The Effect of State Capital Participation on the Financial and Non-Financial Performance of State-Owned Enterprises and Other Institutions

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Abstract
Researchers conducted an empirical study to examine state equity participation and additional paid-in capital for control companies on their effect on financial performance represented by ROA, ROE, DAR, and DER as well as non-financial performance measured by CSR funds. This study was conducted to see if there were differences before and after the company received PMN or additional paid-in capital. This study uses 20 experimental companies consisting of state-owned enterprises and 20 control companies which are private companies going public with the same sector as the experimental companies. The results showed that state equity participation in SOEs as experimental companies and additional paid-in capital had no effect on the company's financial performance as well as non-financial performance. This can be caused by several influencing factors. These results are also important for company management so that they can be used as a consideration in making strategic policies so that PMN or additional paid-in capital can have a positive influence on the company's financial performance and non-financial performance.

Keywords: PMN, ROA, ROE, DAR, DER, CSR

Introduction
When circumstances arise that cause financial problems and ultimately lead to bankruptcy (insolvency) in a company or business, of course, assistance and support from stakeholders are needed, one of which is the government. Governments can respond with liquidity support measures such as loans, credit guarantees, and moratoriums, as well as subsidies and transfers at lower rates (IMF, 2020). In addition, cash grants combined with deferred taxes (from future profits) or through new loans or conversion of current debt to governments are another example of equity injection (Blanchard et al., 2020). Equity injection itself can be categorized as a form of capital restructuring, namely financial restructuring (Palacin-Sanchez et al., 2023). However, such capital / equity injection is technically difficult for unregistered companies (small businesses) because it requires sufficient fiscal space, administrative capabilities, corporate responsibility, and low corruption, making it more suitable for established economies (Blanchard et al., 2020). This happens because when a company is run, the company must have a source of money or capital to carry out the company's operational and investment activities, both MSMEs and large companies such as SOEs.
State capital participation is another component of capital sources obtained by state-owned companies from the government through the Ministry of Finance of the Republic of Indonesia. PMN is the separation of government money from the state budget, as well as funds on behalf of companies or other sources, such as state-owned enterprise capital and/or other businesses to be managed corporately (PMK No. 146/PMK.06/2022). State capital participation is a form of government support as the majority shareholder to SOEs when they experience certain problems such as financial difficulties and/or when the government assigns these SOEs to provide services such as road infrastructure, transportation, microcredit, electricity, and so on.

Apriyantopo et al., (2023) in their research stated that with the provision of PMN, it is hoped that SOEs/other institutions can make readjustments due to additional capital so that they can increase the company's portfolio. However, after the provision of PMN, there are still several state-owned companies that are still losing money. This shows that the implementation of PMN has not been carried out effectively and efficiently, so it cannot provide returns as promised by the government and SOEs themselves. This further justifies the stigma circulating so far among the public which states that SOEs are companies that are less adaptive, inefficient, and also often occur corruption in the internal body of SOEs.

Table 1. State-Owned Enterprises Receiving Loss-Making PMN

<table>
<thead>
<tr>
<th>No.</th>
<th>State-owned companies</th>
<th>Total PMN Received</th>
<th>Total Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>PT Krakatau Steel Tbk</td>
<td>Rp 1.5 Triliun</td>
<td>Rp 2.96 Triliun</td>
</tr>
<tr>
<td>2.</td>
<td>PT Dirgantara Indonesia</td>
<td>Rp 2.98 Triliun</td>
<td>Rp 519 Miliar</td>
</tr>
<tr>
<td>3.</td>
<td>PT DOK Kodja Bahari</td>
<td>Rp 900 Miliar</td>
<td>Rp 273 Miliar</td>
</tr>
<tr>
<td>4.</td>
<td>PT PAL</td>
<td>Rp 2.41 Triliun</td>
<td>Rp 1.39 Triliun</td>
</tr>
<tr>
<td>5.</td>
<td>PT Sang Hyang Seri</td>
<td>Rp 400 Miliar</td>
<td>Rp 183 Miliar</td>
</tr>
<tr>
<td>6.</td>
<td>PT Pertani</td>
<td>Rp 240 Miliar</td>
<td>Rp 83 Miliar</td>
</tr>
<tr>
<td>7.</td>
<td>Perum Bulog</td>
<td>Rp 5 Triliun</td>
<td>Rp 1.92 Triliun</td>
</tr>
</tbody>
</table>

Source: (Kompas.com, 2019)

There has been an increasing trend of providing state capital participation (PMN) starting in 2020. In that year, there was a COVID-19 outbreak that had a massive impact on all industries, including the company's financial performance. According to LPPI (2021), it is stated that the provision of state capital participation or in other words capital injection from the government is a response to the threat of a possible crisis caused by the COVID-
19 pandemic, so the Government of the Republic of Indonesia responds to this by making policies in the form of National Economic Recovery (PEN).

Data as of June 20, 2020, shows that only 11% (IDR 15.5 trillion) of PEN funds are used for state capital participation, out of the total PEN funds amounting to IDR 143.63 trillion. During the covid-19 pandemic, the Central Bank of the United States (The Fed) increased the amount of short-term loans provided to banks to maintain money market stability and allow banks to have plenty of cash through government capital injections (X. Li et al., 2021). In addition, Diez et al. (2022) in their research results stated that equity injection is very effective in reducing the possibility of bankruptcy (insolvency). From 2015 to the proposed year 2024, the total distribution of state capital participation reached Rp. 402.26 trillion (bisnis.com, 2023). This shows that the funds disbursed by the Government of Indonesia through the participation of state capital have a considerable amount. This amount is expected to be realized in appropriate programs and strict monitoring and accountability from PMN recipient SOEs for this funding is needed. Research conducted by Khalfaoui and Derbali (2021) examined banks registered in Tunisia and revealed that both types of money creation, namely lending and refinancing, where equity injection is included, show a good influence on bank profitability, which is assessed from return on assets (ROA).

However, this is contrary to research conducted by Chen & Chen (2012) which shows the results that there is no significant effect of equity financing on ROA, which implies that equity injection has no effect on ROA. Research conducted by Liaqat et al. (2017) which aimed to analyze the correlation between capital structure and financial performance in the energy and petroleum industry in Pakistan revealed that there is a negative relationship between capital structure and ROE. This implies that equity injection, which is also a form of capital structure adjustment, has the potential to have a negative impact on ROE. Because with equity injection, it will increase the company’s equity, but if it is not accompanied by an increase in net income, it will make the ROE smaller. However, this is contrary to research conducted by Dinh & Pham (2020) which examined the impact of capital structure on the financial performance of pharmaceutical companies in Vietnam, finding that capital structure components such as leverage ratio, long-term asset ratio, and DAR have a positive effect on company performance represented by ROE.

Research conducted by Kusuma & Sari (2019) which aims to analyze the impact of equity financing on the performance of manufacturing companies in Indonesia revealed that there is no significant relationship between equity financing and DAR, which shows that equity injections have no effect on DAR. Research conducted by Murniati (2016) shows that DAR has a significant negative influence on stock prices. In contrast, DER shows a significant positive influence on stock prices. Thus, both DAR and DER
correlate with equity, including the participation of state capital and additional paid-up capital. Dhaliwal et al. (2011) conducted a study that aimed to investigate the correlation between voluntary non-financial disclosure, which includes CSR reporting, and costs associated with equity capital. Results show that the commencement of CSR reporting is not associated with a decrease in the cost of equity capital. This shows that the impact of capital participation as a capital structure is not significant. The correlation between shareholders' equity and corporate social responsibility (CSR) practices in the context of financing indicates that organizations that exhibit greater CSR tendencies are more likely to rely on shares as a means of financing. This implies that these companies rely on investment from existing shareholders interested in companies involved in corporate social responsibility (CSR) initiatives.

RESEARCH METHODS

Sample Data

Researchers use sample strategies based on non-probability sampling, specifically purposive sampling. Data were obtained from 41 state-owned enterprises (SOEs) as of 2022, but only 19 SOEs and 1 institution and 20 control companies, namely private companies listed on the Indonesia Stock Exchange with clusters corresponding to experimental companies that fit the requirements as samples for this study.

Data Sources

Data for this study was collected by pulling data from annual reports, financial statements, and sustainability reports that have been published by companies and institutions receiving state capital participation, as well as government regulations to find out the nominal plan for PMN distribution to SOEs/receiving institutions.

Data Collection Methods

Data collection begins with sample selection, or collection of information contained in the company's annual report and government regulations to find out which SOEs or institutions receive PMN along with the nominal PMN given. As of 2022, the number of state-owned enterprises is 41 companies (Ministry of SOEs, 2023).

The next step is to limit sample selection for SOEs and institutions that receive PMN from a certain period of time (2018 - 2022), but nevertheless from the 5-year study period, researchers only took 2 years for conditions without PMN and with PMN. If possible, the period determination is years close to and close to 2023.
Research Variables

<table>
<thead>
<tr>
<th>Variable Categories</th>
<th>Variable</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Variables</td>
<td>ROA</td>
<td>ROA = EAT/Total Assets</td>
</tr>
<tr>
<td></td>
<td>ROE</td>
<td>ROE = EAT/Equity</td>
</tr>
<tr>
<td></td>
<td>DAR</td>
<td>DAR = Total Liabilities/Total Assets</td>
</tr>
<tr>
<td></td>
<td>DER</td>
<td>DER = Total Liabilities/Equity</td>
</tr>
<tr>
<td>Variable Dependencies</td>
<td>CSR</td>
<td>Funds channeled by the company for CSR activities (CSR expenses).</td>
</tr>
<tr>
<td>Independent Variables</td>
<td>PMN</td>
<td>Capital in cash or non-cash form sourced from the Government through the Ministry of Finance of the Republic of Indonesia and expressed in Rupiah or other forms.</td>
</tr>
<tr>
<td>Control Variables</td>
<td>REV</td>
<td>Natural logarithm (ln) of company revenue.</td>
</tr>
<tr>
<td></td>
<td>SIZE</td>
<td>Company size measured using the natural logarithm (ln) of company assets.</td>
</tr>
</tbody>
</table>

Source: Peneliti (2023)

Research Hypothesis

Ho1: There is no difference in ROA after state capital participation or additional paid-up capital; PMN has no effect on ROA.
Ha1: There is a difference in ROA after state capital participation or additional paid-up capital; PMN has an effect on ROA.

Ho2: There is no difference in ROE after state capital participation or additional paid-up capital; PMN has no effect on ROE.
Ha2: There is a difference in ROE after state capital participation or additional paid-up capital; PMN has an effect on ROE.

Ho3: There is no difference in DAR after state capital participation or additional paid-up capital; PMN has no effect on DAR.
Ha3: There are differences in DAR after state capital participation or additional paid-up capital; PMN affects DAR.

Ho4: There is no difference in DER after state capital participation or additional paid-up capital; PMN has no effect on DER.
Ha4: There are differences in DER after state capital participation or additional paid-up capital; PMN affects DER.

Ho5: There is no difference in CSR after state capital participation or additional paid-up capital; PMN has no effect on CSR.
Ha5: There are differences in CSR after state capital participation or additional paid-up capital; PMN has an influence on CSR.
RESULT AND DISCUSSION

Explanatory Analysis

<table>
<thead>
<tr>
<th>No.</th>
<th>BUMN</th>
<th>Year of Observation</th>
<th>Purpose of PMN</th>
<th>Company Performance Implications</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PT PLN</td>
<td>2022</td>
<td>Increase funding capacity to continue electricity infrastructure development.</td>
<td>The ratio of electrified villages reached 90.79%.</td>
<td>PMN affects the company's performance.</td>
</tr>
<tr>
<td>2</td>
<td>PT Hutama Karya</td>
<td>2020</td>
<td>To support PEN and continue the assignment of accelerating toll road development in Sumatra.</td>
<td>8 of the 15 toll roads built are 100% operational.</td>
<td>PMN affects the company's performance.</td>
</tr>
<tr>
<td>3</td>
<td>AirNav</td>
<td>2020</td>
<td>To improve the company's capital structure derived from the transfer of BMN to the Ministry of Transportation.</td>
<td>There was a decrease in total assets by 17.08%.</td>
<td>PMN has no effect on the company's performance.</td>
</tr>
</tbody>
</table>

Uji Non-Parameteric

Non-Parametric Test Data Analysis

(Wilcoxon Test)

Normality Test

Before conducting the t-test, it is necessary to conduct a normality test on the variables used in this study to ensure data compliance with the normal distribution. A normality test is performed to verify the compliance of the data used with the normal distribution. The normality test is performed using statistical tests of skewness and kurtosis.

<table>
<thead>
<tr>
<th>Type/Group</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Sig.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>0,2369</td>
<td>0,8093</td>
<td>0,4461</td>
<td>Normal</td>
</tr>
<tr>
<td></td>
<td>0,0862</td>
<td>0,0282</td>
<td>0,0319</td>
<td>Abnormal</td>
</tr>
<tr>
<td>ROE</td>
<td>0,6722</td>
<td>0,0070</td>
<td>0,0354</td>
<td>Abnormal</td>
</tr>
<tr>
<td></td>
<td>0,1463</td>
<td>0,1058</td>
<td>0,0926</td>
<td>Normal</td>
</tr>
<tr>
<td>DAR</td>
<td>0,0003</td>
<td>0,0011</td>
<td>0,0002</td>
<td>Abnormal</td>
</tr>
<tr>
<td>Type/Group</td>
<td>Skewness</td>
<td>Kurtosis</td>
<td>Sig.</td>
<td>Result</td>
</tr>
<tr>
<td>------------</td>
<td>----------</td>
<td>----------</td>
<td>-------</td>
<td>-----------</td>
</tr>
<tr>
<td>With PMN</td>
<td>0,0046</td>
<td>0,0499</td>
<td>0,0082</td>
<td>Abnormal</td>
</tr>
<tr>
<td>DER</td>
<td>0,5062</td>
<td>0,7960</td>
<td>0,7667</td>
<td>Normal</td>
</tr>
<tr>
<td>With PMN</td>
<td>0,9111</td>
<td>0,7556</td>
<td>0,9468</td>
<td>Normal</td>
</tr>
<tr>
<td>CSR</td>
<td>0,5572</td>
<td>0,3782</td>
<td>0,5415</td>
<td>Normal</td>
</tr>
<tr>
<td>With PMN</td>
<td>0,2100</td>
<td>0,9400</td>
<td>0,4162</td>
<td>Normal</td>
</tr>
</tbody>
</table>

Source: Peneliti (2023)

**Table 5. Control Company Variable Normality Test Results**

<table>
<thead>
<tr>
<th>Jenis/Kelompok</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Sig.</th>
<th>Hasil</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>*) TTMDS</td>
<td>0,3421</td>
<td>0,0581</td>
<td>0,1008</td>
</tr>
<tr>
<td></td>
<td>**) DTMDS</td>
<td>0,4698</td>
<td>0,2944</td>
<td>0,4054</td>
</tr>
<tr>
<td>ROE</td>
<td>*) TTMDS</td>
<td>0,4918</td>
<td>0,0351</td>
<td>0,0864</td>
</tr>
<tr>
<td></td>
<td>**) DTMDS</td>
<td>0,0693</td>
<td>0,6499</td>
<td>0,1464</td>
</tr>
<tr>
<td>DAR</td>
<td>*) TTMDS</td>
<td>0,0002</td>
<td>0,0012</td>
<td>0,0002</td>
</tr>
<tr>
<td></td>
<td>**) DTMDS</td>
<td>0,0001</td>
<td>0,0010</td>
<td>0,0001</td>
</tr>
<tr>
<td>DER</td>
<td>*) TTMDS</td>
<td>0,1077</td>
<td>0,4392</td>
<td>0,1659</td>
</tr>
<tr>
<td></td>
<td>**) DTMDS</td>
<td>0,0348</td>
<td>0,2900</td>
<td>0,0681</td>
</tr>
<tr>
<td>CSR</td>
<td>*) TTMDS</td>
<td>0,0430</td>
<td>0,3661</td>
<td>0,0865</td>
</tr>
<tr>
<td></td>
<td>**) DTMDS</td>
<td>0,0477</td>
<td>0,4798</td>
<td>0,1037</td>
</tr>
</tbody>
</table>

*) No Additional Paid-up Capital  
**) With Additional Paid-up Capital  
Source: Peneliti (2023)

**Uji Non-Parametrik (Wilcoxon Test)**

The Wilcoxon test is used to ascertain the statistical significance of the difference between the average returns of the two periods in each variable, namely when there is no state capital participation/additional paid-up capital and when there is state capital participation/additional paid-up capital. In accordance with the data shown in table 4 and table 5 that both the experimental company and the control company showed an abnormal distribution of data so a non-parametric test was used. The value will be considered influential or there is a difference when statistically the probability of significance (Sig.) is less than 0.05. Based on findings/observations/results
Research if the value of prob > |z| of all samples greater than 0.05, the results of the dependent sample Wilcoxon test show that the null hypothesis (H0) is accepted and the alternative hypothesis (Ha) is rejected.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Experimental Company</th>
<th>Control Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig.</td>
<td>Result</td>
</tr>
<tr>
<td>ROA</td>
<td>0.2602</td>
<td>Insignificant</td>
</tr>
<tr>
<td>ROE</td>
<td>0.1767</td>
<td>Insignificant</td>
</tr>
<tr>
<td>DAR</td>
<td>0.1614</td>
<td>Insignificant</td>
</tr>
<tr>
<td>DER</td>
<td>0.6011</td>
<td>Insignificant</td>
</tr>
<tr>
<td>CSR</td>
<td>0.2471</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

Source: Peneliti (2023)

Discussion of Non-Parametric Test Results (Wilcoxon Test)

The Effect of State Capital Participation/Additional Paid-up Capital on Return on Assets

According to Menicucci & Paolucci (2016) in their research that conducted empirical investigations to examine the factors affecting bank profitability in the European banking industry noted that ROA serves as a fundamental measure of the capacity of bank managers to generate profits from financial assets and tangible assets are not affected by high levels of equity. In this case, the provision of additional capital (equity injection) such as PMN or additional paid-up capital does not have a significant effect on ROA. Perri & Cela (2022) also mentioned the same thing in their research, namely that there is no significant influence between capital structure and ROA. Construction businesses in Albania largely rely on short-term debt as a means to finance their operations.

Effect of State Capital Participation/Additional Paid-up Capital on Return on Equity

This result is in accordance with research conducted by Setyadi & Raharjo (2020) which examines state capital participation and its effect, one of which is on return on equity, stating that the reason for the non-influence of PMN on profitability, which in this case is measured by ROE, is caused by infrastructure assets that have been allocated by the government to be built by PT. KAI has not been fully completed, thus hampering revenue generation for the company.

Effect of State Capital Participation/Additional Paid-up Capital on Debt to Asset Ratio

The results also stated that there was no difference in DAR in companies, both in samples of experimental companies and control companies when without or with equity injections such as PMN or additional paid-up capital. This is because the calculation of DAR involves dividing the company's total debt by its total assets. The potential impact of injecting more capital into the company against the DAR may not be
immediately apparent if the cash injected is in the form of stock rather than debt. Equity does not contribute to the debt component in this ratio, but rather only adds to the number of assets. Therefore, if a company acquires additional capital through equity, the Debt Asset Ratio (DAR) may not change, provided that the addition of assets is commensurate with the addition of equity.

**Effect of State Capital Participation/Additional Paid-up Capital on Debt-to-Equity Ratio**

Based on the test in this study found that capital injection has no effect on DER with an insignificant output value. This is because DER is a financial metric that measures the relative allocation of equity and debt used by a company to fund its assets. The term "Additional Paid-up Capital" is one of them such as the participation of state capital for mention in state-owned companies, relating to funds obtained by the company from shareholders that exceed the nominal value of the company's shares. The absence of a direct impact of additional paid-up capital on DER can be attributed to the additional classification of paid-up capital within the equity section of the balance sheet, rather than in the debt section.

Nevertheless, it is very important to know that although the additional paid-up capital does not have a direct impact on the DER, it may have an indirect influence on the financial health of the company and its ability to use leverage in diverse ways. For example, if a company uses additional paid-up capital to settle its outstanding obligations, this will result in an overall reduction in debt, effectively reducing the DER. In another concept, the participation of state capital cannot be used to pay the company's short-term debt. Because the allocation of PMN itself has been determined when it is given and mentioned in government regulations, such as to improve the company's capital structure, improve company performance, it is also given if SOEs receive assignments from the government such as building infrastructure on national strategic projects (PSN).

**Effect of State Capital Participation/Additional Paid-up Capital on Corporate Social Responsibility**

State capital participation or additional forms of paid-up capital also have no effect on CSR, which in this case is CSR expenses. This is because the priority of injecting funds / capital in a company can be influenced by several factors. One reason is that, when it has access to larger funds, companies may choose to allocate resources to other areas such as expansion, research and development, or debt reduction, rather than focusing on corporate social responsibility (CSR) initiatives. Companies can certainly prioritize profit maximization for their shareholders, especially when their goals are profit-centered. In such cases, corporate social responsibility (CSR) efforts may not be prioritized, regardless of the amount of financial resources invested.

This is in line with research conducted by Hirsch et al. (2023) which states that there is a limited relationship
between corporate social performance (CSP) and corporate financial performance (CFP) or insignificant. Where PMN itself is not only an injection, but also a form of capital structure that is closely related to the company's financial performance. This implies that the correlation between corporate social performance (CSP) and corporate financial performance (CFP) is only marginally favorable.

**Discussion of Unbalanced Data Panel Regression Test Results**

**Table 7. Descriptive Test**

<table>
<thead>
<tr>
<th>PMNTM</th>
<th>REV</th>
<th>SIZE</th>
<th>ROA</th>
<th>ROE</th>
<th>DAR</th>
<th>DER</th>
<th>CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>6,09</td>
<td>15,07</td>
<td>16,29</td>
<td>1,63</td>
<td>-2,09</td>
<td>24,98</td>
<td>125,96</td>
</tr>
<tr>
<td>Max.</td>
<td>17,54</td>
<td>20,47</td>
<td>21,22</td>
<td>14,54</td>
<td>30,30</td>
<td>95,48</td>
<td>2112,24</td>
</tr>
<tr>
<td>Min.</td>
<td>0,00</td>
<td>9,64</td>
<td>10,23</td>
<td>-11,44</td>
<td>-170,61</td>
<td>0,85</td>
<td>1,55</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>6,61</td>
<td>2,15</td>
<td>2,31</td>
<td>4,20</td>
<td>26,06</td>
<td>29,28</td>
<td>335,86</td>
</tr>
<tr>
<td>Obs.</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Peneliti (2023)

**Table 8. Results of Hypothesis Test (Test t)**

<table>
<thead>
<tr>
<th>Variabel</th>
<th>ROA</th>
<th>ROE</th>
<th>DAR</th>
<th>DER</th>
<th>CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMNTM</td>
<td>0,51</td>
<td>0,48</td>
<td>0,71</td>
<td>0,48</td>
<td>0,80</td>
</tr>
<tr>
<td>REV</td>
<td>0,04</td>
<td>0,32</td>
<td>0,07</td>
<td>0,01</td>
<td>0,32</td>
</tr>
<tr>
<td>SIZE</td>
<td>0,08</td>
<td>0,26</td>
<td>0,00</td>
<td>0,00</td>
<td>0,11</td>
</tr>
<tr>
<td>Ho</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
</tr>
<tr>
<td>Ha</td>
<td>Rejected</td>
<td>Rejected</td>
<td>Rejected</td>
<td>Rejected</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Source: Peneliti (2023)

**Table 9. Simultaneous Test Results (Test F)**

<table>
<thead>
<tr>
<th>Variabel</th>
<th>ROA</th>
<th>ROE</th>
<th>DAR</th>
<th>DER</th>
<th>CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-STAT</td>
<td>1,77</td>
<td>0,53</td>
<td>4,80</td>
<td>4,20</td>
<td>12,43</td>
</tr>
<tr>
<td>PROB.</td>
<td>0,16</td>
<td>0,66</td>
<td>0,00</td>
<td>0,01</td>
<td>0,00</td>
</tr>
<tr>
<td>R-SQUARED</td>
<td>0,07</td>
<td>0,02</td>
<td>0,16</td>
<td>0,14</td>
<td>0,33</td>
</tr>
</tbody>
</table>

Source: Peneliti (2023)

Based on the results of regression tests that have been conducted, it was found that state capital participation (PMN) in state-owned enterprises (SOEs) and additional paid-in capital (APIC) or additional paid-in capital in public private companies have no influence on company performance represented by the ratios in this study, namely ROA, ROE, DAR, DER, and CSR. This is in line with the results of research conducted by Maimunah et al. (2022) which examined how does state equity participation contribute to...
The performance of state-owned enterprises in Indonesia. In his research, it was stated that state equity participation did not affect the company's performance. The limited availability of PMN disbursements at the beginning of the fiscal year has burdened SOEs, thus hampering their capacity to engage in investment activities and effectively utilize their assets to generate income and achieve profits (Kim, 2018).

The findings are in line with previous scientific research that has identified a lack of correlation between government subsidies and the financial performance of state-owned enterprises (SOEs). This shows that the increase in capital investment does not provide a commensurate improvement in the company's financial performance (Nugroho, 2019). Another study that is also in line with Wijaya & Andriani's (2020) research states that the government has provided state capital participation (PMN) to facilitate the reconstruction and restructuring of state-owned enterprises (SOEs). However, the PMN provided does not consistently increase the profitability of state-owned enterprises (SOEs). This has something to do with the ownership of SOEs themselves, whose minimum shares of 51% are held/controlled by the state through the Ministry of State-Owned Enterprises. State ownership is a prominent manifestation of centralized control observed in some countries (Azar et al., 2021). Where SOEs are often characterized by inefficiencies because the main motivation is political goals. As a result, these companies incur losses that contribute to the economic deficit (Hodge, 2018). In addition, the influence of state ownership or involvement in a company's shares on its performance is very small. Inadequate resource allocation and limited expertise of the state and its representatives contribute to the lack of monitoring and supervision of SOE performance management (Eforis, 2018).

It can be said that state capital participation (PMN) is a form of government support to SOEs in the form of long-term investment. Thus, it does not necessarily have a direct influence on the company's performance both financially and non-financially, considering that new investment returns can be seen in the long term. The timeline for granting PMN can also affect the execution of these realizations. For example, if the disbursement of PMN is at the end of the year, then the funds can only be realized the following year, so that it does not have an effect on the company's performance in the year the PMN is given.

**CONCLUSION**

In this study, it was found that if reviewed in detail using an explanatory approach, state capital participation has a significant influence on related SOEs. This is because the provision of state capital participation through the Ministry of Finance of the Republic of Indonesia has special objectives that must be carried out by these SOEs. Of the 20 SOEs sampled in this study who are recipients of PMN, 19 of them noted that the objectives stated in government regulations for the addition of PMN have succeeded in stimulating the progress of
the project and ultimately have implications for company performance. The government also hopes that with PMN, SOEs can make positive contributions to the state such as providing dividends paid to the state, increasing economic activities around the work areas of related SOEs, expanding employment, and so on. However, PMN is not sensitive to the company's financial and non-financial performance represented by financial ratios and CSR distribution if it uses a statistical approach both non-parametric tests and regression tests. This is due to the participation of state capital, or capital injection is more investment and long-term. The effect generated by the additional capital is long-term and only seen a few years later when the capital has been spent to become a productive asset so as to provide returns for the company. In addition, many factors affect the company's profitability, not necessarily the provision of PMN or capital injection guarantees that the company's performance will increase, or vice versa when it does not get capital injection.

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