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The Influence of Company Growth, Good Corporate Governance and Company Size on Company Performance

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Abstract

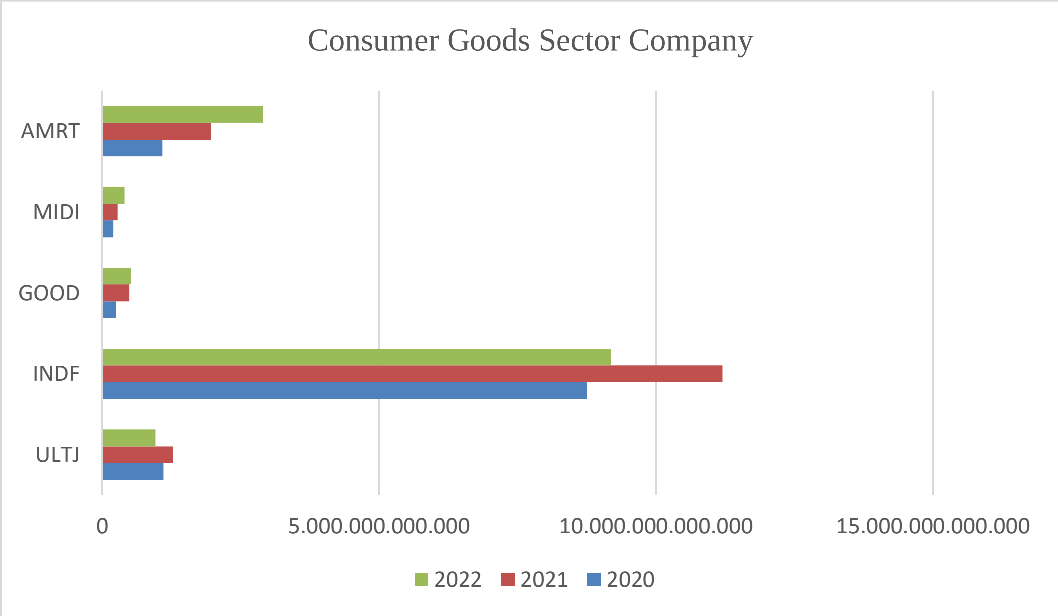
Increasing the wealth and well-being of capital owners or shareholders can be achieved in part by improving firm performance. The performance of the business indicates its ability to profit from its debt, equity, and assets as well as its accomplishments within a given time frame. This study set out to ascertain how company performance was impacted by factors such as audit committee size, institutional ownership, managerial ownership, and company expansion. All consumer goods companies listed on the Indonesia Stock Exchange between 2020 and 2022 made up the study's population. Purposive sampling was the technique employed to determine the sample, resulting in a sample of 29 firms. Multiple linear regression analysis is the method utilized for analysis. Based on data analysis, it is discovered that while institutional ownership, management ownership, and the audit committee have no bearing on a company performance, corporate growth and size do. It is anticipated that next studies would include variables like leverage or liquidity.

Keyword: Audit Committee, Company Growth, Company Performance, Company Size, Institutional Ownership, Managerial Ownership.

INTRODUCTION

The primary goals of the company's founding were to maximize wealth or profits and attempt to enhance its performance through various means (Taouab & Issor, 2019). A company's performance is frequently evaluated using its financial performance. Whereas return on assets (ROA), one of the financial ratios that can be analyzed to assess a firm's financial health, is described by company performance. Amelia & Sunarsi (2020) claim that return on assets is a metric that assesses how well a business generates money. Return on assets is defined as net profit after taxes divided by total assets. Because of the higher rate of return, a company that has a higher ROA will perform better overall.

Consumer goods sector companies are one of the company sectors that contribute to the economy. Apart from that, companies in the consumer goods sector are also a sector that will never run out and have an important role in meeting society's needs (Agatha, et al, 2020). However, it cannot be denied that at the beginning of Covid-19 until post-Covid-19 in 2020-2022, almost all companies, including the consumer goods sector, experienced a decline in financial performance. The average *return on assets* for consumer goods companies in 2020 was 4.720%, then in 2021 it decreased to 2.026% and decreased again in 2022 to 1.029%. If we look more specifically, it turns out that not all companies in the consumer goods sector experienced a decline, as in the data presented below.



Source: Indonesian Stock Exchange (2024)

The data above shows that not all companies experienced a decline in profits during the health crisis (covid 19). There are companies whose profits fluctuate during this period and there are even companies that experience an increase in profits. Where increasing and fluctuating profits will be related in the same direction to the value of return on assets or company performance. Therefore, companies can make various efforts to improve their performance and to achieve this, various factors must be known that can influence company performance.

The first factor is company growth. A company that is growing is one example that the company is working in good conditions in relation to achieving performance. Pramestaresti's research (2019) states that company growth has a negative impact on business performance. Meanwhile, study by Apsari and Wahidahwati (2019) states that company growth has a positive effect on company performance. According to Devi (2020) company growth has no impact on company performance.

Institutional ownership within a company is important for monitoring company management, thereby promoting more optimal supervision of management performance and enhancing overall company performance (Lestari & Juliarto, 2017). While research by Holly and Lukman (2021) indicates a positive impact between institutional ownership with company performance, research by Sianturi & Silalahi (2023) indicates a negative relationship between institutional ownership with performance, which contrasts with research by Brata and Sari (2019) and Solikhah and Suryandani (2021), which found no influence of institutional ownership on company performance.

Managerial ownership, as indicated by the percentage of share owned by management, is the ownership of shares bt the company's management (Artiwi, 2022). Managerial ownership can reduce agency problems, because managers can align their interests with those of shareholders, so that company performance can increase (Rozyana, et al. 2021). The success of a corporation is negatively impacted by managerial ownership, according to research by Mahaputri and Yadnyana (2014). Conversely, studies (Sianturi & Silalahi, 2023) demonstrate that managerial ownership improves the performance of the organization. However, studies by Holly and Lukman (2021) and Aprina (2012) show that managerial ownership has little bearing on business performance.

The existence of an audit committee as a party that studies financial issues can provide suggestions at enhancing the financial performance of the organization. According to research findings (Widyari et al., 2022) the audit committee has a good impact on the operation of the business since it increases control over the organization, hence reducing the likelihood of conflicts. According to Solikhah and Suryandani (2021) and Nugrahani and Yuniarti, (2021) and stated that the audit committee has no effect on company performance, while research by Ferial, et al. (2016) stated that audit committees have a negative effect on company performance.

High company size represents high company assets, big companies basically have greater financial strength so they can support and improve company performance. Research by Solikhah and Suryandani (2021) and (Aryaningsih et al., 2022) states that company size has a positive impact on bussiness performance. Research by Fachrudin (2016) and Immanuela (2014) shows that company size has a negative impact on bussiness performance. Meanwhile, study (Widyari et al., 2022) states that company size has no impact on company performance.

Based on the explanation above, it shows that there is a phenomenon that not all companies' performance experienced a decline when Covid-19 occurred, in fact there were companies that actually experienced an increase in profits and performance. Therefore, companies should be able to know what factors can influence their performance so that they can be used as considerations in running their company. Many similar studies have previously been carried out and showed inconsistent results. However, this study is different from previous study, where this study uses variables that are thought to influence financial performance not only from financial indicators but also non-financial ones so it is hoped that the results can be seen from a different perspective. This research really needs to be carried out considering the importance of companies being able to improve their performance and also the role of companies in contributing to the economy. Therefore, the purpose of this research is to investigate how business size, audit committee, institutional ownership, management ownership, and growth affect the performance of food and beverage firms listed on the Indonesia Stock Exchange between 2020 and 2022.

This research objective can be achieved by making agency theory the grand theory in this study. Agency theory was first put forward by Jensen and Meckling (1976) which explained the working relationship between the owner or shareholder (principal) and management (agent). Putri (2018) stated that agency problems can occur due to information asymmetry between owners and managers. This information asymmetry occurs when managers have relatively more internal company information and obtain information relatively quickly compared to external parties, such as investors and creditors. This condition gives managers the opportunity to use the information they know to maximize their prosperity (Artiwi, 2022). This agency problem can be minimized by having an effective governance system. If the company has institutional ownership, managerial ownership and an audit committee that participates in monitoring the company, it can encourage management to take the best actions in achieving company performance. Likewise, company growth and good company size indicate a relationship that is directly related to the company's ability to generate profits so that company performance will also increase.

Company performance is an indicator for the company regarding the success or failure of the organization in its efforts to carry out its main duties and functions in order to realize the company's goals, objectives, vision and mission. At the end of the period, the company must be evaluated to determine the company's progress. The evaluation process requires standards as a basis for comparison, these standards can be internal and external. Internal standards themselves generally refer to comparisons of a company's performance with its main competitors or industry (Prijanto, et al. 2017). Company performance is measured using analysis of various financial ratios, one alternative used in measuring company performance is by using return on assets (ROA). ROA is important for companies because ROA is used to measure a company's ability to generate net profits based on the level of asset owned (Wiranthie & Putranto, 2020)
According to Fajriah et al. (2022), the growth of a company is indicative of its operational performance over the preceding time and can serve as a forecast for future growth. The local industrial climate can have an impact on this expansion in addition to other internal and external influences. Business growth is the ability a firm demonstrates to grow every year. Businesses that are growing quickly have more chances to expand their operations. A business that has strong revenue growth is considered to be growing. Therefore, even though the company's sales numbers do not inherently indicate that it has bright future, investors who wish to participate in the business can review them.

Institutional ownership, defined by Sintyawati & Dewi (2018), is the ownership of stock in a organization by an institution or institutions, including banks, insurance companies, investment companies, and other institutional ownership. A major factor in reducing agency conflict between managers and shareholder is institutional ownership. It is believed that the presence of institutional investors can serve as a useful oversight tool for each choice made by managers. This is a result of institutional investors having a say in the strategic choices made by the business. The institution is encouraged to oversee management and has more voting power the more ownership it possesses.
Majid (2016:4) defines managerial ownership as shareholders from management such as directors and commissioners who actively engage in the company's decision-making process. There are two ways to explain managerial ownership structure: the agency approach and the sustainability approach. The management ownership structure is viewed by the agency approach as a technique or instrument that helps to lessen agency conflicts between many claims made by a corporation. By sharing knowledge within the organization, the ownership structure mechanism is seen by the information continuity approach as a means of reducing information discontinuity between insiders (Agasva, 2020). Managers are more likely to act opportunistically when they possess fewer shares than the average person.

The members of the audit committee are chosen from the board of commissioners of the company and are tasked with supporting the auditor in upholding his independence from management. The audit committee is composed of at least two members who are not affiliated with the issuer or public firm and at least one independent commissioner who serves as the committee's chairman, according to Bapepam's decision Kep-29/PM/2004. Three to four members make up the optimal audit committee (Wicaksono, 2014). In order to address issues or the establishment of new institutions, the committee may serve as a liaison between the management committee and investors. The audit committee's primary duty is to keep an eye on the accuracy and consistency of reports about the board of directors' performance.

The size of a corporation is determined by how many assets it owns, or how many assets it has in total (Agasva, 2020). It goes without saying that a larger corporation would manage larger funds and have more sophisticated management (Putri, 2021). Larger businesses will find it easier to secure loans from creditors because they have better access to funding sources from a variety of sources.

The Effect of Organizational Growth on Business Performance

The ability of a corporation to grow its assets is known as company growth. According to agency theory, a rising business is a sign that things are going well for them when it comes to reaching performance goals. Strong growth indicates that the company's revenue is stable and in good shape. Better business performance is reflected in a company's consistent growth (Krismanayanti, et al. 2021). Positive growth will result in a favorable evaluation by investors and strong business success for the company. Caniscariani's (2019) research findings indicate that a company's growth has a beneficial impact on its performance. Drawing on the aforementioned explanation, the research hypothesis that has been created is:
H1: Business performance is positively impacted by company growth

Institutional Ownership's Impact on Business Performance

According to Eravati and Wahyuning (2019), institutional ownership refers to the ownership of corporate shares by the government, financial institutions, legal entities, foreign institutions, and other institution. Institutional ownership is a crucial monitoring tool that actively and steadily safeguards stakeholder investments in the company's shares. Putri (2021) claims that the monitoring system will ensure a rise in shareholder wealth, allowing institutions' involvement in the business to have a positive effect on the success of the company. According to agency theory, institutional ownership will promote more effective management performance supervision, which will lead to more cautious decision-making by management. Stronger control over the business results from larger institutional ownership levels, which in turn boosts business performance (Artiwi et al., 2022). According to Holly and Lukman's research from 2021, institutional ownership improves the success of businesses. Based on the justification given above and states that the research's hypothesis is:
H2: iinstitutional ownership improves business performance.

Managerial Ownership's Effect on Business Performance

In a business, managerial ownership can be viewed as a mean of balancing possible conflict of interest between outside shareholders and management. Kamajaya (2019) posits that a favorable correlation exists between insider ownership and market value with respect to managing company performance. According to agency theory, the assumption is that agency difficulties vanish when a manager holds an ownership stake since managerial ownership may be viewed as a means of balancing any conflicts of interest between shareholders outside of management. Accordingly, management is more likely to attempt to enhance performance for the advantage of shareholders and itself the more managerial ownership there is (Artiwi, et al. 2022). According to Artiwi et al. (2022) research findings, management ownership improves the performance of the organization. The research's hypothesis:

H3: managerial ownership improves business performance.

The Audit Committee's Impact on Business Performance

The company's financial reporting procedure, which attempts to actualize financial reports created through an audit process with the integrity and objectivity of the auditor, is overseen in part by the audit committee. The audit committee will be very helpful in boosting the legitimacy of financial reports and assisting the board of commissioners in winning over shareholders to the board's commitment to provide information as required. Investors may be persuaded to trust the company with their investment if the audit committee is responsible for safeguarding the interests of minority shareholders (Kartikasari, 2017). According to Artiwi et al. (2022), the audit committee serves as a mediator and can reduce conflicts between principals and agents. This is in line with agency theory. The company's board of directors is under the audit committee's supervision and guidance. According to research findings (Widyari et al., 2022), the performance of the organization is positively impacted by the audit committee. Drawing on the aforementioned explanation, the research hypothesis that has been created is:

H4: The audit committee improves the performance of the business

The Influence of Company Size on Company Performance

Company size in this research was measured using the total assets in the company. The asset owned by this company describe the rights and obligations as well as the company's capital. Agency theory explains that high company size represents high company assets. Effective asset management can provide incentives for companies to produce at large capacities. High company size represents high company assets, indicating that large companies basically have greater financial strength to support company performance (Jayanti, et al. 2021). Research by Solikhah and Suryandani (2021) and (Aryaningsih et al., 2022) found that company size has a positive influence on company performance. Based on the explanation above, the hypothesis developed in this research is:

H5: Company size has a positive impact on company performance.

METHODS

This study employs quantitative methods. All consumer goods companies registered on the Indonesia Stock Exchange during 2020 until 2022 make up the research population. Using the purposive sampling approach, a sample of 29 consumer goods companies listed on the Indonesia Stock Exchange was acquired between 2020 and 2022 in order to determine the number of samples.

The following is an explanation of the operational definition of variables:

Company growth as indicated by sales growth is a good indicator of future growth since it shows the operational performance of the business within the preceding time frame. Companies that expand will have a fast growth rate. The formula used to calculate company growth is:

$$\text{Company Growth} = \frac{\text{Total assets t} - \text{total assets t}-1}{\text{Total assets t}-1} \text{x } 100\% \text{..(1)}$$

The holding of business shares by governmental bodies, financial institutions, corporations, foreign organizations, and other institutions is known as institutional ownership (Erawati and Wahyuning, 2019). The formula used is as follows (Sartono 2016):

$$\text{Institutional ownership} = \frac{\text{number of institutional shares}}{\text{number of shares outstanding}} \dots\dots(2)$$

Managerial ownership is the percentage of shares owned by members of the board of commissioners and board of directors as internal parties (management) of the company, each of whom owns less than 5% of the total paid-up capital. The formula used is as follows:

$$\text{Managerial ownership} = \frac{\text{managerial share count}}{\text{number of shares outstanding}} \text{x } 100\% \dots\dots(3)$$

In accordance with the Decree of the Chairman of BAPEPAM and LK Number: Kep-643/BL/2012, The audit committee is a body established by the board of commissioners to oversee corporate management. The audit committee has at least three members, chaired by one person who is an independent commissioner, while the other members are independent members and are not independent commissioners (Haryati and Rahardjo, 2013). Audit committees are measured using the number of audit committees.

Audit Committee = Total number of members of the company's audit committee……………..(4)

Company size is a comparison of the size of a company or organization's business as measured by the number of assets it owns. Company size is an indicator that shows the company's financial strength. Company size can be measured using the formula (Hartono, 2015):

Size = Total Assets……………………………………………………………….………...(5)

Company performance is a measure that can measure the success of a company in generating profits. Company performance can be measured using financial ratios. The profitability ratio used in this research uses Return on Assets (Prasinta, 2012). ROA is a ratio used to measure the ability of company management to gain profits by utilizing the total assets owned. To calculate ROA use the formula (Artiwi, et al. 2022):

$$\text{Return on Assets} = \frac{\text{Net income atau earning after tax}}{\text{Total assets}} \text{ x } 100\% \dots\dots(6)$$

For this study, the statistical package for social scenes, or SPSS, was used to analyze the data. Multiple linear regression analysis, using the following equation, is the data analysis method employed in this study:

$$KP = \alpha + \beta 1PP + \beta 2KI + \beta 3KM + \beta 4KA + \beta 5UP + e \dots\dots(7)$$

Information:

KP	= Company Performance
α	= Constant
β	= Regression coefficient
PP	= Company Growth
KI	= Institutional Ownership
KM	= Managerial Ownership
KA	= Audit Committee
UP	= Company Size

RESULTS AND DISCUSSION

Descriptive Statistics

Table 1. Resutls of the Descriptive Statistics Test

	N	Minimum	Maximum	Mean	Std. Deviation
PP	87	-0.45	10.02	0.2047	1.07987
KI	87	0.06	0.98	0.6165	0.22481
KM	87	0.0000084	0.6385109	0.112709327	0.1723629673
KA	87	3.00	4.00	3.0460	0.21065
UP	87	0.0040	180.4333	15.814561	34.5557086
KP	87	-0.20	0.50	0.0640	0.09913

Source: Processed data (2024)

It is known that there were 87 observations in the study (N) based on the outcomes of descriptive statistical computations. For every variable, the data is shown for the lowest, highest, mean, and standard deviation values.

Multiple Linear Regression Analysis

Table 2. Results of the Multiple Linear Regression Test

Variable	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	standardized Coefficients Beta	t	Sig
(Constant)	0.090	0.139		0.646	0.520
PP	0.035	0.006	0.541	6,011	<0.001
KI	0.045	0.055	0.103	0.818	0.416
KM	0.105	0.072	0.183	1,456	0.149
KA	-0.029	0.041	-0.062	-0.714	0.478
UP	0.001	0,000	0.212	2,315	0.023

Source: Processed data (2024)

Based on Table 2, the multiple linear regression equation in this study becomes:
KP = 0.090 + 0.035PP + 0.035KI + 0.105KM - 0.029KA + 0.001UP

Classical Assumption Test

Table 3. Results of the Normality Test

			Unstandardized Residuals
N			87
Normal Parameters [a, b]	Mean		.0000000
	Std. Deviation		.07607843
Most Extreme Differences	Absolute		,141
	Positive		,141
	Negative		-.137
Statistical Tests			,141
Asymp. Sig. (2- tailed) [c]			,129
Monte Carlo Sig. (2- tailed) [d]	Sig.		.122
	99% Confidence Interval	Lower Bound	.113
		Upper Bound	,130

Source: Processed data (2024)

Since the Asymp Sig value of 0.129 > 0.05 in the Kolmogorov-Smirnov normality test results, it may be said that the remaining study data is normally distributed.

Table 4. Results of the Multicollinearity Test

Variable	Collinearity Statistics Tolerance	Collinearity Statistics VIF
Company growth	0.897	1,115
Institutional ownership	0.460	2,176
Managerial ownership	0.460	2,176
Audit committee	0.957	1,045
Company size	0.869	1,151

Source: Processed data (2024)

The test results indicate that there are no signs of multicollinearity between the independent variables in the regression model because the tolerance values for firm growth, institutional ownership, managerial ownership, audit committee, and company size are all > 0.10 and the VIF value is less than 10.

Table 5. Results of the Heteroscedasticity Test

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-0.100	0.092		-1,085	0.281
PP	-0.002	0.004	-0.063	-0.552	0.583
KI	0.026	0.037	0.112	0.701	0.485
KM	0.021	0.048	0.070	0.437	0.663
KA	0.044	0.027	0.182	1,636	0.106
UP	0,000	0,000	0.124	1,065	0.290

Source: Processed data (2024)

Firm growth, institutional ownership, management ownership, audit committee, and firm size all had significant values of 0.583, 0.485, 0.663, 0.106, and 0.290 according to the results of the heteroscedasticity test using the Glejser test. Since all of these values are higher than 0.05, it may be said that heteroscedasticity symptoms do not exist.

Table 6. Results of the Autocorrelation Test

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.641	0.411	0.375	0.07839	1,889

Source: Processed data (2024)

dU and dL values can be obtained from the Durbin – Watson statistical table. With n = 87 and k = 5, we get the values dL = 1.5322 and dU = 1.7745. Therefore, 4-dU = 2.111. It is evident from Table 5.6 above that the Durbin-Watson value is 1.889. The dw value falls between 1.7745 < 1.889< 2.111, indicating that there is no autocorrelation in the data.

Model Feasibility Test

Table 7. Results of F-Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.347	5	0.069	11,304	<0.001 b
	Residual	0.498	81	0.006		
	Total	0.845	86			

Source: Processed data (2024)

The computed F value, according to the F test results, is 11.304, with a significance level of 0.000 < 0.05. These findings indicate that the audit committee, company size, institutional ownership, managerial ownership, and company growth all have an impact on a firm's performance at the same time.

Table 8. Results of the Determination Analysis

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.641	0.411	0.375	0.07839	1,889

Source: Processed data (2024)

The test results show that the adjusted R^2 value is 0.375. This means that 37.5% of company performance is explained by company growth, institutional ownership, managerial ownership, audit committee and company size, while 62.5% is explained by other factors outside this research.

Table 9. Results of the t-test

Variable	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	standardized Coefficients Beta	t	Sig
(Constant)	0.090	0.139		0.646	0.520
PP	0.035	0.006	0.541	6,011	<0.001
KI	0.045	0.055	0.103	0.818	0.416
KM	0.105	0.072	0.183	1,456	0.149
KA	-0.029	0.041	-0.062	-0.714	0.478
UP	0.001	0,000	0.212	2,315	0.023

Source: Processed data (2024)

The Impact of Organizational Growth on Organizational Performance

Business growth has a t count of 6.011 and a significant value of 0.000, according to the results of the t test. This value is smaller than 0.05, indicating that business growth has a positive impact on business performance, and H1 is accepted. This indicates that as the company grows to a higher level, its performance will also rise to a higher level. The capacity of the business to expand its assets is what is meant by company growth. According to agency theory, a rising business is a sign that things are going well for them when it comes to reaching performance goals. Strong growth indicates that the company's revenue is stable and in good shape. Better business performance is reflected in a company's consistent growth (Krismanayanti, et al. 2021). The more a company grows, the more positive its image will be. Positive growth will result in a favorable evaluation by investors and strong business success for the company. Research from Caniscariani (2019) and Apsari and Wahidahwati (2019) demonstrating the beneficial impact of business expansion on business performance lends credence to this.

Institutional Ownership's Effect on Business Performance

Since institutional ownership has a t-count of 0.818, a significant value of 0.416, and a value greater than 0.05, H2 is rejected since there is no evidence that institutional ownership affects corporate performance. These findings suggest that a company's ability to grow its performance is independent of whether it has institutional ownership or not. This is due to the fact that, while institutional investors do have the ability to oversee management performance, managers and staff are still in charge of the business's day-to-day operations (Nugrahani and Yuniarti, 2021). Herman (2016) asserts that management's information, which allows them to freely exert control over the organization, is superior to the information used by institutions to conduct supervision. A firm's performance is now under management control rather than how well the institution offers supervision; therefore, regardless of the number of shares that an institution or other company owns, there is no guarantee that the manager's performance can be effectively monitored. Research by Brata and Sari (2019) and Solikhah and Suryandani (2021) demonstrates that institutional ownership has little bearing on the performance of the company, which is consistent with the findings of this study.

Managerial Ownership's Effect on Business Performance

Given that managerial ownership has a computed t of 1.456, a significant value of 0.149, and a value greater than 0.05, H3 is rejected because there is no evidence that managerial ownership affects company performance. This demonstrates that a company's ability to grow its performance is independent of the presence of managerial ownership. This is probably going to happen because managerial ownership is too low, which means that the manager's performance in running the business is not at its best and that, as a minority shareholder, the manager can not actively participate in decisions that do not impact the business's performance (Pangaribuan, 2017). Since they are unable to enjoy all of the company's revenues, management does not feel as though they control a large enough portion of the shares. This may result in a decline in management motivation, which would lower management performance and have no effect on the financial success of the organization (Irsyad, 2022). Research by Aprina (2012) and Pangaribuan (2017), which claims that managerial ownership has no bearing on business success, lends credence to this.

The Audit Committee's Impact on Business Performance

Since the audit committee's computed t-value is -0.714 and its significant value is 0.478 both of which are more than 0.05, it can be concluded that the audit committee has no bearing on business performance, and as a result, H4 is rejected. These findings suggest that an audit committee's existence or absence within a business has no bearing on the improvement in business performance. This could be the case because the company's requirement to establish an Audit Committee including at least three members is all that is necessary for the committee to exist. The formation of the Audit Committee was only motivated by government rules mandating that every corporation establish a supplementary committee to aid in supervisory responsibilities (Hartati, 2020). Furthermore, a board of commissioners oversees the formation of an audit committee, meaning that the effectiveness of the audit committee's work is reliant on the commissioners' performance. This suggests that the audit committee's ability in carrying out its responsibilities is subpar, making its supervision less effective and unable to have an impact on the financial performance over the long term (Ratna, 2019). Research by Widyari et al. (2022) and Nugrahani and Yuniarti (2021) supports this. declares that the performance of the corporation is unaffected by the audit committee.

The Effect of Company Size on Company Performance

The influence of firm size on performance has a t count of 2.315, a significant value of 0.023, and a value that is less than 0.05, indicating a positive relationship between the two. Therefore, H5 is accepted. These findings demonstrate that a company's potential performance increases with its size. The rights, liabilities, and capital of this firm are delineated by its assets. Companies that practice effective asset management may be encouraged to operate at high capacity. According to agency theory, a company's size indicates its assets; in other words, large organizations essentially have more financial strength to support their performance (Jayanti, et al. 2021). Research by Solikhah and Suryandani (2021) and (Aryaningsih et al., 2022) demonstrates that a company's size positively impacts its performance.

CONCLUSION

The research findings indicate that firm size and expansion have a beneficial impact on company performance, in line with the previously stated research objectives. In the meanwhile, the performance of the company is unaffected by institutional ownership, managerial ownership, or the audit committee. Based on the analysis that has been done, researchers can recommend that management of the company always work to increase sales in order to improve company performance. This is because higher sales levels are associated with higher income levels, which can indicate the company's promising future. It may lead to an increase in the returns provided to investors. Investors should always assess a company's performance before making an investment by thoroughly researching and analyzing all available data on the company's size, audit committee, institutional ownership, growth, and management ownership. This will help investors avoid losses and maximize their returns. Since the corrected R2 value is only 0.375, future researchers can include more research factors like leverage, liquidity, or intangible assets.

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