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The Influence of Environmental Performance, Environmental Costs, Institutional Ownership and Managerial Ownership on Financial Performance

Teuku Faldian Shah[1], Oktaviani Rita Puspasari[2*], Amir Hamzah[3]
Fakultas Ekonomi dan Bisnis, Universitas Kuningan, Kuningan, Indonesia [1,2,3]
[*]Correspondence: oktaviani.rita.puspasari@uniku.ac.id

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ABSTRACT

This study aims to determine the effect of environmental performance, environmental costs, institutional ownership, and managerial ownership on financial performance. The research methods used in this study are descriptive and verification methods. The population in this study is Mining Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. Data samples were obtained using purposive sampling methods as many as 45 companies. The type of data used in this study is secondary data using financial statement data. The analysis technique used is panel data regression. Data processing using Eviews 9.0. The results showed that environmental performance, environmental costs, institutional ownership and managerial ownership together have a significant effect on financial performance. The partial test results show that dividend policy has a positive effect on company value, environmental performance has a positive effect on financial performance, environmental costs have a positive effect on financial performance, institutional ownership has a positive effect on financial performance and managerial ownership has a positive effect on financial performance

INTRODUCTION

In the modern era, technological developments and the rapid flow of information require companies to be able to provide information that is useful for information users, such as investors and stakeholders. So this causes competition between companies to become increasingly tight and competitive. The company's goal has changed not only to gain profits and satisfy the needs of society, but also to be able to compete with other companies so that the company continues to run and also to meet the information needs of users.

Competition between companies which is increasingly tight and competitive must be accompanied by the presentation of good financial reports and in accordance with applicable standards , namely PSAK . This financial report shows the condition and financial position of the company so that it can show the financial performance of a company . The financial condition and position of a company can change in each period , according to the company's operational activities. According to Hasanah et al (2020),; N. Nurhayati,(2021); Saifi(2019)s, performance is the work result achieved by an organization's efforts within a certain period with reference to established standards. To find out whether a company has carried out its operational activities in accordance with the plans that have been set, and in accordance with its objectives, is to know the financial performance of the company. Financial performance is one of the measuring tools used to measure the quality of a company. A company's financial performance can be seen and measured by analyzing a company's financial report.

Financial analysis is an analysis of financial statements in a company, which usually analyzes the company's financial performance using balance sheet components and profit and loss statements to assess profitability ratios KE (2016). Financial performance measurement can be seen using financial report analysis or ratio analysis. Ross et al. (2009:78). states that ratios are a way to compare and investigate the relationships that exist between various pieces of financial information. Commonly used ratios are liquidity, solvency and profitability ratios. In the liquidity ratio, the main thing that is measured is the company's ability to pay off its obligations in the short term without excessive pressure. Ross et al. (2009:79). This ratio focuses on current assets and current liabilities. Solvency is a company's long-term ability to meet its long-term obligations Ross et al. (2009:83). This solvency measurement can also be called the leverage ratio. Profitability is a measure of a company's ability to generate profits by using assets and managing its operations efficiently (Ross et al., 2009: 89). Profitability Ratio, namely a ratio that shows the company's ability to generate profits. For shareholders (company owners), this ratio shows their level of income from investments.

According to Syafri (2008:304), Profitability is a ratio to measure a company's ability to generate profits during a certain period and describes management's effectiveness in carrying out operational activities. The term profitability is also often associated with the company's financial condition. According toMaisaroh & Sukhemi(2011),; Puspasari & Purnama(2018), suggests that profitability can be interpreted as the achievements achieved by a company in a certain period which reflects the level of health of the company. According to Kasmir (2014), several indicators used to measure profitability are Gross Profit Margin (GPM), Return on Equity (ROE), and Return on Assets (ROA). The indicator that will be used in this research is Return on Equity (ROE). Return on Equity (ROE) is a ratio used to measure a company's ability to utilize assets to earn profits, so that if the ROE 4 value is higher, it can be said that the better the financial performance, Syamsuddin, (2009:63). According to sources from Niki Lukviarman (2006:36), an industrial company is said to be healthy if the ROE is more than 8.32%. So industrial companies must be able to carry out their operational activities well in order to achieve the ROE value determined by the healthy value of industrial companies.

Table 1. Value of Company Profit Persistence in Consumer Services Sub Sector 2017-2021

Company Name Roe (Return On Equity)%			**Company Average**				
PT. Adaro Minerals Indonesia Tbk	-	-	-	-	0.76	0.76	I
PT. Adaro Energy Indonesia Tbk	0.13	0.11	0.11	0.04	0.23	0.12	I

PT. Atlas Resources Tbk	-0.42	-2.83	-0.12	-0.58	-0.02	-0.79	TI
PT. Astrindo Nusantara Infrastruktur Tbk	0.11	0.06	0.08	0.07	0.05	0.07	IT
PT. Borneo Olah Sarana Sukses Tbk	1.58	0.12	0.01	-1.22	2.22	0.52	I
PT. Bumi Resources Minerals Tbk	-0.44	-0.2	-	0.01	0.08	-0.11	TI
PT. Bintang Samudera Mandiri Lines Tbk	-	-	-	0.01	0.05	0.03	IT
PT. Baramulti Suksessarana Tbk	0.55	0.46	0.18	0.16	0.81	0.43	I
PT. Bumi Resources Tbk	0.85	0.31	0.02	0.02	0.35	0.31	I
PT. Bayan Resources Tbk	0.66	0.77	0.38	0.4	0.68	0.58	I
PT. Black Diamond Resources Tbk	-	-	-	-	-	-	-
PT. Darma Henwa Tbk	0.01	0.01	0.02	0.01	0	0.01	TI
PT. Delta Dunia Makmur Tbk	0.26	0.29	0.07	-0.09	0	0.11	I
PT. Dian Swaistika Sentosa Tbk	0.09	0.04	0.04	-0.04	0.15	0.06	TI
PT. Alfa Energy Investama Tbk	0	-0.01	0.03	0.04	-0.15	-0.02	IT
PT. Golden Energy Mines Tbk	0.41	0.32	0.19	0.27	1.12	0.46	I
PT. Garda Tujuh Buana Tbk	0	0.04	0.09	-0.03	-0.01	0.02	TI
PT. Harum Energy Tbk	0.14	0.1	0.05	0.13	0.15	0.12	I
PT. MNC Energy Investments Tbk	-0.15	-0.19	-0.14	-0.43	-0.23	-0.23	TI
PT. Indika Energy Tbk	0.29	0.09	-	-	0.57	0.19	-
PT. Indo Tambangraya Megah Tbk	0.26	2.67	0.14	0.04	0.4	0.70	I
PT. Natural Resources Indonesia Tbk	0.15	0.01	0.06	-0.1	0.23	0.07	TI
Company Average							
PT. Mitrabara Adiperdana Tbk	0.48	0.41	0.24	0.2	0.5	0.37	I
PT. Samindo Resources Tbk	0.12	0.17	0.21	0.17	0.19	0.19	I
PT. Bukit Asam Tbk	0.33	0.31	0.22	0.14	0.33	0.27	I
PTRO - PT. Petrosea Tbk	0.05	0.04	0.15	0.14	0.13	0.10	I
PT. RMK Energy Tbk	-	-	- 0.17	0.25	0.21		-
PT. Golden Eagle Energy Tbk	0.09	0.15	0.01	-0.04	0.31	0.10	I
PT. SMR Utama Tbk	0.03	-0.07	-0.24	-0.72	-1.12	-0.42	TI
PT. TBS Energi Utama Tbk	0.24	0.32	0.17	0.12	0.19	0.21	I
PT. Trada Alam Minera Tbk	-	0.04	-	-	-	0.02	-
PT. Apexindo Pratama Duta Tbk	-0.28	0.69	0.36	0.35	0.03	0.23	I
PT. Ratu Prabu Energy Tbk	0.02	0.02	-1.23	4.91	1.37	-0.33	IT
PT. Apexindo Pratama Duta Tbk	0.08	0.08	0.1	0.07	0.03	0.07	TI
PT. Energi Mega Persada Tbk	-0.26	-0.1	0.23	0.28	0.09	0.05	IT
PT. Surya Esa Perkasa Tbk	0.01	0.13	-	-0.11	0.05	0.02	-
PT. Medco Energy International Tbk	0.09	-0.02	-0.02	-0.15	-	-0.02	-
PT. Mitra Investindo Tbk	-0.28	0.58	-0.27	0	-0.01	-0.25	IT
PT. Capitalinc Investment Tbk	1.88	0.06	0.05	-0.13	-0.02	0.37	I
PT. Perdana Karya Perkasa Tbk	-0.18	0.58	-0.27	-	-0.01	0.03	-
PT. Radiant Utama Interinsco Tbk	0.06	0.07	0.07	0.06	0.04	0.06	IT
PT. Sigma Energy Compressindo Tbk	-	-	-	-	-	-	-
PT. Super Energy Tbk	-	-0.24	0.07	-0.04	-0.13	-0.09	TI
PT. Ginting Jaya Energy Tbk	-	-	0.03	-	-	0.01	-
PT. Aneka Tambang Tbk	0.01	0.09	0.01	0.06	0.09	0.05	TI
PT. Archi Indonesia Tbk	-	-	-	-	0.32	0.32	-
PT. Cita Mineral Investindo Tbk	0.05	0.44	0.33	0.19	0.15	0.23	I
PT. Central Omega Resources Tbk	-0.04	-0.09	-0.1	-0.39	-0.95	-0.31	TI
PT. Ifishdeco Tbk	-	-	0.19	0.04	0.24	0.16	-

PT. Vale Indonesia Tbk	- 0.01	0.03	0.03	0.04	0.08	0.03	TI
PT. Merdeka Copper Gold Tbk	0.23	0.14	0.13	0.05	0.04	0.12	I
PT. PAM Mineral Tbk	-	-	-	-	0.13	0.13	-
PT. J Resources Asia Pacific Tbk	0.05	0.05	0.01	0.01	0.02	0.03	IT
PT. Timah Tbk	0.08	0.02	-0.12	-0.07	0.21	0.03	TI
PT. Kapuas Prima Coal Tbk	0.09	0.09	0.23	0.04	0.09	0.13	I
PT. Indonesian Energy Exploitation Tbk	0	0	-0.17	0.23	-0.03	-0.94	TI
PT. Citatah Tbk	0.01	0.01	-0.09	-0.08	-0.11	-0.07	TI
PT. Ulima Nitra Tbk	-	-	-	-0.01	-0.03	-0.02	-
AVERAGE INDUSTRY	**0.3544**	**0.0065**	**0.0157**	**0.0857**	**0.0051**		

Source: Data obtained by researchers
Information :
PT = High Persistent, P = Persistent, TP = Not Persistent

Based on the table above, it can be seen from the overall data of 40 companies in the consumer services sub-sector, where 14 companies experienced persistent profits while 26 other companies or 65% of the total data experienced profits that were not optimal or persistent. The non-optimal persistence of a company's profits is caused by several factors. Factors that can influence profit persistence include book tax difference, leverage and company size. This statement was revealed by (Nurfatimah & Barokah, 2017; Susanto, 2022)Nurfatimah & Barokah (2017),; N. Nurhayati & Rahman,(2023; Susanto (2022) apart from that,(Anfas & Zainuddin, 2022; Santy et al., 2017)also revealed corporate governance, ownership structure and cash flow volatility. can affect profit persistence.

Book tax differences are the first factor that can influence profit persistence. According to Salsabila & Tinov(2016); Sholihah et al(2020),; Suhendar & Hakim(2021)book tax differences are a comparison of the amount of accounting or commercial profit with fiscal profit or taxable income. This is due to the comparison between Financial Accounting Standards (SAK) and tax laws and regulations. Tax regulations in Indonesia require that fiscal profit be calculated using the accounting method, the basis for calculating accounting profit is the accrual method. With this calculation, the company does not need to make double bookkeeping.

Book tax differences can affect profit persistence because the tax that must be paid comes from calculating the progressive rate of income tax from fiscal profits as taxable income (PhKP). The effect of book tax differences on profit persistence is proven by research conducted by Annisa & Kurniasih (2017),; Hamzah et al. (2023); Yusuf & Nurhayati (2017)which states that there is a difference between accounting profit and fiscal profit which has a significant positive effect on profit persistence. However, this is different from research conducted by researchers Asma (2013) who stated that the difference between accounting profit and fiscal profit has a significant negative effect on profit persistence.

The second factor that can influence profit persistence is cash flow volatility. Cash flow volatility is an index of the spread of a company's cash flow distribution. According to Sulastri (2014) in Lastya & Ningsih (2020) Flow volatility will describe the fluctuations in cash flows that occur within a company, cash flows that fluctuate sharply will cause difficulties in predicting cash flows in the future, so this can cause a low level of profit persistence. at the company. Cash flow volatility affects profit persistence because it can cause uncertainty in the operational environment which is observed through cash flow fluctuations which will result in decreased profit persistence. If cash flows fluctuate sharply, it will be very difficult to predict future cash flows. High cash flow volatility will result in low profit persistence, because current cash flow information makes it difficult to predict future cash flows. Cash flow volatility can indicate uncertainty in the operating environment, which means that the higher the cash flow volatility, the higher the uncertainty in the operating environment, so it can be said that cash flow volatility can have an influence on profit persistence.

This statement is in accordance with research conducted by Harahap et al (2021) which proves that cash flow volatility has a significant effect on profit persistence. However, this is in contrast to research conducted byAndi & Setiawan (2020),; E. Nurhayati et al (2023) which states that cash flow volatility has a significant negative effect on profit persistence. Apart from that, the third factor that can influence profit persistence is managerial ownership. According to Arisandi & Astika (2019) managerial ownership can measure and assess the quality of future profits as reflected in profit persistence. The more shares acquired by management, the greater the manager's responsibility to be accountable for financial reports through their performance.

The manager will further improve his performance in carrying out his duties if the company's share ownership is greater so that the manager will get the same benefits from the company. However, when managers shift their focus to seeking profits for themselves, it can cause agency conflicts to emerge. To increase profit persistence, agency conflicts must be avoided. High profit persistence in companies caused by managers seeking the best company performance will increasingly attract the attention of investors to invest in shares and this will enable the company's performance to increase so that the company can maintain its profit persistence. This is in accordance with research conducted by Fitria & Ni Made Dwi R (2014) that managerial ownership has a positive effect on profit persistence. However, this is different from research conducted by (Pratomo & Nuraulia, 2021; Santy et al., 2017) which states that managerial ownership has a negative effect on profit persistence.

The fourth factor that influences profit persistence is the amount of accruals. According to Fatmasari et al (2022); Nuraini & Marsono (2014)accruals are considered important in profit persistence because profit itself is broken down into two components, namely the first is cash flow and the second is accruals. The amount of accruals is the amount of income recognized when the business unit's rights arise due to the delivery of goods to outside parties and costs are recognized when obligations arise due to the use of economic resources attached to the goods delivered (Hayati, 2014).

The amount of accruals affects the persistence of profits because more accruals means more estimates and estimation errors, and therefore the persistence of profits will be lower. According to Purnama & Azizah (2019),;Sulastri (2014) persistent profit is profit that contains little or no accruals, and can reflect the company's actual performance. In research conducted by Fanani (2010),; Purnama et al.,(2016) the amount of accruals had a significant negative effect on profit persistence. In contrast to research conducted by Randi (2010) which states that the amount of accruals has a positive effect on profit persistence. Then the final factor that can influence profit persistence is company size, which is one of the measures used to assess companies. The size of a company can be seen as measured based on total sales, average sales level and total assets. The bigger a company is, the more it is expected to generate high profits. High profit growth will affect profit persistence because this can improve the quality of profits through a series of efforts to improve company performance.

Hamzah & Sukma (2021),; Murdoko Sudarmadji & Sularto(2007) explain that the size of a company can be expressed in terms of total assets, sales and market capitalization. Meanwhile, according to Hamzah & Suhendar (2020),; Litasari & Sartono (2014) company size can determine whether the company's capabilities are good or not. In general, investors have more confidence in large companies, because large companies are considered capable of continuing to improve their company's capabilities by increasing the quality of their profits. Large profit developments will have an impact on profit persistence and the company's ability to attract potential investors. This is influences profit persistence. However, it is different from
research conducted by (N. Nurhayati, 2021; Sebayang, 2023)states that company size has no significant effect on profit persistence. Based on the background above, researchers are interested in conducting research entitled "The Effect of Tax Differences, Cash Flow Volatility, Managerial Ownership, Amount of Accruals and Company Size on Profit Persistence (Case Study of Consumer Services Sub-Sector Companies Listed on the Indonesia Stock Exchange in 2017 -2021)".

METHOD

According to (Suginono, 2011), research methods are a scientific way to obtain valid data with the aim of finding, developing, proving certain knowledge so that in turn it can be used to understand, solve and anticipate problems. Research methods are a very important part of conducting research. Because it is used to find, develop and test the truth of the facts and data being researched. The research method in this research is descriptive and verification methods. The descriptive method according to Sugiyono (2010:14) is: "a method used to analyze data by describing or illustrating the data that has been collected as it is". The meaning of the verification method according to Arikunto (2010: 45) is: "checking whether it is correct or not if it is explained to test a method with or without improvements that has been implemented elsewhere by solving problems similar to life". These two methods are used to describe the research variables and analyze the influence of the two independent variables, either partially or simultaneously, on the dependent variable.

RESULTS AND DISCUSSION

Coefficient of Determination Test Results (R^2)

The coefficient of determination test (R^2) essentially states how well a model explains variations in the dependent variable. The value of R^2 is 0 to 1. The closer it is to zero, the smaller the influence of all independent variables on the value of the dependent variable. Meanwhile, if the R^2 value is close to 1, it can be interpreted that the stronger the model is in influencing variations in the independent variable on the value of the dependent variable.

Table 2. Results Test Coefficient Determination

R-squared	0.718184	Mean dependent var	0.065388
Adjusted R- squared	0.691172	elementary school dependent var	0.545897
S.E of regression	0.508836	Akaike info criterion	1.677256
Sum squared resident	45.30989	Schwarz criterion	2.423554
Logs likelihood	- 138.8527	Hannan-Quinn criter.	1.978498
F-statistic	9.701410	Durbin-Watson stat	1.917540
Prob(F- statistic)	0.000000		

Based on Table 1 coefficient test results determination (R2) *adjusted R-squared value* is 0.691172, this value means that 69.11% of changes in environmental performance variables can be explained by environmental cost variables, institutional ownership and managerial ownership. Meanwhile, the remaining 30.89% was influenced by other variables not examined in this research.

Hypothesis Testing Results

F Test Results

The F statistical test basically shows whether all the independent variables *used* in the research have an effect together to One variable bound (*dependent variables*). Testing in this study used *a significance level of* 0.05 (α = 5%). The results of this research are known by comparing the $_{\text{calculated F values}}$ and F $_{\text{table}}$. Apart from that, the results of this research can be seen from the following significance values:

- If mark significance > 0.05 so H0 accepted And Ha rejected.
- If mark significance < 0.05 so H0 rejected and Ha accepted.

For more explained, results test F can seen on Table 3 following:

Table 3. Results Test Simultaneous (F Test)

R- squared	0.718184	Mean dependent var	0.065388
Adjusted R- squared	0.691172	elementary school dependent var	0.545897
S.E of regression	0.508836	Akaike info criterion	1.677256
Sum squared resident	45.30989	Schwarz criterion	2.423554
Logs likelihood	-138.8527	Hannan-Quinn criter.	1.978498
F- statistic	9.701410	Durbin-Watson stat	1.917540
Prob(F-statistic)	0.000000		

Source : *Output Eviews 9*

Based on table 2 of the F test results, it can be seen that $_{\text{calculated}}$ F value is 9.701410 and the F $_{\text{table value}}$ is at level significance 0.05with df1 (number of variables – 1) = 4 - 1 = 3, and df3 (nk-1) = 171 – 4 – 1 = 166, the result is obtained for F $_{\text{table}}$ as big as 9.701410. So can seen that F $_{\text{count}}$ > F $_{\text{table}}$ (9.701410 > 2.664504) with *prob value (F-statistic)* 0.0000000 < 0.05 means H_0 is rejected and Ha is accepted. Thus it can be concluded that environmental performance, environmental costs, institutional ownership and managerial ownership simultaneously have a positive effect on financial performance. Hypothesis testing can be described in the area of acceptance and rejection of H_0 as follows:

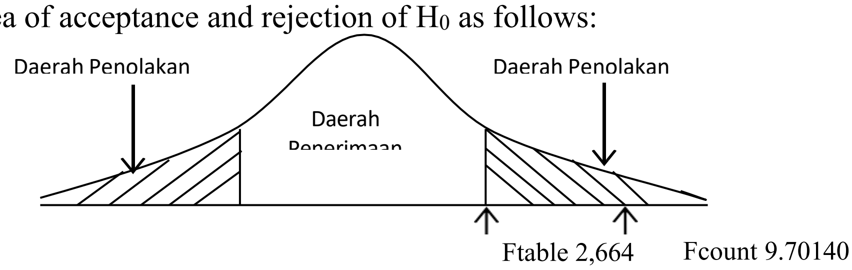

Figure 1. Area Reception And Rejection H_0 Test F

t Test Results

The t test is a partial independent variable test which aims to determine how far the influence of the independent variables, namely environmental performance, environmental costs, institutional ownership and managerial ownership, is on the dependent variable, namely partial financial performance. Apart from that, the partial test aims to determine the significance between the independent variables with the dependent variable. Based on the results of previous tests, the t statistical test uses *a random fixed model* . In this research the author used 225 samples and a number of independent variables 4. So that, df = nk-1 or 225 – 4 – 1= 220 with level significance $\alpha = 0.05$ with the t-party test, the $t_{table\ value}$ is 1.975799. Table 4 below is the partial test results (t test) which are presented as follows:

Table 4. Test Partial (T Test)

Variables	Coefficient	Std. Error	t- Statistics	Prob.
C	5.043539	0.635206	7.940005	0.0000
KL?	0.367784	0.065324	5.630151	0.0000
BL?	0.607891	0.125772	4.833278	0.0000
KI?	0.422842	0.150956	2.801094	0.0120
KM?	0.494894	0.165952	2.982151	0.0110

Based on Table 4 results test t, so can concluded that :

1. Testing of environmental performance variables proxied by PROPER produces a t_{count} of 5.630151. For the $t_{table\ value}$ in significant 0.05 And degrees freedom df = nk-1 or 225 – 4 – 1 = 220 obtained amounting to 1.651809 Because results t_{count} 5.630151> t_{table} 1.651809 with a significance level of 0.0000 < 0.05, meaning that H0 is rejected and Ha is accepted. So it can be concluded that partially environmental performance has an influence positive and significant to financial performance. Hypothesis testing can be described in the area of acceptance and rejection of H_0 as follows:

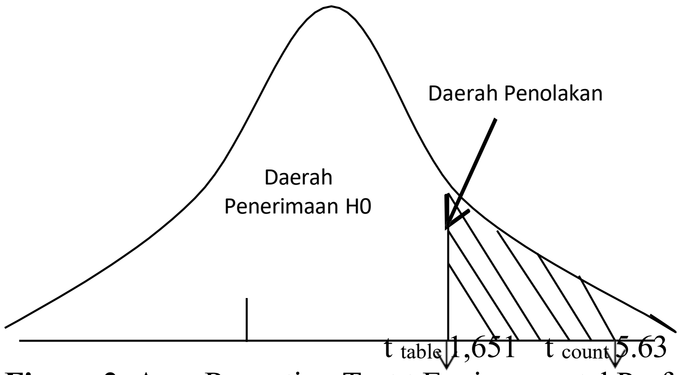

Figure 2. Area Reception Test t Environmental Performance

2. Testing variable cost environment produce t_{count} amounting to 4.833278. For t_{table} value on significant 0.05 And degrees of freedom df = nk-1 or 225 – 4 – 1 = 220 is 1.651809 with a significance level of 0.0000 < 0.05, meaning that H0 is rejected and Ha is accepted. So it can be concluded that partially environmental costs have a positive effect and significant to performance finance . Testing hypothesis the can depicted on area reception And rejection H_0 as follows :

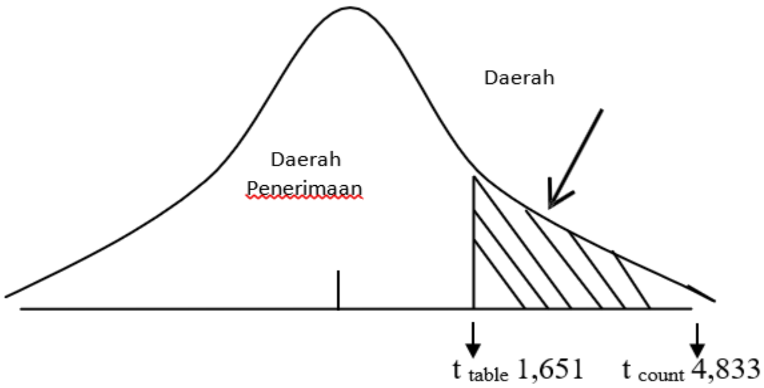

Figure 3. Area Reception Test t Cost Environment

3. Testing the institutional ownership variable produces a t_{count} of 2.801094. For the $t_{table\ value}$ at a significance of 0.05 and the degree of freedom df = nk-1 or 225 – 4 – 1 = 220, it is obtained that it is 1.651809 with a significance level of 0.0000 < 0.05, meaning that H0 is rejected and Ha is accepted. So it can be concluded that partially institutional ownership has a positive and significant effect on financial performance . Hypothesis testing the can depicted on area reception and rejection of H_0 as following:

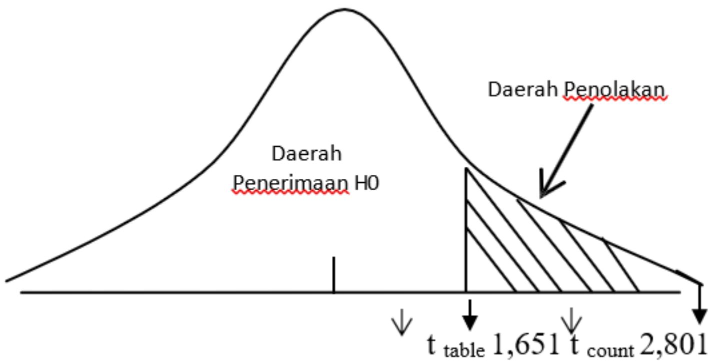

Figure 4. Area Reception t test Ownership Institutional

4. Testing the managerial ownership variable produces a t_{count} of 2.982151. For t table values at significance 0.05 and degrees of freedom df = nk-1 or 225 – 4 – 1 = 220 is 1.651809 with a significance level of 0.0000 < 0.05, meaning that H0 is rejected and Ha is accepted. So it can be concluded that partially managerial ownership has a positive and significant effect on financial performance . Hypothesis testing can be described in the area of acceptance and rejection of H_0 as follows:

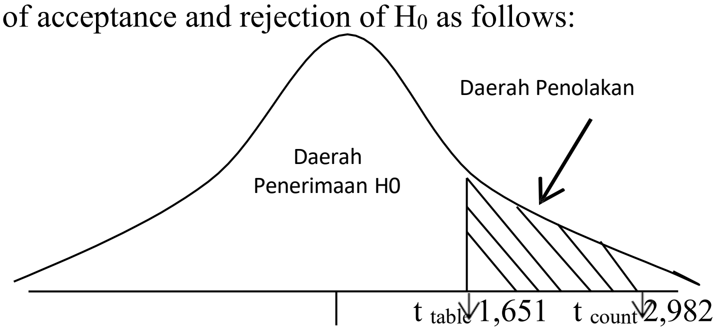

Figure 5. Area Reception t test Ownership Managerial

Discussion

Influence Performance Environment to Financial performance

Based on results test partial (Test t), known that performance environment, in fact partial influential positive to performance finance on Company. The Mining Sector is listed on the Indonesia Stock Exchange from 2017 to 2021. Partially, environmental performance can be used by companies to achieve financial performance. So that it can be used as a consideration in decision making for *stakeholders.*

Influence Cost Environment to Performance Finance

Based on the results of hypothesis testing, the t test (partial) shows that partially the environmental cost variable has a positive and significant effect on performance finance. There is influence positive This show that the more costs allocated to the natural environment (investment for the company), the more social and economic benefits the company will have in the long term. On the other hand, the community will also feel like the highest social beings, so that it can have a good impact on the company's financial performance

Influence Ownership Institutional to Performance Finance

Based on the results of the partial test (t test), it is known that institutional ownership partially has a positive effect on the financial performance of Mining Sector Companies listed on the Indonesia Stock Exchange from 2017 to 2021. This means that it is getting bigger mark ownership institutional then the more strong control to company so that owner company can control management behavior to act in accordance with company goals which will ultimately improve the company's financial performance.

Influence Ownership Managerial to Financial performance

Based on the results of the partial test (t test), it is known that ownership Managerial management partially has a positive effect on the financial performance of Mining Sector Companies listed on the Indonesia Stock Exchange from 2017 to 2021. This means that managers have voting rights and that managerial interests are organs that also serve as owners. shares and as a manager, these two things will influence the decisions that will be taken, with increasing managerial ownership, the decisions taken by the board will influence financial performance.

CONCLUSION

This research aims to determine the influence of Environmental Performance, Environmental Costs, Institutional Ownership and Managerial Ownership on Financial Performance in Mining Sector Companies listed on the Indonesia Stock Exchange (BEI) in 2017-2021. Based on the results and discussion regarding factors that can influence company value, the results of hypothesis testing using panel data regression analysis can be drawn as follows: Environmental performance, environmental costs, institutional ownership and managerial ownership have a significant effect on financial performance. This means that the use of the Environmental Performance, Environmental Costs, Institutional Ownership and Managerial Ownership variables together can explain the increase in company value in mining sector companies listed on the Indonesia Stock Exchange in 2017-2021. Environmental performance has a positive and significant effect on financial performance. This shows that the higher the environmental performance, the higher the financial performance. On the other hand, the lower the level of environmental performance, the lower the financial performance of mining sector companies listed on the Indonesia Stock

Exchange in 2017-2021. The research results show that environmental costs have a positive and significant effect on financial performance. So the suggestion for companies is to increase the costs that will be allocated to the natural environment because this is an investment for the company, with this the company will get social and economic benefits in the long term, so this can have a good impact on the company, including on the company's financial performance. The research results show that institutional ownership has a positive and significant effect on financial performance. So the suggestion for companies is to increase company share ownership, because the greater institutional ownership, the smaller the debt used to brand the company. This is caused by the emergence of supervision by other institutions such as banks and insurance regarding financial performance.

The results of the latest research show that managerial ownership has a positive and significant effect on financial performance. Therefore, companies are advised to continue to increase the level of share ownership of management who will actively participate in decision making, for example directors, management and commissioners. This of course has a significant positive effect on the company's financial performance, which means that the greater the share ownership by the majority shareholder, the greater the company's performance.

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