, 2023). Financial performance is a determination of how well a company is generating profits (Angelina & Nursasi, 2021). According to Abdullah et al., (2021) profit is one of the main goals for companies because it is in the form of income obtained from efficient and productive operational activities. If a company can maximize profits well, it will affect the company's profits.

Another factor that can affect financial performance is firm size or company size. (Ningsih & Wuryani, 2021). Firm size is a reflection of the total assets owned by the company (Dewi & Candradewi, 2018). According to Putri et al., (2022) company size is a value that can show the size of the company which can be classified based on total assets, total sales, average income, and the number of shares owned by the company (Isnaini & Wahyuningtyas, 2022; Latifah & Susesti, 2024).

In running a company, there are other factors that support or affect the relationship between green accounting and firm size on financial performance, namely Good Corporate Governance or corporate governance. Transparency and accountability in corporate governance are important in the face of increasingly fierce business competition (Bangun et al., 2024).Good Corporate Governance as a moderation variable is expected to be used as a tool to convince investors of the results they have invested (Saputra et al., 2022). In Indonesia, it has become an obligation for every company to implement a Good Corporate Governance system (Mulyanti & Rahma, 2020). The implementation of Good Corporate Governance also results in a good work culture because it can maintain the company's reputation and maintain the company's survival in the long term (Putri et al., 2022). Thus, it also has an impact on improving environmental management because it can increase the company's share price so that it can attract investors to invest their capital which affects the increase financial performance (Firdaus, 2023; Nastiti et al., 2020).

Previous research conducted by Zalukhu et al., (2022) andSari, (2023) shows that green accounting has a positive influence on the financial performance of a company. However, in research Angelina & Nursasi, (2021) and Bellamy et al., (2023) show that green accounting has no effect on financial performance. Research Ayuningtyas & Mawardi, (2022) and Dewi & Candradewi, (2018) show that firm size has a positive effect on financial performance. While, research belonging to Tambunan & Prabawani, (2018)and Kurniawati et al., (2020) firm size have a negative effect on financial performance. Research conducted by Ramadhani et al., (2022) and Wardianda & Wiyono, (2023) show thatGood Corporate Governance is able to moderate the relationship between green accounting and financial performance. However, the results of the study are different from the research conducted by which it actually shows that Firdaus, (2023) and Putri et al., (2022) green accounting has a negative influence on financial performance. Then the research conducted by Ngurah et al., (2020) found the results that Good Corporate Governance is able to strengthen the relationship between firm size and financial performance. Meanwhile, the research conducted by Ayuningtyas & Mawardi, (2022) found thw results that Good Corporate Governance strengthens insignificant firm size on financial performance.

Based on the description, phenomena, and differences in the results of previous research, this study aims to examine the impact of the application of green accounting and firm size on financial performance moderated by Good Corporate Governance.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Stakeholder Theory

The term Stakeholder was first introduced by the Stanford Research Institute in 1963 and then by R.E. Freeman in 1984. This theory does not only focus on increasing the profit of a company, but also focuses on improving the health of stakeholders. Therefore, the company has an interrelated relationship with stakeholders in realizing the company's goals of increasing company value and stakeholders welfare for the sustainability of a company (Angelina & Nursasi, 2021). Stakeholder theory is one of the theories that can motivate companies to disclose sustainability reports including environmental activities and the implementation of green accounting by a company that are needed by stakeholders so that they can improve the company's reputation in the eyes of stakeholders (Sari, 2023).

Signal Theory

The signal theory was first proposed by Michael Spence in 1973 in his research entitled Job Market Signalling. Signal theory is a step taken by company management to provide guidance to investors regarding management's view of the company's prospects. Signal theory is also the basis for understanding the state of a company which is reflected in the timeliness of the company in publishing its financial statements (Rochman & Andayani, 2023; Sihombing, 2021). By providing transparent financial reporting, companies can build trust, reduce risk and strengthen relationships with stakeholders (Bangun et al., 2024; Simorangkir, 2019).

Agency Theory

The Agency Theory was first proposed by Jensen and Meckling in 1976. This theory arose because of the existence of a contract between the owners of the company by involving the company manager to manage the company on behalf of the owner (Rizki & Saad, 2021). Agency theory is a basic theory to answer problems related to corporate governance. The main factor in the emergence of the agency theory is the difference in interests between principal and Agent. When Agent Having goals that are not aligned with the owner's long-term goals, they tend to take actions that are more beneficial to themselves than the company as a whole (Amalia Elfita & Agustina, 2020; Lee & Lukman, 2023).

Application of Green Accounting to Financial Performance

Application Green Accounting on financial performance supported by theory Stakeholder*s*. Green accounting plays an important role in the company's communication with the community and stakeholders regarding the economic impact of environmental responsibility activities (Dewi & Muslim, 2022). Application Green Accounting against the company as proof that the company cares about the environment because it has disclosed environmental costs in its financial statements (Angelina & Nursasi, 2021). The higher the disclosure Green Accounting then stakeholders will be more interested and invest their capital in the company so that the company gets a positive impact on better and sustainable financial performance (Nianty et al., 2023). This is supported by proprietary research that found that Yatminiwati, (2020) and Zalukhu et al., (2022) Green Accounting have a positive effect on financial performance. Based on the description above, the hypothesis proposed in this study is as follows:

H1: Green Accounting has a positive effect on Financial Performance

Firm Size on Financial Performance

Firm size on financial performance supported by signal theory. The size of a company can signal investors to invest. If a company can provide information about efficient asset management, it can signal to investors about the company's good prospects in the future, so that investors are interested in investing (Arisudhana & Priyanto, 2023). The size of the company has an important role in the financial reporting process which is measured based on the assets owned by the company (Putri & Raflis, 2024). A large company size means that the total number of company assets is larger, so the more efficient the company's financial performance will be. Because the company is said to be able to manage assets that can increase profits. This is supported by proprietary research that found that (Dewi & Candradewi, (2018) and Maryadi & Dermawan, (2019) firm size have a positive effect on financial performance. Based on the description above, the hypothesis proposed in this study is as follows:

H2: Firm Size has a positive effect on financial performance

The Influence of Good Corporate Governance as a Moderation Variable in the Relationship between the Implementation of Green Accounting on Financial Performance

According to Rizki & Saad, (2021) the agency theory, it is the basis of the theory to answer problems related to Good Corporate Governance which is aimed at the relationship between *the principal* and *the agent* in the company related to the company's financial performance in decision-making. Companies that implement good governance tend to be more transparent and accountable in their financial and operational reporting (Ramadhani et al., 2022). With good governance, the disclosure of environmental information carried out in green accounting will have an impact on increasing trust from stakeholders. This trust can attract more investment in it, thereby improving the company's financial performance. In addition, the implementation of Good Corporate Governance makes companies better able to identify and manage environmental risks disclosed in green accounting (Wardianda & Wiyono, 2023). This is supported by research that found that Anggraeni et al., (2024) and Ramadhani et al., (2022) Good Corporate Governance is able to strengthen the influence of green accounting on financial performance. Based on the description above, the hypothesis proposed in this study is as follows:

H3: Good Corporate Governance is able to strengthen the Implementation of Green Accounting on Financial Performance

The Effect of Good Corporate Governance as a Moderation Variable in the Relationship between Firm Size and Financial Performance

Agency theory emphasizes the importance of establishing a good governance structure through clear legal contracts between shareholders and management. The development of effective corporate governance mechanisms can reduce agency costs and ensure that

management acts in accordance with the interests of shareholders (Amalia Elfita & Agustina, 2020). The application of Good Corporate Governance in large companies tends to have a more complex organizational structure. Large companies tend to get more attention from the public. So large companies usually maintain the stability and condition of their companies by maintaining and continuing to improve their performance through good corporate governance. In addition, the implementation of Good Corporate Governance in large companies is more detailed and transparent because it can hire professionals to meet the standard principles of Good Corporate Governance compared to small companies that have limited resources Putri & Raflis, (2024) and Putri et al., (2022). This is supported by proprietary research that finds that Bangun et al., (2024) and Ngurah et al., (2020) Good Corporate Governance can strengthen the influence of firm size on financial performance. Based on the description above, the hypothesis proposed in this study is as follows:
H4: Good Corporate Governance is able to strengthen Firm Size on Financial Performance

METHODS

The data used in this study is secondary data. Secondary data were obtained from *website* The Indonesia Stock Exchange (IDX) is www.idx.co.id or *website* The company's official report data in the form of annual report data (*annual report*) and sustainability reports (*Sustainability Report*) in mining companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period and data on the assessment of compliance ratings with the regulations of the Minister of Environment (PROPER) (Maryanti & Hariyono, 2020). In this study, researchers analyzed data using an application *Statistic Package For Social Science software* (SPSS).

1. Financial Performance is measured using *Return On Assets* (ROA)

In research Zalukhu et al., (2022), ROA was calculated using the following formula:

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} x\ 100\%$$

2. Green Accounting is seen from the company's achievements through the PROPER program.

Criterion	Valuation	*Score*
Gold	Very very good	5
Green	Excellent	4
Blue	Good	3
Red	Bad	2
Black	Very Bad	1

Table 1. PROPER Rating Criteria
(Source : http://proper.menlhlk.go.id)

Criterion	Information	*Score*
Gold	Companies consistently demonstrate environmental excellence in their production or service activities, operate ethically, and be responsible to their communities.	5
Green	By introducing an environmental management system, using resources efficiently through the 4R (*Reduce, Recycle, Reuse,*	4

	Recovery), and fulfilling social responsibility, the company will practice environmental management more than necessary.	
Blue	The company is committed to environmental management as required by law.	3
Red	Companies manage the environment without complying with the requirements mandated by the Act.	2
Black	Companies that deliberately negligently result in pollution or damage to the environment and violate the rules of the Law and do not undergo administrative sanctions	1

Table 2. PROPER Rating Criteria
(Source : https://proper.menlhk.go.id/proper/)

3. Firm size or company size is measured using natural Logarithmic proxies of total assets. In research Bangun et al., (2024) Firm Size was measured using the following formula:
Firm Size = Ln Total Assets

4. Good Corporate Governance is measured using the Independent Board of Commissioners. In research Nastiti et al., (2020) the independent board of commissioners was measured using the following formula:

$$\mathbf{DKI} = \frac{\textbf{Independent member of the board of commissioners}}{\textbf{Total members of the boards of commissioners}}\ \boldsymbol{x}\ \mathbf{100\%}$$

RESULTS

1. Descriptive Statistics
Descriptive statistics is a description of a data seen from the lowest (*minimum*), highest (*maximum*), and mean values and standard deviations of all variables used in research (Ghozali, 2018). The variables used in this study are Green Accounting (X1), Firm Size (X2), Good Corporate Governance (Z) and Financial Performance (Y).

Table 3. Descriptive Statistical Test Results

Variable	**N**	***Minimum***	***Maximum***	***Mean***	***Std. Deviation***
GA	60	3,000	5,000	3,63333	0,801834
SIZE	60	21,465	25,468	23,60157	1,189038
ROA	60	-0,099	0,455	0,07178	0,095044
GCG	60	0,250	0,500	0,39288	0,064480
Valid N (listwise)	60				

(Source: Output SPSS 26, Secondary Data has been processed)

Based on the descriptive statistical test of the table above, it is known that the number of data in this study is 60 data with the following results:

a. The results of *the* Green Accounting *(X1)* analysis using the PROPER indicator produced a minimum value of 3,000, a maximum value of 5,000, an average value of 3.63333 and a standard definition of 0.801834. The standard deviation value of the GA variable is lower than the average value, so it can be interpreted that the GA variable has a low level of data variation homogeneous.

b. The results of the Firm Size (X2) analysis using *the size* indicator produced a minimum value of 21.465, a maximum value of 25.468, an average value of 23.60157 and a standard definition of 1.189038. The standard deviation value of the *size* variable is lower than the average value, so it can be interpreted that the size variable has a low level of data variation homogeneous.
c. The results of the Good Corporate Governance (Z) analysis using the indicator of the number of Independent Board of Commissioners (DKI) resulted in a minimum value of 0.250, a maximum value of 0.500, an average value of 0.39288 and a standard definition of 0.64480. The standard deviation value of the GCG variable is lower than the average value, so it can be interpreted that the GCG variable has a low level of data variation homogeneous.
d. The results of the Financial Performance (Y) analysis in the table above using *the Return On Assets* (ROA) indicator produced a minimum value of -0.099, a maximum value of 0.455, an average value of 0.07178 and a standard definition of 0.095044. The standard deviation value of the ROA variable is higher than the average value, so it can be interpreted that the ROA variable has a high heterogeneous data variation.

2. Multiple Linear Regression and MRA Analysis

Multiple linear regression analysis aims to see how influential the dependent variable and the independent variable are. Moderated Regression Analysis (MRA) aims to test the direct relationship between independent variables and dependent variables. This moderation variable can strengthen or weaken the relationship between independent variables and dependent variables.

Table 4. Multiple Linear Regression and MRA Test Results

Variable	*Unstandardized Coefficient*		*Standardized Coefficient*	T	Sig.
	B	*Std. Error*	Beta		
Constant	-1,427	0,556		-2,565	0,013
GA	0,132	0,041	1,918	3,229	0,002
SIZE	0,048	0,025	1,035	1,905	0,062
GCG	5,990	1,221	7,005	4,904	0,000
GA*GCG	0,006	0,005	2,566	1,378	0,171
SIZE*GCG	-0,215	0,059	-6,355	-3,621	0,001

Based on the table above, the regression equation can be described as follows:

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X1*Z + \beta 4X2*Z + e$

$Y = -1,427 + 0,132X1 + 0,048X2 + 0,006X1*Z + 0,215X2*Z + e$

The linear regression equation above can be explained as follows:

a. The value of the constant (α) of -1.427 indicates that if the independent and moderater variables do not change (constant), then the value of financial performance will decrease by 1.427 times caused by other variables that are not used in this study.

b. The regression coefficient value for the Green Accounting variable (X1) has a positive value of 0.132 which indicates that there is a positive (unidirectional) influence between Green Accounting and financial performance. If the Green Accounting variable increases by 1%, the financial performance variable also increases by 0.132, assuming that the other variables remain constant.
c. The regression coefficient value for the Firm Size variable (X2) has a positive value of 0.048 which indicates that there is a positive (unidirectional) influence between Firm Size and financial performance. If the Firm Size variable increases by 1%, the financial performance variable also increases by 0.048, assuming the other variables remain constant.
d. The regression coefficient value for the interaction variable Green Accounting (X1) with the moderation variable Good Corporate Governance has a positive value of 0.006 which indicates that there is a positive (unidirectional) influence between the GA interaction variable and the GCG moderation variable on financial performance. If the GA interaction variable with the GCG moderation variable increases by 1%, the financial performance variable also increases by 0.006, assuming the other variables remain constant.
e. The regression coefficient value for the Firm Size (X2) interaction variable with the Good Corporate Governance moderation variable has a negative value of -0.215 which indicates that there is a negative (non-directional) influence between the size interaction variable and the GCG moderation variable on financial performance. If the size interaction variable with the GCG moderation variable increases by 1%, the financial performance variable decreases by 0.215, assuming that the other variables remain constant.

3. Hypothesis Test
   a. Test Result F
   This test aims to find out whether all independent variables have a joint influence on the dependent variables. If in the study the significant value < 0.05, then the independent variable (X) simultaneously affects the dependent variable (Y).

Table 5. Test Result F

Type	Df	F	Sig	Information
1	3	7,169	0,000	Significant Influence

(Source: SPSS 26 output, data processed)

Based on the table above, it shows that the result of the F test value in this study is 0.000 which means < 0.05 so that the equation in this regression is feasible to use. This test is used to test the regression coefficient hypothesis at the same time. Based on the significance summary table, the F test hypothesis is accepted so that the variables *of* Green Accounting, firm size, and Good Corporate Governance together affect financial performance.

b. Test Results t

This test aims to find out whether independent variables partially affect dependent variables. If the t-test is significant < 0.05, it means that the independent variable (X) partially affects the dependent variable (Y).

Table 6. Test Results t

Variable	*Unstandardized Coefficient*		*Standardized Coefficient*	T	Sig.
	B	Std. Error	Beta		
Constant	-1,427	0,556		-2,565	0,013
GA	0,132	0,041	1,918	3,229	0,002
SIZE	0,048	0,025	1,035	1,905	0,062
GCG	5,990	1,221	7,005	4,904	0,000
GA*GCG	0,006	0,005	2,566	1,378	0,171
SIZE*GCG	-0,215	0,059	-6,355	-3,621	0,001

(Source: SPSS 26 output, data processed)

Based on the results of the t-test in the table above, it shows that:

1. The Green Accounting variable (X1) showed the result that the significant value was 0.002 which means less than 0.005 with a beta value of 1.918 so that the Green Accounting variable (X1) had an effect on financial performance (Y), so H1 was accepted.
2. The Firm Size variable (X2) showed the result that a significant value of 0.062 which means less than 0.1 with a beta value of 1.035 so that the Firm Size variable (X2) had an effect on financial performance (Y), so H2 was accepted.
3. The interaction variable between Green Accounting (X1) and the Good Corporate Governance (Z) variable showed that the significant value was 0.171 which means greater than 0.05 with a beta value of 2.566 so it can be concluded that the Good Corporate Governance (Z) variable could not strengthen the relationship between Green Accounting (X1) and the company's financial performance, so H3 was rejected.
4. The interaction variable between Firm Size (X2) and the Good Corporate Governance (Z) variable showed a significant value of 0.001 which was smaller than 0.05 with a beta value of -6.355 so that it can be concluded that Good Corporate Governance (Z) can strengthen the relationship between Firm Size (X2) and financial performance, so that H4 is accepted.

DISCUSSION

1. Green Accounting on Financial Performance

Based on the hypothesis test, it is known that the t-test value obtained from the regression coefficient value of 0.132 with a significant value of 0.002 shows that the error rate is less than 0.1 and the beta value is 1.918. So that hypothesis 1 in this study is accepted. The results of this study are in line with proprietary research which also shows that Emmanuel, (2021) and Zalukhu et al., (2022) Green Accounting has a positive effect on financial performance.

This shows that the high level of disclosure of a company's Green Accounting as indicated by the PROPER rating obtained by a company can affect the company's profitability level so that it affects its financial performance. With the PROPER rating, the public and stakeholders will have more trust in companies that are able to protect their company's environment through the implementation of Green Accounting. This can build stakeholder trust to invest in the company and can create a good image to the community.

2. **Firm Size on Financial Performance**

Based on the hypothesis test, it is known that the t-test value obtained from the regression coefficient value of 0.048 with a significant value of 0.062 indicates that the error rate is less than 0.05 and the beta value is 1.035. So that hypothesis 2 in this study is accepted. The results of this study are in line with proprietary research that shows that company size has a positive effect on financial performance.Dewi & Candradewi, (2018) and Maryadi & Dermawan, (2019)

This shows that companies that have large sizes also have a larger total number of assets, so the company's financial performance tends to be more efficient. This is due to the ability of large companies to manage assets effectively to increase profits. This can give a positive signal to potential investors to continue investing so that it has an effect on improving financial performance.

3. **The Influence of Good Corporate Governance as a Moderation Variable in the Relationship between the Implementation of Green Accounting and Financial Performance**

Based on the hypothesis test, it is known that the t-test value obtained from the regression coefficient value of 0.006 with a significant value of 0.171 shows that the error rate is greater than 0.05 and the beta value is 2.566. So hypothesis 3 in this study was rejected. The moderation used in this study is called pseudo-moderation. The results of this study are in line with proprietary research showing that Good Corporate Governance weakens the relationship between Green Accounting and financial performance.Bangun et al., (2024) and Firdaus, (2023)

This shows that Good Corporate Governance as measured by the independent board of commissioners does not guarantee that the number of independent board of commissioners can closely supervise the company's management activities and cannot guarantee that there will be no fraudulent acts. Companies that disclose Green Accounting as shown from a high PROPER rating also do not guarantee that the company can improve its financial performance, because in this case to get a high PROPER rating, high costs are also required for the company's operational costs so that it can reduce the company's profit which can affect its financial performance.

4. **The Effect of Good Corporate Governance as a Moderation Variable in the Relationship between Firm Size and Financial Performance**

Based on the hypothesis test, it is known that the t-test value obtained from the regression coefficient value of -0.125 with a significant value of 0.001 shows that the error rate is less than 0.05 and the beta value is -6.355. So that hypothesis 4 in this study is accepted. The moderation used in this study is called pseudo-moderation. The results of this study are in line with proprietary research that shows that Good Corporate Governance strengthens the relationship between Firm Size and financial performance.Bangun et al., (2024) and Putri et al., (2022)

This shows that an effective Good Corporate Governance system can minimize the abuse of authority carried out by management. Companies with a large number of assets have an advantage in implementing a good corporate governance system, because they have adequate resources. The large size of the company can make it easier for management to use these assets more freely. The larger the size of the company, the easier it is to attract the attention of investors and the public to continue investing, so the company will be encouraged to continue to improve its financial performance.

CONCLUSION

This study aims to test and explain the effect of the application of Green Accounting, Firm Size on financial performance with moderation of Good Corporate Governance listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. The type of data used in this study is quantitative with secondary data sources through annual reports and sustainability reports obtained through the Indonesia Stock Exchange (IDX) website and the company's website which is used as a sample in this study. In this study, SPSS 26 was used for data processing. So it can be concluded as follows:

1. The Green Accounting variable has a positive effect on financial performance. With the existence of a PROPER rating shows that the company is able to take responsibility for protecting its environment through the implementation of Green Accounting so that the public and investors will have more trust in the company. This trust can provide financial benefits for the company which in turn can improve financial performance.
2. The Firm Size variable has a negative effect on financial performance. A large company size is necessary to give a positive signal to investors to make investments. That way, the total number of assets owned by large companies is also increasing, so that financial performance has also increased. Because large companies can manage their assets properly and correctly to increase the company's profits.
3. The Good Corporate Governance variable weakens the relationship between Green Accounting and financial performance. By maximizing good corporate governance, companies also need to pay attention to environmental risks through the implementation of Green Accounting. In this case, it requires greater costs for the company's environmentally friendly operational activities so that it can reduce the company's profit.
4. The Good Corporate Governance variable strengthens the application of Firm Size to financial performance. Companies with a large number of assets have an advantage in implementing Governance system because they have adequate resources. This can reduce the risk of abuse of authority and support the efficient use of assets. So that the company can attract the attention of the public and investors who can encourage improved financial performance through better governance practices.

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