THE EFFECT OF GOOD CORPORATE GOVERNANCE (GCG) ON FINANCIAL PERFORMANCE WITH CORPORATE SOCIAL RESPONSIBILITY (CSR) AS AN INTERVENING VARIABLE (EMPIRICAL STUDY ON PRIMARY CONSUMER SUB SECTOR COMPANIES LISTED ON THE IDX 2018 - 2022)

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ABSTRACT

This research aims to examine the influence of Good Corporate Governance (GCG) including institutional ownership and the board of commissioners on financial performance with Corporate Social Responsibility (CSR) as an intervening variable. This research uses financial performance as the dependent variable and Good Corporate Governance as a proxy for institutional ownership and the board of commissioners as the independent variable and Corporate Social Responsibility (CSR) as the intervening variable. This type of research is associative research. This research uses secondary data in the form of annual financial reports originating from the Indonesia Stock Exchange (BEI). The population in this research is Primary Consumer Sub-Sector Companies listed on the Indonesia Stock Exchange 2018-2022. The sampling technique in this research used a purposive sampling method, 7 companies were obtained as research samples. The data analysis technique in this study uses the multiple linear regression analysis method and the data analysis tool in this study uses the Eviews version 12 software program. The results of the study show that GCG and CSR together have a positive effect on the company's financial performance, while the proxies for institutional ownership and the board commissioner is partially insignificant. Likewise, CSR does not have a significant impact on financial performance. In addition, the board of commissioners proxy influences financial performance through CSR as a moderation, while the institutional ownership proxy does not have a similar effect.

Keywords: Good Corporate Governance, Institutional Ownership, Board of Commissioners, Corporate Social Responsibility, Financial Performance

1. INTRODUCTION

A company is an organization formed to achieve certain goals, both economic and social goals. In achieving these goals, companies need competent and professional management. Management is responsible for managing company resources effectively and efficiently so that company goals can be achieved.

The main objective of the company is to maximize profits (profit) for its owners. In achieving profits, management sometimes makes decisions that can harm shareholders, for example by committing unfair practices (fraud). These unhealthy practices can be in the form of earnings management, embezzlement of company funds, or corruption. These practices can have a negative impact on the company's image and financial performance.

Studies state that agency conflicts arise when people in different positions sacrifice corporate goals for personal interests (Shil, 2008). Another opinion states that agency conflicts are conflicts caused by the intersection of interests between owners and management (Kimmel

et al., 2020). This conflict occurs due to differences in interests between owners and management. Company owners want high profits, while management wants high compensation and job security.

To avoid agency conflicts, a strong supervisory system is needed in the form of good corporate governance. Corporate governance is a set of principles and practices that aim to regulate the relationship between owners, management, and other parties with an interest in the company (OECD, 2023). Good corporate governance can help protect the interests of the company's stakeholders, including shareholders, management, employees and consumers.

The phenomenon of the importance of Good Corporate Governance (GCG) in a company can be seen from the Lippo Group case in 2018, where it was revealed that their subsidiary was involved in a corruption crime related to bribery to obtain a permit for the Meikarta project. As a result, the shares of the Lippo Group's property entities listed on the Indonesia Stock Exchange (IDX) experienced a drastic decline. Data shows that the shares of PT Lippo Cikarang Tbk (LPCK), the developer of the Meikarta project, fell 240 points (14.77%) to IDR 1,385,- after opening at the level of IDR 1,625,- while the shares of PT Lippo Karawaci Tbk (LPKR) also fell 8 points (2.68%) to IDR 290,- (Purwanto, 2021). These conditions imply losses for investors and shareholders and threaten the financial stability and sustainability of the Lippo Group as a whole.

The above case is in line with previous research which shows that GCG affects financial performance (Titania & Taqwa, 2023). In this study, the GCG analyzed includes institutional ownership and the board of commissioners. Institutional ownership is the percentage of share ownership from institutional bodies, for example banks, insurance, government, and other institutional institutions (Wulandari & Budiartha, 2014). Institutional ownership in the agency perspective can be used as a control of opportunistic behavior. This is because institutional owners have greater resources and capacity to supervise management than individual shareholders (Akhbar & Yuniarti, 2023). Furthermore, the board of commissioners according to POJK Number 33 of 2014 is an organ of the organization that provides advice to the board of directors to supervise as well as possible and act to prevent conflicts between management and stakeholders. An important authority of the board of commissioners is to form an audit committee to support effectiveness in carrying out duties and responsibilities. From an agency theory perspective, the board of commissioners acts as an internal control for management from opportunistic behavior by using the company's cash flow (Akhbar & Yuniarti, 2023).

Studies show that the board of commissioners has a significant effect on financial performance (Rahmawati et al., 2017; Aiman & Rahayu, 2019; Titania & Taqwa, 2023). Different findings show that the board of commissioners has no significant effect on financial performance (Melia, 2015; Tetius & Christiawan, 2015; Candradewi & Sedana, 2016; Wati, 2016; Setyawan, 2019; Yunina & Nisa, 2020; Yuliyanti & Cahyonowati, 2023). Furthermore, institutional ownership is also proven not to affect financial performance (Setyawan, 2019; Wendy & Harnida, 2020; Yuliyanti & Cahyonowati, 2023). Meanwhile, the results of other studies contradict this conclusion which states that institutional ownership affects the company's financial performance (Wulandari & Budiartha, 2014; Candradewi & Sedana, 2016; Novitasari et al., 2020).

Financial performance is defined as a description of the financial position at a certain time of the company as measured by indicators of liquidity, solvency, activity and profitability ratios (Setyahadi & Narsa, 2020). The ratio that is most often and commonly used to assess aspects of sales, assets and share capital is Return On Assets (ROA) (Hamdani et al., 2018). Therefore, ROA is the aspect analyzed in measuring financial performance in this study.

Another factor that also affects financial performance proxied by ROA is Corporate Social Responsibility (CSR). CSR is part of the business strategy to support the sustainability of the company in the future (Yuniasih & Wirakusuma, 2007). This is based on the reason that the company cannot be separated from the role of society as a supporting subject of the company's success. The achievement of profit and CSR in the company is a unity. Without the community, the company will not run properly and will never even exist and achieve profit.

Given the importance of CSR disclosure for the business world, the government issued regulations on the obligation to practice and disclose CSR in the Limited Liability Company Law Number 40 of 2007. Article 66 paragraph (2) part C states that in addition to submitting financial reports, companies are also required to report on the implementation of social and environmental responsibility. Article 74 paragraph (1) states that companies that carry out business activities in the field related to natural resources are obliged to carry out social and environmental responsibility (Kurniati & Rahmatullah, 2011).

The interesting thing is the study results which state that there is an influence of GCG proxied by institutional ownership and the board of commissioners and CSR which is an intervening variable on financial performance (Akhbar & Yuniarti, 2023). The audit committee formed by the board of commissioners and institutional ownership can be a factor that encourages management to disclose CSR. The audit committee encourages management to disclose CSR through oversight of financial statements, creating transparency and positive relationships. Furthermore, institutional ownership also encourages CSR disclosure to gain legitimacy from investors, making CSR disclosure obligations part of a control mechanism that improves the company's financial performance.

Researchers conducted research related to financial performance based on the reason that financial performance is the main indicator of the operational and financial success of a company. Financial performance analysis provides a clear picture of the extent to which a company can achieve its financial objectives, including profitability, liquidity and operational efficiency. This will have significant implications for stakeholders, such as investors, financial analysts and regulators. Therefore, this study is intended to enhance a deeper understanding of the factors that influence the financial performance of companies in Indonesia. In addition, this study is also intended to prove and find the truth of the inconsistent results of previous studies regarding the effect of GCG with proxies of institutional ownership and the board of commissioners and CSR as intervening variables on financial performance.

Researchers use primary consumer sub-sector companies listed on the Indonesia Stock Exchange as research objects because primary consumer sub-sector companies have an important role in the Indonesian economy. As an economic pillar, primary consumer sub-sector companies not only maintain economic stability through the provision of vital goods and services, but also play an important role in economic growth and national development.

Analysis of the primary consumer sub-sector provides an overview of economic stability, the level of public consumption, and provides a foundation for sustainable economic policy and business development that is competitive in the global market.

This study aims to investigate and provide empirical evidence regarding the effect of Good Corporate Governance (GCG) using the proxy of institutional ownership and the board of commissioners, as well as Corporate Social Responsibility (CSR) partially and simultaneously on financial performance. Furthermore, this study examines the effect of GCG with the proxy of institutional ownership on financial performance mediated by CSR. Similarly, this study seeks to determine the effect of GCG with the proxy of the board of commissioners on financial performance mediated by CSR. Thus, this problem formulation provides a comprehensive framework for understanding the complex relationship between GCG elements, CSR, and financial performance in the context of this study.

2. RESEARCH METHODS

This research adopts an associative approach to investigate the relationship between interrelated variables. With a focus on primary consumer sub-sector companies listed on the Indonesia Stock Exchange (IDX), data was obtained from www.idx.co.id and the company's official website for the period 2018-2022. The research time was conducted from October 2023 to completion. The dependent variable, financial performance (ROA), is measured as the ratio of net profit after tax to total assets. Good Corporate Governance (GCG) as an independent variable is represented by institutional ownership and the board of commissioners. Institutional ownership is calculated as the proportion of shares owned by institutions, while the board of commissioners is measured as the percentage of total members of the board of commissioners. The intervening variable, Corporate Social Responsibility (CSR), is measured using the Corporate Social Responsibility Disclosure Index (CSRDI) which includes seven categories.

The study population consists of 30 primary consumer sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2022 period, with inclusion criteria in the form of publishing consecutive financial reports. Sampling using purposive sampling technique, involving companies that continuously publish financial reports, provide information about Corporate Social Responsibility (CSR), use rupiah currency, and present complete data.

Data collection was conducted through two main approaches: desk study and field study. Literature study helped to obtain theories and supporting data from various sources such as books, reports, and relevant materials. Meanwhile, the field study involved observing historical company data from the official IDX website and company websites, especially focusing on financial data in the 2018-2022 timeframe.

The data analysis technique includes several steps. First, descriptive statistics were used to describe the research data, including the mean, standard deviation, minimum value, and maximum value of the research variables. Next, the panel data regression model was estimated using three approaches: Common Effect Model (CEM), Fixed Effect Model (FEM), and

Random Effect Model (REM), with model selection based on Chow test, Hausman test, and Lagrange Multiplier test.

The next process involves classical assumption tests, including normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test, to ensure model fit. Multiple linear regression analysis was then used to evaluate the effect of firm characteristics, leverage proxy, firm size proxy, and executive management compensation on financial performance.

The results are evaluated through the coefficient of determination test (R-squared and Adjusted R-squared), simultaneous test (F-test), partial test (t-test), and Sobel test to assess the significance of the mediation effect. With these measures, the study is expected to provide a comprehensive understanding of the relationship between firm characteristics, executive management compensation, and financial performance of primary consumer sub-sector firms on the Indonesia Stock Exchange.

3. RESULTS AND DISCUSSION

3.1. Overview of Research Objects

This study took a population of primary consumer sub-sector companies listed on the Indonesia Stock Exchange (IDX). The main data source involves annual reports and financial statements available on the IDX. The use of annual reports is an option because these reports provide complete and detailed information related to various aspects of the company. In addition, the selection of the IDX as a data source is due to its excellence in providing complete and well-organized data.

The Indonesia Stock Exchange (IDX) plays a central role in strengthening local shareholders and maintaining capital market stability. The development of technology has made access to the capital market easier and more equitable across Indonesia, providing equal opportunities to all with only an internet connection required.

The research sample focused on food and beverage companies listed on the IDX during a certain period. Starting in 2021, the IDX implemented a new industry sector classification system called IDX Industrial Classification (IDX-IC), replacing the Jakarta Stock Industrial Classification (JASICA). IDX-IC focuses on market exposure as the basis for its classification, providing a detailed mapping of listed companies with 12 industry sectors, 35 sub-sectors, 69 industries, and 130 sub-industries.

JASICA, on the other hand, uses the basic principle of classification based on the company's economic activity and provides extensive information on the economic activities undertaken by the company. While both provide valuable information, the main difference lies in the basic principle of classification.

The research sample selection used purposive sampling method with several criteria. The sampling process involved 7 primary consumer sub-sector companies that met criteria such as publishing consecutive financial reports, implementing and disclosing CSR, using rupiah currency, and presenting data according to research needs.

As such, this study details the sample selection process, establishes the criteria followed, and results in 7 companies as the research sample. Data from 35 units of analysis (years 2018-2022) will be used to illustrate the relationship between firm characteristics, executive management compensation, and financial performance in the primary consumer sub-sector on the Indonesia Stock Exchange. The list of 7 company names that became samples in this study are as follows:

Tabel 1. Research Sample of Primary Consumer Sub-Sector Companies

Code	Issuer Name
CLEO	PT SARIGUNA PRIMATIRTA Tbk
GOOD	PT GARUDAFOOD PUTRA PUTRI JAYA Tbk
INDF	PT INDOFOOD SUKSES MAKMUR Tbk
MYOR	PT MAYORA INDAH Tbk.
ROTI	PT NIPPON INDOSARI CORPINDO Tbk
STTP	PT SIANTAR TOP Tbk
ULTJ	PT ULTRAJAYA MILK INDUSTRY & TRADING COMPANY Tbk.

Source: Author's Processed Data, 2023

3.2. Descriptive Statistical Analysis Results

Tabel 2. Descriptive Statistics Results

Indicator	Institutional Ownership (X1)	Board of Commissioners (X2)	CSR (Z)	ROA (Y)
Mean	0.536571	0.400857	0.103714	0.116000
Median	0.530000	0.400000	0.100000	0.110000
Maximum	0.600000	0.600000	0.130000	0.180000
Minimum	0.470000	0.220000	0.080000	0.070000
Std. Dev.	0.037725	0.108041	0.013303	0.030602
Skewness	0.184038	-0.163353	0.052707	0.335631
Kurtosis	2.181260	2.197856	1.936750	2.437797
Jarque-Bera	1.175148	1.094001	1.664853	1.118052
Probability	0.555674	0.578683	0.434993	0.571766
Sum	18.78000	14.03000	3.630000	4.060000
Sum Sq. Dev.	0.048389	0.396874	0.006017	0.031840
Observations	35	35	35	35

Source: Data Processed by Eviews version 12, 2023

Descriptive analysis is the processing of sample data with statistical methodology with the help of several statistical data management applications. The aim is to describe or provide an overview of the object under study through sample or population data (Surjaweri, 2014). In this study, descriptive statistical analysis was carried out on the object of research in the form of primary consumer sub-sector companies for the 2018-2022 period. The dependent variable in

this study is financial performance with ROA proxy, while the independent variable is GCG with institutional ownership proxy and board of commissioners and mediated by CSR. To provide an overview of the following descriptive analysis, it will be explained in table 2 as follows.

Based on table 2, the first variable examined in this statistical data is Institutional Ownership (X1). The average institutional ownership is around 53.66%, indicating most companies tend to have a balanced distribution of shares among institutional parties. While there is variation, with ownership levels ranging from 47% to 60%, the relatively low standard deviation (0.038) suggests that most companies maintain stability in their institutional ownership. The slightly positively skewed distribution (0.184) indicates that most companies tend to have fairly balanced institutional ownership, with no significant dominance.

Furthermore, the Board of Commissioners variable (X2) highlights the level of board participation in corporate decision-making. With an average of around 40.09%, the level of board attendance ranges from 22% to 60%, creating considerable variation among companies. The high standard deviation (0.108) reflects a significant degree of variation from the mean. While the distribution is slightly negatively skewed (-0.163), indicating a tendency towards balanced participation levels, the slightly higher kurtosis of the normal distribution (2.20) indicates the presence of a slight heavy tail in the distribution.

The third variable, Corporate Social Responsibility (CSR) (Z) indicates the extent to which companies engage in social responsibility activities. With an average of around 10.37%, CSR values range from 8% to 13%, indicating fairly limited variation. The relatively low standard deviation (0.013) indicates consistency in CSR values. The slightly positively skewed distribution (0.053) reflects a fairly balanced CSR engagement among companies. The lower kurtosis of the normal distribution (1.94) indicates a flatter distribution and less heavy tails.

Finally, Return on Assets (ROA) (Y) measures the efficiency with which a company's assets are used to generate profits. With an average of around 11.60%, ROA ranges from 7% to 18%, indicating considerable variation among companies. The high standard deviation (0.031) reflects a significant degree of variation from the mean. The slightly positively skewed distribution (0.336) suggests most companies have a fairly balanced return on assets, although the higher than normal kurtosis of the distribution (2.44) suggests there is a slight heavy tail in the ROA distribution.

3.3. Panel Data Regression Model Analysis

a) Chow Test

The Chow test is a test that can be used to determine which panel data regression model is most appropriate to use in research between the Common Effect Model (CEM) or Fixed Effect Model (FEM). Testing in the Chow test can be seen from the probability value (Prob.) Cross-section F and Cross-section chi-square. The chow test hypothesis is:

H0 : The model used is Common Effect Model (CEM) if the probability value of Cross-section F and Cross-section Chi-square > α (0.05).

Ha : The model used is the Fixed Effect Model (FEM) if the probability value of Cross-section F and Cross-section Chi-square < α (0.05).

Tabel 3. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	23.040276	(6,25)	0.0000
Cross-section Chi-square	65.672453	6	0.0000

Source: Data Processed by Eviews version 12, 2023

Based on the Chow Test shown in table 4.10 above, the value of the Cross-section F and Cross-section Chi-square calculated using Eviews 12 is 0.0000 <0.05 so that H0 is rejected and Ha is accepted, so the appropriate model used in this study is the Fixed Effect Model (FEM).

b) Hausman Test

The Hausman test is a test that can be used to determine which panel data regression model is most appropriate to use in research between the Fixed Effect Model (FEM) or Random Effect Model (REM). Testing in the Hausman test can be seen from the cross-section random probability value. The Hausman test hypothesis, namely:

H0 : The model used is Random Effect Model (REM) if the cross-section random probability value > α (0.05).

Ha : The model used is the Fixed Effect Model (FEM) if the cross-section random probability value < α (0.05).

Tabel 4. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.270033	3	0.9656

Source: Data Processed by Eviews version 12, 2023

To determine the results of the Hausman test is to assess the cross-section probability, if <0.05 then the model used is fixed, but if the probability> 0.05 then the model used is random. The results of table 4.10 show that the random cross-section probabilty value of 0.9656 is higher than 0.05, meaning that the Hausman test results choose to use a random model.

Based on the Hausman Test shown in table 4.10 above, the Cross-section random probability value is 0.9656> 0.05 so that H0 is accepted and rejects Ha, so the appropriate model used in this study is the Random Effect Model (REM).

c) Lagrange Multiplier Test

The Lagrange Multiplier test is a test that can be used to determine which panel data regression model is most appropriate to use in research between the Common Effect Model (CEM) or Random Effect Model (REM). Testing in the Lagrange Multiplier test can be seen from the probability value (Prob.) Cross-section Breush-pagan. The Lagrange Multiplier test hypothesis, namely :

H0 : The model used is the Common effect Model (CEM) if the Breush-pagan cross-section probability value > α (0.05).

Ha : The model used is the Random Effect Model (REM) if the Breush-pagan cross-section probability value < α (0.05).

Tabel 5. Langrenge Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	44.92322 (0.0000)	2.347497 (0.1255)	47.27072 (0.0000)
Honda	6.702479 (0.0000)	-1.532154 (0.9373)	3.655972 (0.0001)
King-Wu	6.702479 (0.0000)	-1.532154 (0.9373)	3.052218 (0.0011)
Standardized Honda	8.642822 (0.0000)	-1.366567 (0.9141)	1.938254 (0.0263)
Standardized King-Wu	8.642822 (0.0000)	-1.366567 (0.9141)	1.214336 (0.1123)
Gourieroux, et al.	--	--	44.92322 (0.0000)

Source: Eviews version 12 processed data, 2023

Based on the Lagrange Multiplier Test in table 5 above, the value of the Breush-pagan cross-section probability is 0.0000 <0.05 so that it rejects H0 and accepts Ha, so the appropriate model used in this study is the Random Effect Model (REM).

Based on the results of the three tests that have been carried out, it is known that the appropriate panel data regression model used in this study is the Random Effect Model (REM) for sub structure 1 in estimating the effect of GCG with the proxy of institutional ownership and the board of commissioners and CSR on financial performance. There are 7 primary consumer sub-sector company data sampled in this study during the 2018-2022 period. The results of the panel data regression model test conclusions are shown in the table as follows:

Tabel 6. Conclusion of Panel Data Regression Model Testing

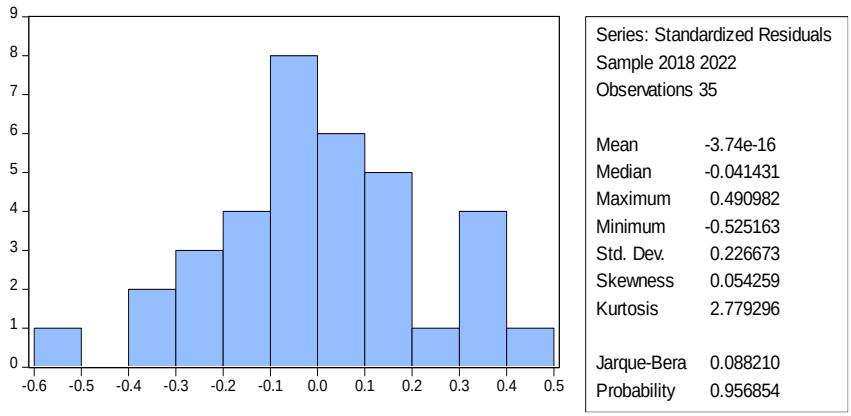
No.	Metode	Pengujian	Hasil
1.	Uji Chow	CEM vs FEM	FEM
2.	Uji Hausman	REM vs FEM	REM
3.	Uji Lagrange Multiplier	CEM vs REM	REM

Source: Data processed by the author, 2023

3.4. Classical Assumption Test

a) Normality Test

Figure 1. Normality Test Results Sub Structure 1



Source: Data processed by Eviews version 12, 2023

Based on the Normality Test in Figure 1, the value of Jarque- Bera *is* 0.088210 > 0.05 and the value of the Probability is 0.956854 > 0.05 so as not to reject H0, it can be concluded that the data is normally distributed.

b) Autocorrelation Test

Based on the Sub-Structure 1 Autocorrelation Test in table 4.16 above which is carried out by the Durbin-Watson test (DW test), the Durbin-Watson test value is found to be 1.5069407, so it can be concluded that there is no autocorrelation problem in the data because the Durbin-Watson test number is between -2 and 2.

Tabel 7. Autocorrelation Test Results

Weighted Statistics			
R-squared	0.372681	Mean dependent var	0.103714
Adjusted R-squared	0.333473	S.D. dependent var	0.013303
S.E. of regression	0.010861	Sum squared resid	0.003775
F-statistic	9.505357	Durbin-Watson stat	1.509407
Prob(F-statistic)	0.000575		

Source: Data processed by Eviews version 12, 2023

c) Multicollinearity Test

Tabel 8. Multicollinearity Test Results

	X2	X1	Z
X2	1.000000	-0.019463	0.347644
X1	-0.019463	1.000000	0.494960
Z	0.347644	0.494960	1.000000

Source: Data processed by Eviews version 12, 2023

Based on the results in table 8, it can be seen that none of the correlations between the independent variables has a value of more than 0.8. This means that in this sub-structure 1 regression model there is no multicollinearity or in this model there is no correlation between the independent variables.

d) Heteroscedasticity Test

Tabel 9. Heteroscedasticity Tets Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.006457	0.036307	0.177851	0.8600
X1	0.044020	0.066776	0.659213	0.5146
X2	0.026424	0.035618	0.741889	0.4637
Z	-0.190212	0.191546	-0.993032	0.3284

Source: Data processed by Eviews version 12, 2023

In table 9, it can be seen that the probability value of each variable is 0.5146 (X1) 0.4637 (X2) and 0.3284 (X3) greater than 0.05. So it can be concluded that this model does not occur heteroscedasticity.

3.5. Multiple Linear Regression Analysis

The data processing used in this study is multiple linear regression analysis. Multiple linear regression analysis is a linear relationship between two or more independent variables and the dependent variable which aims to estimate and predict the population average or average value of the dependent variable based on the known values of the independent variables in the regression formula (Ghozali, 2013). This study uses multiple linear regression analysis because in the study there is more than one independent variable. This analysis model aims to determine the effect of company characteristics with leverage proxies, company characteristics with company size proxies and executive management compensation on financial performance.

Tabel 10. Multiple Linear Regression Analysis Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 12/29/23 Time: 14:59
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.001611	0.048675	-0.033101	0.9738
X1	0.130673	0.090330	1.446618	0.1580
X2	0.102210	0.065962	1.549523	0.1314
Z	0.062905	0.238805	0.263415	0.7940

Effects Specification		
	S.D.	Rho
Cross-section random	0.035226	0.8993
Idiosyncratic random	0.011788	0.1007

Source: Data processed by Eviews version 12, 2023

Based on the Multiple Linear Regression Analysis of Sub Structure 1 in table 4.22 above, it is known that the results of the regression equation from the regression analysis carried out on the research variables are:

$$Y = -0{,}001611 + 0{,}130673*X1 + 0{,}102210*X2 + 0{,}062905*X1 + [CX=R]$$

Based on the panel data regression equation, it can be seen that the equation states that financial performance (Y) is influenced by institutional ownership (X1), board of commissioners (X2), and CSR (Z) with coefficient weights which are respectively expressed as 0.130673 for X1, -0.102210 for X2, and 0.102210 for X3. There is also an intercept of -0.001611 which is the constant value in the regression equation.

3.6. Determination Coefficient Test

Table 11 shows the R-squared value of 0.170875, this figure will be converted to percent form, which means the percentage contribution of the influence of the independent variable on the dependent variable. So the independent variables in this study explain 17.09% of the variable variation, namely GCG with the proxy of institutional ownership and the board of commissioners, and CSR is able to explain the financial performance variable by 17.09% while the remaining 82.91% is explained by other variables not measured in this regression model, other variables that may affect the financial performance variable.

Tabel 11. Test Results of the Coefficient of Determination Sub Structure 1

Weighted Statistics			
R-squared	0.244033	Mean dependent var	0.017170
Adjusted R-squared	0.170875	S.D. dependent var	0.012363
S.E. of regression	0.011257	Sum squared resid	0.003929
F-statistic	3.335698	Durbin-Watson stat	1.602765
Prob(F-statistic)	0.031966		

Source: Data processed by Eviews version 12, 2023

3.7. Simultaneous Test (F Test)

Simultaneous test or F test is a test used to determine whether the independent variables in a study simultaneously or simultaneously have a significant effect on the dependent variable (Ghozali, 2013).

The hypothesis to be tested in the F test, namely:

H0 : The independent variables simultaneously or simultaneously have no significant effect on the dependent variable.

Ha : The independent variables simultaneously or simultaneously have a significant effect on the dependent variable.

The criteria for making decisions from the F test, namely if the probability value (sig) $\leq$ 0.05 then H0 is rejected and Ha is accepted, which means that the independent variables simultaneously (simultaneously) have a significant effect on the dependent variable, while if the probability value (sig) $\geq$ 0.05 then H0 is accepted and Ha is rejected, which means that the

independent variables simultaneously (simultaneously) do not have a significant effect on the dependent variable.

Tabel 12. Simultaneous Test Results (F Test)

—	Weighted Statistics		
R-squared	0.244033	Mean dependent var	0.017170
Adjusted R-squared	0.170875	S.D. dependent var	0.012363
S.E. of regression	0.011257	Sum squared resid	0.003929
F-statistic	3.335698	Durbin-Watson stat	1.602765
Prob(F-statistic)	0.031966		
	Unweighted Statistics		
R-squared	0.252554	Mean dependent var	0.116000
Sum squared resid	0.023799	Durbin-Watson stat	0.264577

Source: Data processed by Eviews version 12, 2023

Based on the results in table 12, the Random Effect Model panel data regression results obtained an F-count of 3.335698 with an F-statistic p-value of 0.031966. Based on the F-table calculated using the F.INV.RT function formula in MS Excel, the F table value is 2.662569 with a degree of freedom α = 0.05 (α = 5%). This means that F-count> F-table or equal to 3.335698 > 2.911334 with a p-value F-statistic ≤ 0.05 or equal to 0.000000 ≤ 0.05, then Ha is accepted and Ho is rejected, which means that the independent variable, namely GCG with the proxy of institutional ownership and the board of commissioners and CSR simultaneously affects the dependent variable, namely financial performance.

3.8. Partial Test (t Test)

Partial test or t test is a test used to determine whether each independent variable has a significant effect on the dependent variable (Ghozali, 2013).

The hypothesis to be tested in the t test, namely :

H0 :The independent variable partially has no significant effect on the dependent variable.

Ha :The independent variable partially has a significant influence on the dependent variable.

Tabel 13. Partial Test Results (t Test)

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 12/29/23 Time: 14:59
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.001611	0.048675	-0.033101	0.9738
X1	0.130673	0.090330	1.446618	0.1580
X2	0.102210	0.065962	1.549523	0.1314
Z	0.062905	0.238805	0.263415	0.7940
	Effects Specification			
			S.D.	Rho
Cross-section random			0.035226	0.8993
Idiosyncratic random			0.011788	0.1007

Source: Data processed by Eviews version 12, 2023

The criteria for making decisions from the t test, namely if the probability value (sig) ≤0.05 then H0 is rejected and Ha is accepted, which means that the independent variable partially has a significant effect on the dependent variable, while if the probability value (sig) ≥ 0.05 then H0 is accepted and Ha is rejected, which means that the independent variable partially has no significant effect on the dependent variable. Based on the results of the hypothesis test, it shows that the t-table value with a real level of 5% and a sample of 35 obtained a value of 2.034515. The calculation results use the TINV function formula in MS Excel.

Based on table 13, the following conclusions can be drawn:

1. GCG with institutional ownership proxy has a t-count of 1.446618, namely 1.446618 < 2.034515 so that the t-count < t-table with a probability of 0.1580> 0.05 which means that institutional ownership has no effect on financial performance. Thus the hypothesis stating that GCG with the proxy of institutional ownership affects financial performance cannot be accepted (rejected).
2. GCG with the proxy of the board of commissioners has a t-count of 1.549523, namely 1.549523 < 2.034515 so that the t-count < t-table with a probability of 0.1314> 0.05, which means that GCG with the proxy of the board of commissioners has no effect on financial performance. Thus the hypothesis stating that GCG with the proxy of the board of commissioners has an effect on financial performance cannot be accepted (rejected).
3. CSR has a t-count of 0.263415 which is 0.263415 < 2.034515 so that the t-count < t-table with a probability of 0.7940 > 0.05 which means that CSR has no effect on financial performance. Thus the hypothesis stating that CSR affects financial performance cannot be accepted (rejected).

3.9. Sobel Test

Analysis using the Sobel test is conducted to evaluate whether the mediating variable (Z) has a significant mediating effect on the relationship between the independent variables (X1 and X2) and the dependent variable (Y) in a panel model using the REM method. The data used involves the observation period from 2018 to 2022, with a total of 35 observations in a balanced data panel and using the Swamy and Arora estimator for component variance.

a) Dependent and Intervening Variables

The regression analysis for the model with the dependent variable Z using the Panel Least Squares method shows the following results. In this model, the constant variable (C) has a coefficient of 0.076605 which is significant at the 95% confidence level, indicating that the value of Z will increase by 0.076605 when all independent variables (X1 and X2) are zero. However, variable X1 has a coefficient of -0.028484, which is not statistically significant at the 95% confidence level (p-value = 0.7142). Meanwhile, variable X2 has a coefficient of 0.105756, which is close to the 95% significance level (p-value = 0.0800). Therefore, it can be considered that the constant and X2 variables significantly influence the Z value, while the influence of X1 is not statistically proven.

Tabel 14. Regression Analysis Results of the Dependent Variable on Intervening

Dependent Variable: Z
Method: Panel Least Squares
Date: 09/20/23 Time: 00:08
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.076605	0.035508	2.157413	0.0404
X1	-0.028484	0.076924	-0.370284	0.7142
X2	0.105756	0.058045	1.821971	0.0800

Source: Data processed by Eviews version 12, 2023

b) Intervening Variable to Dependent

The Sobel test results show that the constant variable (C), X1, and X2 have no significant impact on the dependent variable Y at the 95% confidence level. More specifically, the mediating variable Z, which is considered as a variable that can mediate the relationship between the independent and dependent variables, has a coefficient of 0.062905, but it is not statistically significant (p-value = 0.7940). Therefore, based on the Sobel test results, there is no significant evidence to support the mediating role of variable Z in the effect of independent variables X1 and X2 on the dependent variable Y in this panel model framework.

Tabel 15. Sobel Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 09/18/23 Time: 22:45
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.001611	0.048675	-0.033101	0.9738
X1	0.130673	0.090330	1.446618	0.1580
X2	0.102210	0.065962	1.549523	0.1314
Z	0.062905	0.238805	0.263415	0.7940

Source: Data processed by Eviews version 12, 2023

1) The effect of X1 on Y through Z
The following is the calculation to find the t value:

$$\frac{ab}{\sqrt{(b^2SEa^2)+(a^2SEb^2)}}$$

$$\frac{\textit{-0.02848x0.0629}}{\sqrt{(0.0629^2 x 0.07692^2)+(\text{-}0.02848^2 x 0.2388^2)}}$$

$$\frac{\textit{-0.00179139}}{\sqrt{(0.003956x0.0059166)+(-0.0569x0.0570254)}}$$

$$\frac{\textit{-0.00179139}}{\sqrt{(0.0002340606)+(-0.003244745)}}$$

$$\frac{\textit{-0.00179139}}{\sqrt{-0.003010684}}$$

$$\frac{\textit{-0.00179139}}{-0.05502735}$$

$$t = 0.0032952$$

$$t\ tabel = 2.03693$$

The calculated t value of 0.0032952 < 2.03693 is smaller than the t table, so Ha is rejected and H0 is accepted, which means that institutional ownership has no significant effect on the company's financial performance (ROA) through the intervening variable CSR.

2) The effect of X2 on Y through Z

The following is the calculation to find the t value:

$$\frac{ab}{\sqrt{(b^2 SEa^2)+(a^2 SEb^2)}}$$

$$\frac{0.105756\text{x}0.0629}{\sqrt{(0.0629^2 x 0.05804^2)+(0.10575^2 x 0.2388^2)}}$$

$$\frac{\textit{0.00665205}}{\sqrt{(0.003956x0.00336864)+(0.0111830x0.0570254)}}$$

$$\frac{\textit{0.00665205}}{\sqrt{(0.0000133263)+(0.000637715)}}$$

$$\frac{\textit{0.00665205}}{\sqrt{0.000651041}}$$

$$\frac{\textit{0.00665205}}{0.025515505}$$

$$t = 2.06070618$$

$$t\ tabel = 2.03693$$

The calculated t value is greater than the t table 2.06070618> 2.03693 then H0 is rejected and Ha is accepted which means that the board of commissioners has a significant effect on financial performance (ROA) through the CSR variable as an intervening variable.

3.10. Research Discussion

a) The Effect of Good Corporate Governance (GCG) with Proxies of Institutional Ownership and Board of Commissioners and Corporate Social Responsibility (CSR) Simultaneously on Financial Performance

The first hypothesis, namely Good Corporate Governance (GCG) with the proxy of institutional ownership and the board of commissioners and Corporate Social Responsibility (CSR) simultaneously affects financial performance, provides a significance value of 0.00000 <0.05, indicating that GCG (institutional ownership and the board of commissioners) and CSR simultaneously affect financial performance, so the hypothesis which states that Good Corporate Governance (GCG) with the proxy of institutional ownership and the board of commissioners and Corporate Social Responsibility (CSR) is thought to have an effect on financial performance can be accepted according to the results seen in table 4.26.

The belief that Good Corporate Governance (GCG) involving the proxies of institutional ownership and board of commissioners, along with Corporate Social Responsibility (CSR), has an impact on financial performance can be explained through a number of interrelated mechanisms and considerations. First, GCG practices, such as institutional ownership and efficient board composition, create the foundation for good corporate governance. Institutional ownership brings resources and knowledge that can enhance management oversight, while an independent board ensures transparency and accountability. Both contribute to increased operational efficiency, better risk management, and in turn, potentially improved financial performance.

Engaging in CSR can bring strategic benefits to companies. Good CSR practices, such as environmental sustainability and social responsibility, can enhance a company's reputation in the eyes of stakeholders. Companies that are recognized for undertaking positive social and environmental activities can attract more investors, customers and business partners. As such, an enhanced reputation can contribute to an increase in corporate value, support share value growth, and positively impact financial performance.

GCG and CSR practices also reflect a company's long-term commitment to ethical principles and sustainability. By paying attention to these values, companies may be better able to respond to market changes and consumer demands, produce more innovative products and services, and better manage risks. This can create a competitive advantage and have a positive impact on financial performance in the long term.

The results of this study are in line with research showing that GCG and CSR can be important factors to improve the financial performance of banking companies (Prasetya, 2020). Overall, the statement that GCG with the proxies of institutional ownership and board of commissioners, as well as CSR, have an effect on financial performance reflects the view that good corporate management practices and social responsibility can create significant added value, strengthen the foundation of corporate sustainability, and increase competitiveness in the market.

b) Good Corporate Governance (GCG) with Institutional Ownership Proxy Affects Financial Performance

The second hypothesis, namely Good Corporate Governance (GCG) with the proxy of institutional ownership, is thought to have an effect on financial performance. Based on the results in table 4.28, the significance value is 0.1580> 0.05, which means that it can be said that

Good Corporate Governance (GCG) with institutional ownership proxy has no effect on financial performance.

Although it is often assumed that Good Corporate Governance (GCG) with the proxy of institutional ownership has a positive impact on financial performance, some empirical research and analysis show different results. In some contexts, there are findings that variables that reflect GCG, such as institutional ownership, do not have a significant impact on the financial performance of a company. These factors may include the complexity of the institutional structure, changing market conditions, or other variables that may moderate the relationship between GCG and financial performance.

One interpretation of this finding is that although GCG and institutional ownership can create good corporate governance, it does not necessarily mean a direct positive impact on financial statements. Some oversight mechanisms may not have achieved full effectiveness or there are other variables that are more dominant in determining a firm's financial performance.

Such studies highlight the complexity and variation in the relationship between GCG practices and financial performance, and emphasize the importance of considering context and firm-specific factors. While GCG and institutional ownership can play an important role in creating sustainability and transparency in corporate management, the finding that they do not always have a positive effect on financial performance provides a perspective that other factors can also contribute significantly to the financial outcomes of a business entity. Therefore, assessing the impact of GCG and institutional ownership on corporate financial performance needs to take into account the context and variability in the set of industries and market conditions concerned.

The results of this study are in line with the results of research showing that the GCG proxy, namely institutional ownership, has no significant effect on financial performance (ROA) (Setyawan, 2019; Wendy & Harnida, 2020; Yuliyanti & Cahyonowati, 2023). However, this study contradicts the research of (Wulandari & Budiartha, 2014; Candradewi & Sedana, 2016; Novitasari et al., 2020) which shows that institutional ownership has a positive and significant effect on financial performance (ROA).

c) Good Corporate Governance (GCG) with the Proxy of the Board of Commissioners Affects Financial Performance

The third hypothesis, namely Good Corporate Governance (GCG) with the proxy of the board of commissioners, has a result of 0.1314> 0.05 in table 4.28, which can be said that GCG with the proxy of the board of commissioners has no significant effect on financial performance.

Good Corporate Governance (GCG) with the proxy of the board of commissioners is often considered a critical factor that can improve the company's financial performance, there are research results that show that the impact is not always significant. Some empirical analysis supports the finding that variables reflecting GCG and the proxy of the board of commissioners may not have a clear influence on the financial performance of a company.

A number of factors may contribute to this finding. First, board composition and effectiveness may vary across firms, depending on firm-specific context and conditions. In addition, variability in industry structure, firm size, and market demands may moderate the

relationship between GCG with board proxy and financial performance. In some cases, external factors such as market fluctuations or macroeconomic conditions can also play a significant role in driving a firm's financial results.

The importance of board oversight and accountability in the context of GCG should not be overlooked, but these findings highlight the complexity and variation in the relationship. In some situations, the impact of GCG and board proxies may not reach the expected statistical significance or take longer to be reflected in a company's financial performance.

As such, assessments of the relationship between GCG with board proxies and firm financial performance need to consider variability in internal and external factors that may moderate the impact. The conclusion from these findings is that, while important, GCG and board proxies do not necessarily have a direct and significant influence on financial performance, and firm-specific context needs to be considered in such evaluations.

The results of this study support the statement that GCG with the proxy of the board of commissioners has no significant effect on financial performance (ROA) (Melia, 2015; Tetius & Christiawan, 2015; Candradewi & Sedana, 2016; Wati, 2016; Setyawan, 2019; Yunina & Nisa, 2020; Yuliyanti & Cahyonowati, 2023). The large size of the board of commissioners is considered less effective in carrying out its functions because it is difficult to communicate, coordinate and make decisions. Therefore, the board of commissioners has no effect on the company's financial performance (Melia, 2015). Furthermore, this study also contradicts the results of research that the board of commissioners has a partial effect on ROA (Bukhori, 20Aiman & Rahayu, 2019;., 2017; Aiman & Rahayu, 2019; Titania & Taqwa, 2023).

d) Corporate Social Responsibility (CSR) Affects Financial Performance

The fourth hypothesis, namely Corporate Social Responsibility (CSR) has an effect on financial performance, shown in table 4.28, has a result of 0.7940> 0.05, which means that CSR has no effect on financial performance. Thus the hypothesis stating that CSR has an effect on financial performance cannot be accepted (rejected).

The finding that Corporate Social Responsibility (CSR) has no effect on a company's financial performance reflects the complex dynamics in the relationship between social responsibility and financial outcomes. While it is considered a factor that may enhance reputation and support sustainability, research results show that the impact of CSR on financial performance is not always significant.

Several factors may explain this finding. First, there may be a certain period of time required before the benefits of CSR activities are reflected in the financial statements. Social and environmental activities often require an initial investment, and the benefits may not be immediately apparent in the financial figures. In addition, more traditional financial performance measures may not be able to comprehensively capture the long-term positive impact of CSR activities.

Second, the variability in how firms implement and measure CSR may also contribute to these findings. Not all CSR programs have an equal impact on financial performance, and the sustainability of CSR practices may require deep integration into a company's business strategy.

This finding does not mean that CSR has no value or is not important. Rather, it demonstrates the need for a holistic and long-term approach to sustainability. A focus on corporate social responsibility may provide greater benefits in terms of reputation, attractiveness to stakeholders, and long-term sustainability, even if the impact is not always immediately visible in current financial figures. Therefore, these findings may serve as a wake-up call to better understand and measure the long-term impact of CSR and how it can contribute to a company's success over a longer period of time.

This research is in line with the results of previous studies (Ratih & Setyarini, 2014; Wati, 2016) which shows that CSR has no proven effect on financial performance. However, the results of this study contradict the statement that CSR has a significant positive effect on the company's financial performance (Eny & Wildah, 2017; Nur, 2019). This shows that the more disclosure of corporate social responsibility activities in the company's annual report will further improve the financial performance of banking companies (Syahnaz & Herawati, 2013).

e) Good Corporate Governance (GCG) with Institutional Ownership Proxy Affects Financial Performance with Mediated Corporate Social Responsibility (CSR)

The eighth hypothesis, namely Good Corporate Governance (GCG) with the proxy of institutional ownership has an effect on financial performance mediated by Corporate Social Responsibility (CSR) has a t-count of -0.0048020 < 2.03693 smaller than the t table, so Ha is rejected and H0 is accepted, which means that institutional ownership has no significant effect on the company's financial performance (ROA) through the intervening variable CSR.

The finding that institutional ownership has no significant effect on corporate financial performance (Return on Assets/ROA) through the intervening variable Corporate Social Responsibility (CSR) indicates that, although institutions have the potential to influence the implementation of CSR, the impact does not directly create significant changes in financial performance.

First, these results may reflect variations in the focus and level of involvement of institutions in encouraging CSR practices in firms. Not all institutional ownership may exert the same pressure or incentives on firms to adopt sustainable social and environmental policies. Factors such as investment objectives, passive shareholding, or disagreement on social responsibility priorities may moderate the relationship between institutional ownership and CSR implementation.

Second, the mechanism of CSR's influence as an intervening variable in the relationship between institutional ownership and ROA may also be complex. CSR implementation may require an initial investment that does not always have an immediate impact on financial performance. In some cases, the benefits of CSR, such as improved reputation or customer satisfaction, may take time to materialize, and the impact may be more pronounced in the long run.

Third, this result may reflect that the effect of CSR on corporate financial performance may be influenced by external factors not measured in this study. Changes in consumer preferences, developments in government regulations related to social responsibility, or pressure from civil society may play a role in determining the effectiveness of CSR as an intervening variable.

The results of this study contradict previous research that CSR functions as a mediating variable of the influence of GCG with the proxy of institutional ownership on ROA (Djamilah & Surenggono, 2017). Thus, this finding provides an understanding that the relationship between institutional ownership, CSR, and corporate financial performance is not direct and linear. Further understanding of the mechanism and context behind this interaction may provide greater insight into how institutions can play a more effective role in encouraging social responsibility practices that can positively affect financial performance in the long run.

f) Good Corporate Governance (GCG) against the Proxy of the Board of Commissioners Affects Financial Performance with Mediated Corporate Social Responsibility (CSR)

The ninth hypothesis, namely Good Corporate Governance (GCG) with the proxy of the board of commissioners has an effect on financial performance mediated by Corporate Social Responsibility (CSR), has a t count greater than the t table 0.206070618 > 2.03693, so H0 is rejected and Ha is accepted, which means that the board of commissioners has a significant effect on the company's financial performance (ROA) through the CSR variable as an intervening variable.

The finding that the board of commissioners has a significant effect on corporate financial performance (ROA) through the variable Corporate Social Responsibility (CSR) as an intervening variable highlights the strategic role of the board of commissioners in managing financial aspects and corporate social responsibility. First, effective boards of commissioners play a critical role in shaping a company's CSR policy. They bring in-depth knowledge of industry dynamics and social demands, enabling them to provide the necessary guidance to develop and implement CSR programs that are in line with corporate values.

Second, the results show that a board of commissioners that is active in encouraging CSR can create a positive impact on the company's financial performance through various mechanisms. Well-integrated CSR practices can enhance a firm's reputation, strengthen relationships with customers, and create trust among stakeholders. By reducing reputational and regulatory risks, well-designed CSR initiatives can make a positive contribution to ROA, maintaining the financial stability of the company in the long run.

Third, the role of the CSR variable as a mediator indicates that the board of commissioners not only has a direct impact on ROA, but also indirectly through CSR implementation. CSR initiatives guided by the board of commissioners can be an important channel through which a positive impact on financial performance can be realized. These results confirm the importance of integrating good corporate governance principles with social responsibility to achieve financial success and long-term sustainability.

The results of this study are in line with the statement that GCG with the proxy of the board of commissioners affects financial performance (ROA) mediated by CSR (Yustian, 2011; Djamilah & Surenggono, 2017; Aliniar & Wahyuni, 2017; Novriadi et al., 2018). However, the results of this study contradict these results where independent commissioners have no effect on CSR so that CSR is not proven to mediate the company's financial performance (Utari, 2014).

4. CLOSING

This study aims to investigate the effect of Good Corporate Governance (GCG) with the proxy of institutional ownership and the board of commissioners on financial performance, mediated by Corporate Social Responsibility (CSR), in primary consumer sub-sector companies on the Indonesia Stock Exchange during the period 2018-2022. The results showed that simultaneously, GCG with the proxies of institutional ownership and the board of commissioners, along with CSR, had an effect on the company's financial performance. However, individually, the institutional ownership proxy and the board of commissioners proxy have no significant effect on financial performance. In the mediated aspect, GCG with institutional ownership proxy has no significant effect on corporate financial performance (ROA) through CSR, while GCG with board of commissioners proxy has a significant effect on corporate financial performance through CSR. Although this study provides valuable insights, there are limitations that need to be considered. First, the results of the study may not be directly applicable to different industries or sectors, as well as to different time contexts. Secondly, there are other factors that can affect a company's financial performance, such as industry factors, innovation, business strategy, and other external factors. Therefore, future research is recommended to consider these factors in a more comprehensive analysis. Third, the research period only covers five years, and the use of more data might improve the accuracy of the research. Considering these limitations, suggestions for future research include exploring specific factors that may affect the relationship between GCG, CSR, and corporate financial performance, as well as expanding geographical coverage or industry sectors for more general validation.

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