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THE EFFECT OF GOOD CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE WITH INTELLECTUAL CAPITAL AS A MODERATING VARIABLE

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Abstract

This study aims to identify, test, and analyze the effect of institutional ownership, managerial ownership, independent commissioners, and audit committees on financial performance with intellectual capital as a moderating variable. The type of data used is quantitative, consisting of secondary data obtained from annual reports on the official websites of companies and the Indonesia Stock Exchange. The research population includes all banking sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The sampling technique used the purposive sampling method. The data collection method utilized documentation with data analysis techniques using classical assumption tests, F-test, moderated regression analysis (MRA), and t-test. The results of the study concluded that partially, independent commissioners has a positive affect on financial performance, while institutional ownership, managerial ownership, audit committees, and intellectual capital do not affect financial performance. In addition, intellectual capital is able to strengthens the effect of institutional ownership, managerial ownership, and audit committees on financial performance, but weakens the effect of independent commissioners on financial performance. This study contributes to the development of research on corporate governance and intellectual capital towards improving the financial performance of banking companies.

Keywords: institutional ownership, managerial ownership, independent commissioner, intellectual capital, financial performance.

INTRODUCTION

The development of the society 5.0 era encourages companies to improve competitiveness through effective and efficient resource management. Companies are not only required to generate profits, but also to maintain business continuity amidst increasingly fierce business competition (Ustadi, 2020). Financial performance is an important indicator that reflects the success of a company in managing resources and achieving company goals (Apriliana & Zulfikar, 2024). Financial performance is also a primary concern for investors because it indicates management's ability to manage company assets to generate profits (Hassan *et al*., 2023). Companies with good financial performance will gain a higher level of trust from investors and stakeholders *(*Al-Ahdal *et al*., 2023).

The banking sub-sector is one of the sectors that has an important role in the national economy. However, since the Covid-19 pandemic, several banking companies have experienced a decline in profitability and financial performance instability. This is reflected in PT Bank KB Indonesia Tbk (BBKP). Based on the 2024 financial performance report, it posted a net loss of around Rp 6.15 trillion, which indicates the bank's failure to achieve sustainable profitability (Hannany & Effendi, 2025). This condition was exacerbated by accumulated losses which rose sharply to reach around Rp 14.7 trillion as of March 31, 2024, accompanied by a decline in total assets and a contraction in lending, which reflects poor asset quality and the ineffectiveness of the bank's risk management

(Darmawan, 2024). These large and recurring losses indicate fundamentally poor financial performance, and reflect structural problems in financial management and corporate governance.

These conditions demonstrate the importance of implementing good corporate governance to maintain stability and improve the company's financial performance. Good corporate governance is a system that regulates and controls companies so that they can create added value for stakeholders. The implementation of good corporate governance can increase transparency, accountability, and the effectiveness of corporate oversight so that it is capable of improving financial performance (Mahrani & Soewarno, 2018). The good corporate governance mechanisms in this study are proxied by institutional ownership, managerial ownership, independent commissioners, and audit committees.

Institutional ownership is considered capable of increasing the effectiveness of monitoring management because institutional investors have better resources and monitoring capabilities. Institutional shareholders tend to encourage various positive actions aimed at repairing and improving the company's financial performance (Agatha *et al*., 2020). Managerial ownership can align the interests of management with shareholders so that it can reduce agency conflicts. Share ownership by management encourages an increased sense of responsibility as well as management prudence in running the company's operations (Silvia *et al*., 2024). Independent commissioners function to carry out objective and independent oversight of company management (Apriliana & Zulfikar, 2024). This role also allows companies to anticipate external threats, maintain resource sustainability, and increase profits which ultimately supports the improvement of financial performance (Setiawan & Setiadi, 2020). Meanwhile, the audit committee is tasked with assisting the board of commissioners in ensuring the quality of financial reports and the effectiveness of the company's internal control, as well as assessing the performance of external and internal auditors so that the oversight process runs optimally, thereby impacting the improvement of financial performance (Ritonga & Afriyenti, 2023).

In addition to good corporate governance, intellectual capital is also an important factor in improving company performance. According to Ousama *et al*. (2020), intellectual capital is an intangible asset consisting of human capital, structural capital, and capital employed that is capable of creating a company's competitive advantage. Intellectual capital refers to assets inherent in human resources, in the form of knowledge and skills possessed by individuals within an organization and capable of providing added value to that organization (Olimsar & Tialonawarmi, 2021).

Previous research regarding the effect of good corporate governance on financial performance shows inconsistent results. This research develops Kyere & Ausloos (2021) research. Therefore, this study adds intellectual capital as a moderating variable to determine whether intellectual capital is able to strengthen the relationship between good corporate governance and corporate financial performance

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Agency Theory

Jensen & Meckling (1976) describe the agency relationship as a relationship between the company owner (principal) and the agent, with the delegation of the decision-making authority to the agent. Agency theory explains the relationship between the principal and the agent that can cause conflicts of interest because management does not always act in accordance with the interests of the shareholders. For that, one of the ways that can be used to monitor contract issues between management and investors and limit the opportunistic behavior of management is through the implementation of good corporate governance.

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Resource Based View Theory

The resource-based view theory was first introduced by Wernerfel (1984), who stated that a company's competitive advantage comes from internal resources that have rare, valuable, hard-to- imitate, and non-substitutable characteristics. RBV explains that intellectual capital is a strategic resource capable of creating a company's competitive advantage (Ousama *et al*., 2020). Intellectual capital consists of human capital, structural capital, and capital employed efficiency.

Institutional Ownership and Financial Performance

Institutional ownership is the proportion of company shares owned by institutions such as investment companies, banks, and insurance companies. High institutional ownership can increase the effectiveness of management oversight so that it is capable of improving the company's financial performance. The influence and encouragement of institutional investors ensure that management works efficiently, optimally, and is oriented towards improving the company's financial performance (Agatha *et al*., 2020).

H1: Institutional ownership has a positive effect on financial performance.

Managerial Ownership and Financial Performance

Managerial ownership is share ownership by the company's management. The greater the managerial ownership, the greater the management's motivation to improve company performance because management also acts as shareholders. An increase in share ownership by management encourages management to be more careful in decision-making and tends to formulate strategies oriented towards improving the company's financial performance (Yendrawati & Kinanti, 2024).

H2: Managerial ownership has a positive effect on financial performance.

Independent Commissioner and Financial Performance

Independent commissioners have an objective and independent oversight function over company policies. According to Kyere & Ausloos (2021), the presence of independent commissioners can improve the quality of supervision and drive improvements in company performance. An increasing number of independent commissioners helps the company in minimizing various external threats so that the company is able to maintain its resources to obtain greater profits which ultimately impacts on improving financial performance (Candradewi & Sedana, 2016).

H3: Independent commissioners has a positive effect on financial performance.

Audit Committee and Financial Performance

The audit committee is tasked with assisting the board of commissioners in carrying out oversight of the financial reporting process and the company's internal control system. The audit committee regularly holds meetings and creates a more effective oversight mechanism, thereby encouraging executives to carry out their duties more optimally and ultimately improving the company's financial performance (Al Farooque *et al*., 2020).

H4: The audit committee has a positive effect on financial performance.

Intellectual capital as a moderator of the effect of institutional ownership on financial performance

Companies with high intellectual capital have better information systems, more efficient business processes, and more reliable reporting quality. This condition allows institutional investors to obtain more accurate and relevant information, making the monitoring function more effective. Thus, intellectual capital acts as a strengthening factor that enables institutional ownership to not

only be formal, but truly be able to influence managerial policies and improve the company's financial performance.

H5: Intellectual capital moderates the effect of institutional ownership on financial performance.

Intellectual capital as a moderator of the effect of managerial ownership on financial performance

Managers with a high portion of share ownership will be more effective in improving financial performance when the company is supported by established human capital and structural capital, such as cutting-edge information technology systems, clear standard operating procedures (SOP), and integrated customer databases. Such support allows managers to make data-driven strategic decisions quickly so that efficiency policies and financial performance improvements can be executed quickly and accurately.

H6:* Intellectual *capital moderates the effect of managerial ownership on financial performance.

Intellectual capital as a moderator of the effect of independent commissioners on financial performance

Companies with high intellectual capital tend to have more transparent reporting systems, well-documented business processes, cutting-edge databases and technology, and competent human resources. This condition helps independent commissioners quickly understand risks, obtain accurate and transparent data, evaluate strategies, and provide valuable input to management. Thus, intellectual capital strengthens the quality of the independent commissioner's oversight function which reduces agency conflict and information asymmetry, which ultimately has a positive impact on improving the company's financial performance.

H7: Intellectual capital moderates the effect of independent commissioners on financial performance.

Intellectual capital as a moderator of the effect of audit committee on financial performance

Companies with high intellectual capital, especially in the structural capital component, have established accounting systems and operational procedures, thereby reducing information asymmetry which facilitates the audit committee in providing targeted recommendations quickly. When the audit committee's recommendations regarding cost efficiency or system improvements are implemented by competent human capital, the potential for financial leakage decreases and the company's financial performance will increase.

H8: Intellectual capital moderates the effect of the audit committee on financial performance.

RESEARCH METHODS

financial reports of banking sub-sector companies listed on the Indonesia Stock Exchange in 2020–2024. The sampling technique used a purposive sampling method based on certain criteria so that 85 observation data were obtained. The data collection method used documentation with data analysis techniques using classical assumption tests, F-test, moderated regression analysis (MRA), and t-test using the SPSS version 23 application.

The dependent variable in this study is financial performance measured using Return on Assets (ROA). The independent variables in this study consist of Institutional Ownership, measured by the number of shares owned by institutional parties divided by outstanding shares. Managerial Ownership is measured by the number of shares owned by managerial parties divided by outstanding shares. Independent commissioner is measured by the number of independent commissioners divided by the total number of the board of commissioners. The audit committee is

measured by the number of audit committee meetings in 1 year. Intellectual capital is used as a moderating variable measured using the Value Added Intellectual Coefficient (VAIC™) method.

This study was tested using moderated regression analysis. The regression equation model in this study is as follows:

$Y = \alpha + \beta1INST + \beta2MNJR + \beta3INDP + \beta4KA + \beta5IC + \beta6INST*IC + \beta7MNJR*IC + \beta8INDP*IC + \beta9KA*IC + \varepsilon$

Y : Financial Performance (ROA)
α : Constant
β : Coefficient
INST : Institutional Ownership
MNJR : Managerial Ownership
INDP : Independent Commissioner
KA : Audit Committee
IC : Intellectual Capital
ε : Error

RESULTS AND DISCUSSION

Data Analysis

1. Descriptive Analysis

The following table shows the number of observations, minimum value (Minimum), maximum value (Maximum), Mean, standard deviation (Std. Deviation) of the research variable.

Table 1. Descriptive Statistical Analysis Result

Descriptive Statistics					
N		Minimum	Maximum	Mean	Std. Deviation
FINANCIAL PERFORMANCE	85	,06935	3,78467	1,2646356	,97854867
INSTITUTIONAL OWNERSHIP	85	40,70000	99,88000	77,1848772	15,09693855
MANAGERIAL OWNERSHIP	85	,00015	4,91000	,3674519	1,10931234
INDEPENDENT COMMISSIONER	85	44,44444	83,33333	58,8121976	8,54187486
AUDIT COMMITTEE	85	4,0	41,0	15,224	8,4619
INTELLECTUAL CAPITAL	85	1,12129	6,03763	3,1217280	1,32597525
Valid N (listwise)	85				

Source: Data Analysis Results, 2026

Based on the descriptive statistical table, it can be described as follows:

The results of the descriptive statistical analysis on the financial performance variable show a standard deviation value of 0,97854867, which is smaller than the mean value of 1,2646356, indicating that the level of data variation is quite low, so the data is homogeneous. The institutional ownership variable has a standard deviation value of 15,09693855, which is smaller than the mean value of 77,1848772, indicating that the level of data variation is quite low, so the data is homogeneous. The managerial ownership variable has a standard deviation value of 1,10931234, which is larger than the mean value of 0,3674519, indicating that the data has a high level of variation, so it is heterogeneous. The independent commissioner variable has a standard deviation value of 8,54187486, which is smaller than the mean value of 58,8121976, indicating that the level of data variation is quite low so the data is homogeneous. The audit committee variable has a

standard deviation value of 8,4619, which is smaller than the mean value of 15,224, indicating that the level of data variation is quite low so the data is homogeneous. The intellectual capital variable has a standard deviation value of 1,32597525, which is smaller than the mean value of 3,1217280, indicating that the level of data variation is quite low so the data is homogeneous.

2. Classic Assumption Test

a. Normality test
   The normality test using the Kolmogorov Smirnov test obtained results above the criteria value of 0,065 (Sig > 0,05), so it can be stated that the data in this study are normally distributed and pass the normality test.
b. Multicollinearity test
   Based on the multicollinearity test, it is known that the SPSS output results show that all independent variables show a tolerance value (tolerance value > 0,10) and a variance inflation factor value (VIF < 10). So it can be concluded that multicollinearity does not occur.
c. Heteroscedasticity test
   Based on the results of the heteroscedasticity test using the Park Glejser test, it can be seen that the SPSS output results show that all variables have a significance value > 0,05. Thus, it can be concluded that heteroscedasticity does not occur.
d. Autocorrelation test
   The results of data processing show that the Durbin-Watson value is 1.930. It is known that the dU value for 5 variables and 85 samples is 1,7736, so 4-dU is 2,2264. If the value of dU < dw < 4-dU then it is said that autocorrelation does not occur. In this test, the value of 1,7736 < 1,930 < 2,2264 was obtained, so it can be concluded that the regression model does not exhibit autocorrelation symptoms.

3. Hypothesis Test

The results of data processing using moderated regression analysis obtained the results as seen in the table:

Table 2. T Test Results

Variable	B	Sig.	Conclusion
INSTITUTIONAL OWNERSHIP	-,026	,049	Rejected
MANAGERIAL OWNERSHIP	-,250	,134	Rejected
INDEPENDENT COMMISSIONER	,058	,032	Accepted
AUDIT COMMITTEE	-,043	,115	Rejected
IC_INST	,008	,037	Accepted
IC_MNJR	,086	,030	Accepted
IC_INDP	-,023	,005	Rejected
IC_KA	,021	,009	Accepted

Source: Secondary data processed by the author, 2026

Based on table 2. the regression equation is obtained as follows:

Y = - 1,029 - 0,026INST - 0,250MNJR + 0,058INDP - 0,043KA + 0,870IC + 0,008INST*IC + 0,086MNJR*IC - 0,023INDP*IC + 0,021KA*IC + ε

From the results of the linear regression equation, it can be interpreted as follows:

a. α = a constant value of -1,029, which means that if the variables are considered constant, the financial performance obtained by banking sub-sector companies decreases by -1,029.
b. β1 = the regression coefficient value for institutional ownership is -0,026 and

indicates a negative regression coefficient direction (opposite direction) between institutional ownership and financial performance. Thus, this indicates that for every one-unit increase in institutional ownership, assuming other variables are constant, financial performance will experience a decrease of 0,026.

c. β2 = the regression coefficient value for managerial ownership is -0,250 and indicates a negative regression coefficient direction (opposite direction) between managerial ownership and financial performance. Thus, this indicates that for every one-unit increase in managerial ownership, assuming other variables are constant, financial performance will experience a decrease of 0,250.
d. β3 = the regression coefficient value for independent commissioners is 0,058 and indicates a positive regression coefficient direction (same direction) between independent commissioners and financial performance. Thus, this indicates that for every one-unit increase in independent commissioners, assuming other variables are constant, financial performance will experience an increase of 0,058.
e. β4 = the regression coefficient value for the audit committee is -0,043 and indicates a negative regression coefficient direction (opposite direction) between the audit committee and financial performance. Thus, this indicates that for every one-unit increase in the audit committee, assuming other variables are constant, financial performance will experience a decrease of 0,043.
f. β5 = the regression coefficient value for intellectual capital is 0,870 and indicates a positive regression coefficient direction (same direction) between intellectual capital and financial performance. Thus, this indicates that for every one-unit increase in intellectual capital, assuming other variables are constant, financial performance will experience an increase of 0,870.
g. β6 = the coefficient value of the interaction variable resulting from the multiplication between intellectual capital and institutional ownership is 0,008 with a positive coefficient indicating that for every one-unit increase in the multiplication result of intellectual capital and institutional ownership, financial performance will experience an increase of 0,008.
h. β7 = the coefficient value of the interaction variable resulting from the multiplication between intellectual capital and managerial ownership is 0,086 with a positive coefficient indicating that for every one-unit increase in the multiplication result of intellectual capital and managerial ownership, financial performance will experience an increase of 0,086.
i. β8 = the coefficient value of the interaction variable resulting from the multiplication between intellectual capital and independent commissioners is -0,023 with a negative coefficient indicating that for every one-unit increase in the multiplication result of intellectual capital and independent commissioners, financial performance will experience a decrease of 0,023.
j. β9 = the coefficient value of the interaction variable resulting from the multiplication between intellectual capital and the audit committee is 0,021 with a positive coefficient indicating that for every one-unit increase in the multiplication result of intellectual capital and the audit committee, financial performance will experience an increase of 0,021.

Discussion

The Effect of Institutional Ownership on Financial Performance

The research results indicate that the institutional ownership variable has a coefficient of -0.026 (negative) with a sig value of 0.049 < 0.05, so H1 is rejected. Thus, it can be concluded that the institutional ownership variable has a significant negative effect on financial performance. This means that the higher the level of institutional ownership, the company's financial performance tends to decline. The average institutional ownership value of 77.18% with a maximum value reaching 99.88% indicates that institutional ownership in the banking sample is highly concentrated in certain institutional parties. This ownership value is too high and exceeds the maximum limit for institutional ownership, which is 92.5%. This condition indicates that institutional investors no longer function solely as supervisors, but have also become a very dominant party in corporate control. In the banking sector, this condition can encourage more aggressive decision-making or other short-term policies to maintain institutional investor profits. As a result, the bank's operational efficiency and financial performance stability decline. This condition can impact the decline in governance effectiveness and cause institutional ownership to have a significant negative effect on the company's Return on Assets (ROA) (Almega & Yuliansyah, 2024). This result is supported by research conducted by Almega & Yuliansyah (2024) and Manurung & Manda (2025) stating that institutional ownership has a negative effect on financial performance.

The Effect of Managerial Ownership on Financial Performance

The research results indicate that the managerial ownership variable has a coefficient of -0.250 (negative) with a sig value of 0.134 > 0.05, so H2 is rejected. Thus, it can be concluded that the managerial ownership variable has no effect on financial performance. This low influence can be seen from the average value of managerial ownership which is only 0.367% with a maximum value of 4.91%. A share ownership percentage below 20% is considered insignificant to influence the company, so companies with low levels of managerial ownership will tend to show low levels of management performance (Yendrawati & Kinanti, 2024). The data shows that the proportion of shares owned by management in banking companies is relatively low, making managers have limitations in actively participating in corporate decision-making, so managerial ownership is unable to provide a strong enough influence on policies or significant improvement in the company's financial performance (Candradewi & Sedana, 2016). The results of this study are in line with research conducted by Yendrawati & Kinanti (2024), Purnama *et al*. (2025), Savestra *et al*. (2021) stating that managerial ownership has no effect on financial performance.

The Effect of Independent Commissioners on Financial Performance

The research results indicate that the independent commissioner variable has a coefficient of 0.058 (positive) with a sig value of 0.032 < 0.05, so H3 is accepted. Based on these results, it can be concluded that independent commissioners partially have a positive and significant effect on the financial performance of banking companies. Based on the results of the study's descriptive statistics, the independent commissioner variable has an average value of 58.81%. This average value indicates that most of the banking companies in the sample have met the requirement of having independent commissioners of at least 50% of the total members of the board of commissioners. Thus, it can be concluded that banking companies have an adequate number of commissioners in carrying out their oversight function over directors regarding the execution of company performance. A large number of independent commissioner members is capable of protecting the interests of all company stakeholders and has an impact on improving financial performance (Yendrawati & Kinanti, 2024). Furthermore, independent commissioners play a role in minimizing various external threats so that the company is able to maintain its resources to obtain greater profits, resulting in an impact on improving financial performance

(Candradewi & Sedana, 2016). This result is supported by research conducted by Apriliana & Zulfikar (2024), Setiawan & Setiadi (2020), Yendrawati & Kinanti (2024), Khairunnisa *et al*. (2022) stating that independent commissioners have a positive and significant effect on financial performance.

The Effect of the Audit Committee on Financial Performance

The research results indicate that the audit committee variable has a coefficient of -0.043 (negative) with a sig value of 0.115 > 0.05, so H4 is rejected. Thus, it can be concluded that the audit committee variable has no effect on financial performance. The audit committee variable proxied through meeting frequency has an average value of 15.22 times in one year, with a minimum value of 4 times and a maximum of 41 times. However, a high frequency of audit committee meetings does not always reflect oversight effectiveness. The large number of meetings held is not necessarily followed by quality discussions, optimal follow-up, member independence, or the audit committee's ability to provide strategic recommendations to management. In other words, frequently held meetings can be a formality to fulfill regulatory provisions, so the audit committee does not have a direct impact on improving the company's financial performance. In addition, oversight effectiveness is not only determined by the number of audit committee meetings but is also influenced by the quality of oversight, follow-up on meeting results, and the involvement of top management's oversight effectiveness in carrying out the control function (Apriliana & Zulfikar, 2024). This result is supported by research conducted by Setiawan & Setiadi (2020), Rikasari & Hardiyanti (2022), Ritonga & Afriyenti (2023), Apriliana & Zulfikar (2024) stating that the audit committee has no effect on financial performance.

Intellectual Capital Moderates the Effect of Institutional Ownership on Financial Performance

The research results indicate that the intellectual capital interaction variable in moderating institutional ownership has a coefficient of 0.008 (positive) with a sig value of 0.037 < 0.05, so H5 is accepted. Thus, it can be concluded that the intellectual capital moderating variable strengthens the effect of institutional ownership on financial performance. When a company has high intellectual capital, it tends to have a better information system, more competent quality of human resources, more efficient business processes, and a more reliable reporting system. This condition enables institutional investors to obtain more accurate information so that the evaluation of management performance runs effectively and helps the company in creating a competitive advantage. This condition can ultimately improve the company's financial performance (Apriliana & Zulfikar, 2024).

Intellectual Capital Moderates the Effect of Managerial Ownership on Financial Performance

The research results indicate that the intellectual capital variable in moderating managerial ownership has a coefficient of 0.086 (positive) with a sig value of 0.030 < 0.05, so H6 is accepted. Thus, it can be concluded that the intellectual capital moderating variable strengthens the effect of managerial ownership on financial performance. Managers who have share ownership in the company will be more effective in improving financial performance if supported by good intellectual capital. The existence of structural capital, such as adequate information technology systems, clear standard operating procedures (SOPs), and integrated database systems, can assist management in making strategic decisions more quickly and accurately. These conditions allow efficiency and improvement in financial performance to be optimally implemented. In addition, competent and loyal human capital also plays an important role in

supporting the implementation of management strategies into the company's operational activities.

Intellectual Capital Moderates the Effect of Independent Commissioners on Financial Performance

The research results indicate that intellectual capital in moderating independent commissioners shows a significance level of 0.005. The beta value is -0.023 (negative) and the sig value is 0.005 < 0.05, so H7 is rejected. Thus, it can be concluded that the intellectual capital moderating variable weakens the effect of independent commissioners on financial performance. This condition can occur because independent commissioners focus more on the company's oversight and compliance functions, whereas intellectual capital management falls more under the authority of company management. In banking companies with very high intellectual capital, organizational systems, information technology, risk management, and the quality of human resources have run automatically and are well integrated. This condition causes the company to become more dependent on internal systems and organizational capabilities compared to the independent commissioner's oversight function. High intellectual capital can also reduce the company's reliance on external control functions because the company's internal system is able to minimize information asymmetry and operational risks independently. Therefore, the role of independent commissioners becomes less dominant in influencing the company's financial performance. This is what causes intellectual capital to weaken the effect of independent commissioners on banking financial performance. Thus, intellectual capital actually reduces the strength of the independent commissioner's influence on financial performance because a portion of the monitoring function has been replaced by organizational systems and the company's intellectual capital that are already functioning effectively.

Intellectual Capital Moderates the Effect of the Audit Committee on Financial Performance

The research results indicate that the intellectual capital variable in moderating the audit committee has a coefficient of 0.021 (positive) with a sig value of 0.009 < 0.05, so H8 is accepted. Thus, it can be concluded that the intellectual capital moderating variable strengthens the effect of the audit committee on financial performance. Companies that have high intellectual capital, particularly in the structural capital component, are supported by good accounting systems and operational procedures so that they can reduce the occurrence of information asymmetry. When a company has strong structural capital, such as modern accounting systems and information technology, the audit committee can more easily detect risks, evaluate internal control weaknesses, and provide well-targeted recommendations. In addition, if audit committee recommendations are supported by competent human capital, system improvements and cost efficiency can be carried out optimally so that the potential for financial leakage can be minimized and the company's financial performance improves.

CONCLUSION

Based on the results of the study using the Moderated Regression Analysis (MRA) method, it is concluded that institutional ownership has a significant negative effect on financial performance. Managerial ownership and the audit committee have no effect on financial performance. Meanwhile, independent commissioners have a significant positive effect on financial performance. In addition, intellectual capital is able to strengthen the effect of institutional ownership,

managerial ownership, and the audit committee on financial performance. However, intellectual capital weakens the effect of independent commissioners on financial performance.

This study has several limitations, including that the study only uses banking sub-sector companies listed on the Indonesia Stock Exchange for the 2020–2024 period and only uses four independent variables, namely institutional ownership, managerial ownership, independent commissioners, and audit committees.

Based on the research results, researchers suggest that future research expand the research object to other company sectors so that the research results become more comprehensive. In addition, future research is advised to extend the research period and add other independent variables that can affect the company's financial performance.

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