The Effect of Capital Structure, Financial Risk and Investment Opportunities on Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as Variable Intervening (Financial Management Literature Review)

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Abstract: Literature review article on the influence of capital structure, financial risk and investment opportunities on company financial performance in the port sector with the principles of corporate governance (GCG) as intervening variables is a scientific article that aims to build a research hypothesis on the influence of variables to be used in further research, within the scope of Financial Management science. The method of writing this Literature Review article is the library research method, which is sourced from online media such as Google Scholar, Mendeley and other academic online media. The results of this article are that: 1) Capital Structure influences Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable; 2) Financial Risk affects the Company's Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable; and 3) Investment Opportunities affect the Company's Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable. Apart from these 3 exogenous variables that influence the endogenous variables of Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as Intervening Variables there are still many other factors including the variables x4, x5 and x6.

Keyword: Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as Variable Intervening, Capital Structure, Financial Risk and Investment Opportunities.

INTRODUCTION
Every student, whether Undergraduate, Undergraduate or Undergraduate, must conduct research in the form of a thesis, thesis and dissertation. Likewise for lecturers, researchers and other functional staff who actively conduct research and create scientific articles for publication in scientific journals.
Scientific work is one of the requirements for students to complete their studies at most universities in Indonesia. This provision applies to all levels of education, namely undergraduate thesis (S1), undergraduate thesis (S2) and third-level dissertation (S3).

Based on empirical experience, many students and authors have difficulty finding supporting articles for their scientific work as previous research or as relevant research. Relevant articles are needed to strengthen the theory being researched, to see the relationship or influence between variables and build hypotheses. This article discusses the effect of Capital Structure, Financial Risk, and Investment Opportunities on Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as Intervening Variables, a literature review study in the field of Financial Management.

THEORITICAL REVIEW

Company Financial Performance

The company's financial performance is Awantara (2014). The dimensions or indicators of the Company's Financial Performance achieve the company's strategic objectives, customer satisfaction and financial contribution. Financial Performance is Nursani (2020). The dimensions or indicators of the Company's Financial Performance are financial ratios. Company Financial Performance is Atkinson & Robert.S (1998). The dimensions or indicators of the Company's Financial Performance are financial indicators (ratios). The financial performance of this company has been studied by many previous researchers including (Munthe, 2009), (Prawirosentono, 1999), and (Slovin & Sushka, 1993).

Capital Structure

Capital Structure is Kumar et al (2017). The Capital Structure dimension or indicator is the financing structure for the company. Capital Structure is Arifianto (2016). The dimensions or indicators of Capital Structure are debt, assets and investment risk Capital Structure is Utami (2007). The dimensions or indicators of Capital Structure are long-term debt and equity. This capital structure has been studied by many previous researchers including (Kumar et al, 2017), (Modigliani & Miller, 1958), and (Myers & Majluf, 1984).

Financial Risk

Financial Risk is Purwooko (2013). The dimensions or indicators of Financial Risk are operational risk, capital risk, liquidity risk and credit risk. Financial Risk is Jensen and Meckling (1976). The dimensions or indicators of Financial Risk are leverage, long-term debt and liquidity. Financial Risk is Irham Fahmi (2014). The dimension or indicator of Financial Risk is Financial risk is an unexpected decrease in the company's cash flow and income. This financial risk has been studied by many previous researchers including (Sarie, 2011), (Lulu Nailufaroh, 2021), and (Irham Fahmi, 2014).

Investment Opportunity

Investment Opportunities is Myers (1977). Investment Opportunity dimensions or indicators are sets of investment opportunities. Investment Opportunities is Jensen (1986). The dimensions or indicators of Investment Opportunities are the ratio of book value of fixed assets to market value of fixed assets, ratio of market value of common stock to book value of common stock, ratio of earning per share to price per share. This investment opportunity has been studied by many previous researchers including (Gaver, J. J and K. M Gaver., 1993), (Jo. Hoje; Pinkerton. JM; and Sarin. A, 1994), and (Kaaro. Hermiendito and Hartono, Jogiyanto, 2002).
Table 1: Relevant past research

<table>
<thead>
<tr>
<th>No</th>
<th>Authors            (Year)</th>
<th>Previous Research Results</th>
<th>Similarities With This Article</th>
<th>The Difference With This Article</th>
</tr>
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**RESEARCH METHOD**

The method of writing this Literature Review article is the Qualitative Descriptive method and Library Research, sourced from the Google Scholar online application, Mendeley and other online academic applications.
In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so that it does not direct the questions posed by the researcher. One of the main reasons for conducting qualitative research is that it is exploratory in nature, (Ali & Limakrisna, 2013).

**FINDINGS AND DISCUSSION**

The Effect of Capital Structure on Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable.

Capital Structure influences Company Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, where the dimensions or indicators of Capital Structure (debt, assets and investment risk) affect the dimensions or indicators of Company Financial Performance in the Port sector with Governance Principles Manage the Company (GCG) as Variable Intervening (financial ratios). To improve the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable by taking into account the Capital Structure, what management must do is to have company strategic goals, customer satisfaction and financial contribution.

Capital Structure affects the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, if the Capital Structure is perceived well by management then this will be able to improve the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as Variable Intervening. Capital Structure influences the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, this is in line with research conducted by: (Munthe, 2009), (Prawirosentono, 1999), and (Slovin & Sushka, 1993).

The Effect of Financial Risk on Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable.

Financial Risk affects the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, where the dimensions or indicators of Financial Risk (operational risk, capital risk, liquidity risk and credit risk) affect the dimensions or indicators of the Company's Financial Performance. To improve the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as a Variable Intervening with regard to Financial Risk, what management must do is pay attention to the company's capital, liquidity and credit levels.

Financial Risk affects the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, if the Financial Risk is perceived well by management then this will be able to improve the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as Variable Intervening. Financial Risk affects Company Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, this is in line with research conducted by (Sarie, 2011), (Lulu Nailufaroh, 2021), and (Irham Fahmi, 2014).

The Effect of Investment Opportunities on Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable.

Investment Opportunities affect the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as Variable Intervening, where
the dimensions or indicators of Investment Opportunities (ratio book value of fixed assets to market value of fixed assets, ratio of market value of common stock to book value of common stock, ratio of earning per share to price per share) influences the dimensions or indicators of Company Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as Variable Intervening (financial ratios). To improve the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as Variable Intervening by taking into account Investment Opportunities, what management must do is SWOT analysis in order to pay attention to every opportunity and investment opportunity that exists.

Investment Opportunities affect the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as Variable Intervening, if the Investment Opportunities are perceived well by management then this will be able to improve the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as Variable Intervening, (Jensen, 1986).

Conceptual Framework

Based on the formulation of the problem, theoretical studies, relevant previous research and discussion of the influence between variables, the framework for thinking of this article is processed as below.

![Conceptual Framework](image)

Figure 1: Conceptual Framework

Based on the conceptual framework picture above, then: Capital Structure, Financial Risk, and Investment Opportunity influences the Company's Financial Performance in the Port sector with the Principles of Corporate Governance (GCG) as an Intervening Variable.

Apart from these three exogenous variables that affect the Company's Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable, there are many other variables that influence this.

CONCLUSIONS AND SUGGESTION

Conclusion

Based on the theory, relevant articles and discussion, hypotheses can be formulated for further research:

1. Capital structure has a significant effect on the company's financial performance.
2. Financial Risk has a significant effect on Financial Performance.
3. Investment Opportunities affect the Company's Financial Performance.
4. Capital structure has a significant effect on GCG.
5. Financial Risk has a significant effect on GCG.
6. Investment opportunities have a significant effect on GCG.
7. GCG has a significant effect on the Company's Financial Performance.
Suggestion

Based on the conclusions above, the suggestion for the next author is that there are many other factors that influence the Company's Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as Intervening Variables, apart from Capital Structure, Financial Risk, and Investment Opportunities, because it still needs further studies to look for these other factors. Other factors affect the Company's Financial Performance in the Port Sector with the Principles of Corporate Governance (GCG) as an Intervening Variable Apart from the three variables examined in this article, such as Motivation, Macroeconomics and Risk Profile.

REFERENCE


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competitive advantage on private higher education (A survey on perception of product attributes and promotion mix in Indonesia). Talent Development and Excellence.


