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Do Ownership and Environment Affect Profits with the Role of the Independent Commissioners?

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Abstract

This study aims to explore health company profits during the pandemic from the perspective of managerial ownership and environmental performance accompanied by the moderating role of independent commissioners. The use of Sharia-based health sector companies as companies that are very closely related to the pandemic events that occurred during the observation period of 2020-2021 resulted in 16 companies using quarterly reports, so there are 64 studio data. The data obtained was subjected to prerequisite tests using the classical assumption test, which was then tested by conducting F-test and t-test regression based on the hypotheses that had been developed. The study results prove that

managerial ownership and environmental performance simultaneously increase profits. However, partially managerial ownership influences increasing profits, while environmental performance has no effect. The role of the independent board of commissioners has been proven to not influence managerial ownership and environmental performance in increasing the profits of Sharia companies in the health sector. This study implies that managerial ownership factors, environmental performance, and an independent board of commissioners play an essential role in increasing the profits of Sharia companies in the health sector, especially during the pandemic. The results can encourage strategic decision-making related to ownership structure and corporate governance to achieve sustainability and profitability.

Keywords: *Environment, Independent Commissioners, Ownership, Profits*

INTRODUCTION

The appearance of the coronavirus (COVID-19) since the end of 2019 has significantly impacted all aspects of human life worldwide. Millions of lives have been lost as a result of the pandemic worldwide. Official data shows which from the WHO (World Health Organization) released in May 2022 shows that the number of victims who died due to exposure to the coronavirus reached 16.6 million people. This data is a calculation from 2 years of observation, from 1 January 2020 to 31 December 2021 (Rahadian, 2022). India was recorded as experiencing the worst impact during COVID-19. India recorded around 4.7 million deaths of its citizens during those two years, while in Indonesia, the data summarized recorded the deaths of around 1 million Indonesian citizens (Ariyanti, 2022).

In the business sector, entrepreneurs must adapt business innovation to survive in difficult situations due to the pandemic. Not a few companies have had to “drop out” in the face of the pandemic, requiring companies to close and having the impact of increasing the number of unemployed. However, some types of businesses can still survive and are even really needed during the pandemic. Companies operating in the health sector are the kind of business sector that focuses on dealing with the pandemic. Companies in this sector deal directly with the phenomenon that has hit the world. The coronavirus virus, which has resulted in considerable casualties, indeed urges companies in the health sector to move quickly to be able to serve all needs in handling the virus and is expected to be able to observe and study the virus to treat and prevent the virus from spreading further. This encouragement certainly has a lasting impact. The limited supply of health goods with demand increasing drastically has caused companies in the health sector to experience increased service and sales.

However, this increase in services and sales is a very positive thing. It has a good impact on company performance or is directly assessed by increasing profitability (company profits). Company profit is a significant accurate indicator and is the primary goal of company managers and investors. Profit shows the manager’s capability to organize/manage the firm to achieve the company’s main objectives. The higher the profit generated, the more positive the impression it will have on the work performance of managers in managing the company. High profits also trigger an increase in company performance in the capital market. Namely, share prices will tend to rise.

Company profits are a priority for company managers and shareholders. Company profits or gains can be used to provide positive returns to shareholders in the form of dividends and

expansion/expansion of the firm's business. Large profits are also an indicator of excellent achievements achieved by company managers. Managerial ownership has the potential to increase the value of the company. The higher the share ownership by a company controller/manager indirectly also motivates to improve the manager's performance. All strategic decisions the manager takes towards the company he leads will also impact the personal capital he has in the company (Nuryono et al., 2019).

Previous studies show a variety of correlations between managerial ownership and company performance. In line with agency theory, managerial ownership will encourage increased company performance (Al-Ahdal et al., 2023; Alshouha et al., 2021; Boshnak, 2024; Lu et al., 2021). However, contradictory results were also found in other studies, which proved that the existence of share ownership by company managers would be detrimental to the company (Amoughin et al., 2024; Karim et al., 2020; Ojeyinka & Matemane, 2024). Other studies show that managerial ownership variables do not affect company performance (Maryanti & Dianawati, 2024; Widati et al., 2023).

According to Sujoko and Soebiantoro, managerial ownership can be measured by managers' large proportion of shares (Sujoko & Soebiantoro, 2007). On the other hand, from a cost perspective, managers' share ownership can reduce agency costs because managers running the company will indirectly be motivated to behave like shareholders.

Review from an environmental performance perspective, considering that the existence of environmental regulations issued by the Ministry of the Environment is a form of effort that is carried out systematically and integrated to empower the function of the environment so that it has standardization and is an effort to prevent pollution and/or damage. Environment: these efforts include activities ranging from planning, utilization, control, maintenance, and control to law enforcement.

Environmental performance is an effort to prevent pollution and/or environmental damage launched by the company, one of which is implementing a "green industry" that aims to protect the environment with zero impact. Good environmental management performance, reflected in compliance with established regulations, is an effort to maintain environmental balance, especially the environment that directly impacts corporate operations (Tjahjono, 2013).

The environmental performance produced by a company can be a positive signal captured by investors to invest capital in companies that care about sustainability. Previous studies have shown that companies with high environmental performance will improve the company's economy (Alahdal et al., 2024; Dohrmann et al., 2024; Shah & Ivascu, 2023; Zhao et al., 2024). However, different results were also found that companies with a high concentration on environmental performance would lose their efficiency, which would result in a decrease in the company's profitability (Abdulla & Jawad, 2024; Handoyo et al., 2022; Luthfiyah & Mardiana, 2024). Other studies show that environmental performance does not correlate with high or low company performance (Fahira & Yusrawati, 2023; Ramadhana & Januarti, 2022).

Company performance can also be reflected in the effectiveness of corporate governance. Effective and efficient governance becomes a driving force for increasing the firm's market value or financial performance (Ali & Zhang, 2015). One way of good corporate governance is through external commissioners, also known as independent commissioners, because impartial supervision carried out by commissioners can minimize the probability of errors or fraud intentionally or unintentionally committed by managers in the financial reports presented to the stakeholders

(Sulistyanto, 2018). The independent attitude of external commissioners is an effort to carry out effective control in monitoring the company's progress towards the common goals to be achieved. This independence is because all actions of independent commissioners are free from some aspects of interest or specific parties.

From the background above, this study results from actual phenomena and the diversity of results obtained from previous studies with different variables and conditions of the economy and world life. The diverse results of studies that have been carried out previously make it essential for further studies to be carried out again with different objects and times (Noval et al., 2020). Re-examine the variables of managerial ownership, environmental performance, and the role of external commissioners as an independent side in increasing profits of health sector companies based on the period since the start of the COVID-19 pandemic. This study uses the independent commissioner moderating variable as a differentiator from previous studies. The existence of the independent commissioner variable is expected to complement and explain the inconsistency of the results of earlier studies between managerial ownership and environmental performance on company profitability.

This study aims to test the influence of managerial ownership and environmental performance on company profits and the moderating role that the independent commissioner variable can play in the relationship between independent and dependent variables.

LITERATURE STUDY

The test results between the managerial ownership and dividend policy variables state that Managerial Ownership does not influence dividend or debt policy (Widodo, 2016). In the same year, a study by Sutino and Khoiruddin showed negative results from managerial ownership effect on earning management variables (Sutino & Khoiruddin, 2016). Other previous study results also show a negative but insignificant impact of the Independent Commissioners in the Board of Commissioners and Managerial Ownership on Financial Firm Performance (Aprianingsih & Yushita, 2016).

A study on the Independent Commissioners on Board, which was used as a moderating variable, was carried out by Dananjaya & Ardiana (2016). The result was that institutional ownership in a company had a positive and significant influence on earnings management practices. Another result of this study was that the existence of independent commissioners on board could weaken the effect. Owned by institutional share ownership to earnings management. In other words, the study results show that earnings management practices can occur in companies with high institutional ownership. Still, having an independent board of commissioners can minimize these earnings management practices (Dananjaya & Ardiana, 2016).

Nuryono shows that managerial ownership positively impacts the company's value (Nuryono et al., 2019). The study from Yulius Ardy Wiranata and Yeterina Widi Nugrahanti examined the relationship between ownership structure and corporate profitability. The study data was limited to manufacturing firms listed on the Indonesian Capital Market from 2010 to 2011. The acquisition of 224 companies as samples provides the following results: foreign ownership and leverage positively influence profitability performance, while family ownership variables hurt profitability performance. Other variables are also used in this study as part of the ownership structure variables, namely company size, institutional ownership, managerial ownership, and

government ownership, which do not affect the profitability performance of manufacturing companies in Indonesia (Wiranata & Nugrahanti, 2013).

Hazri, M., and Sugiyarti, F.L. in Mangkusuryo and Jati analyzed ownership by managers on earnings management practices, and the results stated that there was a significant influence, which was shown by indicators, namely one of the Good Corporate Governance mechanism variables contained in the framework of this study which had a positive effect (Mangkusuryo & Jati, 2017).

Studies examining company performance have had different results, Intia and Azizah found that the board of directors does not affect financial firm performance, the independent commissioners on the board have a positive influence on financial firm performance, while the Islamic supervisory board also does not influence financial performance (Intia & Azizah, 2021). Other results were also obtained by Sitanggang, namely that the Independent Commissioners on Board had a positive but not significant effect on financial firm performance, the audit committee had a positive and significant influence on financial firm performance, Managerial Ownership had an insignificant negative impact on financial firm performance, and institutional ownership had a positive and significant impact on financial firm performance (Sitanggang, 2021).

Bukhari and Raharja in Hamdi analyzed the firm's performance in Indonesia, using good corporate governance and firm size as independent variables. The indicators used in measuring the internal corporate governance mechanism variables are the number of board of directors, the number of board of commissioners, and the company size variable. In contrast, the company performance variable is the Cash Flow Return on Assets (CFROA) indicator. The result is that there is no significant influence between internal corporate governance mechanisms and firm size on firm performance (Hamdi et al., 2022). Similar to the results of another study conducted in the same year by Widyastuti et al. (2022), their study also showed that managerial ownership and corporate size did not influence corporate value.

The old study conducted by Valenti et al. (2011) discusses and investigates the same variables but from a different perspective, namely regarding the influence of previous company performance on the composition and governance structure of the board of commissioners. A study sample of 90 corporates registered with the National Association of Securities Dealers Automated Quotations (NASDAQ) in Pakistan was used. The results of the study show that adverse changes in the performance of previous companies have a significant connection with the decrease in the number of commissioners and with a reduction in the number of external commissioners, this means that the structure of the board of commissioners and the independent board of commissioners influences the companies' performance in Pakistan.

The study by Paul et al. in Noval (2015) examined objects carried out abroad but with a related study subject, namely the influence of board composition on the economic performance of Nigeria's companies. The result is that even though they have several advantages, external (independent) commissioners do not encourage increased economic added value for the company. In other words, this study proves that board composition cannot influence the rise in the performance of companies in Nigeria (Noval, 2015).

Study on other variables in this study, namely environmental performance on company performance, has various results, including those carried out by Noval, Agus Widodo, and Hetika, who conducted tests on the effect of financial and environmental performance on company value and used moderating variables—good Corporate Governance (GCG). The result is that environmental performance influences firm value, and good corporate governance has also been

proven to have a moderating role in the relationship between environmental performance and company value (Noval et al., 2021).

Other studies related to environmental performance also provide similar results, namely that environmental performance and disclosure of the environment influence the ROA (Nuryaningrum & Andhaniwati, 2021). Wiweko and Friscila also found similar results that environmental disclosure, environmental performance, and profitability significantly affect stock returns (Wiweko & Friscila, 2021). However, different results were shown by Ningtyas & Triyanto (2019) the results showed that simultaneous environmental performance and disclosure testing could influence profitability. Still, the difference lay in the partial testing, which showed that environmental performance did not affect the profitability variable.

Based on this description, the hypothesis developed by the researcher can be described, namely:

H_1: Managerial ownership and environmental performance influence the simultaneous increase in company profits

H_2: Managerial ownership influences the rise in company profits.

H_3: Environmental performance influences the increase in company profits

H_4: The relationship between managerial ownership and increasing company profits is moderated by the independent board of commissioners

H_5: The relationship between environmental performance and increasing company profits is moderated by the independent board of commissioners

METHOD

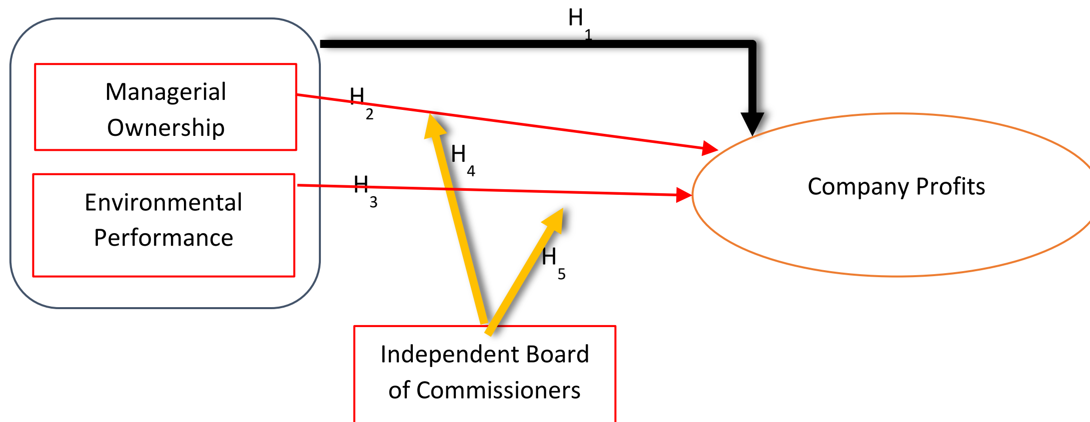
The study design uses quantitative study methods using financial report data from Islamic health sector companies in Indonesia for 2020-2021, registered in the Sharia Securities List issued by the Financial Services Authority (OJK). This study is done by testing hypotheses based on the development of a problem formulation determined by the researcher. So, it can be said that this type of study is an investigation that tests causal or causal relationships.

The study population is listed companies on the Indonesian Capital Market during the 2020-2021 observation period. The years used are 2020 to 2021 because the COVID-19 pandemic started at the end of 2019, so 2020 is the beginning of the impact of the pandemic.

The purposive sampling method was used to determine the sample of this study, which followed the study’s objectives (Ghozali, 2018). The purposive sampling criteria used in this study are quarterly report data from Sharia companies in the health sector included in the Sharia Securities List (DES) published by the Financial Services Authority (OJK) in 2020-2021.

In data analysis, researchers used descriptive statistical analysis, classical assumption tests (normality, multicollinearity, heteroscedasticity), and hypothesis testing with panel data regression on data from sharia companies in the health sector during the Covid-19 pandemic, totalling 192 observation data. The theoretical thinking framework is shown in Figure 1.

Figure 1
Theoretical thinking Framework



Source: data processed by the author 2024, Banjarmasin

RESULTS AND DISCUSSION

Descriptive Statistical Test

Table 1
Descriptive Statistical Testing

No	Variable	Amount of data (N)	Minimum Value	Maximum Value	Mean Value	Standard Deviation Value
1	Managerial ownership	192	0,00	64,59	5,95	16,32
2	Environmental Performance	192	1,00	5,00	2,29	1,26
3	Independent Commissioner	192	0,25	0,67	0,45	0,10
4	Corporate profits	192	-122.378,99	3.513.671,51	275.398,64	561.034,39

Source: data processed by the author 20234

Classic assumption test

Normality Test

Table 2
Normality Test

Variable Normality	Standard	Normality Test Results	Conclusion
Asymp. Sig. (2-tailed)	> 0,05	0,063	Passed the Normality Test

Source: data processed by the author 2024

Multicollinearity Test

Table 3
Multicollinearity Testing

No	Variable	Standard	Tolerance	VIF	Conclusion
1	Managerial ownership	Tolerance > 0,01 VIF < 10,00	0,947	1,056	Passed the Multicollinearity Test
2	Environmental Performance	Tolerance > 0,01 VIF < 10,00	0,817	1,224	Passed the Multicollinearity Test
3	Independent Commissioner	Tolerance > 0,01 VIF < 10,00	0,856	1,168	Passed the Multicollinearity Test

Source: data processed by the author 2024

Heteroscedasticity Test

Table 4
Heteroscedasticity Test

No	Variable	Standard	Heteroscedasticity Test Results	Conclusion
1	Managerial ownership	> 0,05	0,411	Passed the Heteroscedasticity Test
2	Environmental Performance	> 0,05	0,212	Passed the Heteroscedasticity Test
3	Independent Commissioner	> 0,05	0,092	Passed the Heteroscedasticity Test

Source: data processed by the author 2024

Hypothesis test

Coefficient of Determination Test (R^2)

Table 5
Testing the Coefficient of Determination (R^2)

Coefficient of Determination Value	Test result	Conclusion
Nilai Adjusted R Square	0,508	50,8%

Source: data processed by the author 2023

Panel data regression analysis

Table 6
F Test Results (Hypothesis 1)

Variable	F-Table	F-Count	Significance Standards	Significance Testing Results	Conclusion
Managerial Ownership and Company Performance on Company Profits (Simultaneous)	3,06	38.482	< 0,05	0,000	**Influential** (Empirically proven)

Source: data processed by the author 2024

Table 7
T-Test Results (Hypothesis 2)

Variable	T-table	T-count	Significance Standards	Significance Testing Results	Conclusion
Managerial Ownership of Company Profits (X_1 against Y)	1.65501	3.487	< 0,05	0,001	**Influential** (Empirically proven)

Source: data processed by the author 2024

Table 8
T-Test Results (Hypothesis 3)

Variable	T-table	T-count	Significance Standards	Significance Testing Results	Conclusion
Environmental Performance on Company Profits (X_2 against Y)	1.65501	-0.756	< 0,05	0,451	**No effect** (Not empirically proven)

Source: data processed by the author 2024

Table 9
T-Test Results (Hypothesis 4)

Variable	T-table	T-count	Significance Standards	Significance Testing Results	Conclusion
Moderation of the Independent Board of Commissioners on the relationship between Managerial Ownership and Company Profits (X_1 moderation against Y)	1.65501	-1.196	< 0,05	0,236	**No effect** (Not empirically proven)

Source: data processed by the author 2024

Table 10
T-Test Results (Hypothesis 5)

Variable	T-table	T-count	Significance Standards	Significance Testing Results	Conclusion
Moderation by the Independent Board of Commissioners on the relationship between Environmental Performance and Company Profits (X_2 moderation against Y)	1.65501	-0.122	< 0,05	0,903	**No effect** (Not empirically proven)

Source: data processed by the author 2024

DISCUSSION

Managerial ownership and environmental performance simultaneously influence the increase in company profits.

Simultaneously, managerial ownership and environmental performance have been proven to influence the increase in profits that occurred in sharia companies in the health sector in Indonesia during the COVID-19 pandemic. Table 6 shows the proof results based on statistical test results with a significance value of 0.000, less than 0.05, and an F-calculation greater than the standard F-table. This result means that there is an accumulation effect of share ownership by managers and the board of commissioners in the company and the company's grave concern for its responsibility towards the environment, which can improve company performance proxied by its profit value.

Managers who own shares in the company they manage will make maximum contributions to the stability and improvement of the company's performance in all conditions that occur; companies with superior performance will provide benefits to managers in the form of a competency image and also financial benefits as part of the company's owners. Companies with high environmental performance also get a reputation as companies that care about sustainability, and this advantage attracts investors who care about sustainability.

This simultaneous influence strengthens agency theory, and the results of a previous study by Suniantari & Yasa (2022) tested environmental performance variables and managerial ownership on company performance. The study results stated similar results, namely that there was a simultaneous influence. Similar results are that managerial ownership and environmental performance significantly affect financial performance (Hermawan et al., 2019; Nasution et al., 2024). Managers who care about the environment with higher managerial resources assume that environmental responsibility is essential in achieving competitive advantage and business sustainability (Putra et al., 2023).

Managerial ownership affects increasing company profits.

Managerial ownership variables proven to influence increasing company profits are presented in the previous table, namely Table 7, with a significance value of less than 0.05, namely only 0.001, and a T-count of 3.487, which exceeds the T-table value. This result means that the more significant the portion of shares owned by the manager, the better impact it will have on the company's performance, represented by an increase in the value of the company's profit. A manager who owns shares in the company he manages means that apart from playing the role of managing the company, the manager also plays the role of the owner of the company, so psychologically, the manager will put in extra effort and be very serious in optimizing the resources they have and work effectively and efficiently to produce performance—company optimally from all aspects of performance assessment.

The influence arising from share ownership by company managers and parties directly involved in the running of the company confirms the agency theory presented by Jensen & Meckling (1976) which states that in managing a company, the agent (manager) will provide maximum performance in carrying out the mandate of the principal (owner), especially with share ownership by the manager which will be an amplifier for the agent to provide extra

results for the company that is managed as well as being a company that is owned. Manager ownership will encourage smoothing profits (Suwaldiman & Lubis, 2023).

The study results also strengthen the results obtained previously in examining the influence of managerial ownership on firm performance (profit or value), namely by (Nuryono et al., 2019) and (Wiranata & Nugrahanti, 2013) which has been carried out and provides evidence that managerial ownership variables influence company value and is also in line with the study results Shan (2019) in Australia and Ogabo et al. (2021) in the United Kingdom's FTSE 350 companies which proves that managerial ownership has a positive effect on company performance and firm value (Ifada & Fuad, 2021). Managerial ownership produces greater efficiency (Kamardin, 2014), and high managerial ownership minimizes earnings management behavior, thereby maintaining the stability of company performance (O'Callaghan et al., 2018).

Environmental performance influences company profits.

Every company must continue to care about corporate social responsibility, especially the environment. Good environmental management, apart from eliminating obligations based on regulations set by the government through the Ministry of Environment- and Forestry of the Republic of Indonesia, will also be an added value for the company for stakeholders and potential investors. Many debates exist about the direct connection between environmental performance and a company's financial performance, resulting in varying findings. The study shows that the environmental performance of Sharia companies in the health sector does not influence company performance with profit indicators; this is shown in Table 9, which shows a significance result of 0.451, which exceeds the significant threshold of 5% and the t-value is more petite than t-table, this can be interpreted as meaning that the profits generated from the company's work processes are not a domino factor generated based on the company's image in the display of its environmental performance which is reflected in the disclosures in the company's financial reports.

In line with this study, Aini & Faisal (2021) stated that environmental firm performance does not affect financial performance. Then, Elsayed & Paton (2005) revealed that environmental performance has a neutral impact or does not affect company performance. This result is consistent with theoretical work showing that companies invest in environmental initiatives until the marginal cost of such investment equals the marginal advantages.

However, the results contradict the study by Fauzi (2022), which provides results that practically implementing environmental accountability supported by sufficient financial resources can significantly influence the perception of sustainability by corporate stakeholders and ultimately increase company value. Another study on environmental firm performance was conducted by Kalash (2021), and the study findings reveal that environmental firm performance has a significant favourable influence on firm leverage. The findings also indicate that environmental performance has a considerable positive impact on ROA, profitability of operations, and ROE but does not significantly affect stock returns. Environmental firm disclosure also does not affect the firm's market value (Deswanto & Siregar, 2018) and firm value (Muslichah, 2020).

The connection between managerial ownership and environmental performance and increasing company profits is moderated by the independent commissioners on the board

Good Corporate Governance (GCG) is an effort to realize good corporate governance by ensuring the alignment of company goals with the company's running from stakeholders to company managers. The existence of independent commissioners on the board is one form of the company's implementation of Good Corporate Governance. In this study, the board of commissioners is faced with the role of a moderating variable between two relationships: managerial ownership and increasing company profits, and the relationship between environmental performance and increasing company profits.

In general, the existence of independent commissioners on board is a hope to bridge the relationship between agents (managers) and principals (owners) so that expectations will positively influence firm performance. However, the results show that the independent commissioners variable does not have a moderating variable on these two relationships. Regarding the first relationship between managerial ownership and increasing company profits, the absence of a moderating effect is indicated by a significance value greater than 5% or 0.05, namely 0.236, and the second relationship between environmental firm performance and increasing corporate profits has a significance value of 0.903.

The results obtained can also be caused by undisciplined factors in several Sharia companies in the health sector in Indonesia during this observation period regarding regulations from the Financial Services Authority, which require a minimum of one independent commissioner or a percentage of at least 30% of the entire board of commissioners to be commissioners. Independent. Non-compliance with this rule is illustrated in Table 1, which states that the minimum value for the independent commissioners variable is 0.25, which means that the lowest value obtained by several data shows a value less than the established rules, namely only 25% wh, ich should be 30%.

Previously, researchers found that the dual position of the board of commissioners, who were also shareholders, did not influence the variable presentation of the independent commissioners on the board in company performance (Amaliyah & Herwiyanti, 2019; Wulandari, 2006). Meanwhile, board independence does not affect managerial ownership of company performance (Shan, 2019).

In line with the study above, Noval (2015) obtained similar results for manufacturing company objects, which show that the percentage of independent commissioners in the board composition does not have an effect as moderation on the relationship between the Power of the CEO and firm performance. Corporate governance does not mediate building financial firm performance as measured by ROE and Tobin's Q (Ronoowah & Seetanah, 2023).

Differences in study results regarding the moderating influence of independent boards of commissioners occur in the study by (Dananjaya & Ardiana, 2016). The result is that the percentage of independent boards of commissioners can attenuate (moderate) the effect of institutional ownership on gainings management so that corporations with institutional ownership will increase earnings management practices. Still, with the existence determination of independent commissioners, earnings management practices can be

minimized. Another study by (Gozalia et al., 2022) shows that independent commissioners did not significantly impact ROA or ROE during the COVID-19 pandemic.

CONCLUSION

The restudy results of managerial ownership, environmental performance, independent board of commissioners, and company profits are as follows: *First*, managerial ownership and corporate environmental performance jointly affect the increase in earnings of Sharia health sector companies during the COVID-19 pandemic. *Second*, managerial ownership partially affects the increase in earnings of Sharia health sector companies during the COVID-19 pandemic. *Third*, independent commissioners on the board do not moderate the relationship between managerial ownership and the increase in profits of Sharia health sector companies during the COVID-19 pandemic. *Fourth*, environmental performance partially does not affect the growth in earnings of Sharia health sector companies during the COVID-19 pandemic. *Fifth*, independent commissioners on the board do not have a moderating effect on the relationship between environmental performance and the increase in profits of Sharia health sector companies during the COVID-19 pandemic.

The results of this study can be a brief theoretical description of the assessment of sharia stock performance from a non-operational perspective, as well as a reference for literature related to the sharia capital market. From a practical perspective, investors can use this study as a reference when considering investment objectives.

This study implies that managerial ownership factors, environmental performance, and independent board of commissioners play an essential role in increasing the profits of Sharia companies in the health sector, especially during the pandemic. The results of this study can encourage strategic decision-making related to ownership structure and corporate governance to achieve sustainability and profitability. This study is limited to the performance of sharia stock profits only, and it is hoped that other studies will be able to examine the object of sharia stocks in different aspects and with varying assessments to produce diverse studies.

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