Disclosure of Governance, Ownership Structure, Earnings Quality, and Future Performance (Evidence from Indonesia and Singapore)

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ABSTRACT
This study analyzes the effect of institutional ownership structure and earnings quality on the future performance of companies with governance as a moderating variable in Indonesian and Singaporean companies. The company's future performance in general will usually be represented in the financial statements. Earnings quality is an important benchmark for companies to determine the quality of company accounting information. Institutional ownership is sharing ownership owned by an institution or business entity. Institutions here mean ownership by banks, foundations, investment fund managers, pension fund managers, and others. Good Corporate Governance is corporate governance that explains the influence between various participants in the company that determines the direction of the company's future performance. The sample used in this study are companies listed on the Indonesia Stock Exchange and Singapore Stock Exchange from the period 2018 to 2020. This study uses a multiple linear regression model. The results show that institutional ownership structure has a significant positive effect on Future Performance and governance. as an independent variable shows a significant positive result on Future Performance.

Keywords: Future Performance, Institutional Ownership Structure, Earnings Quality, Governance, ROA (Return of Assets), Tobin's Q.

INTRODUCTION
Every company is uncertain about what will happen to the company. There are various possibilities that can occur. It is possible that the company can perform better according to what the company plans or expects. On the contrary, the company can also experience bad things that harm the company and can even make the company go bankrupt. Interested parties must take appropriate steps to anticipate and address the issue of uncertainty in the future. Institutional company owners can take steps by first evaluating the company's capabilities and performance. From the results of the evaluation, forecasting and predictions can be made about the company's capabilities and performance in the future. Financial statements are needed to evaluate and predict a company's capabilities and performance. This is because financial statements can be a benchmark for the success of the company's performance.

According to Kieso, who was translated by Emil Salim in Karpriana (2019), the purpose of financial reporting is to provide useful information for investment decisions and be able to assess the future performance of the company. Investors need a guarantee that they will get the result of their investment. Creditors also need company performance information to find out the profitability and stability of the company to fulfill its obligations. Good Earnings Quality is one of the signals that can be used by investors and creditors to assess the company's capabilities. The information provided will be responded to directly by external parties as a good or bad
signal. Thus, they can judge the good and bad quality of the company. Information about the performance of an enterprise, especially about profitability, is needed to make decisions about the economic sources that an enterprise will manage in the future. Companies with good governance are able to help companies achieve their goals. Companies that can contribute to achieving goals and targets have good Future Performance because they have implemented governance principles as a way to increase company value. In the process of maximizing the performance of the future company will arise conflicts of interest between managers and shareholders (owners of the company) which are often called agency conflicts.

According to the theory of agency, each individual acts on their own interests. Agency conflicts occur due to the separation of roles between the agent and the principal and because of differences in interests between the two. The mechanism that is believed to be able to monitor and control adverse actions carried out by agents is governance (Riyani, 2015).

This study uses the analysis of companies listed on the Singapore Stock Exchange (SGX) and the Indonesia Stock Exchange (IDX) already have a sustainability report rule on a "comply or explain" basis, which stipulates that all companies listed on the Singapore Stock Exchange must describe their sustainability practices based on five main components. If a company doesn't issue just one key component, then it should explain what they're doing instead and why they're doing it (SGX News Releases).

Meanwhile, in Indonesia, the sustainability report rules are still voluntary. Singapore has mandated a sustainability report rule starting at the end of 2017, this shows the benefits obtained by the company in the form of trust from all company stakeholders because it is able to make disclosures on the company's reports. Singapore has a developed trade-oriented market economy system and Singapore's economy is one of the most open in the world. An open economy is an economy that involves itself in international trade (exports and imports) of goods and as well as capital with other countries. The economic activities of four sectors, such as the household, corporate, government, and foreign sectors, are often called the open economy.

Meanwhile, Indonesia's economy is one of the largest majors developing economic powers in Southeast Asia. Within the scope of Southeast Asia, Singapore is a developed country while Indonesia is a developing country. The motivation for this study is to determine and analyze the future performance of companies, ownership structure, Earnings Quality, leverage, company size, and corporate governance that has been listed on the Indonesia Stock Exchange (IDX) and the Singapore Stock Exchange (SGX) for the 2018 - 2020 period.

LITERATURE REVIEW AND HYPOTHESES

Agency Theory

Agency Theory reflects the influence that arises when the shareholder (principal) entrusts the company to be controlled by management (agent). Jensen and Meckling (1976) define agency influence as a contract in which one or more (principals) engage another person (agent) to work on behalf of the principal and hand over the decision-making authority of the company to the agent. According to Colpan and Yoshikawa (2012) in order to avoid such a dire situation, investors seek to maintain an ownership structure in the form of, the centralization of ownership in a group of people, which allows them to supervise the actions of managers to reduce agency problems, which in turn will contribute to improving the performance of future companies Centralization in several hands, for example in the hands of institutional shareholders, useful for controlling the behavior of managers in generating value for owners and this concentration is a
positive effect on the future performance of the company (Hanafi et al., 2018; Kao et al., 2018). However, what will happen if a certain group of shareholders (e.g., institutional shareholders or sponsors/directors) seeks to control another class of shareholders? Agency problems will occur when a certain group of owners seeks to control the operation and management of the company (Yeh, 2018).

Signal Theory

Rahayu and Suryana (2015) in Kurniawan (2018) stated that signal theory explains that information is an important element for investors and business people because the information is essentially a description, record, or picture both for past, current, and future circumstances for the survival of the company and how it impacts the company. The signal theory has information that is closely related to information asymmetry. If the information contains a signal, it is expected that external parties can respond when the signal is received. According to Endiana and Suryandari (2017), the signal theory is to convey information to users of information that describes the condition of the company.

Users of information consisting of investors, potential investors, and creditors will respond to the information received from the company as a form of the signal given by the company regarding the condition of the company. According to Masdiantini et al., (2020) signal theory is used to explain that financial statements can be used to give positive signals (good news) and negative signals (bad news) to users of financial statements. The signal theory discusses how signals of success or failure of management (agents) should be conveyed to the owner (principal).

The Effect of Institutional Ownership Structure on The Company's Future Performance

Lin and Fu (2017) found a positive impact of institutional ownership on the future performance of companies in China for the period 2004-2014. Institutional investors apply their highly developed managerial skills, professional knowledge, and voting rights to influence managers to improve corporate efficiency and corporate governance, in addition to helping companies make business decisions. In particular, in contrast to individual investors, institutional investors are usually professionals in a particular field.

According to Fitri Rosiana Dewi (2021), institutional ownership has a positive influence on the quality of profits, meaning that if the institutional ownership is large, then the quality of the profits produced is good so if the company has good Earnings Quality, it means that the company can improve the company's future performance.

H1: There is a positive influence of institutional ownership structures on the future performance of the company.

The Effect of Earnings Quality on The Company's Future Performance

The decline in profitability reflects that it has had less and less profit as management chooses a policy to suspend its profits in the coming period. Profitability explains the company's ability to make a profit (Risdawanty and Subowo, (2015) in Fitri Rosiana Dewi (2021). So that low profitability will be accompanied by a decrease in the quality of profits. The positive influence between profitability and Earnings Quality is supported by research (Ahmad and Alrabbaba, 2017) and (Mahendra and Wirama, 2017). According to Ginting (2020) profitability has a significant positive effect on the quality of profits, where if the company has a high profit, the company has good Earnings Quality.

H2: There is a positive influence of Earnings Quality on the company's future performance.
The Effect of Institutional Ownership Structure on The Company's Future Performance with Governance as Moderation

The good corporate governance process means the company's way or steps in implementing the existing good corporate governance regulations so that the objectives of good corporate governance are achieved. To implement the regulations and achieve the goals of good corporate governance, the company relies on the principles of good corporate governance itself in carrying out company activities (Budianto and Samrotun, 2018).

The higher the institutional ownership, the higher the quality of profit, institutional ownership has the ability to reduce the incentives of managers who are concerned about self-interest through an intensive level of supervision (Dini Gunawan (2017) Budianto and Samrotun (2018). Institutional ownership has better capabilities than other shareholders, because ownership is managed by professionals in their fields, so it has good supervisory capabilities (Maulana et al., 2021).

If large institutional ownership is able to improve the performance of future companies, governance as a moderation variable can improve the relationship between institutional ownership and Future Performance by implementing existing governance principles. **H3: Governance moderates the influence of institutional ownership structures on the future performance of companies.**

The Effect of Earnings Quality on The Company's Future Performance with Governance as Moderation

Good accrual quality will make an effective decision. However, the information presented by the company about the profit obtained by it does not guarantee that the profit is a quality profit (Fitri Rosiana Dewi, 2021). The quality of profit in each company is expected to make a good signal so that the intended share is expected to react positively to the company, so that if governance is able to moderate between the quality of profits and the performance of future companies by undergoing good internal GCG mechanisms, one of which is with the principle of transparency, then good governance can increase the positive influence between the quality of profits and the performance of future companies. According to Ginting (2020) profitability has a significant positive effect on the quality of profits, where if the company has a high profit, the company has good Earnings Quality. **H4: Governance moderates the effect of Earnings Quality on the future performance of the company.**

The Effect of Governance on The Company's Future Performance

Research by Gregory et al., (2014) with positive results states that company management realizes the importance of CSR as a long-term social investment, and the company's responsibility is not only for shareholders but also for the interested parties (stakeholders). The company's openness in disclosing information to the public will have a positive impact on the company, where the public will be able to assess a future company's performance which will then give confidence to a company if the company's future performance is considered good (Saifi, 2019). **H5: There is a positive influence of governance on the company's future performance.**

METHOD

The population used in this study was companies listed on the Indonesia Stock Exchange (IDX) and the Singapore Stock Exchange (SGX) that submitted complete financial statements. The data sources used in this study are financial statements and annual reports that have been published in 2018 – 2020. The data used in this study is secondary data obtained from the IDX and SGX websites in the form of the company's
annual financial statements for the period 2018 - 2020 and is available on the Osiris and Revinitif databases. The data used for research purposes are data on the proportion of managerial ownership, institutional ownership, total current accruals, total net profit after tax, and the book value of total assets, as well as the Company's score for GCG practices, all of which data is obtained from the company's financial statements and the company's annual report.

The data analysis of this study is quantitative analysis. Quantitative analysis is a form of data analysis in the form of numbers and using statistical calculations to analyze a hypothesis. Quantitative data analysis is carried out by collecting the required data, then processing it and presenting it in the form of tables, graphs, and other analysis outputs that are used to draw conclusions as a basis for decision-making. The hypothesis test in this study used a multiple linear regression model with a coefficient of determination test (R Test2), signification parameter individual (Test t), and simultan (Test F). The regression model is as follows:

The performance of Future Companies in this study was measured by ROA and Tobin's Q with Governance as moderation, which is as follows:

$$ROA_{(1)} = \alpha_0 + \alpha_1 SKI + \alpha_2 KL + \alpha_3 TK + \alpha_4 UP + \alpha_5 LP + \varepsilon_{1}$$

$$Tobin\'s\,Q_{(1)} = \beta_0 + \beta_1 SKI + \beta_2 KL + \beta_3 TK + \beta_4 UP + \beta_5 LP + \varepsilon_{1}$$

The performance of future companies in this study was measured by ROA and Tobin's Q with Governance not as moderation, which is as follows:

$$ROA_{(2)} = \alpha_0 + \alpha_1 SKI + \alpha_2 KL + \alpha_3 TK + \alpha_4 UP + \alpha_5 LP + \varepsilon_{1}$$

$$Tobin\'s\,Q_{(2)} = \beta_0 + \beta_1 SKI + \beta_2 KL + \beta_3 TK + \beta_4 UP + \beta_5 LP + \varepsilon_{1}$$

With:
- $\alpha_0 =$ constant ROA
- $\beta_0 =$ constant Tobin's Q
- $\alpha_1 - \alpha_6 =$ regression coefficient of each variable
- $\beta_1 - \beta_6 =$ regression coefficient of each variable
- SKI = institutional ownership structure
- KL = earnings quality
- UP = company size
- LP = company leverage
- TK = governance
- $\varepsilon =$ error/interruption

The selection of research samples uses the purposive sampling method with the following criteria:

<table>
<thead>
<tr>
<th>No.</th>
<th>Criterion</th>
<th>Number of Companies 3 Consecutive Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Companies listed on the Indonesia Stock Exchange (IDX) and Singapore Stock Exchange (SGX) in 2018 – 2020.</td>
<td>3411</td>
</tr>
<tr>
<td>2.</td>
<td>Have complete financial statements and annual reports for 2018 – 2020.</td>
<td>3411</td>
</tr>
<tr>
<td>3.</td>
<td>Included in the Revinitif and Osiris data category in 2018 – 2020.</td>
<td>2010</td>
</tr>
<tr>
<td>4.</td>
<td>Presenting financial statements with currencies that have been equivalent in US Dollars in 2018 – 2020.</td>
<td>2010</td>
</tr>
<tr>
<td>5.</td>
<td>Companies that have complete data and can be used for research in 2018 – 2020.</td>
<td>183 (61 Companies x 3 Years)</td>
</tr>
</tbody>
</table>

**RESULT AND DISCUSSION**

The results of the hypothesis in this study used a multiple linear regression model with a coefficient of determination test (Test R2), signification parameter...
individual test (Test t), and signification simultan test (Test F). The regression model is as follows:

Table. 2 Effects of Institutional Ownership Structure and Earnings Quality with Governance as Moderation

<table>
<thead>
<tr>
<th>Variable</th>
<th>ROA</th>
<th>Tobin's Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>4.487666 0.0035</td>
<td>16.40540 0.0021</td>
</tr>
<tr>
<td>SKI</td>
<td>+ 1.413073 0.1409</td>
<td>+ 0.713512 0.4286</td>
</tr>
<tr>
<td>At</td>
<td>+ 0.921946 0.1597</td>
<td>+ 0.322751 0.4476</td>
</tr>
<tr>
<td>TK</td>
<td>+ 0.430820 0.1683</td>
<td>+ 0.173964 0.4476</td>
</tr>
<tr>
<td>SKI*TK</td>
<td>+ 0.665106 0.1863</td>
<td>+ 1.925105 0.2974</td>
</tr>
<tr>
<td>KL*TK</td>
<td>+ 0.480845 0.1943</td>
<td>+ 0.027013 0.4929</td>
</tr>
<tr>
<td>UP</td>
<td>-4.235015 0.0015</td>
<td>-14.84257 0.0001</td>
</tr>
<tr>
<td>LP</td>
<td>0.115546 0.2622</td>
<td>0.642899 0.1373</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.081853</td>
<td>0.093021</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.039445*</td>
<td>0.056742*</td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>0.221271</td>
<td>0.599297</td>
</tr>
<tr>
<td>F-statistic</td>
<td>1.948557</td>
<td>2.564045</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.065646*</td>
<td>0.015403**</td>
</tr>
<tr>
<td>Observation</td>
<td>183</td>
<td>183</td>
</tr>
</tbody>
</table>

Data source: secondary data processed

*** Significant at the 1 percent level; ** Significant at the 5 percent level and * Significant at the 10 percent level

Based on the results of the coefficient of determination test as in Table 2 above, it is known that the magnitude of the adjusted R square value in the equation is 0.039846 or 3.98%. This means that 3.98% of the performance of future companies based on accounting or ROA can be explained through the variables used in research with governance being a moderation variable. And also, the results of the coefficient of determination test as in Table 2 above, it is known that the magnitude of the adjusted R square value in the equation is 0.056742 or 5.67%.

This means that 5.67% of the performance of future market-based companies or Tobin's Q can be explained through variables used in research with governance being a moderation variable. Based on the results of the t-test in Table 2, the signification value of these research variables >0.05, therefore all variables, both independent variables (Institutional Ownership Structure (SKI) and Earnings Quality (KL)), control variables (Company Size (UP) and Company Leverage (LP)), and moderation variables (Governance (TK)) have no effect on roa dependent variables. All hypotheses are rejected with the result of the t-test value >0.05; SKI with a value of 0.1409; KL with a value of 0.1597; Governance with a score of 0.1683; and governances that moderated SKI*TK with a value of 0.1863 and governances that moderated KL*TK with a value of 0.1943. And also, the results of the t-test in Table 2 the signification values of the variables of this study >0.05, therefore all variables, both independent variables (Institutional Ownership Structure (SKI) and Earnings Quality (KL)), control variables (Company Size (UP) and Company Leverage (LP)), and moderation variables (Governance (TK)) have no effect on the dependent variables of Tobin's Q.

All hypotheses were rejected with the results of the t-test value >0.05; SKI with a value of 0.4286; KL with a value of 0.4476; Governance with a value of 0.4929. Based on the results of the F test in Table 2, it can be seen that the signification value is 0.065646 <0.1, which means that simultaneously all variables affect the future performance of the company's ROA accounting base with governance as a moderation variable. And also the results of the F test in Table 2 can be known for a signification value of 0.015403 <0.05, which means that simultaneously all variables affect the future performance of the company's Tobin's Q market base with governance as a moderation variable.
Table 3 Effects of Institutional Ownership Structure and Earnings Quality without Governance as Moderation

<table>
<thead>
<tr>
<th>Variable</th>
<th>ROA</th>
<th>Tobin’s Q</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prediction</td>
<td>Coefficient</td>
</tr>
<tr>
<td>C</td>
<td>0.255215</td>
<td>0.0016</td>
</tr>
<tr>
<td>At</td>
<td>-0.126335</td>
<td>0.2503</td>
</tr>
<tr>
<td>TK</td>
<td>0.097878</td>
<td>0.2490</td>
</tr>
<tr>
<td>UP</td>
<td>-3.924442</td>
<td>0.0202</td>
</tr>
<tr>
<td>LP</td>
<td>0.095547</td>
<td>0.2072</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.075525</td>
<td>0.019040</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.043639**</td>
<td>0.06136**</td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>0.221757</td>
<td>0.598394</td>
</tr>
<tr>
<td>F-statistic</td>
<td>2.460152</td>
<td>3.57921</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.004146***</td>
<td>0.06146***</td>
</tr>
<tr>
<td>Observation</td>
<td>183</td>
<td>183</td>
</tr>
</tbody>
</table>

Data source: secondary data processed

*** Significant at the 1 percent level; ** Significant at the 5 percent level and * Significant at the 10 percent level

Based on the results of the coefficient of determination test as in Table 3 above, it is known that the magnitude of the adjusted R square value in the equation is 0.043639 or 4.36%. This means that 4.36% of Future Performance based on accounting or ROA can be explained through variables used in research without governance as a moderation variable. And also the results of the coefficient of determination test as in Table 3 above, it is known that the magnitude of the adjusted R square value in the equation is 0.066186 or 6.62%. This means that 6.62% of the future performance of market-based companies or Tobin’s Q can be explained through variables used in research without governance as a moderation variable.

Based on the results of the t-test in Table 3, the signification value of one of the independent variables, namely SKI, which is 0.0738, which is <0.1, means that SKI affects the future performance of the company's ROA accounting base without being moderated by governance, then other research variables are worth >0.05, independent variables (Earnings Quality (KL) and Governance (TK)), control variables (Company Size (UP) and Leverage The company (LP)) has no effect on the ROA dependent variable. The accepted hypothesis is only the first hypothesis that the Institutional Ownership Structure affects the Future Performance of ROA Companies. Institutional Ownership Structure has a significant positive effect on the Future Performance of a Company on a ROA basis, which means that with the increasing institutional ownership of a company, the company's performance obtained by a company is increasing. Also, the results of the t-test Table 3 the signification value of one of the independent variables, namely SKI of 0.0357 i.e., <0.05 means institutional Ownership Structure affects the performance of future companies’ market base Tobin's Q and TK by 0.0217 i.e., <0.05 means Governance affects the performance of future companies Tobin's Q without being moderated by governance, but governance becomes an independent variable.

Meanwhile, other research variables are valued at >0.05, independent variables (Earnings Quality (KL)), control variables (Company Size (UP), and Company Leverage (LP)) has no effect on the dependent variables of Tobin's Q. Accepted hypothesis is the first hypothesis that institutional ownership structure affects the Future Performance of Tobin's Q company and the fifth hypothesis that Governance affects The Future Performance of Tobin's Company Q. Institutional Ownership Structure has a significant positive effect on the Future Performance of the Company's Tobin's Q market base which means that the increasing institutional ownership of a company, the performance of the company obtained by a company is increasing.

Governance also has a significant positive effect on the Future Performance of Tobin's Q market base, which means that the more the governance of a company increases, the company's performance obtained by a company will increase.

Based on the results of the F test in Table 3, it can be seen that the signification value is 0.035473 <0.05, which means that simultaneously all variables affect the future performance of the company's ROA accounting base without governance as a
moderation variable. And also, the results of the F test in Table 3 can be known as the signification value of 0.004146 < 0.01 which means that simultaneously all variables affect the future performance of the company's Tobin's Q market base without governance as a moderation variable.

CONCLUSION
The results of this study concluded that the institutional ownership structure has a positive effect on the future performance of the company. Companies with large institutional ownership are able to improve the performance of future companies, because institutions actively monitor the company's business, and can reduce information asymmetry and agency problems so that they can improve the performance of future companies. Although it has a positive effect on the future performance of the company, governing moderation by implementing Good Corporate Governance (GCG) practices does not strengthen the influence of institutional ownership structures on the future performance of the company. The quality of profits has no effect on the future performance of the company, whether with governance as a moderation variable or not. However, governance as an independent variable has a positive influence on the future performance of the company.

The application of maximum governance principles can improve the performance of future companies. The control variables in this study are the size of the company and its leverage of the company. The results of hypothesis testing show that the size of the company has the opposite direction which means, if the size of the company is large, the future company's performance is difficult to increase, because usually if the company is large or mature, the company tends to choose to remain stable not to improve performance.

BIBLIOGRAPHY


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## Research Variables

### Return of Assets

\[
ROA(t+1) = \frac{\text{Laba Bersih} (t+1)}{\text{Total Asset} (t+1)}
\]

According to Iqbal and Murtanto (2016), ROA is part of the profitability ratio in the analysis of financial statements or measurement of future company performance.

### Tobin’s Q

\[
Tobin’s Q (t+1) = \frac{EMV (t+1) + DEBT (t+1)}{EBV (t+1) + DEBT (t+1)}
\]

According to Maulana et al. (2021) Market-based performance measurement of future companies with Tobin’s Q is intended to find out whether the company is undervalued, reaching equilibrium or overvalued from its fair price.

### Institutional Ownership Structure

\[
SRI = \frac{\text{Jumlah saham yang dimiliki institusional}}{\text{Jumlah saham yang beredar}} \times 100\%
\]

According to Guna and Herawaty (2010) in Agasva et al., (2020) Institutional ownership is calculated by the number of shares owned by the institution divided by the number of shares outstanding.

### Profit Quality

\[
TCA_{t} = \Delta CASH_{t} - \Delta CASHi_{t} + \Delta STLDebits_{t}
\]

A profit quality measurement model created by Francis et al., (2005) called AAQ (Absolute Value of Accruals Quality). AAQ is the absolute value of the residue (i,t). The lower the residual value, the higher the quality of profit.

### Company Size

\[
\text{Size} = \ln(\text{Total Asset})
\]

According to Putu Ayu and Gerianta, 2018 in Kenny and Nariman (2021) The total asset value is usually greater than other financial variables, then the total asset variable is refined into Log Asset or Ln Total Asset.
<table>
<thead>
<tr>
<th>Research Variables</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Leverage</strong>&lt;br&gt;<strong>(Debt Asset Ratio)</strong></td>
<td>( \text{DAR} = \frac{\text{Total Utang}}{\text{Total Asset}} )</td>
</tr>
</tbody>
</table>

According to Andika and Wijayanti (2017) in Ningsih and Wuryani (2021), *leverage* can be formulated as total debt divided by total assets.

| Governance | \[
\text{score} = \frac{\text{no. of companies with a worse value} + \frac{\text{no. of companies with the same value included in the current one}}{2}}{\text{no. of companies with a value}}
\]

(*Environmental, Social and Governance Scores from Refinitiv, 2021*). In this study, the pillar used from Refinitiv is only governance, the weight per category of the pillar of governance itself remains the same across all industries. The weight of the pillars is normalized to a percentage range of 0 – 100.