



The role of good corporate governance in mediating the effect of planning, coordination, supervision, and organizational culture on firm performance and firm sustainability

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Abstract

This study aims to examine, analyze the effect of the planning, coordination, supervision, organizational culture on firm performance, firm sustainability. And the good corporate governance as mediating. This study uses a survey method with a quantitative approach, and the method used was a survey, so primary data collection was done using questionnaires. The study was conducted at a cement company known as PT Semen Indonesia Group that operates in Indonesia. Respondents in this study were 184 people. Data were analyzed using a descriptive analysis and Partial Least Square (PLS) employing the WarpPLS computer program. The results of the study indicate that there is significant influence between the planning function on GCG, that there is significant influence between coordination function on GCG, that there is not significant influence between supervision function on GCG, that there is significant influence between organizational culture on GCG, that there is significant influence between GCG on firm performance, that there is significant influence between GCG on firm sustainability. The development of the firm performance and firm sustainability model is basically an alignment of the theory of resource-based view (RBV) to companies in Indonesia, especially PT. Semen Indonesia. This is the renewed idea or ideas that become the novelty of this research.

Keywords Good corporate governance · Supervision function · Planning function · Coordination function · Organizational culture · Firm performance · Firm sustainability

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1 Introduction

Improving the performance and sustainability of companies, departments, business teams, and the overall organization can be achieved through a comprehensive goal-setting approach. A goal is a performance and sustainability target that an employee or a team or department and business unit or even a company (organization) is trying to achieve through a series of activities directed in an integrated, efficient, and effective manner. Management at the corporate level includes the process of setting and implementing corporate objectives in the context of the social, regulatory, and market environment; it refers to the methods and procedures to ensure that the company operates in a manner that will achieve its objectives. (Gillan, 2006).

Coordination plays a huge role in the success of an organization. Managers must be able to coordinate human resources and other resources of the organization to create a unified view of each member of the organization on the expected common goal as the overall objectives of the company—thereby supporting the quality of the management system. One organizational strategy is coordination with various stakeholders that the organization can cope with major changes in the organizational environment (Meyer, 2000). Supervision will be a function performed to reflect the pattern of an organization, such as employee activities that must be reflected in the organizational structure or that each department must develop its standards. Therefore, supervision becomes an important aspect of empowering the management system or corporate governance of an organization to achieve its goals (Stojanovic, 2018). Organizational culture is a company's personality that grows by a value system that creates norms regarding behavior that are reflected in the perceptions, attitudes, and behavior of people in the organization or company. Organizational culture that is truly managed as a management tool will have an effect and be a driving force for employees to behave positively, be dedicated and productive. Cultural values are not visible, but are the forces that drive behavior to produce work effectiveness.

PT Semen Indonesia is one of the many growing companies in Indonesia; it has long been recognized as the biggest cement producer in the country. On December 20, 2012, previously known PT Semen Gresik (Persero) changed its name, to PT Semen Indonesia. On August 7, 1957, PT Semen Gresik was officially opened by the first president of Indonesia. The installed capacity is 250,000 tons of cement per year. The company was listed on the Jakarta Stock Exchange and Surabaya Stock Exchange on July 8, 1991. That it was the first state-owned enterprise to become a public company by selling 40 million shares to the public. In common, companies aim to have high performance and to be sustainable; this is relevant to the resource-based view (RBV) theory (Barney, 1986) that plays an important role in strategic management. RBV states that a company will achieve a sustainable competitive advantage if it has valuable, unique, rare, and difficult to imitate resources. RBV considers that a company's resources and capabilities are important for itself because they are the basis of the company's competitiveness and performance.

The followings present previous studies related to firm performance and firm sustainability. Confirm that the effect of planning on good corporate is significant. Stojanovic, (2018) confirm that coordination affecting the good corporate governance is significant. Suggest that the effect of supervision on good corporate is significant. Evans et al., (2018) affirm that the effect of organizational culture on good corporate is significant. Adebayo et al. (2014) and Elbannan and Elbannan (2014) find that the effect of the effect of good corporate governance on firm performance is significant, and Al-Azzam et al. (2015) and James-Overheu and Cotter (2009) find that the effect of good corporate governance on

firm sustainability is significant. Based on the results of previous studies, it is expected and believed that planning, coordination, supervision, and organizational culture affect firm performance and firm sustainability through good corporate governance; in other words, good corporate governance acts as a mediating variable. The novelty of the present study was in the development of the model of firm performance and firm sustainability by involving planning, coordination, supervision, and organizational culture as independent variables and by positioning corporate governance as a mediating variable. The development of the model is an alignment of RBV to companies in Indonesia, especially PT Semen Indonesia.

2 Literature review

The grand theory of the present study was strategic management. The conceptual approach was supported by the mid-range theory that was RBV. The applied theories used in this study were theories related to planning, coordination, supervision, organizational culture, good corporate governance, firm performance, and firm sustainability. Strategic management focuses on setting organizational goals, developing policies and planning to achieve them and allocating resources to implement policies and plan organizational goals. The basic idea of RBV is that companies are different because each has a certain number of unique resources. Paulus and Murdapa (2018) mentions that RBV recognizes the ability of internal resources and their exploitation to bring out competitive advantages, such as the importance of planning.

Planning is a management function that involves the process of setting goals, establishing strategies to achieve these objectives, and developing plans to integrate and coordinate the activities to be carried out (Robbins & Coulter, 2012). Coordination, according to Brech (1975), aims to balance and move the team by providing a suitable work for everyone and to ensure that the work is carried out properly and harmoniously among the members of the team. Defines coordination is a cooperative effort between agencies, units in carrying out certain tasks in such a way that there is mutual complementarity, mutual assistance, and complementarity.

Supervision is the process of supervising the implementation of activities to ensure whether these activities are running according to organizational goals and standards that have been set. Supervision is carried out by people who are competent in the field being supervised. Supervision is usually carried out by superiors to subordinates or consultants to implementers (Siagian, 2002). The role of supervision according to Ernie and Saefulah (2005), is as follows: (1) evaluating the success and achievement of goals and targets following the specified indicators; (2) taking steps to clarify and correct deviations that might be found; and (3) performing solutions to problems related to goal achievement. Hofstede et al. (1993) define organizational culture as a tool in interpreting the life and behavior of organizations. Six (6) indicators form organizational culture: (1) professionalism (quality); (2) distance from management (members consider an imbalance in the distribution of organizational power as acceptable); (3) trust in colleagues (an attitude of showing acknowledgment and belief in others); (4) orderliness (clarity of structure, direction, and goals of the organization); (5) hostility (a competitive situation among employees in the company); and (6) integration (an act of bringing different parts together until to form a unity). The indicators are a measuring tool to find out the effect of organizational culture on employee organizational commitment.

Corporate governance is a system that can control and regulate the company and provide added value to all stakeholders. The implementation of good corporate governance will affect the achievement of company value. Companies must ensure to investors that the funds they invest are for the company's financing, investment and growth activities that are used appropriately and efficiently, and ensure that management takes the best actions for the company's interests. Transparency, accountability, responsibility, independence, and fairness are all concepts that should be applied to corporate governance. The number of commissioners, the independence of the board of commissioners, the size of the board of directors, and the presence of an audit committee are all part of the corporate governance mechanism. The application of GCG principles and mechanisms is expected to provide supervision to company managers to be more effective so as to improve company performance and company value. The good corporate governance system implemented by the company is expected to improve the company's performance for the better, so that it is also expected to increase the company's stock price as an indicator of company value. (Cadbury, 1992; Shleifer & Vishny, 1997).

The implementation of an activity, program, or policy in achieving the organization's goals and objectives is referred to as performance. Organizational performance refers to effectiveness in achieving organizational goals, efficiency that considers the relationship of outputs and inputs needed in achieving outputs, and adaptation that reflects an organization's ability to adjust to environmental changes (Homburg et al., 1999). The performance of a company can be seen from the effectiveness of the products it sells and the way it offers the product to customers. The role of management is to produce activities that can contribute to achieving superior organizational performance.

3 Research method and hypotheses

This study was explanatory research employing the quantitative approach. The method used was a survey, so primary data collection was done using questionnaires. This study was designed to answer the research problems, to achieve the research objectives, and, at the same time, to test hypotheses. The study was conducted at a cement company known as PT Semen Indonesia Group that operates in Indonesia. The sample unit of this study was the organization. The population was all organizations in the form of holding companies, subsidiaries, and affiliated companies within PT Semen Indonesia Group. Our respondents included 184 people. Data were collected using a single-blind method—this means that the researcher knows who the research respondent is, yet the respondent does not know who is doing the research. This was done to ensure the objectivity of respondents in filling out the questionnaire to obtain valid data. Data were analyzed using a descriptive analysis and Partial Least Square (PLS) employing the WarpPLS computer program. The research hypothesis model based on the background of the study is presented in Fig. 1.

The followings are the hypotheses in the present study:

- H1: Planning significantly affects good corporate governance.
- H2: Coordination significantly affects good corporate governance.
- H3: Supervision significantly affects good corporate governance.
- H4: Organizational culture significantly affects good corporate governance.
- H5: Good corporate governance significantly affects Firm Performance.
- H6: Good corporate governance significantly affects Firm Sustainability.

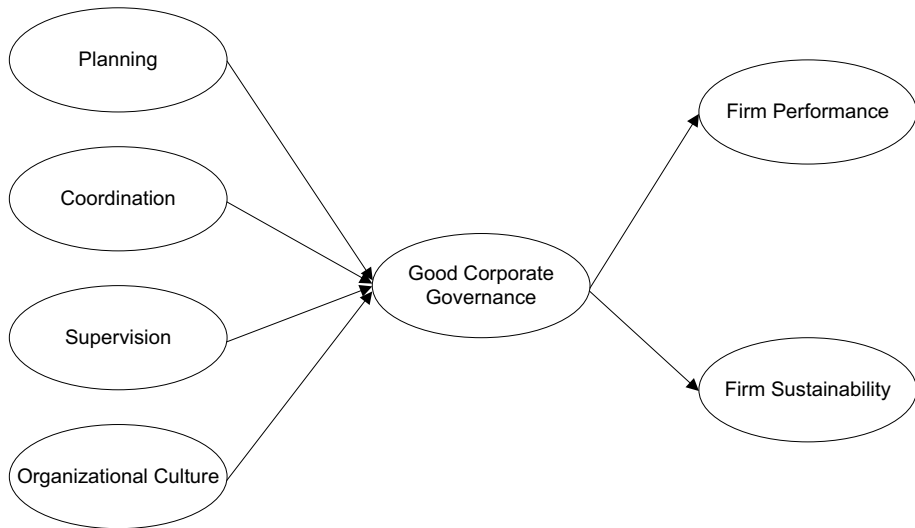


Fig. 1 Conceptual framework

4 Result and discussion

4.1 Validity and reliability of the questionnaires

Items in the questionnaire were valid and reliable, so they can be used to measure research variables.

The four (4) indicators had a high average value from 3.95 to 4.42 (Table 1). The indicator X11 had an average value of 4.42, while the highest average value was for X112, which was 4.46. The indicator X12 had an average value of 4.09, while the highest average value was for X121 and X122 (Table 2), which was 4.13. The indicator X13 had an average value of 3.94, while the highest average value was for X133, which was 4.04. The indicator X14 had an average value of 4.10, while the highest average value was for X141, which was 4.15. In sum, the planning variable (X1) also had a high average value, which was 4.14.

The ten (10) indicators had a medium to high average value from 3.36 to 4.13. The indicator X21 had an average value of 3.77. The X23 indicator had an average value of 4.05.

Table 1 The results of the validity test on the research variable. *Source* Primary Data Processed

Variable	Cronbach's Alpha	Conclusion
Planning Function (X1)	0.926	Valid, Reliability
Coordination Function (X2)	0.917	Valid, Reliability
Supervision Function (X3)	0.906	Valid, Reliability
Budaya Organisasi (X4)	0.951	Valid, Reliability
<i>Good corporate governance</i> (Y1)	0.957	Valid, Reliability
<i>Firm Performance</i> (Y2)	0.942	Valid, Reliability
<i>Firm Sustainability</i> (Y3)	0.924	Valid, Reliability

Table 2 Means of variables.
Source: Primary Data Processed

Variable	Average
Planning Function (X1)	4.14
Coordination Function (X2)	3.92
Supervision Function (X3)	3.91
Budaya Organisasi (X4)	3.65
Good corporate governance (Y1)	3.94
Firm Performance (Y2)	3.86
Firm Sustainability (Y3)	4.08

The indicator X25 had an average value of 4.05. The indicator X26 had an average value of 4.04. The indicator X27 indicator had an average value of 4.13. The indicator X28 had an average value of 3.98. The indicator X29 had an average value of 4.00. The indicator X210 had an average value of 3.36. To sum up, the coordination variable (X2) also had a high average value, which was 3.92. The supervision variable (X3) also shows a high average value, which was 3.65.

The six (6) indicators had a high average value from 3.05 to 4.15. The indicator X41 had an average value of 3.85. The indicator X42 had an average value of 3.44. The indicator X43 had an average value of 4.00. The indicator X44 had an average value of 3.69. The indicator X45 had an average value of 3.11. The indicator X46 had an average value of 3.85. Hence, the organizational culture variable (X4) also had a high average value, which was 3.65. The corporate governance variable (Y1) also had a high average value, which was 3.70. The Firm Performance variable (Y2) also had a high average value of 3.86. The Firm Sustainability variable (Y3) also had a high average value of 4.08.

5 Model fit and quality indices

The model fit test is used to see how well sample data fit a distribution from a population with a normal distribution. The theoretical model in the conceptual framework of the study is said to be good if supported by empirical data.

Table 3 confirms that the model had a good fit, where the p value for APC (0.039), ARS (0.297), and AARS (0.269), which was smaller or equal to 0.05. Likewise, the value of AVIF of 1.365 and AFVIF of 1.371; the result was smaller or equal to 5, in which the ideal is smaller or equal to 3.3. Therefore, it can be said that there was no multicollinearity between indicators and between exogenous variables. The resulting GoF value was 0.412, which was greater than 0.36 and this means that the model fit was very good. The index value SPR was 1, RSCR was 1, SSR was 1, and NLBCDR was 1, which means there was no causality in the model. To sum up, the model fitted the data that further testing could be done.

The feasibility of the research model can be revealed by looking at the multivariate determination coefficient expressed by Q-Square (Q2) (Table 4). In this study, the Q-Square is used as a measure of the goodness of fit model that has been formed previously; about how its explain the phenomenon raised in this study.

Table 3 Model fit

No	Fit Model / Quality Index	Score	Criteria	Information
1	Average path coefficient	The score of APC is 0.309 <i>p</i> -value of APC is 0.006	<i>p</i> -value less than 0.05	Significant
2	Average R-squared	The score of ARS is 0.297 <i>p</i> -value of ARS is 0.007	<i>p</i> -value less than 0.05	Significant
3	Average adjusted R-squared	The score of AARS is 0.269 <i>P</i> -value of AARS is 0.012	<i>p</i> -value less than 0.05	Significant
4	Average block VIF	The score of AVIF is 1.365	<i>Acceptable</i> if AVIF ≤ 5 ideal if AVIF ≤ 3.3	Ideal
5	Average full collinearity VIF	The score of AFVIF is 1.371	<i>Acceptable</i> if AFVIF ≤ 5 ideal if AFVIF ≤ 3.3	Ideal
6	Tenenhaus GoF	The score of GoF is 0.412	Small if GoF ≥ 0.1 Medium if GoF ≥ 0.25 High if GoF ≥ 0.36	High
7	Sympson's paradox ratio	The score of SPR is 1.000	<i>Acceptable</i> if SPR ≥ 0.7 Ideal if SPR = 1	<i>Acceptable</i>
8	R-squared contribution ratio	The score of RSCR is 1.000	<i>Acceptable</i> if RSCR ≥ 0.9 ideal RSCR = 1	<i>Acceptable</i>
9	Statistical suppression ratio	The score of SSR is 1.000	<i>Acceptable</i> if SSR ≥ 0.7	<i>Acceptable</i>
10	Nonlinear bivariate causality direction ratio	The score of NLBCDR is 1.000	<i>Acceptable</i> if NLBCDR ≥ 0.7	<i>Acceptable</i>

Table 4 Coefficient of determination

Response Variable	R-squared
Y1	0.492
Y2	0.186
Y3	0.214
Coefficient of Total Determination	0.6750

The results showed a predictive-relevance value of 0.6750 or 67.50%; this indicates that the model could explain the data diversity by 67.50%, while the remaining 32.50% could be explained by other variables (not included in the model) and error. Thus, the structural model formed was appropriate.

The coefficient of influence of the planning structure (X1) on good corporate governance (Y1) is 0.322. The *p* value is 0.008. Coefficient value is positive and a *p* value of less than 0.05 (Table 5), it can be said that planning (X1) has a significant and positive influence on good corporate governance (Y1). This means that the better the planning (X1), the better the corporate governance (Y1). Thus, hypothesis 1 is accepted. The coefficient of the coordination structure (X2) on good corporate governance (Y1) is 0.328 The *p* value is 0.007. Coefficient value is positive and *p* value of less than 0.05, so it can significantly reduce the coordination (X2) has a positive influence and good corporate governance (Y1). So, it can be concluded that the better the coordination (X2), the better the corporate governance (Y1). Thus, hypothesis 2 is accepted.

The coefficient of the influence of the supervisory structure (X3) on good corporate governance (Y1) is 0.061, and the *p* value is 0.336. Coefficient value is positive and a

Table 5 The output of the inner model

Variable		Path coefficient	<i>p</i> value	Conclusion
Predictor	Response			
Planning Function (X1)	<i>Good corporate governance (Y1)</i>	0.322***	0.008	Highly Significant
Coordination Function (X2)	<i>Good corporate governance (Y1)</i>	0.328***	0.007	Highly Significant
Supervision Function (X3)	<i>Good corporate governance (Y1)</i>	0.061 ^{ns}	0.336	Not Signifikan
<i>Organizational Culture (X4)</i>	<i>Good corporate governance (Y1)</i>	0.247**	0.035	Significant
<i>Good corporate governance (Y1)</i>	<i>Firm Performance (Y2)</i>	0.432***	<0.001	Highly Significant
<i>Good corporate governance (Y1)</i>	<i>Firm Sustainability (Y3)</i>	0.463***	<0.001	Highly Significant

*signifikan pada α 10% (Weakly Significant)

**significant if α 5% (Significant)

***significant if α 1% (Highly Significant)

^{ns}Not Significant

p-value of more than 0.05, this confirms that the influence of supervision (X3) has no significant effect on good corporate governance (Y1). This means that changes in supervision (X3) will not affect good corporate governance (Y1). Thus, rejected 3 rejected. The coefficient of the structure of the influence of organizational culture (X4) on good corporate governance (Y1) is 0.247, and the p-value of the coefficient is 0.035. Coefficient value is positive and p-value of less than 0.05, it can be said that the positive and significant influence of organizational culture (X4) on good corporate governance (Y1). This means that the better the organizational culture (X4), the better the corporate governance (Y1). Thus, hypothesis 4 is accepted.

The structural coefficient on the effect of good corporate governance (Y1) on firm performance (Y2) was 0.432 and the *p* value was 0.001. Coefficient value is positive and *p* value of less than 0.05, this confirmed the significant and positive effect of good corporate governance (Y1) on firm performance (Y2). This means that the better the good corporate governance (Y1), the better the firm performance (Y2) will be. Thus, hypothesis 5 was accepted. The structural coefficient on the effect of good corporate governance (Y1) on firm sustainability (Y3) was 0.463, and the *p* value was 0.001. Coefficient value is positive and p-value of less than 0.05, this confirmed the significant and positive effect of good corporate governance (Y1) on firm sustainability (Y3). So, it can be concluded that the better the good corporate governance (Y1), the better the firm sustainability (Y3) will be. Thus, hypothesis 6 was accepted.

The absolute contribution of planning (X1) to good corporate governance (Y1) was $0.3222 \times 100\%$ or 10.37%. The absolute contribution of coordination (X2) to good corporate governance (Y1) was $0.3282 \times 100\%$ or 10.76%. The absolute contribution of supervision (X3) to good corporate governance (Y1) was $0.2472 \times 100\%$ or 6.1%. The effect of planning (X1) and coordination (X2) on good corporate governance (Y1) was relatively balanced. Thus, efforts to improve good corporate governance (Y1) must be

done by improving planning (X1) and coordination (X2); in other words, the two variables are of the same importance for corporate governance.

6 Discussion

The present study proposed six (6) hypotheses. Based on the results of research and data analysis using Structural Equation Modeling (SEM) analysis methods, five (5) hypotheses were accepted, while one (1) hypothesis was rejected through the direct influence test with a 5% significance level. The estimated value of the direct effect of planning on good corporate governance was 0.322, and the p value was 0.008; this means the effect was significant. Thus, hypothesis 1 was accepted; this means that the impact of planning on the corporate governance is positive on PT Semen Indonesia.

Planning is a management function that involves the process of setting goals, establishing strategies to achieve these objectives, and developing plans to integrate and coordinate the activities to be carried out (Robbins & Coulter, 2012). Formal company planning is more likely to be useful if it involves the whole company that the results can be applied to the strategic decision making of the company—that it will ultimately affect the total management system. Good planning can improve the quality of corporate governance (Armstrong, 1982). This study supported several previous studies, like Armstrong (1982) on the relationship between formal corporate planning and strategic decision making. This study used the quantitative method and the results confirmed that planning affected corporate governance significantly. The estimated value of the direct effect of coordination on good corporate governance was 0.328, and the p value was 0.007; this means the effect was significant. Thus, hypothesis 2 was accepted; this means that the effect of coordination on the corporate governance is positive on PT Semen Indonesia.

This study supported several previous studies, like Stojanovic (2018) that supervision becomes an important aspect in empowering the management system or corporate governance of an organization to achieve its goals. Tihanyi et al. (2014) produce important insights regarding aligning incentives, taking risks, and challenging coordination with corporate governance; the role of coordination between managerial, organizational context, as well as internal and social processes, influences changes in corporate governance over time. The directors of PT Semen Indonesia also mentioned that among the three functions, coordination had the most dominant role over good corporate governance, with training as the strongest indicator for the coordination variable. PT Semen Indonesia has been providing training related to coordination, and it must be managed well and improved as the effort to increase corporate governance. The estimated value of the direct effect of supervision on good corporate governance was 0.061, and the p value was 0.336; this means the effect was not significant. Thus, hypothesis 3 was rejected; this means that the effect of supervision on the corporate governance is positive on PT Semen Indonesia.

This finding contradicts the findings of Kontogeorgis (2018), which regulates internal audit rules for corporate governance and management which are closely related to supervision. Internal audit as part of the control function is very important for the success of corporate governance because it is one of the pillars of corporate governance. In addition, internal audit is a vital tool for the management and success of a company. The estimated value of the direct effect of organizational culture on good corporate governance was 0.247, and the p value was 0.035; this means the effect was significant. Thus, hypothesis 4

was accepted; this means that the effect of organizational culture on the corporate governance is positive on PT Semen Indonesia.

The findings on the impact of culture on corporate governance confirm this conclusion. Because there is a scarcity of research on corporate governance and related challenges in emerging economies, this study will add to what is already known by filling in the gaps. This finding also backs up Evans et al. finding's (2018). The goal of this study is to assess the overall organizational culture, assess the company's internal management based on the performance of management structure responsibilities, and establish a link between organizational culture and internal management. In terms of the strong influence of organizational culture on corporate governance, internal control on corporate governance, organizational culture on company performance, and management on company performance, our findings are comparable to Sari et al. (2017).

The estimated value of good corporate governance for the company's success is 0.432, with a p value of 0.001 indicating a significant effect. As a result, hypothesis 5 is accepted, implying that good corporate governance will have a favorable impact on PT Semen Indonesia's performance. Good corporate governance has a favorable effect on all metrics of organizational performance, according to Adebayo et al. (2014), and our research confirms this. Elbannan and Elbannan (2014) conducted research that supports the findings of this study. The relationship between quality and corporate governance is investigated in this study.

The estimated value of good corporate governance on firm sustainability was 0.463, and the p value was 0.001; this means the effect was significant. Thus, hypothesis 6 was accepted; this means that good corporate governance will have a positive impact on the firm sustainability of PT Semen Indonesia. Al-Azzam et al. (2015) examined the relationship of good governance, corporate strategies, and firm sustainability using a case study; they mentioned that corporate governance could improve the sustainability of the business as our finding did.

7 Conclusions and recommendations

Planning had a significant positive effect on good corporate governance, which means that better planning by the leaders of PT Semen Indonesia will improve the corporate governance of PT Semen Indonesia. Good planning will affect corporate governance, which is reflected in the goals and objectives of the company, the analysis of the company environment and strategies, in the evaluation and choices made by the company, the development, and as well as in the evaluation and control. The significant influence of planning on corporate governance reinforces the application of corporate governance theory (Cadbury, 1992; Shleifer & Vishny, 1997). Besides, it also strengthens and extends the application of the concepts of previous research by Armstrong (1982) and Bonn and Fisher (2005).

Coordination had a significant positive effect on the corporate governance of PT Semen Indonesia. This means that better coordination will improve corporate governance of PT Semen Indonesia, which is reflected in coordination training, information on problems faced, communicating threats, initiating solutions to problems, problem-solving, providing assistance when needed, coordination related to protection, giving authority for problem-solving; and coordination in emergencies. The results of this study strengthen and broaden the application of the concepts of previous research results by Stojanovic (2018), Tihanyi et al. (2014), Meyer (2000), and Todeva and Knoke (2005).

Supervision had no significant effect on the corporate governance of PT Semen Indonesia; this means better supervision by the leaders of PT Semen Indonesia will not affect corporate governance. The results of this study complement the Corporate Governance Theory (Cadbury, 1992; Shleifer & Vishny, 1997). The organizational culture had a significant positive effect on corporate governance of PT Semen Indonesia; this means better organizational culture will improve corporate governance of PT Semen Indonesia. The strong organizational culture of PT Semen Indonesia can be seen from professionalism, distance from management, trust in colleagues, orderliness, hostility, and integration. The findings of this study reinforce the results of previous studies from Rafiee and Sarabdeen (2012), Evans et al. (2018), Sari et al. (2017), and Vuorio et al. (2017).

Good corporate governance implemented at PT Semen Indonesia influenced firm performance; this means better corporate governance will lead to better firm performance. It can be seen from the commitment to corporate governance, the structure and function of the board of directors, control and process, transparency and disclosure, and the rights of minority shareholders. The results reinforce the resource-based view (RBV) theory (Barney, 1991), as well as expand the research results of Adebayo et al. (2014), Elbannan and Elbannan (2014), Sharma and Kanneganti (2016), Roy (2017), Farhan et al. (2017), Ciftci et al. (2019), Akbar et al. (2016), Di Angelantonio et al. (2016), and Jaffar and Abdul-Shukor (2016).

Good corporate governance implemented at PT Semen Indonesia influenced firm sustainability; this means better corporate governance will lead to better firm sustainability. The results in this study reinforce the resource-based view (RBV) theory (Barney, 1991) as well as expand the research results of Al-Azzam et al. (2015), James-Overheu and Cotter, (2009), Crowther and Lancaster (2012), Kocmanová et al. (2011), Mardjono (2005), and Ricart et al. (2005). More than 30% of respondents disagreed with the organizational culture at PT Semen Indonesia; the leaders of PT Semen Indonesia need to take the matter seriously and find out the reason for the disagreement.

To maintain and improve the performance and sustainability of PT Semen Indonesia, planning needs to be enhanced because leaders showed much disagreement on this aspect. Planning is one of the important driving factors of corporate governance that it has a good impact on firm performance and firm sustainability. Better planning means better efforts in defining goals and objectives of the company, analyzing the company environment and strategies, in evaluating and making choices, the development, and as well as in evaluating and controlling processes.

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Declarations

Conflict of interest The authors declare that they have no conflict of interest.

Ethical approval This article does not contain any studies with human participants performed by any of the authors.

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