

ABSTRACT

This study aims to examine the effect of good corporate governance (GCG) influence on a company's financial performance (FP) by mediating human capital investment. The dependent variable in this study is financial performance. The independent variable used is Good Corporate Governance (GCG). This study also uses mediation variables, that is human capital investment.

The sample of this study consisted of 43 financial sector companies listed on the Indonesia Stock Exchange in 2015-2020, so that the total simple of the study was 258. The data used in this study were secondary data and sampling using a purposive sampling method. The analysis technique used to test the research hypothesis is the Partial Least Square-Structural Equation Model (PLS-SEM) in the SmartPLS 4.0

The results of this study indicate that GCG and FP has significant and positive on human capital investment. And also, human capital investment has mediated between GCG and financial performance. While GCG has a significant and positive on the company's financial performance.

Keywords: *good corporate governance (GCG), financial performance, human capital investment*