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The Influence of Good Corporate Governance Mechanisms, Liquidity, Firm Size, and Impact of Covid-19 on Firm Value : Financial Performance as Mediation Variable

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ABSTRACT : This study aims to determine the effect of Good Corporate Governance Mechanisms,Liquidity, Firm Size, and Impact of Covid-19, on Firm Value with Financial Performance as a mediating variable. This study uses secondary data from 35 sample banking companies listed on the Indonesian Stock Exchange for the 2017-2021 period. Sampling using purposive sampling technique. The research data analysis method uses SPSS v.26 software. The results of this study are the Good Corporate Governance Mechanism (board of directors), liquidity, and financial performance hava a significant effect on firm value. Meanwhile, the indirect effect of firm size and impact of covid-19 has a significant effect on financial performance (mediation variable). From the calculation of the sobel test and direct or indirect effect, its found that financial performance cannot mediate form the GCG mechanisms, liquidity, firm size, and the impactof Covid-19 on firm value.

KEYWORDS : *Good Corporate Governance Mechanisms, Financial Performance, Liquidity, Firm Value, Firm Size*

I. INTRODUCTION

Corona Virus (Covid-19) origaniting from China which eventually spread to all countries in early 2020 has had an impact on the world economy, including Indonesia. In addition to having impact on the decline in the country’s economy, it also has a negative impact on several industrial sectors in Indonesia, one of which is the banking sector. The existence of the covid-19 pandemic has made the banking sector unable to extend credit due to the high risk to default from creditors. This because the income of the community an companies decreased during the covid pandemic. (Seto, A. A., & Septianti, D. : 2021)

The public must be careful in determining where to invest during the Covid pandemic, especially in the banking sector. The Indonesia Stock Exchange noted that 46 companies have conducted Initial Public Offerings (IPO). The large number of banks can cause competition between banks to attract investors to increase. Investors will choose a bank that is able to increase the welfare of shareholders. Welfare of shareholders can be seen from the company's performance. Company performance is reflected in company value and financial performance which can provide information about the goals and success of the company (Aristya Krisna Dewi & Alit Suardana, n.d.). The company's success can be achieved if the management's success in managing the company well, the results are reflected in the firm value. Firm value can be achieved in several ways, namely by improving financial performance, liquidity, implementing good corporate governance mechanisms in accordance with applicable guidelines, and increasing the scale or size of the company. Corporate governance has an important role in carrying out the company's operating activities. If the company's GCG is not able to run, it can affect the trust of investors and the public so that the financial performance and firm value are affected. (Kurniyanto, et.al : 2019)

Several studies state that the effect of GCG on financial performance is significant. Research by Rahman et al., (2015) proves that Good Corporate Governance has a significant effect on Financial Performance, GCG has an insignificant effect on Firm Value, and Financial Performance has a significant effect on Firm Value. Kao et al., (2019) stated that independent directors, the smaller the board size is positively related to firm values. Danoshana et al., (2013); Mahrani & Soewarno, (2018) stated that corporate governance has a significant effect on company performance.

Research by Mahanavami, G.A. & Kayobi, NKM (2021) and Don Dzapasi, (2020) states that liquidity has a significant negative effect on firm value. Research conducted by Patricia, et.al (2018) shows that the liquidity variable has a negative and insignificant effect on firm value, the company size variable has a positive and insignificant effect on firm value. The variables of profitability and liquidity have a positive and significant effect on financial performance, while the variable firm size has a positive and insignificant effect on financial performance. The positive effect that profitability, liquidity, and firm size have on firm value will be more positive and stronger if financial performance also increases. Soewignyo et al., (2021) states that the independent board of commissioners, the board of directors have no significant effect on financial performance and the audit committee has a significantly negative effect on financial performance. He also mentioned that company size has no significant effect on financial performance. Research by Anastasia C et al., (2021) states that the Covid-19 pandemic has had a significant effect on the financial performance of banks in Nigeria.
The purpose of this study was to examine and analyze the direct and indirect effects of good corporate governance mechanisms, liquidity, firm size, impact-covid-19, financial performance of firm value in banking sector companies listed on the IDX for the 2017-2021 period.

II. LITERATURE REVIEW

Agency Theory (agency theory) is a theory that explains the relationship between sharehorders of company owners in handing over the management of the company to professionals of agents who understand and understand better in carrying out daily operations (Febrianto : 2020). The principal has a interest in maximizing profits while the agent has an interest in maximizing the fulfillment of his economic and psychological needs. This theory shows that there is an important conflict among all interested parties in the company. Good Corporate Governance Mechanisms is a clear procedure and relationship between the party making the decision (company manager) and the party exercising control or oversight of the decision (shareholders, creditors, government, and others). Corporate governance arises from the company’s interest to ensure principals/investors that the funds invested are used appropriately and efficiently.

Liquidity is one of the ratios used to determine a bank’s ability to its short-term obligations. A bank can be said to be liquid, if the bank is able to pay all of its debts, especially short-term debt. Liquidity is proxied by Loan to Deposit Ratio (LDR). (Sullivan, V. S. & Widoatmodjo, S. : 2021)
Firm Size is a scale in whoch a company can be classified according to various ways, including total assets, log size, market value of shares, and others. Firm Size can affect the ability to bear the rosks that may arise in various situations faced by the company. Firm size also plays a role in determining the level of investor confidence. (Ajildyaningrum, N. : 2019)

The Covid-19 pandemic is expected to trigger credit growth of financing in the banking industry to slow down or decrease, which will result in decreased industry profitability, and also an increase in bad loan. In this pandemic, there was a lack of investor reaction in buying shares and investing their capital, causing the market price to decline. The decline in market prices has an effect on measuring company value. (Rich : 2021)
According IAI (2007) Fiancial Performance is a company’s ability to manage and control its resource. Information on financial position and condition has a function as a means of information, an accountability tool for management to company owners and serves as material for consideration in the decision-making process. The better the financial statements are presented, the company value will also increase. (Patricia, et.al : 2018)
Firm Value is a certain condition that has been achieved by the company as an illustration of public trust in the company after going through a process from its founding to the present. Firm value is a description of company management which is reflected in the stock price. One alternative that is used to calculate the value of the company is to use Tobin’s Q.

Hypothesis Development

The implementation of good corporate governance that focuses on risk management and effective internal control can improve performance and competitiveness as well as the creativity of corporate values which can later achieve the goals set by the company. Research results Purbopangstu, et.al (2014), Rahman et.al, (2015) , and Kao et al., (2019) states that Good Corporate Governance (GCG) has a significant effect on Firm value. Based on the description above, hypothesis in this study is:
H1: Good Corporate Governance Mechanism has a significant effect on Company Value
A bank can be said to be liquid, if the bank is able to pay all of its debts, especially short-term debt. Banks must also fulfill every credit application that is feasible to be financed. The relationship between LDR and firm value is that LDR is used to measure the bank's ability to pay off its debts and repay them, and to be able to fulfill credit requests that are channeled will determine the bank's profits. If a bank is unable to extend credit, while there are a lot of funds raised, it will cause the bank to lose money and will reduce the value of the company. The results of research by Elda & Ruzikna (2019), Oktaviani E.N (2021) , Putra & Lestari (2016) state that liquidity has a positive effect on firm value. Based on the description above, hypothesis in this study is:
H2: Liquidity has a significant effect on Firm Value

Firm value is a description of company management which is reflected in the stock price. High Firm value causes many investors to be interested in investing in the company. The existence of investment opportunities can provide a positive signal about the company's growth in the future, so that it will increase stock prices, with increasing stock prices, the company's value will also increase. The research results of Rudangga & Sudiarta (2016), Lumbantobing (2017), Patricia, et.al (2018) state that firm size is considered capable of influencing firm value. Based on the description above, hypothesis in this study is:

H3: Firm Size has a significant effect on Firm Value

The impact of Covid-19 pandemic has also been felt in the banking sector. In this pandemic, there was a lack of investor reaction in buying shares and investing their capital, causing the market price to decline. Decreasing market prices affect the measurement of firm value. The research results of Seto, A. A., & Septianti, D. (2021) stated that the Covid-19 pandemic had a significant effect on the value of banking companies. Based on the description above, hypothesis in this study is:

H4: The Impact of Covid-19 has a significant effect on Firm Value

Financial Performance can be seen from the company's ability to generate profits. Apart from being an indicator of the company's ability to fulfill obligations to funders, company profits are an element in creating Firm value that shows the company's prospects in the future. The better the financial performance, the better the firm value. The measure of the successful achievement of generating profits for shareholders is that the greater the ROE reflects the company's ability to generate high profits for shareholders. The results of research by Arief, et al (2015), Patricia, et.al (2018) state that financial performance has a significant effect on firm value. Based on the description above, hypothesis in this study is:

H5: Financial Performance has a significant effect on Firm Value

The company's main goal is to maximize the value of the company and this is an advantage for stakeholders because their prosperity increases along with the increase in company value. research by Ghosh (2008) and Patricia, et al (2018) shows that financial performance affects company value. Based on the description above, hypothesis in this study is:

H6 : Good Corporate Governance mechanisms has a significant effect on Firm Value through Financial Performance

Liquidity is used to assess a bank's ability to repay its short-term obligations. In his assessment, the soundness of a bank can be divided into several categories, namely healthy, moderately healthy, less healthy and unhealthy. If a bank is unable to extend credit, while there are a lot of funds collected, it will cause the bank to lose money and will reduce the company's financial performance. Iskandar M. & Zulhilmi M. (2021) research results states that the variables of liquidity and firm size have a significant effect on financial performance. The results of research by Elda & Ruzikna (2019), Oktaviani, et al (2018), Putra & Lestari (2016) state that liquidity has a positive effect on firm value. Based on the description above, hypothesis in this study is:

H7: Liquidity has a significant effect on Firm Value through Financial Performance

Firm size shows how capable the company is in generating profits, the bigger the company, the higher the profit generated. Company managers want high company profits, because high profits illustrate that the company's performance is good. Firm size also influences the interest of investors in investing their capital so that it has an impact on the financial performance of banking companies. The results of research by Patricia, et.al (2018) state that size has a positive effect on financial performance. The research results of Rudangga & Sudiarta (2016), Lumbantobing (2017), Patricia, et.al (2018) state that firm size is considered capable of influencing firm value. Based on the description above, hypothesis in this study is:

H8: Firm Size has a significant effect on Firm Value through Financial Performance

Banking companies cannot be separated from the impact of Covid-19. Corona is expected to trigger credit growth or financing in the banking industry to slow down or decrease, which will result in reduced industry profitability, and also an increase in bad loans. With this pandemic, there was a lack of investor reaction in buying shares and investing their capital, causing the market price to decline. Decreasing market prices affect the measurement of firm value. The research results of Seto, A. A., & Septianti, D. (2021) and Harahap L.R et.al (2020) stated that the Covid-19 pandemic had a significant effect on the financial performance of banking companies. Based on the description above, hypothesis in this study is:

H9: The impact of Covid-19 has a significant effect on Firm Value through Financial Performance

III. RESEARCH METHODOLOGY

Research Methodologies

This study uses a quantitative method by using secondary data from published report from banking companies listed on the Indonesia Stock Exchange (IDX). The annual financial reports for the 2017-2021 period, as well as other data related to this research, use a literature study and documentation methodology. This research utilizes secondary data in the form of annual reports collected from the IDX database (www.idx.co.id), (www.idnfinancials.com), as well as from related websites. The research population consisted of all banking companies listed on the Indonesia Stock Exchange (IDX) between 2017-2021. The method of determining the sample using purposive sampling. So that a sample of 35 banking companies in every year was obtained that met the research criteria with a period of 5 years or in other words there were 175 samples used in the study.

Metodology Analysis

The regression analysis approach is used in this study. Calculations use statistical methods, which are assisted by SPSS v.26 software. In this research, descriptive analysis and path analysis were carried out. Multiple liniar regression analysus uses the following regression equation:

Regression Model 1:

$$ROE = \alpha + \beta 1.1XDKI + \beta 1.2XKoA + \beta 1.3XKuA + \beta 1.4XDD + \beta 2XLDR + \beta 3XSIZE + \beta 4XDC + e$$

Regression Model 2:

$$NP = \alpha + \beta 1.1XDKI + \beta 1.2XKoA + \beta 1.3XKuA + \beta 1.4XDD + \beta 2XLDR + \beta 3XSIZE + \beta 4XDC + \beta 5ROE + e$$

Description:

ROE = Financial Performance
DKI = Independent Board of Commissioners
KoA = Audit Committee
KuA = Audit Quality
DD = Board of Directors
LDR = Liquidity
SIZE = Firm Size
DC = Impact of Covid-19
NP = Firm Value
β1,2,3,4,5 = Regression Coefficient
e = errors

Variable Measurements

The independent variables in this study are Good Corporate Governance Mechanisms (GCG), Liquidity (LDR), Firm Size (SIZE), and Impact of Covid-19 (DC). The dependent variable in this study is Firm Value (NP) and the mediation variable is Financial Performance (ROE).

Good Corporate Governance Mechanisms (GCG) is measured by four proxies, namely the independent commissioners, audit committee, audit quality, and board of directors. First, Independent Board of Commissioners (DKI) measured with the percentage of the number of independent board of commissioners to the total number of commissioners in the sample company's board of commissioners. Second, Audit Committee measured with the percentage of the number of audit committees other than independent commissioners to the total audit committees in the sample companies. Third, Audit Quality measured with a dummy variable with a value of 1 if audited by a Big 4 Auditor and a value of 0 if not audited by a Big 4 Auditors. And the last, Board of Directors measured with the percentage of the number of director to the total board of directors in the sample companies.

Liquidity (LDR) is measured by the loan to deposit ratio (LDR). The formula for the loan to deposit ratio (LDR) is:

$$LDR = (Credit\ grated) / (funds\ received) \times 100\%$$

Firm Size (SIZE) is scale where companies can be classified according to various ways, including total assets, log size, market value of shares, and others. Firm size can be measured by Ln (total assets). The Impact of Covid-19 (DC) is measured using a dummy variable with the following provisions: Value 1, if during the covid-19 pandemic and a value of 0 if before the covid-19 pandemic.

Firm Value (NP) in this study is calculated using the Tobin's Q ratio. The Tobin's Q formula is used are (Rahman et.al, 2015):

$$Tobin's\ Q = (MVE + DEBT) / TA$$

Where : MVE is the market value of equity (MVE = closing price of shares at the end of year x number of shares outstanding at the end of year), DEBT is total debt, and TA is total assets.

Financial Performance (ROE) in this study calculated using Return on Equity (ROE). Return on Equity (ROE) is the ability of own capital to generate profits for preferred or ordinary shareholders. ROE can be calculated by the formula:

$$ROE = (Net\ Profit) / (Total\ Equity)$$

III. RESULT AND DISCUSSIONS

Table 1. Descriptive statistical analysis test result

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Independent Board of Commissioners	153	,33	1,00	,5842	,12187
Audit Committee	153	,25	1,00	,5663	,13991
Audit Quality	153	,00	1,00	,5882	,49377
Board of Directors	153	,45	,75	,5676	,05598
Liquidity	153	,38	2,74	,8573	,24206
Firm Size	153	28,45	35,54	31,5910	1,80334
Impact of Covid-19	153	,00	1,00	,3399	,47522
Firm Value	153	,11	4,26	1,1063	,41063
Financial Performance	153	-1,24	,18	,0278	,15216
Valid N (listwise)	153				

Sumber: SPSS data processing (2022)

In this study 175 samples were used, but 22 outliers were used for the data, so that the final sample used for data processing was 153 samples. Based on the result of the independent board of commissioners variable research has a range between 0,33 – 1 and an average of 0,5842. The audit committee variable has a range between 0,25 – 1 and an average 0,5663. The audit quality variable has a range between 0,00 – 1 with an average value of 0,5882. The board of directors variable has a range between 0,45 – 0,75 with an average 0,5676. The liquidity variable as measured by LDR has a range between 0,38 – 2,74 with an average of 0,8573. The Firm size variable as measured by Ln assets has a range of 28,45 – 35,54 with an average 31,5910. The impact of Covid-19 variable has a range between 0,00 – 1 with an average of 0,3399. The Firm value variable as measured using Tobin's Q has a range between 0,11 – 4,26 with an average 1,1063. The financial performance variable measured using ROE has a range between -1,24 – 0,18 with an average of 0,0278.

Hypothesis Test

In this research hypothesis test using multiple linear regression analysis and path analysis. The result of the multiple linear regression test in this study are:

Table 2. Result of Regression Test

	Equation I					Equation II				
Variable	**B**	**Std. Error**	**Beta**	**T**	**Sig.**	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	-1,410	0,288		-4,895	0,000	-1,060	0,910		-1,165	0,246
DKI	-0,065	0,098	-0,052	-0,657	0,512	0,151	0,289	0,045	0,522	0,603
KoA	0,017	0,087	0,016	0,195	0,846	0,259	0,254	0,088	1,021	0,309
KuA	-0,051	0,028	-0,164	-1,817	0,071	-0,152	0,082	-0,183	-1,842	0,068
DD	0,309	0,215	0,114	1,437	0,153	1,625	0,633	0,222	2,566	**0,011**
LDR	-0,014	0,047	-0,023	-0,307	0,760	-0,271	0,137	-0,160	-1,984	**0,049**
SIZE	0,043	0,008	0,506	5,170	**0,000**	0,042	0,026	0,186	1,606	0,111
DC	-0,048	0,024	-0,149	-2,003	**0,047**	0,035	0,071	0,040	0,491	0,624
ROE						-0,520	0,243	-0,193	-2,139	**0,034**
Fhitung	**6,472**		**Sig.F**	**0,000**		**2,220**		**Sig.F**	**0,029**	
R2	**0,238**					**0,110**				
Adjusted R2	**0,201**					**0,060**				

Sumber: SPSS data prosessing (2022)

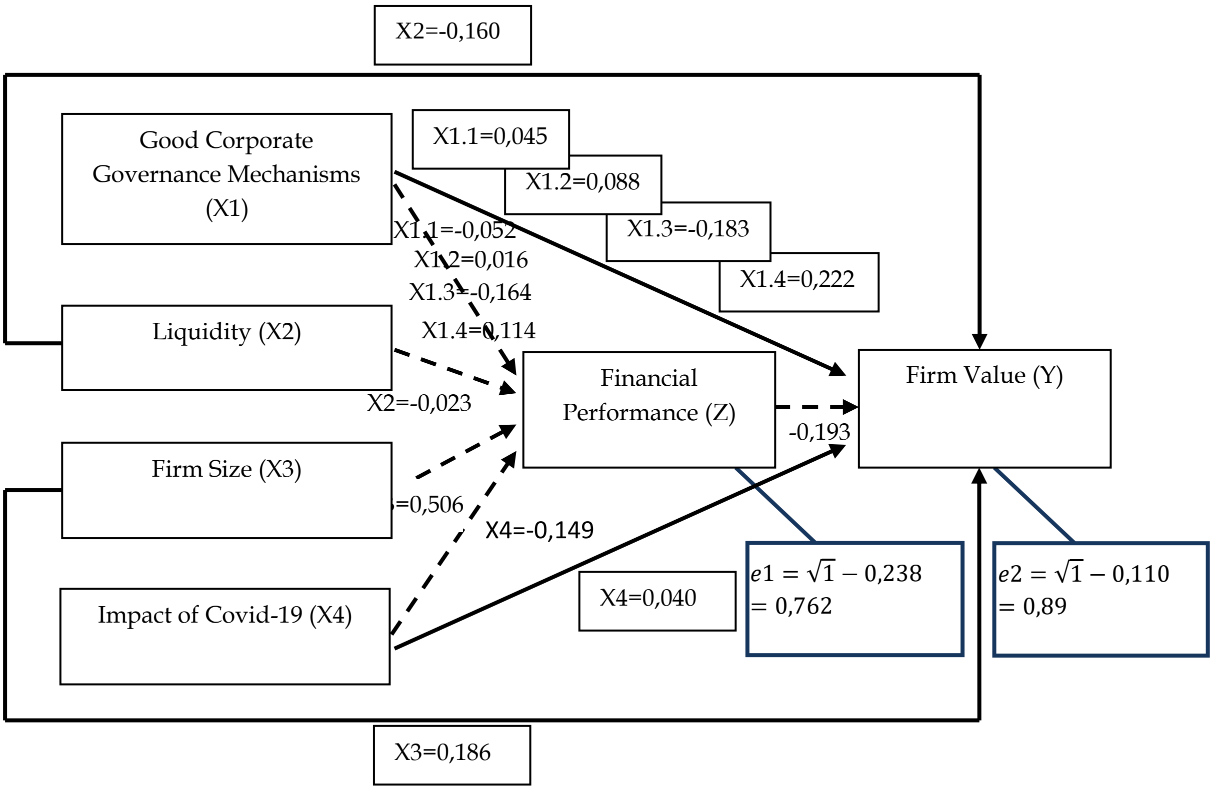

Figure 1. Research Diagram Path Analysis

Analysis Result Discussion

The Effect of Good Corporate Governance Mechanisms on Firm Value

Based on the research findings, the Independent Board of Commissioners variable has a significant p-value of 0.603. Because the significance value of the p-value is more than 0.05 (0.603>0.05). Then Ho is rejected, which shows that the independent board of commissioners variable has no direct influence. The Audit Committee variable has a significant p-value of 0.846. Because the significance value of the p-value is more than 0.05 (0.846>0.05). Then Ho is rejected, which shows that the audit committee variable has no direct effect. Audit Quality variable has a significant p-value of 0.068. Because the significance value of the p-value is more than 0.05 (0.068> 0.05). Then Ho is rejected, which shows that the audit quality variable has no direct effect. The Board of Directors variable has a p-value significance of 0.011. Because the significance value of the p-value is more than 0.05 (0.011 <0.05). Then Ho is accepted, which shows that the board of directors variable has a direct influence. According to stakeholder theory, the director's position has an important role in determining the strategy and decisions for the organization (Ghozali and Chariri, 2007). Thus, from the results of the Good Corporate Governance Mechanism analysis with four measurements, it is found that only the board of directors has a direct influence on firm value and the independent board of commissioners, audit committee and audit quality do not have a direct influence on firm value.

The Effect of Liquidity on Firm Value

Based on the research findings, the Liquidity variable has a significant p-value of 0.049. Because the significance value of the p-value is less than 0.05 (0.049 <0.05). Then Ho is accepted, which shows that the liquidity variable has a direct effect. Liquidity describes a bank's ability to pay back withdrawals by depositors by relying on the credit provided as a source of liquidity (Dewi: 2020). Liquidity affects firm value because the liquidity ratio can be taken into consideration by investors. Investors will be interested in investing their capital if the bank has a good soundness ratio, so that the company's share price will also increase (Patricia et.al (2018). The relationship between the liquidity ratio and firm value is that this ratio is used to measure the ability of the bank to pay its debts and pay back, and be able to meet The demand for credit that is channeled will determine the bank's profit. If a bank is unable to extend credit, while there are a lot of funds raised, it will cause the bank to lose money and will reduce the value of the company. (Putra, PS, & Juniarti, S : 2019)

The Effect of Firm Size on Firm Value

Based on research findings, the variable firm size has a significant p-value of 0.111. Because the significance value of the p-value is less than 0.05 (0.111> 0.05). Then Ho is rejected, which shows that the firm size variable has no direct effect. Firm size as measured by the total assets owned by the company does not directly affect the value of the company. Company management must consider the size of the assets owned to be able to increase the value of the company by considering the profit that the company gets (Tassia, RA, & Fidiana, F : 2019). This finding support the findings Indrajaya and Setiadi (2011), Khafa and Laksito (2015) state not influence firm size effect on firm value.

The Impact of Covid-19 on Firm Value

Based on the research findings, the impact variable covid-19 has a significant p-value of 0.624. Because the significance value of the p-value is less than 0.05 (0.624> 0.05). Then Ho is rejected, which shows that the impact Covid-19 variable has no direct effect. The Firm value is not directly affected by the covid-19 pandemic. During the pandemic that occurred in the last two years, it did not significantly affect the value of banking companies because banks already had the public's trust in saving funds or investors in investing their funds.

The Effect of Financial Performance on Firm Value

Based on the research findings, the variable Financial Performance has a significant p-value of 0.034. Because the significance value of the p-value is less than 0.05 (0.034> 0.05). Then Ho is accepted, which indicates that the financial performance variable has a direct influence. One of the main reasons companies operate is to generate profits that benefit shareholders. The measure of the success of achieving this reason is that the greater the ROE reflects the company's ability to generate high profits for shareholders. Apart from being an indicator of the company's ability to fulfill obligations to funders, it is an element in creating high corporate value. shows the prospects of the company in the future. The low quality of earnings will make the decision-making mistakes of users such as investors and creditors so that the value of the company decreases. The better the financial performance, the better the Firm value. This finding support the findings Arief, et al (2015) and Patricia (2018) state financial performance has a significant effect on firm value.

The Effect of Good Corporate Governance Mechanisms on Firm Value through Financial Performance

`Based on the path analysis of the direct influence of the independent board of commissioners variable on firm value is 0.045. While the indirect effect of the independent board of commissioners variable on firm value and financial performance is (0.045 x -0.193 = -0.0086). The direct effect of the independent board of commissioners on firm value is greater than the indirect effect (0.045 > -0.0086), and the calculation using the Sobel test for the z value obtained is 0.016 < 1.96, so it can be concluded that financial performance cannot yet mediate the relationship between the board of commissioners independent and firm value.

Based on path analysis the direct influence of the audit committee variable on firm value is 0.088. While the indirect effect of the independent audit committee variable on firm value and financial performance is (0.088 x -0.193 = -0.0169). The direct effect of the audit committee on firm value is greater than the indirect effect (0.045>-0.0169), and the calculation using the Sobel test z value obtained is -0.179 < 1.96, it can be concluded that financial performance cannot yet mediate the audit committee relationship and firm value.

Based on the path analysis, the direct effect of the audit quality variable on firm value is -0.183. The direct effect of audit quality on firm value is greater than the indirect effect (-0.183 > 0.0353), and the calculation using the Sobel test z value obtained is 0.787 < 1.96, it can be concluded that financial performance cannot yet mediate the relationship between audit quality and the firm value.

Based on the path analysis, the direct influence of the board of directors variable on firm value is 0.222. While the indirect effect of the board of directors variable on firm value and financial performance is (0.222 x -0.193 = -0.0428). The direct effect of the board of directors on firm value is greater than the indirect effect (0.222>-0.0428), and the calculation using the Sobel test z value obtained is -0.441 < 1.96, it can be concluded that financial performance cannot yet mediate the relationship between the board of directors and firm value.

So, the variable good corporate governance mechanism with the four proxies for firm value cannot be mediated by financial performance. This finding support the findings ward (2013), Aziz (2016).

The Effect of Liquidity on Firm Value through Financial Performance

Based on the path analysis, the direct influence of the Liquidity variable on firm value is 0.222. Meanwhile, the indirect effect of the liquidity variable on firm value and financial performance is (0.222 x -0.193 = 0.0308). The direct effect of liquidity on firm value is greater than the indirect effect (0.222 > 0.0308), and the z value calculated using the Sobel test is 0.416 < 1.96, so it can be concluded that financial performance cannot yet mediate the relationship between liquidity and firm value.

The Effect of Firm Size on Firm Value through Financial Performance

Based on the path analysis, the direct influence of the Liquidity variable on firm value is 0.222. Meanwhile, the indirect effect of the liquidity variable on firm value and financial performance is (0.222 x -0.193 = 0.0308). The direct effect of liquidity on firm value is greater than the indirect effect (0.222 > 0.0308), and the z value calculated using the Sobel test is 0.416 < 1.96, so it can be concluded that financial performance cannot yet mediate the relationship between liquidity and firm value.

The Impact of Covid-19 on Company Value through Financial Performance

Based on the path analysis of the direct influence of the Covid-19 Impact variable on company value, it is 0.040. Meanwhile, the indirect effect of the Covid-19 Impact variable on company value and financial performance is (0.040x -0.193 = -0.0077). The direct effect of the impact of Covid-19 on firm value is greater than the indirect effect (0.040>-0.0077), and the calculation using the Sobel test, the z value obtained is 0.790 <1.96, it can be concluded that financial performance cannot yet mediate the impact relationship Covid-19 and company values.

IV. CONCLUSION

`The purpose of this study is to examine the effect of Good Corporate Governance Mechanism, Liquidity, Company Size, and the Impact of Covid-19, on Corporate Value with Financial Performance as a Mediating Variable. This study used a sample of 35 banking companies listed on the IDX in 2017-2021. Based on the test results it is known that in equation II there is a direct effect between the variables of the board of directors, liquidity, and financial performance on firm value. Meanwhile, the independent board of commissioners, audit committee, audit quality, company size, and the impact of Covid-19 do not have a direct impact on company value. In equations I and II, the path test, and the calculation of the Sobel test, it can be seen that financial performance is not capable of being a mediating variable for the relationship between good corporate governance mechanisms (independent board of commissioners, audit committee, audit quality, and board of directors), liquidity, company size, and the impact of covid-19 on company value.

The limitation in this study is that the research sample used is all banking companies listed on the IDX and there are no provisions regarding the size of the company. this can cause the research data to be biased. This study also has limitations regarding sample data that is too extreme due to the covid pandemic so that the data is not normally distributed. In addition, there are limited references that will be used to support the results of this study.

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