

ABSTRACT

This study examines the relationship between Good Corporate Governance (GCG) on Firm Value with Financial Performance as a mediating variable. The dependent variable is the firm value, the independent variable is GCG, and Financial Performance as a mediating variable. We measured GCG by the Corporate Governance Perception Index (CGPI) Awards held by The Indonesian Institute for Corporate Governance (IICG), Firm Value by Price to Book Value, and Financial Performance by Return on Assets (ROA).

The population of this study is companies listed in the CGPI Awards in 2015-2019, and sampling used the purposive sampling method. We used non-financial service companies listed in the CGPI Awards in 2015-2019 as a study. The total number of companies used as samples in this study was 24.

This study used a Descriptive Statistical Test and Model Evaluation Test with the PLS-SEM method. The results of this study show that GCG affects Firm Value and Financial Performance. Financial Performance affects Firm Value, and GCG has an effect on Firm Value with Financial Performance as a mediating variable.

Keywords : Good Corporate Governance, Firm Value, Financial Performance.