

ABSTRACT

The financial performance of a company is one of the factors that potential investors consider in investing in a company. The decline in financial performance was caused by internal factors, such as the implementation of GRC (Governance, Risk, and Compliance) which was not well integrated. The increase in total assets in calculating the size of the company also plays an important role in improving the company's financial performance.

This study aims to examine the effect of GRC (Governance, Risk, and Compliance) and company size on financial performance which is proxied with the Return On Asset (ROA) ratio in companies that won the Top GRC Awards listed on the Indonesia Stock Exchange (IDX) in 2019-2021. The sample determination method in this study is purposive sampling. The sample used was 5 companies with an observation period of three years so that 15 observation data were obtained in this study. The data analysis technique used in this study is multiple linear regression using SPSS software version 26.

The results of this study show that GRC (Governance, Risk, and Compliance) and company size simultaneously affect the financial performance of companies that won the Top GRC Awards listed on the Indonesia Stock Exchange in 2019-2021. Partially GRC has a positive and insignificant effect on financial performance, while the size of the company has a negative and significant effect on the financial performance of the company that won the Top GRC Awards in 2019-2021.

Advice for companies to pay more attention to the implementation of GRC so that there is no overlapping of information and ineffective activities. Every company needs to pay attention to the use of assets and debts owned during the company's operational activities in order to obtain the desired profit to ensure business continuity. The next researcher is to add other variables that are predicted to affect the company's financial performance such as intellectual capital, public ownership, board of directors, and audit committees.

Keywords: *GRC (Governance, Risk, and Compliance), company size, financial performance.*