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The influence of Asset Structure, Capital Structure, Ownership Structure on Financial Performance with Business Risk as Intervening and Good Corporate Governance (GCG) as Moderation (Mining Companies Listed on the Indonesia Stock Exchange (BEI))

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ABSTRACT

The purpose of this study is to determine the effect of asset structure, Capital Structure, and structure ownership against performance finance and risk business. As intervene and *good corporate Governance* (GCG)) s as Moderation on company mining Which listed in exchange effect Indonesia in the years 2019–2021. Population study This company mines in the selected coal sector (*coal production*) in a manner of perceptive sampling and selected 13 coal mining companies with a period of research from 2019 to 2021. Data processing techniques in research use PLS with Outer Model Analysis tests, Inner Model analysis tests, and Hypothesis Testing. The results of this study 1) Asset structure is not influential and significant to Risk business; 2) Asset Structure has no significant effect on financial performance; 3) Capital Structure is not influential and significant to Risk business. 4) Capital Structure has no significant effect on Business risk. 5) Ownership Structure has an effect on financial performance. 6) Structure Ownership has no significant influence on financial performance. 7) Risk Business: No Influence Significant on Financial Performance, 8) With good corporate governance in moderation, risk business has no significant influence on financial performance. 9) Asset Structure is not influential or significant on Financial Performance through Risk Business as Intervening, 10) Capital Structure is not influential or significant on Financial Performance through Risk Business as Intervening, 11) Structure Ownership: No Influence Significant on Financial Performance Through Risk Business as Intervening

***Keywords**: Asset Asset Structure, Capital Structure, Structure Ownership, performance Finance, Risk Business, GCG*

INTRODUCTION

Pandemic COVID-19 impacts the mining industry around the world. Because lockdown and restrictions are other, requests for various product mining like coal, oil raw, and metal are down in a significant manner, and the price of commodities is also down. In the 2019–2021 period, the coal mining sector in Indonesia experienced various dynamics. In 2019, Indonesia's coal production reached around 616 million metric tons. The impact of the COVID-19 pandemic in 2020 caused a decrease in production to around 534 million metric tons. In 2021, production is expected to recover to around 625 million metric tons. This achievement is still lower than before the COVID-19 pandemic, which was able to grow above 10% in 2019.

Decline This is caused by a decrease in request consequence of the COVID-19 pandemic and policy subtraction emission of global carbon. However, at the end of 2020 and early 2021, coal prices will start to increase along with the recovery of the global economy. The influence of GCG can vary between companies and mines. Size of company, structure ownership

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majority, and practice of different management can influence how GCG interacts with structure assets, capital structure, and structure ownership in influencing performance finance.

Research objectives This directed to analyze the influence of asset structure, capital structure, and structure ownership against performance finance with risk business as intervention and *good corporate Governance* (GCG)) s as Moderation on company mining that listed in the Indonesian exchange in the years 2019–2021.

Theoretical Review

According to Ross, Westerfield, Jaffe, and Roberts (2015), finance corporations study how companies manage assets and resources. Finance Corporation, as studied by discipline method, makes decisions influencing finance mark company. According to Jensen and Meckling (1976) and Scott (2000), agency theory *is* a version of the implementing game theory that involves an agreement between two or more parties, where one party is called an agent and other parties are called principals. The principal delegate's answer is not quite enough for taking the decision to the agent.

According to Farizki et al. (2021), structure assets are expected assets owned by the company that can provide future benefits. A company with a good asset structure is thought to have a great asset. Capital structure is How companies determine how to structure the funding of accumulated capital from various sources. The optimal capital structure, which is direct, will influence the company. Every company needs capital, and who becomes a constraint in fulfillment is sourced from capital providers, namely internal or external (Tambunan et al., 2018).

Structure ownership, or principal ownership, plays a very important role because of its ability to affect decision management, past collection, and holder stock. Although so many role owners share their own boundaries where they are not involved directly in decisions of important character (Rashid, 2020), The more ownership stock there is, the greater the rights to control the company, and what it means by control here is how much ability the owner shares in affecting operation companies and management (Yeh, 2019).

Risk in business is uncertainty in the condition of business in the future. Uncertainty: This will give birth to the possibilities that will happen in certain periods. The company has doubts in determining the condition of business in the future, which causes an opportunity return on invested capital invested by the company to run operations (Ruzikna, 2017).

According to Giftovel Rondonuwu (2016), performance finance government area is ability something area for digging and managing sources finance original area to fulfill his needs. To use the support walk system for government, service to society, and development areas without fully depending on the government center and having freedom inside to use the funds for public interest areas within specified limits of regulation and legislation.

Government obliges companies to implement good corporate governance, which has linkages Because good governance requires not quite enough social response in organizing his company's activities. Creation marks are naturally free from GCG practice because with the implementation of GCG, namely, transparency, accountability, independence, equity, and fairness, interested parties will awaken their rights (Aprilia & Wuryani, 2021). Based on theoretical studies and empirical studies as explained in the previous chapter, as reference materials or sources, references related to research conducted, and a conceptual framework for this research, the following can be made:

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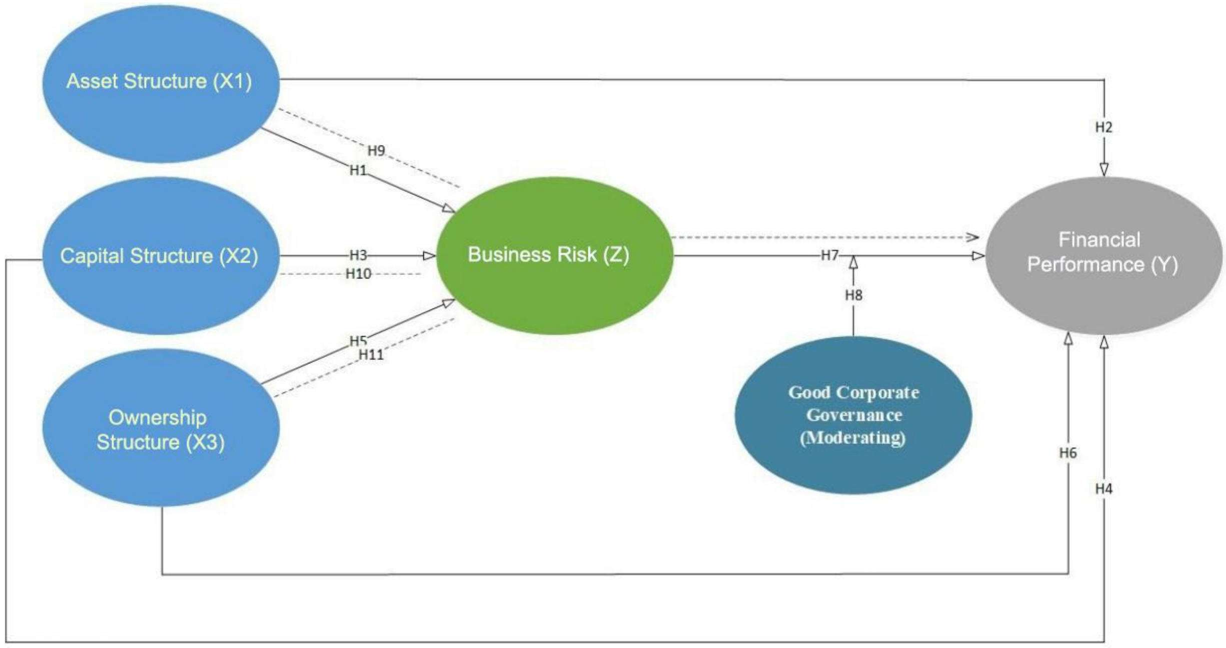

Figure 1. Framework Conceptual

The hypothesis in this study is as follows:
H 1 : Structure asset influential significant to risk business.
H 2 : Structure asset influential significant to performance finance.
H 3 : Influential capital structure significant to risk business.
H 4 : Influential capital structure significant to performance finance.
H 5 : Structure ownership influential significant to risk business.
H 6 : Structure ownership influential significant to performance finance.
H 7 : Risk business influential significant to performance finance.
H8 : Business Risk has a significant effect on Financial Performance with Good Corporate Governance as moderation.
H 9 : Structure asset influential significant to performance finance through risk business as an intervention.
H 10 : Influential capital structure significant to performance finance through risk business as an intervention.
H 11 : Structure Ownership influential significant to performance finance through Risk business as an intervention.

RESEARCH METHODS

This research method is a quantitative method. The independent variables are asset structure, capital structure, ownership structure to the dependent variable, namely financial performance through business risk as an intervening variable and good corporate governance *as* a moderating variable. Population in this study are 34 mining companies in the Coal *Production* sector which are listed on the Indonesia Stock Exchange (IDX). The sample in this study are 13 mining companies in the coal production sector which *are* listed on the Indonesia Stock Exchange (IDX). with criteria:

1. report for the period 2019 – 2021
2. Have complete supporting data for this research.

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RESULTS AND DISCUSSION

1. Outer Model Analysis

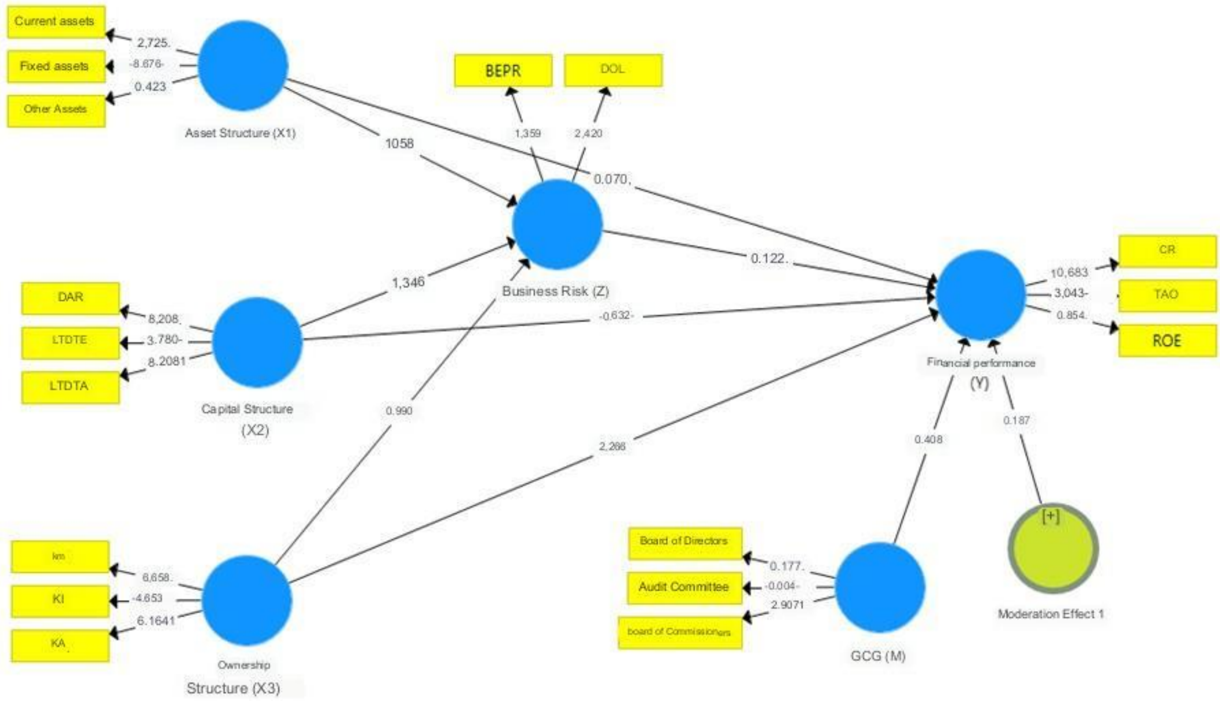

Figure 2: Outer Model

Source: PLS data processing results

Table 1. Convergent validity test results

Variables	*Indicators*	*Outer Model Value*	*explane*
(X1) Asset Structure	(X1. 1) Current assets (X1. 2) St. Fixed assets (X1. 3) St. Other Assets	2,725 8,676 0.423	*Valid* *Valid* *Invalid*
(X2) Capital Structure	(X2.1) DAR (X2.2) LTDTE (X2.3) LTDTA	8,208 3,780 8,208	*Valid* *Valid* *Valid*
(X3) Ownership Structure	(X3.1) Miles (X3.2) IC (X3.3) KA	6,685 4,653 6,164	*Valid* *Valid* *Valid*
(Y) Financial Performance	(Y1) CR (Y2) TOA (Y3) ROE	10,683 3,043 0.854	*Valid* *Valid* *Valid*
(Z) Business Risk	(Z1) BEPR (Z2) DOL	1,359 2,420	*Valid* *Valid*
(M) GCG	(M1) Board of Directors (M2) Audit Committee (M3) Board of Commissioners	0.177 0.004 2,907	*Invalid* *Invalid* *Valid*

Source: PLS Results

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From Table 1 above it is explained that variable indicators that have an Outer Loading of more than 0.70 are declared valid indicators, while values below 0.70 are indicators with low loading values indicating that these indicators do not work in the measurement model.

Table 2. *Construct Reliability and Validity*

	Cronbach's Alpha	rhoA	Composite Reliability	Average Variance Extracted (AVE)
Financial performance	1,000	1,000	1,000	1,000
Asset Structure	1,000	1,000	1,000	1,000
Ownership Structure	1,000	1,000	1,000	1,000
Capital Structure	1,000	1,000	1,000	1,000
Business Risk	1,000	1,000	1,000	1,000
Good Corporate Governance	1,000	1,000	1,000	1,000

Source Data: PLS Data Processing 3

Based on table 2. b that the results of the *composite reliability* test show a value of > 0.6 , which means the variable have mark *Cronbach's Alpha* of 1,000 > 0.6 which means the variable is declared reliable.

Table 3. Results *F-Square*

	Financial performance
Financial performance	
Asset Structure	0.360
Ownership Structure	0.015
Capital Structure	0.120
Business Risk	0.005
Good Corporate Governance	0.220

Source: PLS Data Processing 3

f-square value in Table 3 above, asset structure has a large influence on financial performance of 0.360. Ownership structure has a moderate effect on financial performance of 0.015. Capital structure has a major influence on financial performance of 0.120. Business risk has a small influence on financial performance of 0.005 and *Good Corporate Governance* has a large influence on financial performance of 0.220.

2. Hypothesis test

Table 4. Correlation Between Variables

		Original Sample (O)	*Sample Means (M)*	*Standard Deviation (STDEV)*	*T Statistics (|O/STDEV|)*	*P Values*	*dec*
H1	**(X1) > (Z)**	-1,185	-0.782	1.12	1058	0.291	Not significant
H2	**(X1) > (Y)**	-0.018	-0.16	0.256	0.07	0.944	Not significant
H3	**(X3) > (Y)**	1028	1	0.454	2,266	0.024	Significant
H4	**(X3) > (Z)**	0.709	0.426	0.717	0.99	0.323	Not significant

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H5	**(X2) > (Z)**	0937	0.787	0.696	1,346	0.179	Not significant
H6	**(X2) > (Y)**	0.154	0.074	0.244	0.632	0.527	Not significant
H7	**(Z) > (Y)**	0.098	0.009	0.782	0.122	0.903	Not significant
H8	**Moderation Effects > (Y)**	0.18	0.125	0.961	0.187	0.852	Not significant
	GCG (M) >(Y)	0.076	0.017	0.187	0.408	0.684	Not significant
H9	**(X1) > (Z) > (Y)**	-0.114	-0.035	0.637	0.178	0.859	Not significant
H10	**(X3) > (Z) > (Y)**	0.068	0.035	0.148	0.459	0.646	Not significant
H11	**(X2) >(Z) > (Y)**	0.09	0.036	0.318	0.283	0.778	Not significant

Source : PLS Data Processing 3

Based on the test results in the table above, it can be seen that of the 11 hypotheses proposed in the study, only 1 hypothesis was accepted because it had a P-Value of <0.05. While the 10 hypotheses were rejected because they had influence as indicated by the value of P – Values > 0.05 so it could be concluded that 1 hypothesis was accepted and 10 hypotheses were rejected.

CONCLUSIONS

This research is to know the effect Effect of Asset Structure, Capital Structure, Structure Ownership To Performance Finance with Risk Business s as intervene and *good corporate Governance* (GCG) s as Moderation on company mining . The results of this study 1) Asset structure is not influential significant to Risk Business in mining companies, 2) Asset Structure has no significant effect on Financial Performance in mining companies, 3) Capital Structure does not influential significant to Risk Business in mining companies , 4) Capital Structure has no significant effect on Business Risk in mining companies , 5) Ownership Structure has an effect on Financial Performance in mining companies , 6) Structure Ownership No influential significant on Financial Performance in mining companies, 7) Risk Business No influential significant on Financial Performance in mining companies , 8) Risk Business No influential significant on Financial Performance with Good Corporate Governance as moderation in mining companies , 9) Asset structure no influential significant on Financial Performance through Risk Business as Intervening in mining companies , 10) Capital Structure no influential significant on Financial Performance through Risk Business as Intervening in mining companies, 11) Structure Ownership No influential significant on Financial Performance through Risk Business as Intervening in mining companies. Based on the results of the research and discussion, the researcher can provide suggestions as following, companies can further maintain optimal capital structure conditions through the use of debt. Academics can see that performance financial performance can be seen from larger assets and have better competitive ability compared to companies that have small assets, this aims to improve financial performance. For future researchers who will continue this research, to be able to add variables that have not been studied in this study, because there are several other variables that can affect performance financial, such as company size and others.

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