

THE ABILITY OF THE CORPORATE GOVERNANCE PERCEPTION INDEX (CCGPI) TO MODERATE THE RELATIONSHIP BETWEEN PROFIT PERSISTENCE, GREEN INTELLECTUAL CAPITAL AND PROFIT GROWTH WITH PROFIT QUALITY

Widarnaka^{1*}, Suropto², Holiawati³

^{1,2,3}Master of Accounting, Pamulang University, Indonesia

*Corresponding Author:

nakawidar@gmail.com

Abstract

This study aims to test the ability of the Corporate Governance Perception Index (CGPI) in moderating the influence of profit persistence, green intellectual capital, and profit growth on profit quality. This study uses quantitative data obtained from the financial statements of companies listed on the Indonesia Stock Exchange (IDX) as well as CGPI reports for the 2018-2022 period. The results of the study show that the persistence of profit and green human capital have a significant effect on the quality of profit. Meanwhile, green structural capital and green relational capital also have a positive, but not significant, influence. The Corporate Governance Perception Index (CGPI) has been proven to moderate the influence of green human capital and profit growth on profit quality. This study concludes that the implementation of good corporate governance can improve the quality of company profits.

Keywords: Profit Persistence, Green Intellectual Capital, Profit Growth, Corporate Governance Perception Index, Profit Quality

1. Introduction

Financial statements at the beginning of their development are useful as a tool or means of management accountability (stewardship) to the company owner. Although over time so far, there is also a function of financial statements as a provider of information for various external parties, especially investors (potential investors) and creditors (prospective creditors) before making economic decisions (decision usefulness). One of them is information related to profit information. According to Silaban et. al (2021), the better the quality of profit information that investors and creditors can receive, it means that it is more likely that the decision to be made based on the information is the right decision, and the opposite is true.

Information related to the growth of a company's profits can be useful as an additional consideration for investors before deciding to invest. Because information on the company's profit growth rate will be very useful when received by investors who want to make profits through their investments in related companies. In Arisonda's (2018) study, it was found that the positive influence of profit growth on the quality of company profits is not significant. Meanwhile, Safitri et. al (2021) through his research found that there is an influence of profit growth on profit quality. This means that the company shows a fairly high ability to optimize its profit every year. When a company succeeds in maximizing its profits, it certainly shows how good the company's financial performance is.

Corporate governance according to Widiatmoko et al. (2020) is explained as a principle in controlling and directing the company to allow a balance of power aspects

with the company's authority regarding its accountability to shareholders. As a form of effort to improve corporate governance so that it can manage the company so that it can have high quality profits, in the future it can encourage an increase in investor and creditor confidence based on the company's financial statements. Until finally investors and creditors assessed that the quality of financial statements had been good and optimal (Silaban et al, 2021).

Corporate Governance Perception Indexes (CGPI) is a research and ranking company in Indonesia and registered with the Indonesian Institute of Corporate Governance (IICG). Efforts to improve GCG in Indonesia have been underway based on the assessment of the corporate governance index given every year. Companies that are participants in this event can be part of CGPI. Then based on the CGPI value, there is hope for shareholders that the company's governance performance will be better and improve the company's performance. According to Putra and Ghea (2022), optimal governance encourages more and more targeted company performance, so that investors can assess and expect that the quality of financial statements is getting better, one of which will be shown based on the quality of profits that the company is able to obtain.

A set of mechanisms is needed to be able to control and direct the company so that its operations take place as expected by stakeholders. Based on stakeholder theory, a company is not interpreted only as a body whose operations are only intended for its own interests, but includes accommodating the needs of stakeholders or stakeholders. Moreover, these stakeholders greatly affect the survival of the company, and every company certainly has diverse stakeholders. So in order to prevent the possibility of conflicts of interest, a credible third party is needed and acts as a guarantor for the lack of conflicts of interest such as company profit management. Then in order to ensure the quality of the company's profits, good and optimal corporate governance is needed, because the governance system can effectively protect shareholders and creditors and allow both parties to receive returns as their respective investments (Herry Respani, 2019).

Companies that can optimally implement GCG may increase investor confidence to invest, because companies with good governance can prevent the possibility of manipulation in financial statements. This statement is supported by the research of Silaban, et al. (2021) the results of the study stating that GCG can be a moderation of the influence given by company performance and profit growth on profit quality. In line with the research of Ilham, et al. (2022) good corporate governance has a positive and insignificant effect on the quality of profits. At the same time, it shows that with the implementation of good corporate governance, it can make the quality of profits higher.

The basic foundation of the implementation of CGPI is about the importance of understanding the extent of governance in public companies that have been regulated according to the correct and appropriate performance category. With this in mind, the researcher is interested in using the Corporate Governance Perception Indexs (CGPI) variable as a moderation variable to prove whether it strengthens or weakens the relationship between the variables of profit persistence, green intellectual capital and profit growth with the quality of profit.

Based on the research phenomenon in the form of a case on profit quality information as in the background of the research presented earlier, research to discuss profit quality associated with profit persistence, green intellectual capital and profit growth Corporate Governance Perception Indexs (CGPI) is considered interesting and important to do. Several studies that have been carried out previously determine the object in the form of

manufacturing companies and in this research will focus on the object in the form of companies registered by the Indonesian Institute of Corporate Governance (IICG) which follow the Corporate Governance Perception Index (CGPI) in the 2018-2022 period. Therefore, in this study, it was determined to examine the Ability of the Corporate Governance Perception Index (CGPI) in moderating the influence of profit persistence, green intellectual capital and profit growth on profit quality

2. Theoretical Background

2.1 Relationship between Profit Quality and Agency Conflict

The aspect of profit quality and agency conflicts are interrelated with each other. Agency theory (Agency Theory) reveals the emergence of agency relationships at the time of the Main employ others as Agent in order to carry out a certain service and including to delegate and transfer its authority in making decisions to the party Agent. The Agent represented by the management of the company whose duties and authorities are in terms of the management of the company's resources as the party has Main trust him. Then as the manager of the company, the management or in this case the manager will certainly have more information, including the latest information related to the company's internal conditions and prospects in the future than the party Main. This is also known as information asymmetry (Information asymmetry).

2.2 Squirrel Theory in Accountability and Stakeholder Interests

In theory Squirrel according to Rini Suharyani (2019), stated that in addition to using by optimizing a set of structures and processes, efforts to improve business success and company accountability must also continue to prioritize the interests of Squirrel, moreover, the company also has the goal of accommodating the needs of Squirrel and not just operating for its own interests.

2.3 Previous Research and Research Motivation

Some of the previous studies with similar discussions and variables will certainly not be exactly the same as this study, because there will still be some differences. As a study conducted by Fitriati (2019) with the results that profit persistence affects profit quality, or in other words, shows that profit persistence has the potential to determine the dynamics of profit quality conditions. Similar results were obtained in the study of Tarigan (2022), which found a positive and significant influence of profit persistence on profit quality, as well as further showing that investors will be able to be interested in companies that are able to maintain profit quality every year.

Different results were obtained by Ardianti's (2018) research, that there is no effect of profit persistence on profit quality, which is shown by the absence of response from investors to changes in profits even though the company can declare positive profit persistence for the future. From previous studies showing different results, the researcher's interest in the variables of profit persistence and profit quality was measured through Earnings Response Coefficients (ERC), because the researcher wanted to identify it by referring to the investor's response to the profit information that the company had disclosed.

2.4 Research Conceptual Framework

Sugiyono (2017:128) revealed that "a good thinking framework will theoretically explain the relationship between the variables to be studied". The research framework is

a form of relationship or relationship between one concept and another based on research problems. Through her book entitled Business Research (1992), Uma Sekaran through (Sugiyono, 2017) stated that the frame of mind is a form of conceptual model related to the relationship between the theories used and various factors that were previously identified can be a significant problem for research.

Referring to the theoretical foundation following previous research submitted earlier, the framework of this research is determined, which the author will summarize in the form of simple images to facilitate reading and understanding. The conceptual framework of this research can be interpreted as the result of simple thinking which is the flow of the picture that the author will do in conducting research. The following is the conceptual framework that the author describes.

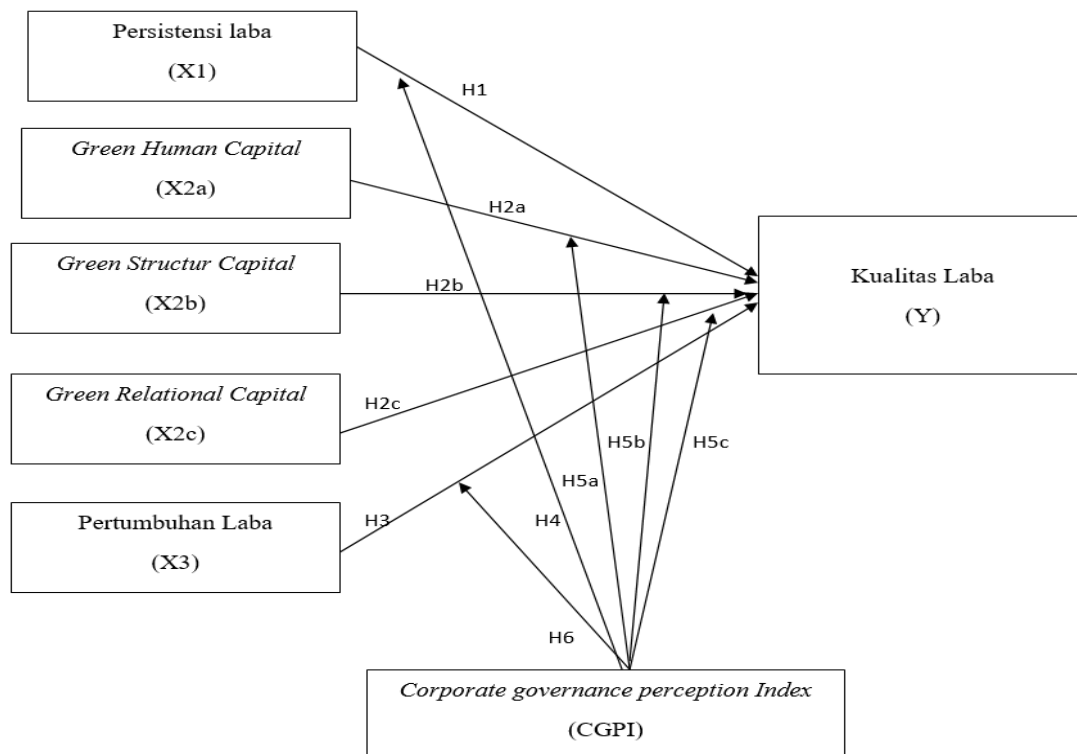


Figure 1. Research Conceptual Framework

The hypotheses developed by the authors of this study consist of:

- 1) Hypothesis 1: It is suspected that the persistence of profit has an effect on the quality of profit.
- 2) Hypothesis 2a: It is suspected that Green Human Capital has a positive effect on the quality of profits.
- 3) Hypothesis 2b: It is suspected that Green Capital Structure has a positive effect on the quality of profits.
- 4) Hypothesis 2c: It is suspected that Green Relational Capital has a positive effect on the quality of profits.
- 5) Hypothesis 3: It is suspected that profit growth has an effect on the quality of profits.
- 6) Hypothesis 4: Suspected Profit Persistence Affects Profit Quality Moderated by the Corporate Governance Perception Index (CGPI).
- 7) Hypothesis 5a: It is Suspected that Green Human Capital Affects Profit Quality by Moderated by the Corporate Governance Perception Index (CGPI).

- 8) Hypothesis 5b: It is suspected that Green Capital Structure Affects Profit Quality by Moderated Corporate Governance Perception Index (CGPI).
- 9) Hypothesis 5c: Suspected Green Relational Capital Affects Profit Quality by Moderated Corporate Governance Perception Index (CGPI).
- 10) Hypothesis 6: Suspected Profit Growth Affects Profit Quality with Moderate Corporate Governance Perception Index (CGPI).

3. Methods

3.1 Research Design

This research is of a quantitative type, because it uses a series of data in the form of numbers that will be measured and analyzed with the help of statistical tools, namely E-Views 10. This research was conducted based on secondary data obtained through the financial statements of companies listed on the Indonesia Stock Exchange (IDX) as well as CGPI reports for 2018-2022 through the official website www.idx.co.id, and related company websites. In this research, the independent variables are profit persistence, green intellectual capital, and profit growth. The moderation variable is the corporate governance perception index. Finally, the dependent variable is the quality of profit.

3.2 Population and Sample

This study contains a population of 161 companies that participate in the CGPI program and include IDX-registered companies during the period of 2018 – 2022. The sampling technique in this study is saturated sampling, or using all members of the research population as samples. Tarjo (2019:57) also emphasized that saturated sampling is a technique to take samples by making all members of the population as samples.

3.3 Data Collection Techniques

There are three ways to collect data in this research. First, documentation to collect secondary data in the form of annual reports by companies that go public. Second, literature studies are taken by reading, studying literature, and previous journal articles related to this research. Third, online data search is done with the help of internet technology with every information available in it.

3.4 Data Analysis Methods

In this section, the researcher goes through seven stages of data analysis and testing. First, descriptive statistics are used to analyze data through the description of data that has been collected. Second, the panel data regression model which includes the Common Effect Model/Pooled Least Square (PLS), Fixed Effect Model (FEM), and Random Effect Model (REM). Third, test the model to determine the best between the estimation models of the three types of panel data models. This stage includes the Chow Test, the Hausman Test, and the Lagrange Multiplier Test. Fourth, the classical assumption test is used through a combination of time series data and cross section data through the Generalized Least Squared (GLS) approach. This stage includes normality, multicollinearity, heteroskedasticity, and autocorrelation tests.

Fifth, panel data regression analysis with the use of a balanced panel or stability of the number of research objects for three years. Sixth, test the hypothesis to identify the direction of the relationship between independent variables and dependent variables: will the relationship lead to positive or negative. This stage includes Partial Test (t test), Simultaneous Test (f test), and determination coefficient. Seventh, test the moderation

regression analysis through the moderated regression analysis (MRA) equation so that the panel data regression equation is relevant to the moderator variable.

4. Results and Discussion

4.1 Analysis of Research Results

This section is described in line with the sub-heading of data analysis methods which includes the seven stages. First, the descriptive statistical results for the profit quality variable proxied by Earning Response Coefficient (ERC) show that the standard deviation of 0.942724 shows that the values in the Company Value for the analyzed companies are quite variable around the average value of 0.962757. The descriptive statistical results for the profit persistence variable, the standard deviation of 3.537153 shows that the values in profit persistence for the analyzed companies vary quite a bit around the average value of -9.216543.

Table 1. Descriptive Statistics

	ERC	PL	GHC	GSC	RCMP	MBV	CGPI
Mean	1.550487	-9.216543	-0.319933	-0.327015	-0.349967	0.191874	-0.161577
Median	2.291690	-9.248172	-0.446287	-0.210721	-0.446287	0.014602	-0.176570
Maximum	14.82727	-2.804720	0.000000	0.000000	0.000000	7.257240	0.000000
Minimum	-9.442567	-20.76807	-1.021651	-0.713350	-1.021651	-14.25407	-0.607623
Std. Dev.	5.715420	3.537153	0.367044	0.302206	0.345527	2.712930	0.147980
Skewness	-0.129194	-0.414032	-0.808225	-0.354054	-0.657752	-1.413495	-0.771252
Kurtosis	2.145881	3.331200	2.454306	1.412777	2.535672	14.24971	3.539917
Jarque-Bera	2.322496	2.319872	8.489516	8.810360	5.676280	392.4311	7.789912
Probability	0.313095	0.313506	0.014339	0.012214	0.058534	0.000000	0.020344
Sum	108.5341	-645.1580	-22.39534	-22.89105	-24.49770	13.43118	-11.31040
Sum Sq. Dev.	2253.955	863.2903	9.295770	6.301664	8.237833	507.8393	1.510970
Observation	70	70	70	70	70	70	70

The descriptive statistical results for the Green intellectual capital variable that are proxied with Green Human Capital, the standard deviation of 0.367044 shows that the values in Green Human Capital for the analyzed companies are quite variable around the average value of -0.319933. The descriptive statistical results for the Green intellectual capital variable proxied with Green Structure Capital show a biased data distribution rate, and illustrate that the data is homogeneous or finds a data distribution without high fluctuations. In other words, in Green Structured Capital, a standard deviation of 0.302206 indicates that the values in Green Structured Capital for the analyzed companies vary quite a bit around the average value of -0.327015.

The results of descriptive statistics for the variable Green intellectual capital proxied with Green Relational Capital showed that the values in Green Relational Capital for the analyzed companies varied quite a bit around the average value of -0.349967. Descriptive statistical results for the Profit Growth variable proxied with Market book value show a biased data distribution rate, and illustrate that the data is homogeneous or has a data distribution without high fluctuations. In other words, the value of the value in the profit growth variable, the standard deviation of 2.712930 indicates, the values in Profit growth for the analyzed companies vary quite a bit around the average value of 0.345527.

Descriptive statistical results for the standard deviation of the Corporate Governance Perception Index (CGPI) Moderation variable exceeded the mean value, meaning that the Corporate Governance Perception Index (CGPI) found a biased data distribution rate, and illustrated that the data was homogeneous or found a data distribution without high fluctuations. In other words, the value of the value in the profit growth variable, the

standard deviation of 0.147980 indicates that the values in the Profit growth for the analyzed companies vary quite well around the average value of -0.161577.

Table 2. Common Effect Model Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.615067	2.181021	0.740510	0.4617
PL	-0.112568	0.200632	-0.561066	0.5767
GHC	3.376445	2.063453	1.636308	0.1068
GSC	0.824508	2.590493	0.318282	0.7513
RCMP	-0.794874	2.227352	-0.356870	0.7224
MBV	-0.746994	0.251224	-2.973413	0.0042
CGPI	-0.699009	4.653646	-0.150207	0.8811
R-squared	0.156836	Mean dependent var		1.550487
Adjusted R-squared	0.076535	S.D. dependent var		5.715420
S.E. of regression	5.492353	Akaike info criterion		6.339230
Sum squared resid	1900.454	Schwarz criterion		6.564080
Log likelihood	-214.8731	Hannan-Quinn crister.		6.428543
F-statistic	1.953092	Durbin-Watson stat		0.812224
Prob(F-statistic)	0.085928			

Second, in the regression model stage of the panel data is described as follows. The PLS test shows that the variables of profit persistence, green human capital, green structure capital, green relational capital, and profit growth can affect profit quality by 7.65%, and the remaining 92.35% are influenced by other variables. The FEM test produced the variables of profit persistence, green human capital, green structure capital, green relational capital, and profit growth can affect the profit skin by 68.51%, and the remaining 31.49% is influenced by other variables. The REM test produces the variables of profit persistence, green human capital, green structure capital, green relational capital, and profit growth can affect the profit quality by 12.31%, and the remaining 81.69% is influenced by other variables.

Third, the model test includes the Chow Test, the Hausman Test, and the LM Test. Chow's test shows that the probability value is smaller than the significance level of $\alpha = 0.05$ (5%) then the H_a hypothesis is accepted and H_o is rejected, or it shows that the Fixed Effect model method is a more precise model. The Hausman test produces a Chi-Square probability value of 0.2139 greater than $\alpha = 0.05$ (5%) so that the panel data regression method used is the Random Effect Model (REM) method. The LM test yields a Breusch-Pagan probability value of $0.0000 < 0.05$. that is, H_a is accepted and H_o is rejected, thus the proper model in regression analysis is the Random Effect Model (REM). In other words, the Random Effect Model (REM) is the model approach used for the regression method of panel data to be used further.

Fourth, the classical assumption test which includes normality, multicollinearity, heteroskedasticity, and autocorrelation tests. The normality test results in a 95% confidence level, or states that the error term is distributed normally, allowing the data to be used in subsequent regression. The multicollinearity test results in no multicollinearity between the free variables. The heteroscedasticity test produced data that did not show a certain pattern, leading to the conclusion that there was no heteroscedasticity problem. Finally, the autocorrelation test produced the Durbin Watson value showed that there was no autocorrelation in the regression model, so the research could be continued.

Fifth, the panel data regression analysis shows that the panel data regression equation can be compiled through the formula $Y = -4.531477 - 0.447074X1 + 3.221708X2a - 4.832197X2b - 3.535647X2c - 0.455110 X3$. The constant value of -4.531477 shows that if the variables Profit persistence, Green human capital, Green Structure Capital, Green Relational Capital and Profit growth are considered non-existent, there will be a decrease in profit quality -4.531477. The value of the regression coefficient in the Profit Persistence is - 0.447074 which means that if there is a change of 1 unit of Profit Persistence, there will be a Decrease in the Profit Probability of - 0.447074. The value of the regression coefficient for Green human capital is 3.221708 which means that if there is a change of 1 unit of profit persistence, there will be an increase in the profit rate of 3.221708.

The value of the regression coefficient for Green Structure capital is - 4.832197 which means that if there is a change of 1 unit of Green Structure capital, there will be a decrease in the profit rate of - 4.832197. The value of the regression coefficient for Green relational capital is -3.535647 which means that if there is a change of 1 unit of Green relational capital, there will be a decrease in the profit rate of -3.535647. The value of the regression coefficient for profit growth is -0.455110 which means that if there is a change of 1 unit of Green relational capital, there will be a decrease in profit rate of -0.455110.

Sixth, hypothesis tests which include Partial Test (t test), Simultaneous Test (f test), and determination coefficient. The determination coefficient (R²) test yielded the number R Square of R-Squared is 0.123109. This shows that the percentage to explain the variables of persistence of Green intellectual capital's profit and profit growth on profit quality with the Corporate Governance Perception Index (CGPI) as the moderation variable of 12.31%, the remaining 87.69% is explained by other variables outside the research model. The F test produced an F-statistic of 2.614409 and a profitability of p value of 0.025098 with the provision of α significance of 5% ($0.025098 < 0.05$), thus showing that the independent variables used, namely profit persistence, green intellectual capital and profit growth formulated in this research model simultaneously or together can affect the dependent variables (profit quality).

The t-test produced a variable of profit persistence measured by the accounting profit before tax obtained a significance value of $0.0070 < 0.05$ so that H_0 was rejected and H_a was accepted with a negative direction t-Statistic value of -4.263121. The results show that there is a negative influence of profit persistence on the quality of profit, or if the persistence of the company's profit is higher, the quality of the company's profit will be lower. The X2a variable, namely Green intellectual capital, which is proxied with green human capital, shows that the significance level is $0.0765 > 0.05$ so that H_0 is accepted and H_a is rejected and the t-Statistic value is positive of 1.801224. The results of the study show that Green intellectual capital with a proxy in the form of green human capital does not affect the quality of profits. The variable X2b, namely Green intellectual Capital with a proxy in the form of green Capital structure, shows that the significance level is $0.0375 < 0.05$ so that H_a is accepted and H_0 is rejected and the t-Statistic value is negative of -2.785973. The results of the study show that Green intellectual capital with a proxy in the form of Green Structure capital significantly affects the quality of profits.

The variable X2c, namely Green intellectual capital, which is proxied with green relational capital, shows that the significance level of $0.3135 > 0.05$ so that H_0 is accepted and H_a is rejected and the value of the t-Statistic coefficient is -1.016041. The results of the study show that Green intellectual capital which is proxied with green relational capital does not affect the quality of profit. Finally, Variable X3, namely profit growth

measured by dividing the current stock price by the book value per share, shows that the significance level of $0.0713 > 0.05$ which is accepted and H_a is rejected and the value of the t-Statistic coefficient is -1.834789, The measured profit growth is not significant in affecting the quality of profit.

Table 3. Moderated Regression Analysis (MRA) Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.874670	1.879743	-2.061277	0.0438
PL	-0.882901	0.214178	-4.122276	0.0001
GHC	-0.214385	2.013845	-0.106456	0.9156
GSC	9.297806	4.075221	2.281547	0.0262
RCMP	0.448112	2.419120	0.185237	0.8537
MBV	-2.316377	0.450389	-5.143054	0.0000
CGPI	-26.70176	9.625735	-2.773997	0.0074
PL*CGPI	-3.388219	0.970003	-3.492997	0.0009
GHC*CGPI	-20.74949	9.786974	-2.120113	0.0383
GSC*CGPI	37.52358	16.85571	2.226164	0.0299
GRC*CGPI	18.89831	11.62463	1.625712	0.1094
MBV*CGPI	-9.459564	2.247768	-4.208425	0.0001

Seventh, the MRA test produces a constant value (coefficient c) showing a constant of -3.874670 which shows that if the independent variable is considered non-existent, there will be a decrease in profit quality by -3.874670. The value of the regression coefficient on profit persistence is a value of -0.882901 which means that if there is a change of 1 unit of profit persistence, there will be a decrease in profit quality worth -0.882901. Then the value of the regression coefficient for Green Intellectual Capital Proxy Green Human Capital is 9.287805 which means that if there is a change of 1 unit of Green Intellectual Capital that is Proxy Green Human Capital, there will be an increase in profit quality by -9.287805. The value of the regression coefficient for Green Intellectual Capital Proxy Green Structure Capital is 9.297806 which means that if there is a change in 1 unit of Green Intellectual Capital that is Proxy Green Structure Capital, there will be an increase in profit quality by 9.297806.

The value of the regression coefficient for Green Intellectual Capital that is Proxy Green Relational Capital is 0.448112 means that if there is a change of 1 unit of Green Intellectual Capital that is Proxy Green Structure Capital, there will be an increase in profit quality by 0.448112. The value of the regression coefficient for profit growth is -2.316377 which means that if there is a change of 1 unit of profit growth, there will be a decrease in profit quality worth -2.316377. The regression coefficient value of the Corporate Governance Perception Index (CGPI) variable (Z) is negative at -26.70176, meaning that if there is a change of 1 unit of the Corporate Governance Perception Index (CGPI), there will be a decrease in profit quality of -26.70176.

The probability value shows a number of 0.0009 or below the significance value provision, which is 0.05 so that the Corporate Governance Perception Index (CGPI) can moderate the influence given by Profit Persistence on Profit Quality. Then, the results of the interaction of Profit Persistence and the Corporate Governance Perception Index (CGPI) found a coefficient of -3.388219, which means that the Corporate Governance Perception Index (CGPI) moderates and strengthens the relationship between Profit Persistence and Profit Quality. At the same time, it shows that every 1 unit increase in

Profit Persistence in the interaction of Profit Persistence and Corporate Governance Perception Index (CGPI) can reduce Profit Quality by -3.388219.

The probability value shows a number of 0.0383 or below the significance value provision, which is 0.05, which shows that the Corporate Governance Perception Index (CGPI) can moderate the influence of Green Intellectual Capital which is Proxy Green Human Capital on Profit Quality. Then, the results of the interaction between Green Intellectual Capital and Proxies in the form of Green Human Capital and the Corporate Governance Perception Index (CGPI) found a coefficient of -20.74949, which means that the Corporate Governance Perception Index (CGPI) moderates to strengthen the relationship between Green Intellectual Capital and the Proxy Green Governance Perception Index Green Human Capital on the Quality of Profits. At the same time, it shows that every time there is an increase of 1 unit of Profit Persistence in the interaction of Green Intellectual Capital which is Proxy by Green Human Capital and the Corporate Governance Perception Index (CGPI) will reduce the Quality of Profit worth -20.74949.

The probability value shows a number of 0.1094 or above the significance value provision, which is 0.05, which indicates that the Corporate Governance Perception Index (CGPI) does not moderate the relationship between Green Intellectual Capital that is Proxy Green Structure Capital and Profit Quality. Probability value indicates the number 0.0001 or di that the significance value is 0.05 which indicates that the Corporate Governance Perception Index (CGPI) can moderate the influence given by Profit Growth on Profit Quality. Then, the results of the interaction of Profit Persistence and the Corporate Governance Perception Index (CGPI) found a coefficient of -9.459564, which means that the Corporate Governance Perception Index (CGPI) moderates and strengthens the relationship between Profit Growth and Profit Quality. At the same time, it shows that every 1 unit increase in Profit Growth in the interaction of Profit Growth and the Corporate Governance Perception Index (CGPI) can reduce Profit Quality by -9.459564.

4.2 Discussion of Research Results

Referring to the analysis of the research results, there were ten discussions produced. First, the hypothesis test of profit persistence statistically showed a positive significance result of 0.0070 less than 0.05, along with a regression coefficient of -0.447074, meaning that profit persistence has a negative effect on the quality of profit. Thus, H1 was accepted. Second, the test of the second hypothesis of the Green intellectual Capital variable proxied with green human capital showed that the significance level of 0.0765 > 0.05 then Ho was accepted and Ha was rejected and the t-Statistic value was positive of 1.801224. The results of the study show that green human capital has no effect on the quality of profits.

Third, the third hypothesis test of the Green Intellectual Capital Variable which is proxied with green capital structure shows that the significance level of 0.0375 < 0.05 then Ha is accepted and Ho is rejected and the negative t-Statistic value is -2.785973. The results of the study show that Green intellectual capital which is proxied with Green Structure capital has a significant effect on the quality of profits. Fourth, the hypothesis test of the variable Green intellectual capital proxied with green human capital showed that the significance level of 0.3135 > 0.05 then Ho was accepted and Ha was rejected and the t-Statistic value was positive of -1.016041. The results of the study show that Green Relational Capital has no effect on the quality of profits.

Fifth, the hypothesis test of the variable Profit growth measured by dividing the current share price by the book value per share, does not have a significant influence on the quality of the company's profit. With a significance level of $0.0713 > 0.05$, this study accepts the null hypothesis (H_0) and rejects the alternative hypothesis (H_a). Sixth, the level of significance for the effect of profit persistence on profit quality with the Corporate Governance Perception Index (CGPI) as a moderation is $0.0009 < 0.05$ (less significant than 5%), with a t-statistical value of -3.492997, then it can be concluded that the Corporate Governance Perception Index (CGPI) variable moderates the effect of profit persistence on profit quality.

Seventh, the level of significance for the influence of Green human capital on profit quality with the moderation of the Corporate Governance Perception Index (CGPI) is 0.0383 (less significant than 5%), with a negative value of management coefficient value of -2.120113, it can be concluded that the Corporate Governance Perception Index (CGPI) moderates the influence of Green human capital on profit quality. Eighth, the level of significance for the effect of Green Capital structure on profit quality with a moderation of the Corporate Governance Perception Index (CGPI) of 0.0299 (less significant than 5%), with a management coefficient value of 2.226164, it can be concluded that the Corporate Governance Perception Index (CGPI) moderates the influence of green capital structure on profit quality.

Ninth, the level of significance for the influence of Green relational capital on profit quality with a moderation of the Corporate Governance Perception Index (CGPI) of 0.1094 (greater than the significance of 5%), with a value of management coefficient of 1.625712, shows that the Governance Perception Index (CGPI) does not moderate the influence of Green relational capital on profit quality. Tenth, the level of significance for the effect of profit growth on profit quality with the moderation of the Corporate Governance Perception Index (CGPI) is 0.0001 (less significant than 5%), with a management coefficient value of -4.208425, then it can be concluded that the Corporate Governance Perception Index (CGPI) moderates the effect of profit growth on profit quality.

5. Conclusion

Based on the research that has been conducted, it can be concluded that: First, it is statistically proven that the persistence of profit has a negative effect on the quality of profit, Second, it is statistically proven that Green Intellectual Capital which is proxied with Green Human Capital has no effect on the quality of profit. Third, it is statistically proven that Green Intellectual Capital which is proxied by Green Structure Capital has a negative effect on the quality of profits. Fourth, it is statistically proven that Green Intellectual Capital which is proxied by Green Relational Capital has no effect on the quality of profits. Fifth, it is statistically proven that Profit Growth has no effect on the quality of profit.

Sixth, it is statistically proven that the Corporate Governance Perception Index (CGPI) is able to moderate the influence of profit perception on profit quality, Seventh, it is statistically proven that the Corporate Governance Perception Index (CGPI) moderates the influence of Green intellectual capital proximate Green Human Capital on profit quality. Eighth, it is statistically proven that the Corporate Governance Perception Index (CGPI) moderates the influence of Green intellectual capital proxied by Green Structure Capital on the quality of profits. Ninth, it is statistically proven that the Corporate Governance Perception Index (CGPI) does not moderate the influence of Green

intellectual capital proxied by Green Relational Capital on the quality of profits. Tenth, it is statistically proven that the Corporate Governance Perception Index (CGPI) is able to moderate the effect of profit growth on profit quality.

The limitations of this study are as follows: First, this research only focuses on companies that follow the Corporate Governance Perception Index (CGPI) program so the results cannot be generalized. Second, limited access and availability of secondary data that is not always easily accessible or not freely available. As some companies have annual reports that are not clearly read. Third, there are still 3 hypotheses that are not proven. So that in the next research it is hoped that it can allow the addition of variables that will support and strengthen the hypothesis formulation.

So, the researcher can provide several inputs, including: First, the practical implication that the quality of the company's profit information is the thing that will be the most responsive to investors. Thus, in the process of analyzing and understanding profit information, investors need consideration related to the condition of profit persistence, and profit growth in the company. Second, it is suggested that the next study find variables that can moderate between the variables of profit persistence, Green Intellectual Capital, profit growth, and profit quality.

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