

The Influence of Ownership Structure, Board Composition and Financing Decisions on the Performance of Manufacturing Companies in the Consumer Goods Sector

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Abstrak. *This research aims to investigate the impact of ownership structure, board size, proportion of independent directors, funding decisions, company size, and dividend policy on the performance of consumer goods manufacturing companies. Purposive sampling was employed for data collection. Results indicate that ownership structure and board size positively and significantly influence company performance, as measured by Tobin's Q and ROA. However, the proportion of independent directors, funding decisions, company size, and dividend policy do not exhibit significant effects. Consequently, effective management of ownership structure and board size is crucial for enhancing company performance in the consumer goods manufacturing sector. These findings provide valuable insights for companies to improve their performance and corporate governance practices, fostering stability and sustainability in alignment with economic trends.*

Keywords: *Ownership Structure, Board Composition, Financing Decision, Company Performance.*

Introduction

Dynamic changes in consumer behavior, trade policies and technological innovation have created a very dynamic business environment in the consumer goods sector. This area is becoming increasingly important to understand in efforts to develop and grow companies following market changes, economic policies and adaptive business strategies. The food and beverage industry must have appropriate strategic planning to continue its business activities and improve its performance in every company activity to anticipate increasingly tight business competition (Puspita & Hermanto, 2023). As one of the steps to understand the company's performance in dealing with the dynamics of activities and achieving business goals, it is important to understand how ownership structure, board of directors composition, and financing decisions affect company performance. The importance of improving company performance in response to obstacles can be seen from aspects such as management and financial efficiency. (Ruba et al., 2023) are of the view that company performance needs to be improved to overcome obstacles that hinder the ability to innovate. One of the keys to gaining the ability to innovate is through a quality Board Composition lineup. The board of directors can provide insight and deep understanding of the market and lead the company in taking the right strategic decisions. When boards of directors have the ability to understand and respond to changes in consumer behavior, they can direct the company to adopt

relevant innovations and maintain its competitiveness in the market. This key is what makes company management have a role in placing and managing the company's operational activities in an effort to achieve the company's financial expectations.

The issue of corporate financial management has become the center of attention because financial success is often considered an indicator of a company's health and sustainability. Measuring performance from a financial perspective is an important issue when assessing a company's success, whether the company is in line with its objectives (Durlista & Wahyudi, 2023). Company performance is a comprehensive evaluation of the ability and effectiveness of a business company in achieving goals and managing resources to produce added value. Corporate governance guidelines are provided by the National Committee for Governance Policy (KNKG) with the aim of enabling the board of directors to build a corporate framework that is in line with corporate business priorities, encourage business opportunities and performance, strengthen risk management, and support corporate goals and strategies. Referring to the governance guidelines set by the KNKG, the board of directors is expected to be able to formulate governance policies and practices that are appropriate to the business context. This includes designing an efficient organizational structure, determining the responsibilities and authority of each stakeholder, and ensuring transparency and accountability in company decision making. The growth and development of a company cannot be separated from the strategic role of the board of directors in maintaining company performance. Increasing industry competition positions them to understand the factors that influence company performance. The contribution of directors is becoming increasingly important.

Effective corporate governance can create value for a company and its shareholders. After focusing previous reasoning on aspects of one aspect of the board of directors in corporate governance, thinking then continued to another structure, namely *ownership structure*. According to (Pourmansouri et al., 2023) to overcome the company's economic problems, the owner delegates company rights to the board of directors and its composition to establish effective control. The board of directors needs to carry out management functions and make appropriate decisions, because this is a key factor in managing the company as expected by shareholders. However, there is a potential for conflict with the interests of shareholders, especially if the policies taken are not in line with maximizing company value or mutual profits. According to (Alwan, 2023) In a concentrated ownership structure, large shareholders tend to take advantage of their position by taking personal advantage over the interests of other shareholders. For example, PT Freeport Indonesia has a concentrated ownership structure, with Freeport-McMoRan Inc. (FCX) from the United States as the majority shareholder. In some cases, observers have criticized the way PT Freeport Indonesia manages Papua's natural resources, citing concerns over indigenous peoples' rights and significant environmental impacts. The ownership structure reflects the power and

control relationships among shareholders, and the composition of the board of directors includes expertise and control over strategic decisions.

To reduce agency problems, corporate governance has emerged as a set of mechanisms that control the activities of agents to improve company performance (Maqhfirah & Syafruddin, 2023). Several companies in Indonesia have improved the quality of their financial statements, provided more detailed information on good corporate governance policies, and strengthened the functions of the board of directors and committees related to corporate governance. This reflects the commitment of these companies to improve good corporate governance practices to increase investor and shareholder confidence. Testing the influence between corporate governance and performance in research focuses on two important aspects, board composition, size of the board of directors and the proportion of independent directors. The size of the board of directors can reflect the complexity of the decision-making process and the diversity of viewpoints, and the proportion of independent board members can indicate the level of independence and internal control. Regarding corporate governance, the Financial Services Authority (OJK) conveys the determination of good corporate governance, which can be illustrated by the implementation of the directors' duties and responsibilities towards the company.

The structure of the board of directors has a strong influence on the actions taken by members of the board of directors and top management, this can ultimately affect company performance (Andrianov & Santosa, 2023). The awareness of companies in Indonesia in adopting the practice of rotating members of the board of directors is high, this condition is to prevent stagnation and interest groups that are too strong in it. With rotation, the board of directors becomes more dynamic and open to new ideas and fresh thinking, which can increase the company's adaptability to rapidly changing business environments. Awareness of the importance of the board of directors' structure can build a strong foundation for effective decision making, establish good corporate governance, and ultimately, improve overall company performance.

There is a possibility that the presence of controlling share ownership could affect the company's financial performance. A high percentage of insiders in a company's ownership structure can serve as an effective internal mechanism for managerial discipline. (Silitonga & Lastanti, 2023). Ownership of majority shares gives shareholders control over company decisions, including the company's strategic decisions. In companies in Indonesia, especially those owned by certain families or business groups, there is a tendency to fill the board of directors with independent directors as an effort to increase corporate transparency and accountability. However, the addition of an independent director to the board of directors does not always produce the expected results. Conversely, it can even lead to increased agency costs, where more independent directors tend to generate more discussion and monitoring, which in turn can interfere with decision-making efficiency and reduce managerial flexibility. The findings are consistent with

literature on agency problems demonstrated in ownership structure and board composition, in that independent directors can increase agency costs and reduce company performance. The dominant problem is the agency problem between shareholders and managers due to the separation of ownership and control (Pourmansouri et al., 2023). These conditions pose challenges to the effectiveness of the composition of the board of directors for manufacturing companies in the consumer goods sector in Indonesia in order to ensure the stability and performance of the company.

Funding decisions are also included as a challenge for companies in the capital structure. Funding decisions show assets originating from debt or equity that are used as operational costs. The phenomenon of funding decisions in startups in Indonesia is often discussed. Tokopedia, one of the leading e-commerce companies in Indonesia has received investment from various large venture capitals both locally and internationally, such as SoftBank, Alibaba Group, and Sequoia Capital. The decision to take funding from venture capital reflects a phenomenon where technology companies in Indonesia increasingly rely on external funding to support their growth. Venture capital not only provides funding, but also brings valuable knowledge, connections, and experience for startups to thrive. Companies' funding decisions continue to play an important role in the operational survival of their companies (Aboagye-Otchere & Boateng, 2023).

The position of consumer goods sector companies in the primary goods industry creates greater opportunities for companies to gain reciprocity from economic growth. Consumer goods sector companies in Indonesia show better or more consistent financial performance compared to textile subsector companies, making them a more attractive choice as research objects. The objectives of this research include understanding the impact of ownership structure, size of the board of directors, proportion of independent board of directors, funding decisions, company size, and dividend policy on company performance. In this context, the funding strategy chosen by consumer goods sector companies can become the main focus in efforts to increase competitiveness and ensure optimal operational continuity amidst continuously developing economic dynamics. Based on the phenomena and background mentioned above, a study was proposed with the title "The Influence of Ownership Structure, Board Composition and Financing Decisions on the performance of manufacturing companies in the consumer goods sector" to answer current problems.

Research Methods

This research uses indirect data collection (secondary data). The data sources for this research were obtained from the Indonesian Stock Exchange website (<https://www.idx.co.id>) and the websites of the companies used as samples. This research data consists of data from manufacturing companies listed on the Indonesian Stock Exchange for the period 2018 to 2022.

This research uses purposive sampling as a data collection method. The choice of this approach is based on objectively focused considerations. In other words, this research sample consists of companies that meet the specified criteria. The research uses secondary data from annual reports and company financial reports available in the current period, focusing on manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange (BEI). The sample object consists of 29 companies over 5 years (2018-2022 period). This research uses purposive sampling as a data collection method. The choice of this approach is based on objectively focused considerations. In other words, this research sample consists of companies that meet the specified criteria. The research uses secondary data from annual reports and company financial reports available in the current period, focusing on manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange (BEI). The sample object consists of 29 companies over 5 years (2018-2022 period).

This research uses panel data regression analysis techniques specifically for ownership structure (OWS), board of directors' size (BDsize), proportion of independent directors (BDind), financing decisions (LDF), company size (FMsize), and dividend policy (DPS). on company performance which will be identified using Tobin's Q (TQ) and return on assets (ROA). There are 2 regression models used in this study, as part of measuring the influence of ownership structure and board composition on company performance, so that the model used can be conveyed as follows:

Model 1:

$$TQ_{i,t} = \alpha + \beta_1(OWS)_{i,t} + \beta_2(BDsize)_{i,t} + \beta_3(BDind)_{i,t} + \beta_4(LDF)_{i,t} + \beta_5(FMsize)_{i,t} + \beta_6(DD)_{i,t} + \mu_{i,t} \dots \dots \dots (1)$$

Model 2:

$$ROA_{i,t} = \alpha + \beta_1(OWS)_{i,t} + \beta_2(BDsize)_{i,t} + \beta_3(BDind)_{i,t} + \beta_4(LDF)_{i,t} + \beta_4(FMsize)_{i,t} + \beta_5(DD)_{i,t} + \mu_{i,t} \dots \dots \dots (2)$$

This research focuses on manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange (BEI) during the 2018-2022 period. The panel data used includes general effects, such as common effects, fixed effects and random effects. The collected data was then processed and tested using Eviews 9 software.

Panel data regression analysis has three models used, namely the common effect (pooled least square), fixed effect and random effect models. To determine the correct and good model to interpret, three stages of testing must be carried out, namely the chow test, Hausman test, and Lagrange multiplier. The Chow test is used to choose between common effect or fixed effect, then

uses the Hausman test to choose the fixed effect or random effect model, then uses the Lagrange multiplier to choose common effect or random effect.

Results and Discussion

Variables and Measurement

The data in this study uses a population of manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange for the 2018-2022 period. The research aims to determine the influence of independent variables represented by ownership structure, size of the board of directors, proportion of independent board of directors and long-term debt funding as well as control variables which include company size and dividend policy on company performance as proxied by return on assets and Tobin's q as the dependent variable. The sample in this research was carried out using a purposive sampling method, namely a technique of considering samples using certain criteria that have been previously described.

Model Fit Test

Test Chow Test

The Chow test aims to test significant differences between two different models. The results of the chow test will provide an in-depth understanding of the sustainability of the model and whether there are significant differences between the two observed sub-samples. An explanation of the results of this chow test will provide an important basis to support the main findings of this research. If the cross-section probability of chi-square is <0.05 , then the appropriate model is fixed assets. On the other hand, if the cross-section probability of chi-square is > 0.05 , then the appropriate model is common effect.

Table 1. Chow Test Results

First Model		
Hypothesis	Probability	Model Description
<i>Cross-section Chi-square</i>	0.000	<i>Fixed Effect</i>
Second Model		
Hypothesis	Probability	Model Description
<i>Cross-section Chi-square</i>	0.000	<i>Fixed Effect</i>

Source: Processed data (2024)

From the table above, it can be seen that the chow test results in this study in the First Model were $0.000 < 0.05$ and in the Second Model were $0.000 < 0.05$. Based on these results, it is stated that the appropriate model to use in research is fixed effects.

Hausman Test

The focus of the Hausman test is to evaluate the difference between models with fixed estimates (fixed effects) and regression models with random estimates (random effects). The analysis will provide in-depth insight regarding the choice of the most appropriate regression model to explain the phenomena observed in the research. Choose which model is appropriate, between the fixed effect model and the random effect model. If the cross-section probability of random is <0.05 , then the correct model is fixed effect. Meanwhile, if the cross-section probability from random is > 0.05 , then the correct model is random effect.

Table 2. Hausman Test Results

First Model		
Hypothesis	Probability	Model Description
<i>Cross-section Chi-square</i>	0.8410	<i>random effect</i>
Second Model		
Hypothesis	Probability	Model Description
<i>Cross-section Chi-square</i>	0.0443	<i>Fixed Effect</i>

Source: Processed data (2024)

From the table above, it can be seen that the Hausman test results in this study in the First Model were $0.8140 > 0.05$ and in the Second Model were $0.0443 < 0.05$. Based on these results, it is stated that the appropriate model to use in research is fixed effects. It can be said that for further analysis used in model 2 is FEM.

Lagrange Multiplier Test

The Lagrange multiplier is shown to identify whether the common effect or random effect model is most appropriate to use in estimating panel data. Using the Lagrange multiplier test, the data is regressed with the common effect. Then common/random effect testing was carried out using the Lagrange multiplier test. Exploration of the results of the Lagrange multiplier test further explains that if the Breusch-Pagan cross-section is <0.05 , then random effects are used. Meanwhile, when the Breusch-Pagan cross-section is > 0.05 , the common effect is used.

Table 3. Lagrange Multiplier Test Results

First Model		
Hypothesis	Cross-section	Model Description
<i>Breusch-Pagan</i>	0.0000	<i>random effect</i>

Source: Processed data (2024)

From the table above, it can be seen that the Lagrange multiplier test in the research, in the first model, shows a Breusch-Pagan cross-section value of $0.0000 < 0.05$ and it is stated that the suitable model is random effect. It can be said that for further analysis used in model 1 is REM.

F Test (Concurrent)

As a series of further tests for the suitability of the model that has been built, the next critical step that is carried out is the F Test (Simultaneous). This test provides an overview of the joint significance of the independent variables in explaining variations in the dependent variable. The F test then explains that if the F-statistical probability is < 0.05 , then the independent and control variables together have an effect on the dependent variable so that the model is suitable for use. The next result is that when the F-statistical probability is > 0.05 , the independent and control variables together have no effect on the dependent variable so the model is not suitable for use.

Table 4. F Test Results (Simultaneous) Test

First Model	
Hypothesis	Probability
Prob(F-statistic)	0.001924
Second Model	
Hypothesis	Probability
Prob(F-statistic)	0.000000

Source: Processed data (2024)

From the table above, it can be seen that the F-statistic test probability of the first model is $0.001924 < 0.05$, this condition explains that the independent and control variables jointly influence the dependent variable so that the regression model is suitable for use. Continuing the previous results, the F-statistic test in the second model produces a value of $0.000000 < 0.05$, this shows that the independent and control variables together have an effect on the dependent variable so that the regression model is suitable for use.

Goodness of Fit Test (R^2)

Variations in the influence of the dependent variable can be explained by the independent variables in the model. The goodness of fit test is carried out to determine how much influence the independent variables and control variables have in explaining the dependent variable. If the adjusted R^2 value is close to 1, then the results show a very strong relationship between the independent variable and the control of the dependent variable, and vice versa.

Table 5. Goodness of Fit Test Results (R^2)

First Model	
Hypothesis	Value
Adjusted R-squared	0.10116
Second Regression Model	
Hypothesis	Value

Source: Processed data (2024)

The goodness of fit test is used to measure how far the model's ability to explain variations in the dependent variable. The coefficient of determination test is carried out by looking at the Adjusted R2 quantity. Table 8 shows that the First Regression Model with R2 produces a value of 0.10116, which means that the behavior or variations of the independent variables included in the model are able to explain around 10.116% of the behavior or variations of the dependent variable. The remainder, around 89.884%, can be attributed to behavior or variations in other independent variables not included in the model. The Second Regression Model with R2 produces a value of 0.74728, meaning that the behavior or variations of the independent variables included in the model are able to explain around 74.728% of the behavior or variations of the dependent variable. Most of the other variations, around 25.272%, were recognized as coming from behavior or variations from other independent variables not included in the model.

Data Analysis Results

Descriptive statistics

Descriptive statistics is statistical science that manages and presents data without making decisions. Descriptive statistics describe data based on average (mean), standard deviation, maximum and minimum values. The following is a table of the results of descriptive statistical analysis:

Table 6. Descriptive Statistics Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Ownership Structure	145	0.500700	0.962300	0.775524	0.112966
Size of Board of Directors	145	2.000000	12.00000	5.765517	2.351163
Proportion of Independent Directors	145	0.000000	1.000000	0.073859	0.142111
Financing decisions	145	0.002890	0.513510	0.110729	0.101854
Company Size	145	26.23312	32.45838	29.23411	1.591042
Dividend Policy	145	0.000000	2825.000	156.1218	440.7614
Tobins'Q	145	0.435190	17.67834	2.771813	2.780588
Return on Assets	145	-0.196110	0.597640	0.138782	0.121095
Valid N (listwise)	145				

Source: Processed data (2024)

The table above is the result of a descriptive statistical analysis test with the number of samples in the study (N) in 2018-2022 of 145 samples, using eight variables with the following

interpretation: 1) The ownership structure variable has a minimum value of 0.50 and a maximum value of 0.962 with an average value of 0.7755 and a standard deviation of 0.1129. The mean value is greater than the standard deviation. This shows that the mean value can be used as a representation of the entire data. 2) The board of directors size variable has a minimum value of 2 and a maximum value of 12 with an average value of 5.7655 and a standard deviation of 2.3511. The mean value is greater than the standard deviation. This shows that the mean value can be used as a representation of the entire data. 3) The variable proportion of independent directors has a minimum value of 0 and a maximum value of 1 with an average value of 0.0738 and a standard deviation of 0.1421. The mean value is smaller than the standard deviation. This shows that the mean value is a poor representation of the overall data because the standard deviation is a reflection of high deviations. 4) The Financing decisions variable has a minimum value of 0.0028 and a maximum value of 0.5135 with an average value of 0.1107 and a standard deviation of 0.1018. The mean value is greater than the standard deviation. This shows that the mean value can be used as a representation of the entire data. 5) The company size variable has a minimum value of 26.233 and a maximum value of 32.4583 with an average value of 29.2341 and a standard deviation of 1.5910. The mean value is greater than the standard deviation. This shows that the mean value can be used as a representation of the entire data. 6) The dividend policy variable has a minimum value of 0 and a maximum value of 2825 with an average value of 156.1218 and because of the large difference in the distance between the minimum and maximum values, a standard deviation of 440.7614 is obtained. The mean value is smaller than the standard deviation. This shows that the mean value is a poor representation of the overall data because the standard deviation is a reflection of high deviations. 7) The Tobin's q variable has a minimum value of 0.4351 and a maximum value of 17.6783 with an average value of 2.7718 and a standard deviation of 2.780. The mean value is smaller than the standard deviation. This shows that the mean value is a poor representation of the overall data because the standard deviation is a reflection of high deviations. 8) The return on assets variable has a minimum value of -0.1961 and a maximum value of 0.5976 with an average value of 0.1387 and a standard deviation of 0.1210. The mean value is greater than the standard deviation. This shows that the mean value can be used as a representation of the entire data.

Hypothesis Testing

Regression Model

Multiple linear regression analysis is used to determine the influence of ownership structure, board composition and financing decisions on the performance of manufacturing companies in the consumer goods sector. The results of the regression model analysis can be seen in the following table:

Table 7. Hypothesis Test Results

First Regression Model:

Ownership Structure, Size of the Board of Directors, Proportion of Independent Directors, Long-Term Debt Funding, Company Size, and Dividend Policy on Tobins'Q

$$TQ_{i,t} = \alpha + \beta_1(OWS)_{i,t} + \beta_2(BDsize)_{i,t} + \beta_3(BDind)_{i,t} + \beta_4(LDF)_{i,t} + \beta_5(FMsize)_{i,t} + \beta_6(DD)_{i,t} + \mu_{i,t}$$

Variable	Prediction	Regression Coefficient	T-Stat	Prob	Conclusion
Constant		-6.462	-0.718		
Ownership Structure	+	0.382	2.093	0.038	H ₀ Rejected
Size of Board of Directors	+	-1.079	3.095	0.002	H ₀ Rejected
Proportion of Independent Directors	+	-3.235	-1.147	0.253	H ₀ Failed Rejected
Financing Decisions	+	0.086	-1.833	0.068	H ₀ Failed Rejected
Company Size	+	0.000	0.301	0.763	H ₀ Failed Rejected
Dividend Policy	+	-6.462	0.658	0.511	H ₀ Failed Rejected
			R-Square	0.1011	
F-Test			F-Statistic	0.0019	

Second Regression Model:

Ownership Structure, Size of the Board of Directors, Proportion of Independent Directors, Long-Term Debt Funding, Company Size, and Dividend Policy on ROA

$$ROA_{i,t} = \alpha + \beta_1(OWS)_{i,t} + \beta_2(BDsize)_{i,t} + \beta_3(BDind)_{i,t} + \beta_4(LDF)_{i,t} + \beta_5(FMsize)_{i,t} + \beta_6(DD)_{i,t} + \mu_{i,t}$$

Variable	Prediction	Regression Coefficient	T-Stat	Prob	Conclusion
Constant		-2.707	-2.879		
Ownership Structure	+	0.484	2.303	0.023	H ₀ Rejected
Size of Board of Directors	+	0.022	2.989	0.003	H ₀ Rejected
Proportion of Independent Directors	+	0.042	0.839	0.403	H ₀ Failed Rejected

Financing Decisions	+	-0.169	-1.735	0.085	H ₀ Failed Rejected
Company Size	+	0.080	2.697	0.008	H ₀ Rejected
Dividend Policy	+	8.760	0.544	0.587	H ₀ Failed Rejected
				Adjusted R-Square	0.7472
F-Test				F-Statistic	0.0000

Source: processed data (2024)

The regression model for the above results is as follows:

Model 1

$$TQ = -6.462 + 0.382OWS + -1.079BDsize + -3.235BDind + 0.086LDF + 0.000FMsize + -6.462DPS$$

Model 2

$$ROA = -2.707 + 0.484OWS + 0.022BDsize + 0.042BDind + -0.169LDF + 0.080FMsize + 8.760DPS$$

Information :

A	=	Constant
β	=	Regression Coefficients
TQ	=	Tobin's Q
ROA	=	Return on Assets
OWS	=	Ownership structure
BDsize	=	Size of the Board of Directors
BDind	=	Proportion of Independent Board of Directors
LDF	=	Financing Decisions
FMsize	=	Company Size
DD	=	Dividend Policy
μ	=	Residual error item

T test

Based on table 7, it is concluded that the first regression model in this research is as follows:

1) The influence of ownership structure on Tobins'Q based on the results of the T Test, the ownership structure variable which is measured by the total percentage of shareholders who own more than 5% of the company's shares, it is known that the significance value is $0.038 > 0.05$ so it can be concluded that ownership structure has an effect positive towards Tobins'Q. 2) The influence of the size of the board of directors on Tobins'Q based on the results of the T Test, the variable size of the board of directors which is measured by the number of members of the Board

of Directors, it is known that the significance value is $0.002 > 0.05$ so it can be concluded that the size of the board of directors has a positive effect on Tobins'Q. 3) The effect of the proportion of independent directors on Tobins'Q based on the results of the T Test, the variable proportion of independent directors which is measured by the ratio of the number of independent directors to the total number of members of the board of directors, it is known that the significance value is $0.253 > 0.05$ so it can be concluded that the proportion of directors independent has no effect on Tobins'Q. 4) The influence of Financing Decision on Tobins'Q based on the results of the T Test, the Financing Decision variable which is measured by long-term debt funding compared to total assets, it is known that the significance value is $0.068 > 0.05$ so it can be concluded that long-term debt funding has no effect against Tobins'Q. 5) The effect of company size on Tobins'Q is based on the results of the T Test, the company size variable which is measured by total sales for the current year, it is known that the significance value is $0.763 > 0.05$ so it can be concluded that company size has no effect on Tobins'Q. 6) The effect of dividend policy on Tobins'Q is based on the results of the T Test, the dividend policy variable which is measured by the company's dividend per share for the current year, it is known that the significance value is $0.511 > 0.05$ so it can be concluded that dividend policy has no effect on Tobins'Q.

Based on table 7 it is concluded that the first regression model in this research is as follows:

1) The influence of ownership structure on ROA based on the results of the T Test, the ownership structure variable is measured by the total percentage of shareholders who own more than 5% of the company's shares. It is known that the significance value is $0.023 > 0.05$ so it can be concluded that ownership structure has a positive effect on ROA. 2) The effect of the size of the board of directors on ROA is based on the results of the T Test, the variable size of the board of directors which is measured by the number of members of the Board of Directors, it is known that the significance value is $0.003 > 0.05$ so it can be concluded that the size of the board of directors has a positive effect on ROA. 3) The effect of the proportion of independent directors on ROA based on the results of the T Test, the variable proportion of independent directors which is measured by the ratio of the number of independent directors to the total number of members of the board of directors, it is known that the significance value is $0.403 > 0.05$ so it can be concluded that the proportion of independent directors is not influence on ROA. 4) The effect of Financing Decision on ROA based on the results of the T Test, the Financing Decision variable which is measured by long-term debt funding compared to total assets, it is known that the significance value is $0.085 > 0.05$ so it can be concluded that long-term debt funding has no effect on ROA. 5) The effect of company size on ROA is based on the results of the T Test, the company size variable which is measured by total sales for the current year, it is known that the significance value is $0.008 > 0.05$ so it can be concluded that company size has a positive effect on ROA. 6) The effect of dividend policy on ROA is based on the results of the T Test, the dividend policy variable which is measured

by the company's dividend per share for the current year, it is known that the significance value is $0.587 > 0.05$ so it can be concluded that dividend policy has no effect on ROA.

Discussion

The Influence of Ownership Structure on Company Performance

Ownership structure characteristics include ownership by either management or financial institutions that have company share ownership exceeding the 5% limit. A 5% limit can provide identification and focus of this variable on shareholders who have a more significant impact on corporate decision making. Seeing the potential, Ownership Structure has an interest in influencing company performance, which is proxied through Tobins'Q. Company shares ownership above 5% can give shareholders greater control in decision making, which in turn can influence company strategy and value creation. The above conditions strip ownership structure as a key factor that can shape and define the direction of company performance. The research results show that ownership structure has a significant positive effect on company performance as proxied by Tobins'Q and ROA. These results are in line with research by (Pourmansouri et al., 2023) which shows that ownership structure has a significant positive effect on company performance as proxied by ROA and Tobin's Q. Based on research results, ownership structure has an important role in achieving positive market performance, and managing share ownership with the right strategy can contribute substantially to the creation of market value and management of company assets. Company stakeholders and decision makers can consider the importance of managing and understanding the share ownership structure as a strategic factor in improving overall company performance.

The Effect of Board of Directors Size on Company Performance

A reflection of the number of individuals who sit on the board of directors of a company is a projection of the size of the board of directors. Directors have a strategic role in making decisions and overseeing the company's operations. The number of members of the board of directors is considered an important indicator, because it can provide an idea of the extent to which variations in views and knowledge are accommodated in high-level decision making. The research results show that the size of the board of directors has a significant positive effect on company performance as proxied by Tobins'Q and ROA. These results are in line with research by (Gulzar et al., 2020) which shows that the size of the board of directors has a significant positive effect on company performance as proxied by ROA and (Al Farooque et al., 2020) which shows a significant positive effect on company performance as proxied by Tobin's Q. The optimal size of the board of directors can make a positive contribution to the efficient use of assets and the creation of company market value. Optimal board size can improve the quality of decision making. Involving a sufficient number of members of the board of directors, they can provide more careful and in-

depth consideration in formulating company policies and strategies. Good decisions and accurate information can lead to increased operational efficiency, reflected in higher ROA. A large enough board size can expand a company's network and connections. The existence of an extensive network can open up opportunities for collaboration, partnerships and resources that can increase a company's competitiveness, which in turn can be reflected in Tobin's Q.

The Influence of the Proportion of Independent Directors on Company Performance

The proportion of Independent Directors reflects the extent to which a company's board of directors is filled with independent members, namely individuals who have no affiliation or direct relationship with company management. The proportion calculated by the ratio of the number of independent directors to the total number of members of the board of directors is often considered an indicator of transparency, accountability and independence in decision making at the board of directors' level. The research results show that the proportion of independent directors does not have a significant effect on company performance as proxied by Tobin's Q and ROA. These results are in line with research by (Sunanti & Rahmawati, 2022) which shows that the proportion of independent directors does not have a significant effect on company performance as proxied by ROA and (Kyere & Ausloos, 2021) which shows an insignificant effect on company performance as proxied by Tobin's Q. Presence Independent directors on the board of directors do not significantly influence the achievement of the company's market value or the efficiency of asset use. Several factors may contribute to these findings, including relationship dynamics among board members, company policies, and industry characteristics. Companies may be able to achieve good performance without having to rely too much on the proportion of independent directors on the board of directors. Although the presence of independent directors is often considered a measure to increase transparency and accountability, these findings suggest that other aspects of corporate governance may have a more dominant role in shaping corporate performance.

The Influence of Financing Decisions on Company Performance

The company's policy in choosing its capital structure is reflected in the Financing Decision. Calculations using long term debt funding are used to measure the reliability of long-term funding in supporting operations and investments. Long term debt funding is measured by long term debt compared to total assets. These strategic implications provide insight into how capital structure can shape company performance, and how changes in funding policies can affect the achievement of market value and the company's overall operational efficiency. The research results show that financing decisions do not have a significant effect on company performance as proxied by Tobin's Q and ROA. These results are in line with research by (Nurahma & Budiharjo, 2022) which shows that financing decisions do not have a significant effect on company

performance. Financing decisions do not show a significant correlation with ROA, which measures the efficiency of using company assets. This shows that long-term funding policies do not directly affect the level of efficiency in utilizing company assets to generate profits. In terms of Tobin's Q which reflects the company's market value, financing decisions also do not have a significant impact. Long-term funding structures do not show a strong correlation with market valuation or company market value.

The Influence of Company Size and Dividend Policy on Company Performance

Company size is an indicator of the extent to which the company is involved in operational activities and the market share it has. Total sales reflect its scale, which can affect operational efficiency, the impact of economies of scale, and a company's competitiveness. Meanwhile, Dividend per Share reflects the company's dividend policy, namely how much dividend it pays to shareholders per share it owns. This policy is often seen as a signal of company confidence in future performance and growth potential. Company size is measured by the company's total sales in the current year, while Dividend per Share is calculated by dividing the total dividends paid by the company by the number of shares outstanding in that year. The research results show that company size does not have a significant effect on company performance as proxied by Tobin's Q but has a significant effect on ROA. These results are in line with research by (Purwanti, 2021) which shows that company size has no significant effect on company performance as proxied by Tobin's Q and (Partiwi & Herawati, 2022) which shows a significant positive effect on company performance as proxied by ROA. The research results show that dividend policy has no significant effect on company performance as proxied by Tobin's Q and ROA. These results are in line with research by (Yanti & Setiawati, 2022) which shows that dividend policy has no significant effect on company performance as proxied by Tobin's Q and (Nuriksani & Sari, 2022) which shows no significant effect on company performance as proxied by ROA.

Company size does not have a significant effect on Tobin's Q. This shows that, in the context of this research, operational scale or company size does not have a significant impact on the company's market valuation. Other factors, such as business strategy or innovation, may have a more dominant role in shaping a company's market value. Company size has a significant positive effect on ROA. This means that the larger the company size, the more efficiently the company's assets are used to generate profits. This can be interpreted that companies with a larger operational scale have the potential to achieve higher operational efficiency, which is reflected in positive ROA. Dividend policy does not have a significant effect on ROA or Tobin's Q. This shows that the company's dividend distribution policy per share does not have a significant impact on the efficiency of asset use or the company's market value. Other factors, such as earnings growth or investment strategy, may be more important in understanding a company's performance and value.

Conclusion

Based on the results of research and discussion regarding the influence of ownership structure, composition of the board of directors, and funding decisions on the performance of manufacturing companies in the consumer goods sector, it can be concluded that: (1) Ownership structure has a positive and significant influence on company performance, both in terms of Return on Assets (ROA) and Tobin's Q. (2) The size of the board of directors also has a positive and significant influence on company performance, which can be seen from the increase in ROA and Tobin's Q. (3) The proportion of independent directors does not have a significant influence on company performance, measured by ROA and Tobin's Q. (4) Funding decisions do not have a significant impact on company performance, both in terms of ROA and Tobin's Q. (5) Company size does not have a significant influence on company performance in terms of ROA, but has a positive and significant effect on Tobin's Q. Lastly, (6) dividend policy also does not have a significant influence on company performance, both in terms of ROA and Tobin's Q. Thus, these findings provide a more in-depth picture of the factors that influence company performance in the context of the goods sector manufacturing industry consumption.

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