CHAPTER V
CONCLUSION AND IMPLICATION

A. Conclusion

This study aims to examine the effect of Good Corporate Governance (GCG) and green accounting on the performance of mining companies in Indonesia in the period 2020 – 2024, using signalling theory as the analytical framework. By integrating signalling theory, the study seeks to understand whether the implementation of GCG and green accounting serves as credible signals that can enhance trust and improve company performance.

1. Foreign ownership has no positive effect on company performance.

   The results of the analysis show that the foreign ownership does not contribute positively to improving company performance. This indicates that foreign investors have not been able to send a strong enough signal to the market, possibly due to their limitations in internal managerial processes or a lack of understanding of domestic market dynamics.

2. Managerial ownership has no positive effect on company performance.

   This study found that managerial ownership has no positive effect on company performance. This finding indicates that management share ownership does not necessarily signal stronger motivation or responsibility to enhance firm value, as expected in theory

3. Institutional ownership has positive effect on company performance.

   The results show that the institutional ownership has positive effect on company performance. The involvement of institutions, which generally have better analytical and supervisory capabilities, sends a credible signal to the market that the company is under professional and strategic supervision.

4. Audit committee independence has no positive effect on company performance.

   The study found there are no evidence that the audit committee independence has a positive effect on company performance. This suggest that the presence of independent audit committee members is not yet considered by the market to be a strong indicator of oversight effectiveness, possibly because their role in governance practices has not yet been maximized.

5. Environmental cost has no positive effect on company performance.

   The research findings indicate that corporate spending on environmental cost has no positive effect on company performance. This suggests that environmental-related expenditures are often perceived merely as compliance costs rather than strategic investments, so they do not directly enhance financial outcomes or generate stronger performance signals to investors

6. Environmental performance has no positive effect on company performance.

   Environmental performance was not found to have a positive effect on a company's performance. Although companies have been carrying out activities that support the environment, the signals from this aspects are not yet strong enough to change market perceptions or generate tangible company performance improvements.

Overall, the results of this study indicate that not all signals sent by companies through GCG and green accounting will automatically be accepted or appreciated by the market. Only signals that are communicated consistently, have high credibility, and strategically integrated into company policies can influence performance. Therefore, mining companies need to strengthen the integrity and effectiveness of the signals they send to the market to build their reputation and support sustainable performance growth.

B. Implication

Based on the findings of the study on the influence of Good Corporate Governance (GCG) and green accounting on the performance of mining companies in Indonesia, there is a implications that can be used as strategic considerations by management, stakeholders, and regulators, as follows:

1. Theoretical Implication

The results of the study show that managerial ownership and institutional ownership are able to send positive signals to investors and the market regarding the seriousness of creating long term value. Similarly, environmentally costs can be understood as positive signals that can be interpreted as the company's commitment to sustainability and social responsibility, which ultimately has a positive impact on market perception and company performance.

Conversely, the insignificant influence of foreign ownership, audit committee independence, and environmental performance indicates that not all signals conveyed by companies are accepted or trusted by the market. This opens up opportunities for further research to examine in greater depth the effectiveness of signals in the context of specific sectors and policies, as well as how signal characteristics affect stakeholder responses. Future studies could also explore the role of mediating or moderating variables that may strengthen or weaken the relationship between these signals and company performance.

2. **Practical Implication**
   a. For company management, the results of this study provide encouragement to develop and convey stronger and more credible signals to the market. Managerial ownership and institutional ownership can serve as internal signals that decision making is oriented toward the long term and therefore need to be maintained or improve. On the other hand, companies should also view environmental investments not merely as obligations but as strategic tools for shaping public image and trust. Therefore, transparency and consistency in reporting environmental costs can serve as positive signals that drive company performance.
   b. For the policymakers, the results of this study demonstrate the importance of creating regulations that can strengthen the signalling function in business practices. Regulators such as the OJK and the

Ministry of Environment can consider improving information disclosure standards, developing more structured guidelines for reporting environmental costs and performance, and encouraging incentives for companies that are able to consistently convey sustainability signals. With policies that support transparency and clarity of signals, the market can respond more accurately to company actions, thereby supporting information efficiency in the Indonesia capital market.

C. Research Limitation

In this study, there are a number of limitations that need to be considered in interpreting the results and formulating further research, as follows:

1. There is the possibility of reporting bias in sustainability and annual reports due to window dressing practices, which may reduce the objectivity of disclosed environmental information.
2. The sample size in this study is relatively small, limited to 10 mining companies, which restricts the extent to which the findings can be generalized to the broader mining industry in Indonesia.
3. During the research period, there were external events such as global commodity price volatility, the impact of the COVID-19 pandemic, and changes in government policy that could potentially affect company performance. However, not all of these external dynamics could be accommodated in the analysis model as a whole.