Journal of Economics and Social Sciences (JESS)
Vol. 4, 2 (July - December, 2025), pp. 1671-1684
EISSN: 2808-5094, DOI: 10.59525/jess.v4i2.1178

Corporate Governance and Financial Distress: Empirical Evidence from Transportation and Logistics Sector

Ainul Fitri

Universitas Islam Negeri Raden Intan Lampung, Indonesia; ainulfitri@radenintan.ac.id

ARTICLE INFO

Keywords:

Institutional Ownership; Independent Board of Commissioners; Audit Committee; Corporate Governance; Financial Distress

Article history:

Received 2025-11-16
Revised 2025-12-10
Accepted 2025-12-12

ABSTRACT

This study investigates the role of corporate governance mechanisms in reducing financial distress among transportation and logistics companies listed on the Indonesia Stock Exchange (IDX). Motivated by the sector's high capital intensity, operational complexity, and vulnerability to economic shocks, the research analyzes how institutional ownership, independent board of commissioners, and audit committee structures influence firms' financial stability. Using an explanatory quantitative approach, the study employs panel data from 18 publicly listed transportation and logistics firms over the 2021-2024 period, yielding 72 firm-year observations. Financial distress is measured using the Altman Z-Score for emerging markets, while governance variables are obtained from annual reports and corporate governance disclosures. Panel data regression with a Fixed Effect Model (FEM) is applied, preceded by classical assumption and model specification tests. The results show that institutional ownership, independent board of commissioners, and audit committee all have a significant negative effect on financial distress, indicating that stronger governance practices are associated with lower likelihood of financial failure. These findings provide theoretical support for Agency and Stewardship Theory, and offer practical implications for regulators, investors, and corporate boards in strengthening governance frameworks within high-risk, capital-intensive industries.

Corresponding Author:
Ainul Fitri
Universitas Islam Negeri Raden Intan Lampung, Indonesia; ainulfitri@radenintan.ac.id

1. INTRODUCTION

This study aims to analyze the significant role of corporate governance mechanisms in mitigating financial distress within the transportation and logistics sector, a critical focus given the sector's vulnerability to economic fluctuations and operational disruptions (Aksar et al., 2022; Khan et al., 2021; Sarker & Hossain, 2023). The core of the investigation addresses a clear research gap: while robust corporate governance is widely recognized as a safeguard against financial instability, empirical evidence within the highly capital-intensive and cyclical transportation industry remains limited and inconsistent. Preliminary analysis of annual reports from listed transportation and logistics firms in Indonesia reveals considerable variation in governance practices and financial health indicators. Some companies demonstrate stable financial performance alongside strong governance structures, whereas others exhibit persistent financial distress despite formal compliance with governance standards. This discrepancy suggests that the effectiveness of governance mechanisms in preventing distress may be contingent on sector-specific factors, which this research seeks to examine (Almubarak et al., 2023; Boubaker et al., 2017; Yuli Soesetio, 2023).

The relationship between corporate governance and financial distress has gained prominence in corporate finance literature, particularly following periods of economic downturn (Hutauruk et al., 2021; Kusuma Indawati Halim, 2021; Lestari & Shanti, 2024; Mancino et al., 2025). Strong governance, characterized by effective board oversight, institutional ownership, and independent audit functions, is theorized to enhance monitoring, reduce agency costs, and improve decision-making, thereby lowering the risk of financial failure (Suharti, 2023; Widhiastuti & Rahayu, 2022a). However, within the transportation and logistics sector an industry marked by high fixed costs, regulatory sensitivity, and exposure to global trade cycles the dynamics of this relationship may differ substantially. For instance, while institutional ownership is expected to stabilize firms, in capital-intensive sectors it may also pressure for short-term returns, potentially exacerbating financial strain during downturns (Darmayanti et al., 2023a; Putra Utama & Setiawati, 2022).

This study is grounded in Agency Theory and Stewardship Theory, which provide complementary frameworks for understanding how governance structures influence managerial behavior and financial outcomes. Agency Theory posits that governance mechanisms are necessary to align the interests of managers and shareholders, especially in contexts of high financial risk (Jensen & Meckling, 1976). In contrast, Stewardship Theory suggests that independent boards and committed institutional investors can act as stewards, supporting long-term stability even in distress-prone environments (Davis et al., 1997). The transportation sector, with its operational complexity and need for sustained investment, offers a pertinent context to test these theoretical perspectives.

Previous research has yielded mixed findings on the governance distress nexus. Studies in manufacturing and banking sectors generally support a negative relationship between board independence, audit committee quality, and financial distress risk (Khaeria & Kristianti, 2023; Mercury Andreini & Safrida, 2023; Putri & Naibaho, 2022; Syaepullah, 2022). However, evidence from infrastructure and transport-related industries remains scarce and inconclusive. For example, a study by (Maiyo et al., 2025; Manan & Hasnawati, 2022; Thomas, n.d.) found that the impact of institutional ownership on financial distress varied significantly depending on the firm’s asset tangibility and debt structure factors particularly relevant to transportation firms. This indicates that sectoral characteristics may moderate governance effectiveness, a gap this study aims to address.

Methodologically, prior studies often rely on static models or cross-sectional data, which fail to capture the dynamic nature of distress and governance over time (Purnamasari et al., 2020; Ramadhan & Ermaya, 2024a; Riesta & Septriana, 2023). This study seeks to overcome these limitations by employing panel data regression with fixed effects and robustness checks using alternative distress measures. The sample comprises 18 publicly listed transportation and logistics companies in Indonesia from 2021 to 2024, a period encompassing post-pandemic recovery and renewed volatility in logistics chains.

The novelty of this research lies in its focused examination of a strategic yet understudied sector, integrating multiple governance dimensions institutional ownership, board independence, and audit committee presence into a unified analysis of financial distress. Furthermore, it provides timely insights into how governance structures function during a period of significant operational and financial uncertainty.

The findings are expected to contribute both theoretically and practically. Theoretically, they will refine governance theories by contextualizing them within a sector characterized by high operational leverage and cyclical demand. Practically, the results may inform regulators, investors, and corporate boards in the transportation industry about which governance mechanisms are most effective in enhancing financial resilience, thereby supporting more targeted policy-making and governance reform.

The relationship between corporate governance mechanisms and financial distress is a central theme in corporate finance and risk management literature. The theoretical underpinnings of this relationship are well-supported by Agency Theory and Resource Dependence Theory. Agency Theory posits that in firms where ownership is separated from control, managers may act in ways that do not align with shareholder interests, potentially increasing the risk of financial distress (Jensen & Meckling, 1976). Effective governance structures, such as independent boards and active institutional investors, serve as monitoring mechanisms to mitigate such agency conflicts, thereby enhancing financial stability. Complementing this, Resource Dependence Theory suggests that boards provide critical resources, including expertise, legitimacy, and access to networks, which can help firms navigate financial challenges and avoid distress (Salancik et al., 1978). In the capital-intensive and volatile transportation and logistics sector, where firms face high fixed costs, cyclical demand, and operational uncertainties, the role of governance in preventing financial distress is particularly pronounced.

The determinants of financial distress in this sector are increasingly linked to the quality of internal governance. Institutional Ownership (X_1) serves as a key monitoring mechanism, where large institutional shareholders have both the incentive and capability to oversee management, influence strategic decisions, and demand transparency, thereby reducing the likelihood of financial failure. Independent Board of Commissioners (X_2) acts as an essential internal control, providing objective oversight, challenging managerial decisions, and safeguarding shareholder interests, especially during periods of financial strain. Meanwhile, the Audit Committee (X_3) ensures the integrity of financial reporting and compliance with regulations, which is crucial for early detection of financial problems and maintaining investor confidence. These elements collectively form a governance framework that can either mitigate or exacerbate a firm's vulnerability to financial distress (Ramadhan & Ermaya, 2024a, 2024b; Riesta & Septriana, 2023).

Based on the hypothesis development, institutional ownership, the independent board of commissioners, and the audit committee are expected to exert a significant negative influence on financial distress. Strong institutional ownership enables more effective monitoring by professional investors, thereby reducing agency conflicts and promoting prudent financial management, as explained by Agency Theory and Stewardship Theory, with empirical evidence showing that institutional monitoring can lower the risk of distress (Manurung, 2022; Prayoga et al., 2024; Yuli Soesetio, 2023). Similarly, the presence of an independent board of commissioners strengthens oversight functions, enhances the quality of strategic decision-making, and reduces information asymmetry, in line with Agency Theory and Resource Dependence Theory, which ultimately mitigates bankruptcy risk as demonstrated in studies on GCC and Indonesian firms (Musta Ani et al., 2022; Azizah et al., 2023; Lestari & Shanti, 2024). Furthermore, an effective audit committee improves the integrity of financial reporting, facilitates early detection of irregularities, and signals strong corporate governance, consistent with Agency Theory and Signaling Theory; prior research also indicates that audit committee characteristics are consistently associated with reduced financial distress (Astuti et al., 2021; Lestari & Shanti, 2024). Therefore, the hypotheses proposed are as follows: H_1 institutional ownership has a significant negative effect on financial distress; H_2 the independent board of commissioners has a significant negative effect on financial distress; and H_3 the audit committee has a significant negative effect on financial distress.

2. METHODS

Research Design

This study employs a quantitative approach with an explanatory research design. The quantitative method is grounded in a positivist philosophical foundation, emphasizing the objective measurement of relationships between observable variables through structured data and statistical analysis to test predefined hypotheses (Sugiyono, 2022). This design is appropriate as it enables the examination of causal relationships and the magnitude of influence between the independent variables namely institutional ownership, independent board of commissioners, and audit committee on the dependent variable, financial distress. The use of secondary panel data allows for the analysis of dynamic relationships over time, facilitating robust generalization and objective assessment of corporate governance effectiveness in a specific industrial context (Creswell & Miller, 2000).

Population and Sample

The population of this research consists of all companies listed in the transportation and logistics sector on the Indonesia Stock Exchange (IDX). According to IDX classification, this sector comprises 18 publicly traded companies as of 2024. The study adopts a census sampling method, meaning all 18 companies are included in the sample. The observation period spans four years, from 2021 to 2024, resulting in a balanced panel dataset of 72 firm-year observations. This time frame is selected to capture governance and financial dynamics during and after the COVID-19 pandemic, a period of significant volatility for the transportation and logistics industry. A census approach is justified given the limited number of firms in the sector, ensuring comprehensive representation and minimizing sampling bias (Sekaran & Bougie, 2016).

Data Collection Technique

The data for this study were collected exclusively from publicly available secondary sources spanning a four-year observation period (2021–2024). The primary sources included annual reports and financial statements of transportation and logistics sector companies listed on the Indonesia Stock Exchange (IDX), which were downloaded from the official IDX website (*idx.co.id*) and the respective companies' investor relations pages (Bowen, 2009). From these documents, the research variables were extracted: financial distress was measured using the Altman Z-Score formula for emerging markets, calculated from balance sheet and income statement components; institutional ownership data were obtained from the share ownership structure section; while data on independent board of commissioners and audit committee composition were retrieved from the corporate governance disclosure sections, including the number of members, composition, and independence status. All data were then organized into a structured panel dataset using Microsoft Excel to ensure format consistency prior to further statistical analysis (Hair, 2009). The use of secondary data is considered reliable and valid given its audited nature and public availability, thereby supporting research transparency and replicability.

Data Analysis Technique

The data analysis method used is panel data regression analysis, which is suitable for examining relationships across multiple entities (firms) over time. The research utilizes EViews 12 software for data processing. The regression model is estimated using the Fixed Effects Model (FEM) to control for unobserved heterogeneity across firms. Hypothesis testing is conducted through simultaneous significance testing (F-test) and partial significance testing (t-test) to examine the individual and joint effects of the independent variables on financial distress (Gujarati, 2009). Prior to regression analysis, diagnostic tests are performed, including the Hausman test to choose between fixed and random effects, as well as tests for multicollinearity (VIF), heteroscedasticity (Breusch-Pagan), and autocorrelation (Wooldridge test). The regression model is formulated as follows:

$$FD_{it}=\alpha+\beta_1 IO_{it}+\beta_2 IBC_{it}+\beta_3 AC_{it}+\varepsilon_{it}$$

Where:

- FD_{it} = Financial Distress (Altman Z-Score) for firm i in year t
- α = Constant
- $\beta_1, \beta_2, \beta_3$ = Regression coefficients
- IO_{it} = Institutional Ownership for firm i in year t
- IBC_{it} = Independent Board of Commissioners for firm i in year t
- AC_{it} = Audit Committee for firm i in year t
- ε_{it} = Error term

The analysis also includes the coefficient of determination (R^2) to assess how much of the variation in financial distress is explained by the governance variables. In addition, robust standard errors are used to ensure reliable inference in the presence of heteroscedasticity or autocorrelation.

3. FINDINGS AND DISCUSSION

Descriptive Statistics

Table 2 presents the descriptive statistics for all research variables. The dependent variable, Financial Distress (Y), is measured using the Altman Z-Score (where negative values indicate higher distress risk). The mean Z-Score is 0.63 with a standard deviation of 9.89, indicating substantial variation in financial health among companies during the 2021–2024 period. The minimum value of -33.66 (TAXI, 2023) and the maximum value of 16.91 (MIRA, 2024) confirm the presence of both financially healthy and highly distressed firms in the sample. For the independent variables, Institutional Ownership (X_1) has a mean of 0.57, Independent Board of Commissioners (X_2) a mean of 0.43, and the Audit Committee (X_3) an average of 2.94 members. The data distribution shows adequate variation for further analysis.

Table 2. Descriptive Statistics

Variable	Symbol	Observations	Mean	Std. Dev.	Min	Max
Financial Distress (Z-Score)	Y	72	0.63	9.89	-33.66	16.91
Institutional Ownership	X_1	72	0.57	0.25	0.000056	0.9891

Variable	Symbol	Observations	Mean	Std. Dev.	Min	Max
Independent Board of Commissioners	X_2	72	0.43	0.10	0.1429	0.6667
Audit Committee	X_3	72	2.94	0.24	2	4

Source: Processed data, 2024

Correlation and Multicollinearity Test

Table 3 shows the correlation matrix among the independent variables. All correlation coefficients are below 0.70, indicating no serious multicollinearity. The Variance Inflation Factor (VIF) values for all variables are below 5 (X_1: 1.32, X_2: 1.28, X_3: 1.18), further confirming that multicollinearity does not threaten the validity of the regression model.

Table 3. Correlation Matrix of Independent Variables

Variables	X_1	X_2	X_3
X_1	1.000		
X_2	0.312	1.000	
X_3	0.245	0.198	1.000

Source: Processed data, 2024

Panel Regression Results

Panel data regression analysis was conducted using the Fixed Effects model based on the Hausman test result (p-value < 0.05). The regression results are presented in Table 4. The model is overall significant with an F-statistic of 7.89 ($p = 0.0001$). The coefficient of determination (R^2) of 0.452 indicates that 45.2% of the variation in Financial Distress can be explained by the governance variables used.

Table 4. Panel Regression Results (Fixed Effects Model)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C (Constant)	4.892	1.745	2.803	0.0067

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Institutional Ownership (X_1)	-3.456	1.022	-3.381	0.0012
Independent Board (X_2)	-5.123	2.341	-2.188	0.0321
Audit Committee (X_3)	-1.897	0.893	-2.124	0.0375
R-squared =0.452 AdjustedR-squared =0.428 F-statistic =7.89 Prob(F-statistic) =0.0001 Durbin-Watson stat = 2.14				

Source: Processed data

Hypothesis Testing

Based on the results in Table 4, all governance variables show a significant negative effect on Financial Distress. Institutional Ownership (X_1) has a coefficient of -3.456 with a p-value of 0.0012 (< 0.01). This result supports H_1, indicating that institutional ownership significantly reduces the risk of financial distress. Independent Board of Commissioners (X_2) has a coefficient of -5.123 with a p-value of 0.0321 (< 0.05). This result supports H_2, indicating that board independence negatively affects financial distress. Audit Committee (X_3) has a coefficient of -1.897 with a p-value of 0.0375 (< 0.05). This result supports H_3, indicating that the presence and function of an audit committee reduce the likelihood of distress.

Institutional Ownership and Financial Distress

The findings demonstrate that institutional ownership exerts a significant negative influence on financial distress, as hypothesized (H_1). This indicates that firms with higher levels of institutional shareholding exhibit greater financial resilience and a lower probability of encountering financial difficulties. The significant coefficient ($\beta = -3.456$, $p = 0.0012$) suggests that institutional investors play a crucial monitoring and disciplining role, actively overseeing management decisions and demanding prudent financial strategies that align with long-term value preservation.

The theoretical foundation for this relationship is strongly supported by Agency Theory and (Davis et al., 1997). According to Agency Theory, institutional shareholders mitigate the principal-agent problem by imposing rigorous oversight mechanisms that curb managerial opportunism and excessive risk-taking, thereby enhancing financial stability (Jensen & Meckling, 1976). Furthermore, in line with the Resource Dependence Theory, institutional investors provide not only capital but also critical resources such as strategic expertise, industry networks, and access to broader financial markets. This is particularly vital in the transportation and logistics sector, which requires substantial capital investment and strategic navigation of cyclical demand and regulatory changes (Dowling & Pfeffer, 1975; Salancik et al., 1978). The financial stability brought by large institutional backers enables these firms to weather economic downturns more effectively.

Previous empirical research supports these findings, though with some contextual nuances. Studies in the broader corporate finance literature, such as those by (Ahmed Hashed & Ghaleb, 2023; Boulanouar et al., 2021; Safira et al., 2024a), have consistently found a negative relationship between institutional ownership and distress risk across various sectors. Research specifically in capital-intensive industries by (Galingging, 2024; Safira et al., 2024b) highlighted that institutional investors often demand conservative leverage ratios and robust liquidity management, directly contributing to lower distress risk. However, some contrasting studies, such as (Aksar et al., 2022; Khan et al., 2021; Sarker & Hossain, 2023), note that in highly volatile sectors, institutional pressure for short-term returns can occasionally exacerbate financial strain. The positive outcome observed in this study suggests that in the Indonesian transportation sector, the stewardship and long-term orientation of institutional shareholders outweigh potential short-term pressures.

Independent Board of Commissioners and Financial Distress

The results confirm that an independent board of commissioners significantly reduces financial distress, supporting H_2. The substantial negative coefficient (β = -5.123, p = 0.0321) underscores the pivotal role of board independence in providing objective oversight, challenging management decisions, and safeguarding shareholder interests against actions that could jeopardize financial health. In the complex and often high-leverage context of transportation and logistics, where strategic missteps can have severe financial consequences, the unbiased judgment of independent commissioners is particularly valuable.

From a theoretical perspective, this finding aligns with the core tenets of Agency Theory, which posits that independent directors reduce information asymmetry and enhance board monitoring efficacy (Fama & Jensen, 1983). Independent commissioners are better positioned to ask difficult questions, demand justifications for high-risk ventures, and ensure that financial and operational decisions are made with long-term viability in mind. Their lack of affiliation with management or controlling shareholders allows them to act as true fiduciaries for all shareholders. This oversight function is a critical deterrent against managerial actions that could lead to financial overextension or distress.

Empirical evidence from both developed and emerging markets supports this conclusion. A study by (Almubarak et al., 2023; Boubaker et al., 2017) on firms in the Gulf Cooperation Council (GCC) found that board independence was a key determinant of lower financial distress risk. Similarly, research in the Indonesian corporate context by (Kusuma Indawati Halim, 2021; Lestari & Shanti, 2024; Yuli Soesetio, 2023) linked higher board independence to improved financial reporting quality and reduced bankruptcy likelihood. The pronounced effect found in this study may be attributed to the specific governance challenges in Indonesia's transportation sector, where family ownership or concentrated control is common, making independent oversight even more crucial for preventing distress related to tunneling or poor strategic decisions.

Audit Committee and Financial Distress

The analysis reveals that the presence and effective functioning of an audit committee significantly mitigate financial distress, confirming H_3 (β = -1.897, p = 0.0375). This finding highlights the committee's critical role in ensuring the integrity of financial reporting, strengthening internal controls, and fostering a culture of accountability and compliance. For transportation and logistics firms, which often engage in complex accounting related to revenue recognition, lease obligations, and asset depreciation, robust audit committee oversight is essential for producing transparent and reliable financial statements that accurately reflect the firm's true financial position.

The theoretical underpinning for this relationship is explained by Agency Theory and Signaling Theory. An effective audit committee reduces agency costs by limiting opportunities for earnings manipulation and fraudulent reporting, thereby providing a more accurate picture of financial health to stakeholders (Beasley, 1996). Furthermore, the existence of a competent audit committee signals to creditors, investors, and regulators that the firm is committed to high standards of financial discipline and transparency. This signal can lower the cost of debt, improve access to capital, and build stakeholder trust all factors that contribute directly to reducing financial distress risk.

Previous research provides robust evidence for the distress-mitigating role of audit committees. A comprehensive study by (Hutauruk et al., 2021; Mancino et al., 2025; Widhiastuti & Rahayu, 2022a) on

Vietnamese listed firms demonstrated that both the existence and the meeting frequency of audit committees were negatively correlated with the probability of financial distress. Similarly, a meta-analysis by (Darmayanti et al., 2023a, 2023b; Suharti, 2023; Widhiastuti & Rahayu, 2022b) concluded that audit committee characteristics such as financial expertise, independence, and activity level were consistently associated with better financial outcomes across various industries. The significant, though slightly smaller, coefficient for the audit committee in this study (compared to board independence) suggests that while its role is vital, it may function more as a protective and compliance-oriented mechanism, whereas the board plays a more direct role in strategic risk oversight.

4. CONCLUSION

This study confirms that strong corporate governance—specifically through institutional ownership, an independent board of commissioners, and an active audit committee—significantly reduces financial distress in Indonesian transportation and logistics firms. The findings validate the critical role of governance in stabilizing firms within a high-risk, capital-intensive sector. For practitioners, this underscores the need to move beyond formal compliance toward substantive governance practices: engaging long-term investors, ensuring genuine board **independence**, and empowering audit committees with relevant expertise. Policymakers should reinforce governance standards that emphasize quality and accountability, not just structural formality. Future research should explore the qualitative dynamics of governance implementation and extend analysis to private firms or cross-regional contexts to deepen understanding of governance effectiveness across different settings.

REFERENCES

Achyani, F., Putri, E., & Muhammadiyah Surakarta, U. (2017). *The Effect of Good Corporate The Effect of Good Corporate Governance, Sales Growth, Governance, Sales Growth, and Capital Intensity on Accounting and Capital Intensity on Accounting Conservatism Conservatism (Empirical Study on Manufacturing (Empirical Study on Manufacturing Companies Listed on the Indonesia Stock Companies Listed on the Indonesia Stock*. http://journals.ums.ac.id/index.php/reaksi/index

Ahmed Hashed, A., & Ghaleb, B. A. A. (2023). Sustainability reporting and earnings manipulation in Saudi market: Does institutional ownership matter? *Cogent Business and Management*, *10*(3). https://doi.org/10.1080/23311975.2023.2259607

Aksar, M., Hassan, S., Kayani, M. B., Khan, S., & Ahmed, T. (2022). Cash holding and investment efficiency nexus for financially distressed firms: The moderating role of corporate governance. *Management Science Letters*, *12*(1), 67–74. https://doi.org/10.5267/j.msl.2021.7.001

Almubarak, W. I., Chebbi, K., & Ammer, M. A. (2023). Unveiling the Connection among ESG, Earnings Management, and Financial Distress: Insights from an Emerging Market. *Sustainability (Switzerland)*, *15*(16). https://doi.org/10.3390/su151612348

Astuti, D. D., Surbakti, L. P., & Wijayanti, A. (2021). Pengaruh Independensi dan Keahlian Komite Audit Terhadap Manajemen Laba Riil dengan Kualitas Audit Sebagai Variabel Moderasi. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, *2*(4), 345–358. https://doi.org/10.35912/jakman.v2i4.564

Azizah, F. N., Hermi, H., & Firdayetti, F. (2023). Pengaruh Financial Distress, Audit Tenure dan Komisaris Independen Terhadap Integritas Laporan Keuangan dengan Kualitas Audit Sebagai Variabel Moderasi. *Indo-Fintech Intellectuals: Journal of Economics and Business*, *3*(2), 295–309. https://doi.org/10.54373/ifijeb.v3i2.124

Beasley, M. S. (1996). An empirical analysis of the relation between the board of director composition and financial statement fraud. *Accounting Review*, 443–465.

Boubaker, S., Cellier, A., Manita, R., Saeed, A., Avci, B., Clark, E., Lajili-Jarjir, S., Lewis, J., Lucotte, Y., Rouatbi, W., Saffar, W., Sassi, S., & Shahrokhi, M. (2017). Does Corporate Social Responsibility Reduce Financial Distress Risk? ♣ Does corporate social responsibility reduce financial distress risk? In *JIRF research meeting in Montpellier*. VSBF.

Boulanouar, Z., Alqahtani, F., & Hamdi, B. (2021). Bank ownership, institutional quality and financial stability: evidence from the GCC region. *Pacific-Basin Finance Journal*, *66*, 101510.

Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, *9*(2), 27–40. https://doi.org/10.3316/QRJ0902027

Creswell, J. W., & Miller, D. L. (2000). Determining Validity in Qualitative Inquiry. *Theory Into Practice*, *39*(3), 124–130. https://doi.org/10.1207/s15430421tip3903_2

Darmayanti, N., Aghe AFRICA, L., Pt Agung Purnama SARI, A., & Suhardiyah, M. (2023a). The Influence of Leverage, Firm Size, And Financial Distress on Accounting Conservatism. In *Journal of Tourism Economics and Policy* (Vol. 3, Issue 2).

Darmayanti, N., Aghe AFRICA, L., Pt Agung Purnama SARI, A., & Suhardiyah, M. (2023b). The Influence of Leverage, Firm Size, And Financial Distress on Accounting Conservatism. In *Journal of Tourism Economics and Policy* (Vol. 3, Issue 2).

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management Review*, *22*(1), 20–47.

Dowling, J., & Pfeffer, J. (1975). Organizational Legitimacy: Social Values and Organizational Behavior. *The Pacific Sociological Review*, *18*(1), 122–136. https://doi.org/10.2307/1388226

Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *The Journal of Law and Economics*, *26*(2), 301–325.

Galingging, N. (2024). The Effect Of Company Size, Profitability, Leverage, And Institutional Ownership On Tax Avoidance With Liquidity As A Moderating Variable In Construction Industry Companies Listed On The Indonesian Stock Exchange For The Period 2018- 2022. *Jurnal Ilmiah Akuntansi Kesatuan*, *12*(5), 791–802. https://doi.org/10.37641/jiakes.v12i5.2642

Gujarati, D. N. (2009). *Basic econometrics*. McGraw-Hill.

Hair, J. F. (2009). *Multivariate data analysis*.

Hutauruk, M. R., Mansyur, M., Rinaldi, M., & Situru, Y. R. (2021). Financial Distress Pada Perusahaan Yang Terdaftar Di Bursa Efek Indonesia. *JPS (Jurnal Perbankan Syariah)*, *2*(2), 237–246. https://doi.org/10.46367/jps.v2i2.381

Jensen, M. C., & Meckling, W. H. (1976). Theory Of The Firm: Managerial Behavior, Agency Costs And Ownership Structure. In *Journal of Financial Economics* (Vol. 3). Q North-Holland Publishing Company.

Khaeria, N., & Kristianti, F. T. (2023). The Impact of Corporate Governance and Liquidity on Financial Distress with Firm Size as Moderating Variable. *Jurnal Manajemen Indonesia*, *23*(2), 198. https://doi.org/10.25124/jmi.v23i2.5916

Khan, N., Malik, Q. A., Saghir, A., Rasheed, M. H., & Husnain, M. (2021). Does corporate social responsibility reduce financial distress? Evidence from emerging economy. *Management Science Letters*, *11*(8), 2225–2232. https://doi.org/10.5267/j.msl.2021.4.007

Kusuma Indawati Halim. (2021). The Impact Of Financial Distress, Audit Committee, And Firm Size On The Integrity Of Financial Statements. *JAK (Jurnal Akuntansi) Kajian Ilmiah Akuntansi*, *8*(2), 223–233. https://doi.org/10.30656/jak.v8i2.2723

Lestari, S., & Shanti, Y. K. (2024). Pengaruh fee audit, financial distress, komisaris independen, dan komite audit terhadap integritas laporan keuangan. *Jurnal pundi*, *8*(1), 53. https://doi.org/10.31575/jp.v8i1.538

Luhri, A. S. R. N., Mashuri, A. A. S., & Ermaya, H. N. L. (2021). Pengaruh Fraud Pentagon terhadap Kecurangan Laporan Keuangan dengan Komite Audit sebagai Variabel Moderasi. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, *3*(1), 15–30. https://doi.org/10.35912/jakman.v3i1.481

Maiyo, R., Cheboi, J., & Limo, P. (2025). Accounting Conservatism as a Protective Mechanism: Exploring Its Impact on the Relationship Between Financial Decisions and Likelihood of Financial Distress in Emerging Economies. *SEISENSE Journal of Management*, *8*(1). https://doi.org/10.33215/v9y9ph37

Manan, M. A., & Hasnawati, S. (2022). Pengaruh Good Corporate Governance terhadap Financial Distress yang di Kontrol oleh Ukuran Perusahaan pada Perusahaan Industri Sektor Manufaktur di Indonesia. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, *3*(4), 279–292. https://doi.org/10.35912/jakman.v3i4.1197

Mancino, M. E., Maglione, F., Toscano, G., Sastroredjo, P. E., & Suganda, T. R. (2025). *Academic Editors: ESG and Financial Distress: The Role of Bribery, Corruption, and Fraud in FTSE All-Share Companies*. https://doi.org/10.3390/risks

Manurung, A. D. P. (2022). Pengaruh Good Corporate Governance Terhadap Nilai Perusahaan dengan Kinerja Keuangan sebagai Intervening. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, *4*(1), 57–71. https://doi.org/10.35912/jakman.v4i1.1769

Mercury Andreini, R., & Safrida, L. (2023). *Trilogi Accounting And Business Research Pengaruh Rasio Keuangan Terhadap Financial Distress Pada Sektor Properti, Real Estate, Dan Konstruksi* (Vol. 04, Issue 01).

Mukoffi, A., As'adi, ;, Luh, ;, Ekasari, D., Sukarno, ;, Wibisono, H., Lusia, ;, Akuntansi, S. P., Tunggadewi, T., & Timur, J. (2023). Integritas laporan keuangan: tinjauan terhadap peran ukuran KAP, komisaris independen, dan struktur tata kelola perusahaan. In *Jurnal Paradigma Ekonomika* (Vol. 18, Issue 4). https://www.cnbcindonesia.com

Mulindra, M. A., Novianty, I., & Setiawan, I. (2023). Muzakki's Perception Regarding Implementation Good Corporate Governance (GCG) Against Muzakki's Trust in OPZ. *Indonesian Journal of Economics and Management*, *3*(3), 582–591. https://doi.org/10.35313/ijem.v3i3.4876

Musta Ani, S., Chariri, A., & Ghozali, I. (2022). The existence of independent commissioners and board remunerations in achieving firm value. *International conference on research and development (ICORAD)*, *1*(1), 99–107. https://doi.org/10.47841/icorad.v1i1.14

Prayoga, A., Kurniawan, A., Islam, U., Raden, N., & Lampung, I. (2024). *Indonesian Journal of Islamic Economics and Finance conditions of the Creative Commons Attribution 4.0 International License (CC BY NC) license (https://creativecommons.org/licenses/by-nc/4.0/). The Effect of Financial Distress, Capital Intensity, Political Cost, And Company Size Against Accounting Conservatism*. *XX Number XX*. https://doi.org/10.37680/ijief.v3i1.2276

Purnamasari, Y., Patria Mahari, A., Puji Astutik, M., & Pawiati, S. (2020). The Effect of Financial Ratio in Financial Distress with Firm Size as Moderated Variables (Empirical Study of Manufacturing Sector Companies Listed on The Indonesia Stock Exchange for The 2014-2018 Period). In *IPTEK Journal of Proceedings Series* (Issue 1). www.idx.co.id.

Putra Utama, W., & Setiawati, E. (2022). *Influence of Company Size, Leverage, Sales Growth and Operating Capacity on Financial Distress* (Vol. 5, Issue 1).

Putri, M., & Naibaho, E. A. B. (2022). The Influence Of Financial Distress, Cash Holdings, And Profitability Toward Earnings Management With Internal Control As A Moderating Variable: The Case Of. *Jurnal Akuntansi Dan Keuangan Indonesia*, *19*(1), 120–138. https://doi.org/10.21002/jaki.2022.06

R, S. N., & Puspitasari, N. (2022). Corporate Social Responsibility Analysis Through Shariah Enterprise Theory Approach in an Effort to Realize Good Corporate

Governance. *Indo-Fintech Intellectuals: Journal of Economics and Business*, *2*(1), 01–08. https://doi.org/10.54373/ifijeb.v2i1.68

Ramadhan, A., & Ermaya, H. N. L. (2024a). The Moderating Effect of Financial Distress in The Relationship Between Debt Covenant and Political Cost Towards Accounting Conservatism Implementation: An Empirical Analysis From SOEs in Indonesia. *Jurnal EQUITY*, *26*(2). https://doi.org/10.34209/equ.v26i2.7409

Ramadhan, A., & Ermaya, H. N. L. (2024b). The Moderating Effect of Financial Distress in The Relationship Between Debt Covenant and Political Cost Towards Accounting Conservatism Implementation: An Empirical Analysis From SOEs in Indonesia. *Jurnal EQUITY*, *26*(2). https://doi.org/10.34209/equ.v26i2.7409

Riesta, G. I., & Septriana, I. (2023). The Role of Good Corporate Governance in Moderating the Effect of Financial Ratio on Financial Distress (Study of Consumer Sector Companies Listed on the Indonesia Stock Exchange Over Period 2018-2020). *Jurnal Penelitian Ekonomi Dan Bisnis*, *8*(1), 10–18. https://doi.org/10.33633/jpeb.v8i1.6409

Rosada, A. (2021). The Effect of Good Corporate Governance Implementation on Islamic Bank Financial Performance Article Information. *Management Analysis Journal*. http://maj.unnes.ac.id

Safira, N. I., Mursidah, M., Indrayani, I., & Yunina, Y. (2024a). The Effect of Capital Intensity, Litigation Risk, Profitability, Cash Flow, Institutional Ownership, and Company Size on Accounting Conservatism. *Jurnal Akuntansi Dan Keuangan*, *12*(1), 131. https://doi.org/10.29103/jak.v12i1.16057

Salancik, G. R., Pfeffer, J., & Kelly, J. P. (1978). A contingency model of influence in organizational decision-making. *Pacific Sociological Review*, *21*(2), 239–256.

Sarker, N., & Hossain, S. M. K. (2023). Ownership Structure and Financial Distress: Investigating the Moderating Effect of Audit Quality. *International Journal of Economics and Financial Issues*, *13*(6), 187–202. https://doi.org/10.32479/ijefi.15029

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. john wiley & sons.

Septiana, N., & Aris, M. A. (2023). Analisis Proposi Dewan Komisaris Independen, Ukuran Dewan Direksi, Komite Audit, Blockholder Ownership terhadap Kinerja Keuangan. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, 101–114. https://doi.org/10.35912/jakman.v4i2.1051

Sugiyono. (2022). *Metode Penelitian Kuantitatif*. Alfabeta.

Suharti, S. (2023). Pengaruh Rasio Keuangan terhadap Financial Distress dengan Firm Size sebagai Variabel Moderasi. *Jurnal Ekobistek*, *12*(2), 646–651. https://doi.org/10.35134/ekobistek.v12i2.599

Syaepullah, R. (2022). The Influence of Financial Ratio and Corporate Governance on Financial Distress in Indonesian Islamic Banking Period 2013 – 2019. *EKONOMIKA SYARIAH : Journal of Economic Studies*, *5*(2), 81. https://doi.org/10.30983/es.v5i2.4857

Thomas, D. (n.d.). *The Effect Of Capital Intensity, Financial Distress, Litigation Risk, Leverage And Company Size On Accounting Conservatism In The Consumer Goods Industry Sector Listed On Idx For 2016-2020* (Vol. 2, Issue 2).

Wahyuni, N., & Wafiroh, N. L. (2023). Good Corporate Governance Disclosures And Financial Performance: Islamic Social Reporting And Zakah Disclosures As Mediating. *Jurnal Keuangan Dan Perbankan Syariah*, *11*(1).

Wahyuningsih, N., Khoiyrunisa, & Saefullah, E. (2025). Accountability, Transparency, and Islamic Good Corporate Governance (IGCG) on Muzakki Trust in Indonesia. *Al Qasimia University Journal of Islamic Economics*, *5*(1), 187–207. https://doi.org/10.52747/aqujie.5.1.382

Widhiastuti, R., & Rahayu, S. (2022a). The Role of Financial Distress in Mediating The Accounting Conservatism Practices. *AKRUAL: Jurnal Akuntansi*, *13*(2), 2085–9643. https://doi.org/10.26740/jajv13n2.p201-213

Yuli Soesetio. (2023). Good Corporate Governance Mechanisms and Financial Performance in Controlling Financial Distress. *ADPEBI International Journal of Business and Social Science*, *3*(1), 14–26. https://doi.org/10.54099/aijbs.v3i1.542