The Role of Mediating the Publication on the Influence of Corporate Governance on Performance

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Abstract. The aim of the study was to analyze the mediating role of the financial report published on the effect of corporate governance on the performance of Indonesian public companies. The corporate governance proxy consists of ownership, independence of directors and commissioners, meetings of directors and audit committees, as well as the number of commissioners and audit committees. The research samples of 775 annual reports 2013-2014 were chosen proportionally strata, from nine industry groups. The results of multiple regression analysis found that directors and independent commissioners, as well as the frequency of audit committee meetings, had a significant effect on performance. Whereas ownership, meetings of directors and audit committees, and the number of commissioners and audit committees have a significant effect on publications. Publication of financial statements significantly as a mediation of the effect of corporate governance on performance.

Keywords: Publication, Corporate governance, Performance.

1 Introduction

The performance of public companies is a concern for investors and shareholders because of the separation between managers and company owners. Performance information can be obtained through publications by issuers. Issuers on the Indonesia Stock Exchange (BEI) have the obligation to submit annual financial reports to Bapepam and LK and be announced to the public. Publication of financial statements no later than the end of the third month after the date of the annual financial report [1].

The importance of the speed of publication of annual financial statements because it reduces information uncertainty for decision making in the capital market. Regulations in several countries make it a priority to speed up publication time [2]. The speed of publication as an important component is relevant for accounting regulators and capital market authorities throughout the world [3]. For example, regulators on the New York Stock Exchange (NYSE) and NASDAQ, since 2002 have established a time lag for publishing annual financial reports from 90 days to 60 days.

The speed at which stakeholders publish financial statements as information is still fresh for decision making. Publication of financial statements as one of the attributes of corporate governance effectiveness identified by the Organization for Economic Co-operation and Development (OECD) and the World Bank [4]. Therefore, corporate governance effectiveness can affect the speed at which financial statements are published.

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Corporate governance in Indonesia has five principles [5], namely: (1) transparency, (2) accountability, (3) responsibility, (4) independence and (5) fairness. These five principles can be guidelines in corporate governance mechanisms, and the corporate governance mechanism literature influences financial performance [6], [7], [8]. Therefore, there are three interrelated variables, namely: (1) publication of financial statements, (2) corporate governance, and (3) financial performance.

Publication of financial statements significantly influences the company's financial performance as measured by returns on equity [9]. In addition, corporate governance has an effect on financial reporting publications [10], [11]. So, corporate governance can directly affect the performance and publication of financial statements, while the publication of financial statements affects financial performance.

Therefore, this study will analyze the effect of corporate governance on the speed of publication and its effect on financial performance. With the aim of obtaining empirical findings that are useful for the functioning of capital market regulations in Indonesia. Then, the research question is: how is the mediating role of publication on the influence of corporate governance on the issuer's financial performance on the Indonesian Stock Exchange?.

2 Materials and Methods

2.1 Theoretical framework

The theoretical support of corporate governance practices and their effects on report publications and company performance, in the literature, is dominated by agency theory and stakeholder theory. The characteristics of corporate governance in various research are used by corporate governance mechanisms as a proxy for their measurement. Therefore, a theoretical review in this study describes agency theory, stakeholder theory, and corporate governance mechanisms.

2.1.1 Agency theory

Agency theory is a contractual relationship between the agent (management) and the principal (owner). In this theory, the principal gives orders to the agent to manage the company on behalf of the principal. Then, the principal delegates his authority to manage the company to the agent to make the best decision for the principal [12].

In the contractual implementation, agents who master company information can hide information from the owner, to be used to make decisions in maximizing its utilization. So, management does not always behave best for the benefit of the owner or can injure the contractual [13]. This condition causes agency conflict to cause agency costs. One of the costs is monitoring the behavior of agents in the form of financial statement audit fees that are a burden on the principal. In many cases, agency conflict occurs because of the lack of effective corporate governance mechanisms for efficient control [14].

The corporate governance mechanism is a procedure that can control the company, in order to provide added value to sustainable stakeholders. For companies in Indonesia, they must ensure that the principles of corporate governance are applied to every aspect of the business and in all levels of the company. The application is based on the principles of transparency, accountability, responsibility, independence, and fairness and equality, to achieve the sustainability of the company's business by paying attention to stakeholders or

stakeholders [5]. Therefore, agency theory supports the implementation of corporate governance in Indonesia.

2.1.2 Stakeholders theory

Stakeholder theory is defined as a group or individual who can influence or be influenced by the achievement of organizational goals [13]. Stakeholders include shareholders, employees, customers, creditors, suppliers, and various interest groups and the government. In the view of stakeholder theory that shareholders are not the only stakeholders, and all stakeholders have the right to be given information about how the organization affects them (perhaps through pollution, community sponsorship, providing employment, safety initiatives, etc.). Even if they choose to do not use information or stakeholders cannot directly influence the survival of the organization [13]. Providing information will increase the transparency of company activities. Therefore, stakeholder theory can support companies to achieve one of the mechanisms of corporate governance on the principle of transparency.

Effective implementation of corporate governance, based on agency theory, is expected to reduce agency conflict. Its implementation is with the obligation to apply transparency, accountability, responsibility, independence, and fairness, by paying attention to stakeholders [5]. Therefore, the combination of agency theory and stakeholder theory is used as the theoretical basis, in this study.

2.1.3 Corporate governance mechanism

Corporate governance mechanisms at the company level include a general meeting of shareholders, a board of commissioners and directors as company organs. Company organs have an important role in implementing corporate governance effectively [5]. Therefore, the mechanism of corporate governance is used to measure the effectiveness of corporate governance. The corporate governance mechanism consists of ownership, independence and number of commissioners, independence and number of directors, and frequency of meetings and audit committees.

The share ownership share as the composition of the number of shares held by shareholders to be able to control the management of public companies. The share ownership is above 5% as institutional ownership. The large portion of ownership has controls that can put pressure on transparency in the publication of financial statements [15]. The composition of institutional ownership affects company value [7].

The Commissioner as a company organ has the duty and responsibility collectively to supervise and provide advice to the Board of Directors and ensure that the company implements corporate governance. The composition of commissioners must enable decision making effectively, precisely and quickly, and can act independently [5]. The attributes of the commissioner's independence and the number of commissioners' effectiveness affect the speed of financial report publishing [15]. Independent commissioners influence company value [7].

The Board of Directors as a corporate organ has a collegian duty and responsibility in managing the company. The composition of directors must enable decision making effectively, precisely and quickly, and can act independently. Directors must be professional and responsible for generating profitability and ensuring the sustainability of the company's business [5]. The independence of directors' attributes and the frequency of board meetings affect the publication of report speed [15], [16]. The size of directors influences company performance [17].

The audit committee is a supporter of the board of commissioners, whose duty is to ensure that financial statements are fairly presented in accordance with generally accepted

accounting principles (KNKG, 2006). The frequency effectiveness of meetings and the number of audit committees influence the speed of financial report publication [18]; [19].

Therefore, effective corporate governance mechanisms can affect financial performance and can also affect the speed of financial report publishing.

2.2 **Development of hypotheses**

Hypothesis development consists of three relationship groups, namely: (1) corporate governance mechanism on performance and publication, (2) corporate governance on overall performance and publication, and (3) mediating role of publication on the effect of corporate governance on performance.

2.2.1 **Effect of the mechanism of corporate governance on performance and publication**

Corporate governance mechanisms are used to proxy ownership, directors, commissioners and audit committees, which affect performance and publication.

a. Ownership of performance and publications

Ownership is the number of shares held as the number of voting rights in the company. The amount of ownership can control the company according to its interests. Control in ownership can direct the management of the company to achieve performance as planned. Thus, institutional ownership has a positive effect on firm value [6], [7].

Corporate governance practices that can effectively control can guarantee the acquisition of information for minority ownership. So the large portion of ownership can encourage company management to accelerate publication. Therefore, the higher the portion of ownership will affect the short time for publication [10], [11], [15], the hypothesis is arranged:

H1a: The portion of ownership (OWP) has a positive effect on performance (PER).

H2a: Ownership portion (OWP) has a negative effect on publication (PUB).

b. Directors on performance and publications

Directors are responsible for delivering company information to the commissioner. Each director and commissioner must report ownership to the company. The directors of BEI issuers are at least an independent director, and the independent composition will have a contribution to decision making. Therefore, the independence of directors will affect the achievement of company performance [8] and the high independence of directors will shorten the publication time [11], [15], the hypothesis is arranged:

H1b: The proportion of independent directors (DIP) has a positive effect on performance (PER).

H2b: The proportion of independent directors (DIP) has a negative effect on publications (PUB).

Directors' meetings must be conducted at least once a month, and the frequency and intensity of meetings will have an impact on the performance and completion of management reports. Therefore, the frequency of board meetings will affect performance achievement [8], as well as shorten the completion time of reports for publications [11], [20], [21], the hypothesis is arranged:

H1c: Director's meeting frequency (DIM) has a positive effect on performance (PER)

H2c: Frequency of board meetings (DIM) has a negative effect on publications (PUB)

c. Commissioners on performance and publications

The Commissioner is responsible for conducting general and special supervision and giving advice to the directors. The number of commissioners is at least two people, and one of them is independent, if there are more than two commissioners, then at least 30% of the total commissioners must be independent, so the emphasis is on independence and the amount. Independence as an important component of corporate governance, and the independence of commissioners influence the achievement of company performance [22], [8], and the higher the independence of commissioners will shorten the time for financial report publication [23], [3], [16]. Independence of commissioners controls the quality of financial statement information (transparency), and encourages the acceleration of audit financial reports, and [21], the hypothesis is arranged:

H1d: Independence of commissioners (COP) has a positive effect on performance (PER).
H2d: Independence of commissioners (COP) has a negative effect on publications (PUB).

The number of commissioners will influence the intensity of supervision that produces performance [6], [8], and more and more commissioners will have less time to immediately publish financial reports [3], [16], it is arranged in the hypothesis:

H1e: Number of commissioners (CON) has a positive effect on performance (PER).
H2e: Number of commissioners (CON) has a negative effect on publications (PUB).

d.   Audit Committee on performance and publication

The audit committee plays a role in management relations, internal auditors and external auditors over the three priority controls [24]: (1) effective supervision of financial management and reporting, (2) strengthening management communication with external auditors, (3) knowledge independence.

The number of audit committees will increase the value of the company [25], and the audit committee can oversee the financial accounting reporting process (Zhizhong et al., 2011). The number of audit committees that have accounting and financial expertise will be more effective in shortening the time for publication [2], [18], the hypothesis is arranged:

H1f: The number of audit committees (CAN) has a positive effect on performance (PER).
H2f: The number of audit committees (CAN) has a negative effect on publications (PUB).

Audit committee activities can be reflected by the frequency of audit committee meetings. Audit committee meetings can oversee the financial accounting process, because of their expertise and experience (Zhizhong et al., 2011), [2], [27]. The frequency of meetings can affect improving company performance with qualified auditors [28]. The existence, independence and expertise of the audit committee can produce meeting effectiveness that speeds up the publication of financial statements [10], [11], [20], [29], [18], the hypothesis is arranged:

H1g: Frequency of audit committee meetings (CAM) has a positive effect on performance (PER).
H2g: The frequency of audit committee meetings (CAM) has a negative effect on publications (PUB).

2.2.2 Effect of corporate governance and publication on performance

Corporate governance as a whole as the effectiveness of corporate governance mechanisms that affect performance and publication. Therefore, the sum of the values of the corporate governance mechanism variables that significantly influence performance and publication. The effectiveness of corporate governance has a positive effect on performance [25], [22], [25], [6], [7], [8], then hypothesis is arranged: .

H1: Corporate governance (CGO) has a positive effect on performance (PER)

The high measure of the effectiveness of the application of corporate governance will reduce the low time needed to immediately publish financial statements [10], [21], [11], [2], [18], [20], [29], (Zhizhong et al., 2011), [15], [3], then the hypothesis is arranged:

H2: Corporate governance (CGO) has a negative effect on publications (PUB)

Publication of the issuer's financial statements on the IDX to the public, no later than the end of the third month after the date of the annual financial report [1]. The speed of publication will reflect effective corporate governance practices, which are influenced by the timing of audit completion [30]. Audit report lag is measured by the number of days from the end of the year to the date of the audit report (Abernathy et al., 2015). The low size of audit completion days will speed up publications that affect the high financial performance [9] because it provides certainty information in financial statement disclosures, the hypothesis is arranged:

H3: Publication (PUB) influences negatively on performance (PER)

2.2.3 Role of publication as mediation effect of corporate governance on performance

Publication of financial statements influences financial performance [9], while corporate governance also influences financial performance [25], [22], [25], [6], [7], [8], and corporate governance also influence publications [10], [21], [11], [2], [18], [20], [29], (Zhizhong et al., 2011), [15], [3]. So, publication variables can be the mediation of the effect of corporate governance on performance. Therefore, hypotheses are arranged:

H4: Publication (PUB) as a mediation of the effect of corporate governance (CGO) on performance (PER)

2.3 Research model

The research model and hypothesis compiled in Figure 1, of corporate governance variables as independent variables and performance as the dependent variable with a positive direction. While publication as a mediating variable with a negative direction. Corporate governance in its mechanism consists of: (a) Ownership, (b) Independent directors, (c Board of directors meetings, (d) Independent commissioners, (e) Number of commissioners, (f) Number of audit committees, and (g) Audit committee meetings.
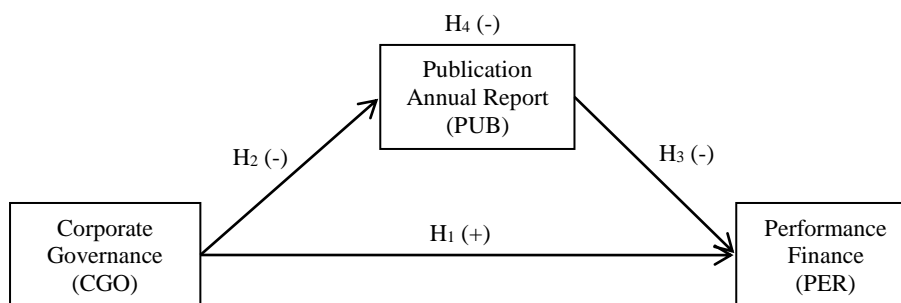

Figure 1. Research Model

2.4 Methodology
2.4.1 Population and samples

The research population is public companies on the IDX in 2013-2014 which publish annual reports from nine industry classifications: (1) agriculture, (2) mining, (3) basic industry

and chemicals, (4) miscellaneous industry, (5) consumer goods industry , (6) property, real estate and building constructions, (7) infrastructures, utilities and transportation, (8) finance, and (9) trade, services and investment.

Stratified random samples according to industry classifications for good generalization are set at 90% proportional, with secondary data downloaded on the IDX official website at www.idx.co.id.

2.4.2 Operational definition of variables

The operational definition of variables from the dependence, independent and control variables is presented in Table 1.

Table 1. Operational Definition of Variables

Code	Variables	Definition of measurement	Scale	*Ref. Authors*
PER	Company performance	The company's success is calculated from Return on Assets	Ratio (percent)	[15]
OWP	Portion to Ownership	The composition of the number of shares ownership >5% of the total outstanding shares	Ratio (percent)	[15]
DIP	Portion of independent directors	The composition of independent directors towards total directors	Ratio (percent)	[15]
DIM	Board of directors meeting	The activities of directors are calculated by the number of frequency of meetings of directors a year	Ratio (event)	[20]
COP	Portion of independent commissioners	The composition of independent commissioners to the total commissioner's	Ratio (percent)	[15]
CON	Number of commissioners	Number of commissioner personnel	Ratio (person)	[18]
CAN	Number of audit committees	Number of audit committee personnel	Ratio (person)	[18]
CAM	Audit committee meetings	The number of years of audit committee meetings	Ratio (event)	[18]
PUB	Publication annual report	Timeliness, from the date of the audit date to the end of the audit report date.	Ratio (days)	(Abernathy et al., 2015)

Source: (Abernathy et al., 2015); [15]; [20]; [18].

2.4.3 Analysis techniques

The analysis technique uses SPSS software (Statistical Package for Social Science ver. 20), presents: (1) descriptive statistics for statistically minimum, maximum, mean and standard deviation characteristics, and (2) inferential statistics to test classical assumptions, goodness -fit model and simultaneous influence, as well as hypothesis testing.

The research model specifications, grouped into two hypothesis testing models, the first hypothesis testing model of corporate governance mechanisms, and the two publication mediation testing models.

The first model with multiple regression equations, as follows:

$$PER = \alpha_1 + \beta_{1a}OWP + \beta_{1b}DIP + \beta_{1c}DIM + \beta_{1d}COP + \beta_{1e}CON + \beta_{1f}CAN + \beta_{1g}CAM + \varepsilon_1. \quad (1)$$

$$PUB = \alpha_2 + \beta_{2a}OWP + \beta_{2b}DIP + \beta_{2c}DIM + \beta_{2d}COP + \beta_{2e}CON + \beta_{2f}CAN + \beta_{2g}CAM + \varepsilon_2.. \quad (2)$$

Where:

PER   = Performance financial
$\beta1\text{-}8a\text{-}g$ = Regression coefficient
OWP   = Portion of ownership
DIP   = Proportion of independent directors
DIM   = Frequency of meetings of directors
COP   = Dependent proportion of commissioners
CON   = Number of commissioners
CAN   = Number of audit committees
CAM   = Frequency of audit committee meetings
PUB   = Audit report lag
$\varepsilon1\text{-}2$ = Error
    The second model with multiple regression equations, as follows:
$$PER = \alpha1 + \beta1aCGO + \varepsilon1 \quad (b.1)$$
$$PUB = \alpha2 + \beta2aCGO + \varepsilon2 \quad (b.2)$$
$$PER = \alpha3 + \beta3aCGO + \beta3bPUB + \varepsilon3 \quad (b.3)$$
Where:
PER   = Company performance (percentage of return on assets)
PUB   = Audit report lag (number of days from the end of the year up to the date of the external audit report)
$\alpha1,2,3$ = Constants
$\beta1\text{-}2a\text{-}b$ = Regression coefficient
CGO   = The total values of significant corporate governance mechanism variables
$\varepsilon1\text{-}2$ = Error

3   Results

3.1 Overview of research objects

    The object of research by public companies on the IDX in 2013-2014 which published an annual report of 1,010 as a population, with long experience of listing and size of the company, in implementing corporate governance is very diverse.

    The stratified random sample method of 90% of the population obtained 909 annual reports, minus 134 whose data is incomplete, so that can be used as a sample of 775 observations from nine industry classifications or 77% of the population.

Table 2. Research Samples

Code	Industrial Classification	Annual	Remove	Sample	Proportion
1	Agriculture	37	1	36	0.88
2	Mining	72	15	57	0.71
3	Basic Industry & Chemical	115	8	107	0.84
4	Miscellaneous Industry	73	13	60	0.74
5	Consumer Good Industry	68	12	56	0.74
6	Property,Real Estate & Building Constructions	98	7	91	0.84
7	Infrastructure,Utilities & Transportation	92	23	69	0.68
8	Finance	151	13	138	0.82
9	Trade, Service & Investment	203	42	161	0.71
	Total	1,010	134	775	0.77

Source: Researcher (2018). The results of the research data process.

3.2 Descriptive statistics

Financial performance (PER) has an average ROA of 4.21% per company and 16.6% of the samples have negative ROA or loss, with a minimum of -37.83% and a maximum of 42.99% and a standard deviation of 8.24% indicating the variety of sample data.

Ownership >5% (OWP) is the portion of voice owners to be able to make important decisions at the GMS, of the total sample there are 69 companies or 11.2% total ownership shares <50%, which means that the majority shareholders are shareholders <5%. On average 70.77% of the ownership of each company, so the portion of the ownership has a control role in the company.

Independent directors (DIP) have an average proportion of 18.9% per company and 51% of the total sample has a proportion of 0–18.9% independent, and the frequency of board of directors meetings (DIM) averages 14 times a year for each company and as many as 76 % of the sample meets 2–14 times a year.

The independent commissioner (COP) has an average proportion of 42% per company, and there are 3.4% of the samples with the proportion of independent <30%. The average number of commissioners (CON) is 4 personnel per company, and in total 63% of the samples have 2-4 commissioners.

The audit committee (CAN) averages three personnel per company, and 90% of the samples have an audit committee of 2–3 people. The frequency of meetings (CAM) averages six meetings a year for each company, and 76% of the samples meet 1-6 times a year.

Publication (PUB) is an audit report lag which shows the number of days in the completion of 2013–2014 public company audit which is the fastest 30 days and no later than 127 days and an average of 75 days from the end of the year, and 95.9% of the samples are not late or completed in within 90 days, and 32 companies are late.

Table 3. Descriptive Statistics

Code-Variables	N	Minimum	Maximum	Mean	Std.Dev.
PER -Performance financial	775	-37.83	42.99	4.21	8.24
OWP –Ownership	775	5.97	98.96	70.77	17.97
DIP -Proportion of independent directors	775	.00	75.00	18.09	16.48
DIM -Meeting of directors	775	2.00	82.00	13.88	12.34
COP -Proportion of independent commissioners	775	16.67	80.00	42.11	11.58
CON -Number of commissioners	775	2.00	12.00	4.15	1.73
CAN -Number of audit committees	775	2.00	7.00	3.11	.54
CAM -Audit committee meeting	775	0.00	59.00	6.36	5.91
PUB -Publication	775	30.00	127.00	74.69	15.55
Valid N (listwise)	775				

Source: Researcher (2018), Output of SPSS process.

3.3 Inferential statistics

Multiple regression analysis is used in research, by presenting the classic assumption test, and the goodness of fit model, and hypothesis testing.

3.3.1 Classical Assumption Test and Goodness of Fit Model

Normality test using One-Sample Kolmogorov-Smirnov, Test that the data, is not normal, then the semi-log regression model is used with the transformation of natural logarithms (Ln) dependent variable and fixed independent variables, and test results in Table 4.

Table 4. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		775
Normal Parameters[a,b]	Mean	.000
	Std.Deviation	.729
Most Extreme Differences	Absolute	.018
	Positive	.018
	Negative	-.014
Kolmogorov-Smirnov		1.488
Asymp. Sig.(2-tailed)		.097

[a]Test distribution is Normal.
[b]Calculated from data.
Source: Researcher (2018), Output of the SPSS process.

Multicollinearity test between independent variables tolerance value does not exist <0.10 and there is no VIF value >10 (Table 5), as well as the correlation matrix between independent variables there is no value >0.90 (Table 6), then it is concluded that multicollinearity does not occur.

Tabel 5. Coefficients[a]

Model	Unstandardized Coefficients		Beta	T	Sig	Collinearity Statistics	
	B	Std. Error				Tole Rance	VIF
(Constant)	15.19	3.21		4.73	.00		
OWP –Ownership	-.29	.02	-.05	-2.27	.03	.98	1.02
DIP -Proportion of independent directors	.00	.03	.00	.03	.97	.84	1.19
DIM -Meeting of directors	-.20	.02	-.00	-2.04	.02	.96	1.04
COP -Proportion of independent commiss.	.26	.18	.05	1.40	.16	.84	1.19
CON -Number of commissioners	-.30	.03	-.05	-2.35	.02	.98	1.01
CAN -Number of audit committees	-.90	.59	-.06	-2.53	.01	.82	1.22
CAM -Audit committee meeting	-.10	.06	-.00	-3.02	.01	.82	1.23
PUB -Publication	-.28	.02	-.16	-4.16	.00	.86	1.17

[a] Dependent Variable: PER
**=Significant0.01.;*=Significant0.05.
Source: Researcher (2018), Output of the SPSS process

Correlation matrix between independent variables Table 6, shows no correlation >0.90, which means there is no Multicollinearity between independent variables.

Table 6. Correlations[a]

Correlations	OWP	DIP	DIM	COP	CON	CAN	CAM	PUB
OWP –Ownership	1.00							
DIP -Proportion of independent directors	.02	1.00						
DIM -Meeting of directors	.04	.01	1.00					
COP -Proportion of independent commissioners	.01	.01	.02	1.00				
CON -Number of commissioners	.09	.11	-.04	.06	1.00			
CAN -Number of audit committees	.,01	.06	-.17	-.06	-.21	1.00		
CAM -Audit committee meeting	.03	.05	-.25	.06	-.05	-.17	1.00	
PUB -Publication	-.06	.04	-.02	.07	-.04	-.07	-.04	1.00

[a] Dependent Variable: PER
Source: Researcher (2018), Output of SPSS process

The autocorrelation test uses the Durbin-Watson value test in Table 7 of 1.920 with the Durbin-Watson statistical table with K= 8 and n= 775 at the level of significance 0.05 obtained by the value *dl*= 1.686 and the value *du*= 1.852, thus the value of 1.862 is >*du*= 1,852, it can be concluded that there is no autocorrelation between residuals.

Table 7. Model Summary [b]

Model	R	R Square	Adjusted R Square	Std Error of the Estimate	Durbin-Watson
1	.752 [a]	.566	.496	.213	1.862

[a] Predictors: (Constant), The proportion of ownership (OWP), the proportion of independent directors (DIP), board of directors (DIM), proportion of independent commissioners (COP), number of commissioners (CON), number of audit committees (CAN), audit committee meetings (CAM), Publication (PUB).
[b] Dependent Variable: PER
Source: Researcher (2018), Output of the SPSS process.

The heteroscedasticity tests are carried out by the Glejser test by transforming the residual value into absolute residual value (AbsRes), then regressing the independent variable. The regression results for the Glejser test show that the variables of the commissioner and industry are significant, so the model has heteroscedasticity.

A goodness of fit from the SPSS output model summary that the amount of adjusted R^2 = 0.566 in Table 7, which means that the variation in performance (PER) can be explained by variations in the independent variables. While the remaining 43.4% is explained by other reasons outside the model. The accuracy of the model predicts the PER variable which shows the standard error of estimate (SEE) of 0.213, which is very small as the accuracy of the model predicts.

Anova test or F-test in Table 8, shows the calculated F value of 3.477 and the probability (Sig) 0.000, or <0.05, then the regression model can be used to predict PER, or the independent variables jointly influence publication.

Table 8. Anova [a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1,839.378	8	229.922	3.477	,001[b]
	Residual	50,657.113	766	66.132		
	Total	52,496.490	774			

[a] Dependent Variable: PER
[b] Predictors: (Constant), The proportion of ownership (OWP), the proportion of independent directors (DIP), board of directors (DIM), proportion of independent commissioners (COP), number of commissioners (CON), number of audit committees (CAN), audit committee meetings (CAM), publication (PUB).
Source: Researcher (2018), Output of the SPSS process.

3.3.2 Hypothesis testing

Hypothesis testing consists of two testing groups. The first is the influence of corporate governance mechanisms and the two mediating roles of publication on the effect of corporate governance on financial performance.

Table 9. Coefficients Regression Test of Corporate Governance Mechanism

Corporate governance mechanism variables	Model a.1			Model a.2		
	Unstandard Coeff.β	t-value	Test result	Unstandard Coeff.β	t-value	Test result
(Constant)	6.41	2.62		103.96	24.16	
OWP –Ownership	.31	2.84	Sign	-.68	-2.86	Sign
DIP –Proportion of independent directors	.01	.46	No	-.03	-.91	No
DIM –Meeting of directors	.40	2.09	Sign	-.43	-2.89	Sign
COP –Proportion of independent commiss.	.44	1.40	No	-.06	-1.36	No
CON –Number of commissioners	.23	2.13	Sign	-.59	-6.55	Sign
CAN –Number of audit committees	.71	2.18	Sign	-.69	-2.27	Sign
CAM –Audit committee meeting	.33	2.55	Sign	-.37	-3.79	Sign
R^2	0.272			0.425		
Dependent variable	Performance (PER)			Publication (PUB)		

Source: Researcher (2018), Output of SPSS process.

Based on Table 9, of the seven corporate governance mechanism variables, there are five variables that have a significant effect on performance variables and publication variables. For testing the role of publication mediation, the five significant variables are summed up as a proxy for corporate governance variables.

Table 10. Regression Analysis Mediation Variable Test

	Model b.1	Model b.2	Model b.3
Dependend variable	PER	PUB	PER
Intercept	4.26	90.38	12.28
t-statistics	3.31	38.38	5.68
COG (corporate governance) unstandardized coeff.β	.06	− .56	− .02
t-statistics	**) 1.97	***) − 6.84	*) − 1.13
PUB (publication) unstandardized coefficients β			− .51
t-statistics			***) 4.58
R Square	.18	.47	.62
Adjusted R Square	.11	.39	.52

***=Significant0.01.;**=Significant0.05.; *= Not Significant

Based on Table 10 that model b.1 that corporate governance has a significant effect on performance and the model b.2 corporate governance has a significant effect on publication. In the b3 model testing together shows that corporate governance has no effect on performance. While the influence of publications is getting stronger against performance, as indicated by the rise in R^2, from 0.47 to 0.62. Therefore, the publication's role mediates the effect of corporate governance on performance. Then, the results of hypothesis testing are as follows:

H1: Corporate governance has a positive effect on performance not accepted.

H2: Corporate governance has a negative effect on accepted publications.

H3: Publications have a negative effect on acceptable performance.

H4: Publication mediating the effect of corporate governance on performance is accepted.

4   Discussion

Discussion of the results of this study is grouped into three discussions based on hypothesis testing. First, the influence of corporate governance mechanisms on performance and publication on each variable partially. Second, the influence of corporate governance and publication on overall performance, and third, the role of publication variables as a mediation of the effect of corporate governance on performance.

4.1.   Effects of corporate governance on performance

H1a: The portion of ownership (OWP) has a positive effect on performance (PER). In Table 9, it shows the t-count value of 2.84 or> 1.965 which means that it is significant at 0.05, then it cannot accept H0 or H1a accepted. The results of the study support research [6], [7] which states that corporate governance effectiveness has a positive effect on financial performance.

H2a: Ownership portion (OWP) has a negative effect on publication (PUB). In Table 9, it shows the t-count value of -2.86 or> 1,965 which means that it is significant at 0.05, then it cannot accept H0 or H2a received. The results of the study support the study [10], [11] which states that the spread and concentration of share ownership has a negative effect on publications.

H1b: The proportion of independent directors (DIP) has a positive effect on performance (PER). In Table 9, it shows that the t-count value is 0.46 or <1.965 is not significant at 0.05, then it cannot reject H0 or H1b rejected. The results of the study support the study [32] that independent directors do not contribute to company performance, but these results are contrary to research [8].

H2b: The proportion of independent directors (DIP) has a negative effect on publications (PUB). In Table 9, it shows that the t-count value is 0.46 or <1.965 is not significant at 0.05, it cannot reject H0 or H2b is rejected. The results of the study support research (K.A.A. Daoud et al., 2014) and [29] that independent directors have no effect on ARL, but this result is contrary to research [15]. This finding can be explained that the role of independent directors in Indonesia is still low, such as 257 companies or one-third of the sample do not have independent directors. Therefore, the independent role of directors to improve performance and accelerate publication is still low.

H1c: The frequency of board meetings (DIM) has a positive effect on performance (PER). In Table 9, shows the value of t-count 2.09 or >1.965 which means that it is significant

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at 0.05, then it cannot accept H0 or H1c accepted. The results of the study support [8], the number of board meetings has a positive effect on financial performance.

H2c: Frequency of board meetings (DIM) has a negative effect on publications (PUB). In Table 9, the t-count value is -2.89 or> 1,965 which means that it is significant at 0.05, then it cannot accept H0 or H2c received. The results of the study support [21], [11], and [16] that the number of board meetings have a negative effect on publications.

H1d: The proportion of independent commissioners (COP) has a positive effect on performance (PER). In Table 9, it shows the value of t-count 1.40 or <1.965 which means it is not significant at 0.05, then it cannot reject H0 or H1d rejected. The results of the study support [26] who did not find the effect of commissioner independence on performance, but did not support the study [22], [8]. This finding can be explained that independence is less of a role than commissioner expertise such as findings [27] as important characteristics of the commissioner.

H2d: The proportion of independent commissioners (COP) has a negative effect on publications (PUB). In Table 9, shows the value of the t-count value of -1.36 or <1.965 which means it is not significant at 0.05, then it cannot reject H0 or H2d is rejected. The results of the study support [23] and [29] that independent commissioners have almost no effect on publications, but are contrary to research [21] and [15]. This finding can be explained that the role of independent commissioners in Indonesia is not optimal, also 26 companies have independent commissioners <30%, and commissioner expertise is not a research variable.

H1e: Number of commissioners (CON) has a positive effect on performance (PER). In Table 9, shows the value of t-count 2.13 or> 1.965 which means that it is significant at 0.05, then it cannot accept H0 or H1e accepted. The results of the study support [6], [8] that the number of commissioners has a positive effect on financial performance.

H2e: Number of commissioners (CON) has a negative effect on publications (PUB). In Table 9, it shows the t-count value of -6.55 or> 1.965 which means it is significant at 0.05, then it cannot accept H0 or H2e received. The results of the study support [3], [16] that the number of commissioners has a negative effect on publications.

H1f: The number of audit committees (CAN) has a positive effect on performance (PER). In Table 9, it shows the t-count value of 2.18 or> 1.965 which means that it is significant at 0.05, then it cannot accept H0 or H1f received. The results of the study support [25] that the number of audit committees has a positive effect on publications.

H2f: The number of audit committees (CAN) has a negative effect on publications (PUB). In Table 9, it shows the t-count value of -2.27 or> 1,965 which means significant at 0.05, then it cannot receive H0 or H2f received. The results of the study support [10], and [18] that the number of audit committees negatively affects publications.

H1g: Frequency of audit committee meetings (CAM) has a positive effect on performance (PER). In Table 9, it shows the value of t-count 2.55 or> 1.965 which means that it is significant at 0.05, then it cannot accept H0 or H1g accepted. The results of the study support [11], [18], [20], and [29] that the effectiveness of audit committees have a positive effect on financial performance.

H2g: The frequency of audit committee meetings (CAM) has a negative effect on publications (PUB). In Table 9, it shows the t-count value of -3.79 or> 1,965 which means that it is significant at 0.05, then it cannot accept H0 or H1g accepted. The results of the study support [11], [18], [20], and [29] that the effectiveness of audit committees negatively affects publications.

4.2. Effects of corporate governance and publication on performance

The effectiveness of corporate governance is partially measured by corporate governance mechanism variables. Whereas overall corporate governance testing is used the total value of the mechanism variable that significantly affects performance. The test results as presented in Table 10.

H1: Corporate governance (CGO) has a positive effect on performance (PER). In Table 10 model b.3, shows the t-count value of –1.13 or <1.965 which means it is not significant, then it cannot reject H0 which means H1 is rejected. These results support the results of the study that the effect of corporate governance is not directly on financial performance, but contrary to the results of research [25], [22], [28], [6], [7], [8].

H2: Corporate governance (CGO) has a negative effect on publications (PUB). In Table 10, model b.2 shows the value of t-count of –6.84 or >1,965 which means that it is significant at 0.05, then it not accepted H0 which means H2 is accepted. These results support the results of the study [10], [21], [11], [2], [18], [20], [29], (Zhizhong et al., 2011), [15], [3] that the high intensity of the application of corporate governance will affect the low time for reporting publication financial.

H3: Publication (PUB) has a negative effect on performance (PER). In Table 10 model b.3, shows the t-count value of –4.58 or >1,965 which means that it is significant at 0.05, then it not accepted H0 which means H3 is accepted. These results support the results of the study (Ojeka, 2018), that the publication of financial statements has a negative effect on financial performance.

4.3. Role of publication as mediation effect of corporate governance on performance.

H4: Publication (PUB) as a mediation of the effect of corporate governance on performance (PER). In Table 10 model b.1 that the direct effect of corporate governance (CGO) on performance without including publication variables (PUB) as mediation shows the t-count value of 1.97 or> 1.965 which means significant at 0.05. While in Table 10 model b.3 that the effect of corporate governance (CGO) on performance (PER by including the publication variable (PUB) shows the value of t-count 1.13 or <1.965 which means not significant. From the testing model b.1 and b.3 after entering the publication variable (PUB) there is a decrease in influence (CGO) and not significant, which means that H4 is accepted. That publication variable as mediating the effect of corporate governance on performance.

5   Conclusions

Based on the results of hypothesis testing and discussion, the conclusions of this study are:

First, the corporate governance mechanism partially includes ownership variables, a frequency of board meetings, number of commissioners, number and frequency of audit committee meetings that have a positive effect on performance. Whereas the independence of directors and commissioners has no effect on performance and publications.

Second, the corporate governance mechanism partially includes ownership variables, a frequency of board meetings, number of commissioners, number and frequency of audit committee meetings that negatively affect publications.

Third, overall corporate governance has a negative effect on publications, and the publication of financial statements has a negative effect on performance.

Fourth, the publication of financial statements as a mediation of the effect of corporate governance on performance, corporate governance does not directly affect performance.

Fifth, overall the model test results have R2 adjusted 0.52 or 52% variation in financial performance can be explained by variations in corporate governance and publication variables, while others are explained by variables outside the model.

Implications for future research can use corporate governance variables, corporate governance scoring indexes to provide results that reflect their application.

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