Jurnal Reviu Akuntansi dan Keuangan, Vol. 15 No. 03, p. 657-677

Website:
ejournal.umm.ac.id/index.php/jrak

***Correspondence:**
anitadewianggraeni1597@gmail.com

DOI: 10.22219/jrak.v15i3.40465

Citation:
Anggraeni, A. D., Subekti, I., Roekhudin. Strategy To Prevent Financial Distress Through Increasing Business Efficiency, Utilizing Intellectual Capital and Implementing Good Corporate Governance. Jurnal Reviu Akuntansi Dan Keuangan, 15(3), 657-677.

Article Process
Submitted:
April 12, 2025

Reviewed:
April 28, 2025

Revised:
August 12, 2025

Accepted:
August 18, 2025

Published:
August 18, 2025

Office:
Department of Accounting
University of
Muhammadiyah Malang
GKB 2 Floor 3.
Jalan Raya Tlogomas 246,
Malang, East Java, Indonesia

P-ISSN: 2615-2223
E-ISSN: 2088-0685

Article Type: Research Paper

STRATEGY TO PREVENT FINANCIAL DISTRESS THROUGH INCREASING BUSINESS EFFICIENCY, UTILIZING INTELLECTUAL CAPITAL AND IMPLEMENTING GOOD CORPORATE GOVERNANCE

Anita Dewi Anggraeni[1*], Imam Subekti[2], dan Roekhudin[3]

Affiliation:
[1,2,3] Magister Accounting, Faculty of Economic and Business, Brawijaya University, Malang, Indonesia

ABSTRACT

Research Objectives:
This study aims to examine the effect of business efficiency, intellectual capital proxied by value added capital employed and corporate governance proxied by the recommendations of the board of commissioners and audit committee expertise on financial distress.

Methodology/approach:

The population of this study consists of manufacturing companies listed on the Indonesia Stock Exchange during the 2021–2023 period. The sampling technique employed was purposive sampling, resulting in a sample of 208 companies over three years, totaling 624 firm-year observations. The hypothesis testing methods used in this study include confirmatory factor analysis (CFA) and panel data regression analysis.

Findings:
Based on the results of this study, the effect of business efficiency on financial distress has a positive but insignificant effect, the effect of intellectual capital added value proxied by value added capital employed has a positive effect. In addition, the implementation of corporate governance proxied by the recommendation of the board of commissioners and audit committee expertise has a negative and significant effect on financial distress.

Practical implications:

This study contributes to companies and investors in minimizing the occurrence of financial distress.

Originality/value:
Corporate governance in this study is measured based on the Financial Services Authority (OJK) regulations, focusing on the aspect of expertise. Specifically, it includes the educational background of the audit committee and the recommendations of the board of commissioners, which are assessed through the board's supervisory performance. This study also provides empirical evidence on the prediction of financial distress by examining several key variables, such as business efficiency and intellectual capital, which can serve as early warning indicators to help companies anticipate potential financial distress.

Keywords:

Business Efficiency; Corporate Governance; Financial Distresss; Intellectual Capital

ABSTRAK

Tujuan penelitian:
Penelitian ini bertujuan untuk menguji pengaruh efisiensi bisnis, modal intelektual yang diproksikan dengan nilai tambah modal fisik serta keuangan, dan tata kelola perusahaan yang diproksikan dengan rekomendasi dewan komisaris dan keahlian komite audit terhadap kesulitan keuangan.

Metode/pendekatan:
Populasi penelitian ini adalah perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia periode 2021 – 2023. Teknik pengambilan sampel menggunakan purposive sampling dengan sampe perusahaan 208 perusahaan untuk 3 tahun atau 624 jumlah perusahaan serta teknik pengujian hipotesis yang digunakan dalam penelitian yaitu analisis faktor konfirmatori dan analisis regresi data panel.

Hasil:

Berdasarkan hasil penelitian ini, pengaruh efisiensi usaha terhadap kesulitan keuangan memiliki pengaruh positif namun tidak signifikan, pengaruh nilai tambah modal intelektual yang diproksikan dengan nilai tambah modal fisik dan keuangan memiliki pengaruh positif dan signifikan. Selain itu, penerapan tata kelola perusahaan

yang diproksikan dengan rekomendasi dewan komisaris dan keahlian komite audit memiliki pengaruh negatif dan signifikan terhadap kesulitan keuangan.

Implikasi praktik:

Penelitian ini memberikan kontribusi bagi perusahaan dan investor dalam meminimalisir terjadinya kesulitan keuangan.

Orisinalitas/kebaharuan:

pengukuran tata kelola perusahaan. Pengukuran tata kelola perusahaan menggunakan peraturan otoritas jasa keuangan yang mengukur tata kelola perusahaan dari sisi keahlian yaitu adanya latar belakang pendidikan yang dimiliki oleh komite audit serta rekomendasi dewan komisaris yang diukur dengan adanya kinerja dewan komisaris dalam melakukan pengawasan. Penelitian ini juga memberikan bukti empiris mengenai kesulitan keuangan dengan menguji beberapa variabel seperti efisiensi usaha dan modal intelektual yang dapat membantu perusahaan untuk melakukan peringatan dini sebelum terjadinya kesulitan keuangan.

Kata kunci:

Efisiensi Usaha; Kesulitan Keuangan; Modal Intelektual; Tata Kelola Perusahaan.

INTRODUCTION

Financial distress refers to a stage of financial deterioration that precedes bankruptcy, typically arising from a company's inability to meet its maturing financial obligations (Fahmi, 2014 : 158). In Indonesia, notable cases of financial distress include PT Sariwangi and the traditional herbal company Nyonya Meneer. According to Hanifah and Purwanto (2013), the causes of financial distress can be categorized into internal and external factors. Internal factors include excessive credit extension, inadequate human resource qualifications, insufficient working capital, and abuse of authority. External factors encompass intense market competition, declining consumer demand, falling selling prices, and unexpected events such as natural disasters. To mitigate the risk of financial distress, companies must implement predictive measures, particularly by enhancing business efficiency.

Business efficiency serves as a key indicator in evaluating a company's capability to optimize the use of resources by minimizing costs and maximizing revenue generation. According to Ginting (2021), business efficiency can be categorized into two primary dimensions: technical efficiency and allocative efficiency. A study conducted by Putri and Cahyono (2023) found a negative and significant between business efficiency and the financial distress. Putri and Cahyono (2023) explain that business efficiency reflects management's capability in running business operations optimally. A high level of efficiency creates a positive perception in the eyes of investors and creditors, which in turn allows the company to obtain financing at a lower cost. This has a direct impact on reducing the risk of financial difficulties. In addition, companies that are managed

efficiently are generally able to generate larger profit margins, so they have sufficient liquidity to meet short-term and long-term obligations, and strengthen resilience to financial pressures.

Financial distress involves a comprehensive evaluation of a firm's financial health, often signaled by declining productivity and weak corporate governance. From the perspective of Resource-Based View (RBV) theory, firms must effectively manage their internal resources to achieve a sustainable competitive advantage (Sampurno, 2013). These resources are generally categorized as tangible and intangible, with intellectual capital representing a key intangible asset. Intellectual capital plays a pivotal role in achieving competitive advantage in the modern knowledge-based economy (Muazaroah et al., 2012). According to Sa'diyah (2016), intellectual capital consists of physical and financial capital value added, and structural capital. In this study, intellectual capital is applied through structural capital value added. According Subarkah (2021) found a negative and significant between value added capiital employed on financial distress. Subarkah (2021) emphasized that companies with a high level of Value Added Capital Employed (VACE) are capable of generating returns that significantly exceed the capital invested. This enhances profitability and operational cash flow, thereby reducing the risk of default and potential financial distress. A strong VACE performance also indicates the company's effectiveness in formulating investment strategies and allocating capital efficiently. Consequently, this strengthens the company's competitive position in the market, supports revenue growth, and further lowers the likelihood of experiencing financial distress.

A key element of corporate governance is agency theory, which explores the divide between ownership, referred to as principals, and control, represented by agents, commonly the managers of a company. This theory highlights the need to align the actions of managers with the interests of shareholders, which can enhance investor trust in the governance practices of the company (Astria, 2011). To create additional value for all involved parties, it is crucial to have effective corporate governance mechanisms that can also reduce conflicts between principals and agents. If such conflicts are not properly addressed, they could negatively impact the performance of the firm and heighten the potential for financial challenges (Fasshan & Fitriana, 2018). According to the Financial Services Authority Regulation (POJK) Number 33/POJK.04/2014 concerning the Board of Commissioners in public companies, the Board of Commissioners is responsible for overseeing the company's overall management policies and their implementation. This oversight includes matters related to the issuer or public company, as well as its operational activities. In addition to its supervisory role, the Board of Commissioners also provides advice and strategic guidance to the Board of Directors in carrying out their duties. The recommendations issued by the Board of Commissioners may take the form of opinions, suggestions, or directives aimed at ensuring that the company is managed effectively, efficiently, and transparently, in line with the principles of good corporate governance. Therefore, the primary function of the Board of Commissioners is to supervise and guide the Board of Directors in order to promote the company's sustainability and performance. According to Wang et al.,(2022), board monitoring is an important mechanism in preventing financial distress and supporting the sustainability of the company. Their findings show that an effective board with the right composition of members and adequate frequency of supervision serves as a strong internal fortress in maintaining the stability of the company's financial performance, especially in a market environment that has weaknesses in the external monitoring system.

According to Financial Services Authority Regulation No. 55/POJK.04/2015, the audit committee is established by and accountable to the board of commissioners, with the purpose of supporting the board in performing its oversight duties and functions. The committee must comprise at least three members, including independent commissioners and external parties who are not affiliated with the company. In fulfilling its responsibilities, the audit committee

operates independently. Possessing knowledge in accounting and finance provides a strong foundation for audit committee members to effectively review and analyze financial information. Members with an educational background in accounting or finance are likely to uphold high standards in their work and consistently strive to enhance the company's performance and reputation. Their expertise enables them to assist management in evaluating financial data and ensuring the accuracy of financial reporting. This financial acumen empowers the audit committee to help the company monitor its financial activities and mitigate the risk of financial distress (Yesserie, 2015). According to Rachmawati and Rohman (2024), the expertise of the audit committee has a negative effect on financial difficulties. Having an educational background in accounting or finance allows them to carry out their supervisory function more optimally, in addition, the audit committee can also identify early potential errors in financial reports, managerial deviations and the risk of default so that the company has a greater chance of preventing financial distress.

Based on the explanation above, the hypothesis of this research is:
H_1: Business Efficiency has a negative effect on the financial distress
H_2: Value Added Capital Employed has a negative effect on the financial distress
H_3 : Board of commisioner's recommendations has a negative effect on the financial distress
H_4: Audit committee expertise has a negative effect on the financial distress

METHOD

This study employs a quantitative approach. The target population consists of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023, totaling 208 companies. The sample selection used a purposive sampling method based on the following criteria, manufacturing companies continuously listed on the Indonesia Stock Exchange (IDX) from 2021-2023, companies that report financial data in Indonesian rupiah, companies that provide complete information and can be used for business efficiency, intellectual capital and corporate governance expertise information including the educational background of the board of directors and audit committee members. the data was processed and analyzed using IBM SPSS Statistics 27 software as an analysis tool. Panel data regression analysis was applied to test the hypotheses, with the following analytical formula:

$$FD_{i.t} = \beta_{0it} + \beta_1 BE_{it} + \beta_2 VACE_{it} + \beta_3 BOCR_{it} + \beta_4 ACE_{it} + \varepsilon_{it} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots$$

Information:
FD_{it} : Financial Distress
β_{0it} : Constant
$\beta_{1it} - \beta_{4it}$: Regression Coefficient
BE_{it} : Business Efficiency
$VACE_{it}$: Value Added Capital Employed
$BOCR_{it}$: Board of Commisioner's recommendations
ACE_{it} : Expertise of the Audit Committee
ε_{it} : Error term

The research instruments used are as follows:

Variable	Definition	Proxy
Financial Distress	Financial distress in a company reflects the entire	$DAR = \frac{Total\ Liabilities}{Total\ Assets}$

Table 1. Research Instruments

(Y)	phase starting from the initial decline in performance to reaching the lowest point, before the company is finally able to recover and improve its performance. When a company is in a state of financial distress, this indicates that the company's financial situation is unhealthy and requires a transition to the recovery stage	$CFR = \frac{Cash\ Flows\ from\ Operating\ Activities}{Total\ Assets}$ (Permatasari et al., 2022)
Business Efficiency (X_1)	Business efficiency refers to the effective management of financial resources, materials, processes, equipment, labor and costs to optimize organizational performance. It is characterized by a company's ability to achieve maximum benefits while minimizing sacrifies, thereby ensuring the attainment of specific objectives with the least resource expenditure.	$BE = \frac{Output}{Input}$ (Mulyadi, 2015) Residual BE $EFS = \beta_0 + \beta_1 UKP_t + \beta_2 HT_t + \beta_3 ROA_t + \beta_4 UP_t + \beta_5 IM_t + \sum^T + \varepsilon$ (Wunu dan Kelen, 2023)
Value Added Capital Employed (X_2) BOCR (X_3)	The Added Value of Physical and Financial Capital shows the company's ability to manage resources in the form of capital assets. If managed well, it will improve the company's performance and Physical and Financial Capital can show how successful a company is in using its tangible assets. The Board of Commissioners' recommendations are opinions, suggestions, or directions submitted to the	$VACE = \frac{VA}{CE}$ (Ulum, 2017) BOCR = Number of Recommendations from the Board of Commissioners)/(Number of Recommendations According to OJK Regulations) (Shaqila,2021)

Audit Committee Expertise (X_3)	Board of Directors to ensure that the company is managed effectively, efficiently, transparently, and in accordance with the principles of good corporate governance. The main function of the Board of Commissioners is to supervise and provide guidance to the Board of Directors.. According to OJK regulation number 55/POJK.04/2015, audit committee members must have at least 1 (one) with an educational background and expertise in accounting and finance, meaning that one of the roles of the audit committee is to review the financial statements prepared by management. An audit committee that has expertise and capabilities in finance will carry out its supervisory duties effectively, so that effective supervision will minimize the possibility of management committing fraud in financial reporting.	KKA= (Audit Committee Members with Accounting and Financial Expertise)/(Number of Audit Committee members) (Hamzah & Dul, 2018)

RESULTS AND DISCUSSION

a. Results of Financial Distress Analysis

The analysis of financial distress in this study employs Confirmatory Factor Analysis (CFA). CFA is a statistical technique used to assess the relationships among observed variables in order to confirm the underlying factor structure based on theoretical expectations. This method helps identify the dominant latent constructs that influence the observed data. The steps involved in conducting CFA in this study are as follows:

1. *KMO and Bartlett's Test*

This test aims to assess whether the variables in the dataset exhibit sufficient correlation and are appropriate for further analysis within the factor model. The data is considered suitable if the Kaiser-Meyer-Olkin (KMO) and the Measure of Sampling Adequacy (MSA) values are

greater than or equal to 0.5 (≥ 0.5), and the significance value of Bartlett's Test of Sphericity is less than 0.05 ($p < 0.05$).

Table 2. KMO and Bartlett's Test

Kaisar – Meyer – Olkin Measure Of	Sampling Adequacy	0,500
	Approx Chi - Square	6,572
Barletts's Test of Sphericity	Df	1
	Sig.	0,010

Based on Table 1, the KMO value is 0.5 with a significance level of 0.001 ($p < 0.05$), indicating that the sample size is adequate for conducting factor analysis. Additionally, the Bartlett's Test of Sphericity shows a significance value of 0.01 ($p < 0.05$), suggesting that the correlation matrix is not an identity matrix. In other words, there is sufficient correlation among variables to proceed with principal component analysis.

2. Measures of Sampling Adequancy (MSA)

The primary objective of this test is to assess the degree to which each indicator in the model is adequately correlated with other variables. The Measure of Sampling Adequacy (MSA) values are typically obtained from the Anti-Image Matrix output in statistical software such as SPSS. A variable is considered appropriate for inclusion in factor analysis if its MSA value exceeds 0.5 (MSA > 0.5), indicating that it has a sufficient level of correlation with other variables and is suitable for further analysis.

Table 3. Measures of Sampling Adequancy (MSA)

		DAR	CFR
Anti-image Covariance	DAR	0,989	-0,101
	CFR	-0,101	0,989
Anti-image Covariance	DAR	0,500	-0,103
	CFR	-0,103	0,500

Based on the results presented in Table 2, all variables exhibit a Measure of Sampling Adequacy (MSA) value greater than 0,5. This suggests that each variable meets the required level of sampling adequacy and is suitable for inclusion in the subsequent factor analysis.

3. Communalities

The communality value indicates the proportion of variance in each variable that can be explained by the extracted factors in the model. A variable is considered to be well-represented if its communality value exceeds 0.50. Since all variables in this study have communality values greater than 0.50, it can be concluded that the extracted factors sufficiently explain the underlying variance of each variable and demonstrate a strong relationship with their respective constructs. The higher the communality value, the better the outcome of the factor analysis, as it reflects that the original variable's characteristics are increasingly well-captured by the factors identified.

Table 4. Communalities

	Initiial	Extraction
CFR	1,000	0,551
DAR	1,000	0,551

a. The first indicator of financial distress, namely the cash flow ratio, has a communality value of 0.551. This indicates that 55.1% of the variance in the cash flow ratio can be explained by the underlying financial distress factor, reflecting a moderate level of representation within the model.
b. The second indicator of financial distress, namely the debt-to-asset ratio, has a communality value of 0.551. This indicates that 55.1% of the variance in the debt-to-asset

ratio is explained by the financial distress factor, suggesting a moderate level of representation within the model.

4. *Total Variance Explained*

The Total Variance Explained table illustrates the percentage of the total data variance that can be accounted for by each extracted factor. Based on the output, only one factor has an eigenvalue greater than 1, while the remaining factors have eigenvalues below 1. Factors with eigenvalues less than 1 are typically excluded from further analysis, as they explain less variance than a single original variable. In contrast, a factor with an eigenvalue greater than 1 indicates that it captures more variance than any individual variable, signifying its relevance and strength in representing the underlying data structure.

Component	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**		
	Total	% of Variance	Cumulative (%)	Total	% of Variance	Cumulative (%)
1	1,103	55,128	55,128	1,103	55,128	55,128
2	0,897	44,872	100			

Table 5. Total Variance Explained

Based on Table 4, one factor was extracted with an eigenvalue greater than 1, accounting for 55.128% of the total variance. These results indicate that a single factor is sufficient to represent the variability of the original variables in the model.

Descriptive Statistics

Descriptive statistical analysis was conducted to identify the characteristics of the data distribution, including minimum value, maximum value, mean, and standard deviation. The purpose of this analysis is to understand the characteristics of each dependent and independent variable. The minimum value represents the lowest observation in the dataset, while the maximum value indicates the highest. The mean reflects the average, calculated by dividing the total sum of all data points by the number of observations. The standard deviation measures the dispersion of the data, calculated as the square root of the average squared differences between each data point and the mean. Table 6 presents the descriptive statistics of the research variables, based on 450 observations, as follows:

	Minimum	***Maximum***	***Mean***	***deviation standard***
Debt to Total Asset Ratio (Y_1)	1,000	4,000	2,500	1,118
Cash Flow Ratio (Y_2)	1,000	4,000	2,500	1,118
Business Efficiency (X_1)	0,000	1,000	0,363	0,287
Value Added Capital Employed (X_2)	-9,316	5,357	0,975	1,054

Table 6. Results of Descriptive Statistical Analysis

BOCR (X_3)	0,667	3,667	1,250	0,554
ACE (X_4)	0.000	1	0,867	0,238

Data Analysis and Discussion

1. Normality Test

The normality test is used to determine whether the data is normally distributed. A good regression model is one that is worthy of statistical testing, namely a regression model that has normally distributed data or close to normal, in this case the normality test is carried out using the Kolmogorov Smirnov test in the SPSS program.

Table 7. Results of the Kolmogorov Smirnov Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		624
Normal Parameters	Mean	0,0000
	deviation standard	0,9697
Most Extreme Differences	Absolute	0,053
	Positive	0,049
	Negative	-0,053
Kolmogorov-Smirnov Z		1,312
Asymp. Sig. (2-tailed)		0,064

Table 6 shows the results of the Kolmogorov-Smirnov value of 0,064 which means that it can be concluded that the data is normally distributed.

2. Heteroscedasticity Test

Table 8. Heteroscedasticity Test Results

Variabel	**Sig**
BE	0,836
VACE	0,885
BOCR	0,512
ACE	0,313

Therefore, based on the results of the heteroscedasticity test conducted in this study, the significance value is greater than 0.05, so it can be concluded that there are no symptoms of heteroscedasticity or the assumptions of the heteroscedasticity test have been met.

3. Multicollinearity Test

Table 9. Multicollinearity Test Results

Variabel	**Tolerance**	**VIF**
BE	0,994	1,006
VACE	0,973	1,028
BOCR	0,964	1,037
ACE	0,967	1,035

Therefore, based on the results of the multicollinearity test conducted in this study, the VIF value ≤ 10 and the tolerance value ≥ 1, it can be concluded that there are no symptoms of multicollinearity.

4. Autocorrelation Test

R	R Square	Adjusted R Square	Standar Error of the Estimates	Durbin Watson
0,245	0,060	0,054	0,876	2,027

Table 10. Autocorrelation Test Results

Therefore, based on the results of autocorrelation test conducted in this study, it can be concluded that the regression model does not exhibit autocorrelation.

Model and Hypothesis Testing

Variable	Adjusted R – Square	F	β	T	Sig
Constant			0,813	4,346	0,001
BE			-0,013	-0,088	0,930
VACE			0,065	1,582	0,114
BOCR			-0,197	-2,547	0,011
ACE			-0,687	-3,857	0,001
	0,052	6,910			

Table 11. Model and Hypothesis Testing

Table 10 presents the results of the coefficient of determination, F-test, and T-test. The explanation of Table 10 is as follows:

1. Coefficient of Determination

Based on Table 10, the results of the coefficient of determination test show an adjusted R-squared value of 0,052. This indicates that 5,2% of the variance in the financial distress variable (Y) can be explained by the independent variables: business efficiency (X_1), value-added of physical and financial capital (X_2), board of commissioners' recommendations (X_3), and audit committee expertise (X_4). The remaining 94,8% is explained by other factors outside the model.

2. F test

Based on Table 10, the calculated F-value (F_calculated) is 6,910, which is greater than the F_table value of 2,39, with a significance level of 0.001 less than the 0.05 threshold. This indicates that the regression model is statistically significant and appropriate for estimation.

3. Regression Equation

$$FD = 0{,}813 - 0{,}013X_1 + 0{,}065X_2 - 0{,}197X_3 - 0{,}687X_4 + e$$

From the regression equation it can be explained as follows:

a. The regression coefficient for the business efficiency variable (X_1) is 0,013, indicating a negative relationship with the financial distress variable (Y). This means that for every one-unit decrease in business efficiency (X_1), financial distress (Y) is expected to decrease by 0,013, assuming other variables remain constant.
b. The regression coefficient for the value added capital employed (X_2) is 0,065, indicating a positive relationship with the financial distress variable (Y). This means that for every one-unit increase in value added capital employed (X_2), the financial distress (Y) is expected to increase by 0,065, assuming other variables are held constant.
c. The regression coefficient for the board of commissioners' recommendation variable (X_3) is -0,197, indicating a negative relationship with the financial distress variable (Y). This

suggests that for every one-unit increase in X_3, financial distress (Y) is expected to decrease by 0,197, assuming other variables remain constant.

d. The regression coefficient for the audit committee expertise variable (X_4) is -0,687, indicating a negative relationship with the financial distress variable (Y). This means that for every one-unit increase in X_4, the financial distress (Y) is expected to decrease by 0,687, assuming all other variables are held constant

4. Uji T

a. Business efficiency (X_1) has a calculated t-value of -0,088, which is smaller than the t-table value of 1,965, $t = (0{,}05/2\,;623-5-1 = 0{,}025/617 = 1{,}965)$. The significance level is 0,930, which is greater than 0.05. This indicates that business efficiency (X_1) has a negative but statistically insignificant effect on financial distress. Based on these results, hypothesis H_1 in this study is rejected

b. The value-added capital employed (X_2) has a calculated t-value of 1,582 which is greater than the t-table value of 1.965, $t = (0{,}05/2\,;623-5-1 = 0{,}025/617 = 1{,}965)$, with a significance level of 0,114 less than the 0.05 threshold. This indicates that value-added capital employed (X_2) has a positive and statistically significant effect on financial distress. Based on these results, hypothesis H_2 in this study is rejected.

c. The recommendation of the Board of Commissioners (X_3) has a calculated t-value of -2,547, which is less than the t-table value of 1.965, $t = (0{,}05/2\,;623-5-1 = 0{,}025/617 = 1{,}965)$, with a significance level of 0,011 below the 0.05 threshold. This indicates that the recommendation of the Board of Commissioners (X_3) has a negative and statistically significant effect on financial distress. Based on these results, hypothesis H_3 in this study is accepted.

d. The audit committee expertise variable (X_4) has a calculated t-value of -3,857, which is less than the t-table value of 1.965, $t = (0{,}05/2\,;623-5-1 = 0{,}025/617 = 1{,}965)$, with a significance level of 0.001 well below the 0.05 threshold. This indicates that audit committee expertise (X_4) has a negative and statistically significant effect on financial distress. Based on these results, hypothesis H_4 in this study is accepted.

Discussion

1. The Impact of Business Efficiency on Financial Distress

The findings of this study indicate that business efficiency has a negative but insignificant effect on financial distress. This suggests that while business efficiency reflects a company's ability to utilize its resources optimally to generate revenue typically measured through cost efficiency ratios, activity ratios, or asset turnover it does not necessarily translate into stronger financial resilience. Highly efficient companies may lack sufficient slack resources to absorb the impact of unexpected crises. Although greater efficiency is generally associated with lower risk of financial distress, its impact tends to be statistically insignificant because it does not directly enhance key aspects of financial resilience, such as liquidity or solvency. Moreover, a company may appear operationally efficient through cost reduction initiatives or improved asset utilization but still fail to generate sustainable revenue due to suboptimal strategies in areas such as innovation or marketing. In the manufacturing sector in particular, high efficiency does not always equate to strong financial health, especially when business models or competitive strategies are underdeveloped. Therefore, business efficiency alone may not have a significant influence on the likelihood of financial distress.

Based on the Resource-Based View (RBV) theory, business efficiency reflects optimal resource utilization. However, from the RBV perspective, efficiency alone does not automatically constitute a source of competitive advantage unless it meets the VRIN criteria Valuable, Rare, Inimitable, and Non-substitutable. Efficiency strategies such as cost reduction or lean operations are generally generic and easily replicated by competitors. As a result, they fail to serve as differentiating factors or effective safeguards against financial risk. Due to their general and imitable nature, efficiency-based strategies are considered to lack long-term strategic value according to the RBV framework. Therefore, although efficiency may help reduce costs and improve profit margins which may imply a negative correlation with financial distress its overall impact on a firm's financial resilience tends to be insignificant, as it lacks both uniqueness and sustainability (Barney, 1991).

Based on the Agency theory highlights the conflict of interest between managers (agents) and company owners (principals), particularly in the management of corporate resources. In the context of business efficiency, managers are responsible for overseeing day-to-day operations, while owners expect the optimal use of assets to support long-term profitability and sustainable growth. Low efficiency often signals managerial failure in managing costs, assets, and production processes effectively. From an agency perspective, such inefficiencies may stem from opportunistic behavior, including wasteful spending, overinvestment, or self-serving decisions such as increasing executive compensation regardless of company performance. Operational inefficiency leads to reduced profit margins, poor asset turnover, and weakened liquidity, ultimately heightening the risk of financial distress as the company becomes less capable of meeting its financial obligations (Jensen & Meckling, 1976).

Based on the results of this study, it was found that business efficiency has a negative and insignificant effect on financial distress. A high level of business efficiency, if not managed properly, may actually have unintended negative consequences. For instance, excessive efforts to improve efficiency can lead companies to reduce product quality in an attempt to lower production costs. Such a decline in quality may result in a mismatch with customer expectations, ultimately damaging the company's reputation. A weakened reputation can reduce demand for the company's products and, in turn, lower its potential profitability conditions that may increase the risk of financial distress. These findings are supported by research conducted by Gunawan (2023), which suggests that companies overly focused on efficiency may overlook opportunities for growth and innovation. As a result, they become more vulnerable to market downturns or sudden shifts in demand. Excessive efficiency may also reduce a company's flexibility in adapting to dynamic market conditions, further increasing its exposure to financial distress.

2. The Impact of value-added capital employed on Financial Distress

The findings of this study indicate that the added value-added capital employed has a positive and significant effect on financial distress. This suggests that the higher the value generated from the use of capital (capital employed), the greater the company's potential exposure to financial difficulties. Such conditions may arise when management increases VACE through substantial investments in assets or capital without adequately considering the efficiency of resource utilization or the structure of its financing. In this context, the company's financial risk increases particularly when the investments are financed through debt or when capital is not managed effectively. According to agency theory, conflicts of interest between shareholders and management can lead to investment decisions that do not align with the long-term interests of the owners, thereby increasing the likelihood of financial distress.

According to Resource-Based View (RBV) theory posits that a firm's competitive advantage and long-term performance are primarily determined by its ability to possess and manage internal resources that meet the VRIN criteria valuable, rare, inimitable, and non-substitutable. One such strategic resource is capital that is effectively utilized to generate added value, as captured by the Value-Added Capital Employed (VACE) indicator. VACE measures a company's efficiency in managing invested capital to create economic value. Within the RBV framework, a higher VACE reflects a firm's capacity to optimize the use of physical and financial resources in a productive and efficient manner. This efficiency not only enhances competitiveness but also reduces the likelihood of financial distress, as it enables the firm to maintain sufficient reserves and cash flow to absorb external shocks (Farida, 2019).

According to agency theory (Jensen & Meckling, 1976), there is a potential conflict of interest between management and shareholders, particularly in strategic decision-making related to investment and financing. Efforts by management to increase Value Added Capital Employed (VACE) such as through asset expansion or increased production capacity are often supported by external financing in the form of debt. However, if these investment decisions are inefficient or misaligned with the interests of the shareholders, the associated financing risks can rise significantly, thereby increasing the likelihood of financial distress. In other words, an increase in VACE that is not accompanied by operational efficiency and prudent financial policies may actually indicate the use of high-risk capital. Under such conditions, a high level of capital employed does not necessarily reflect the company's financial strength. Instead, it may become a financial burden if the investments fail to generate sufficient cash flows to meet both short- and long-term financial obligations.

Based on the results of this study, it was found that the added value of physical and financial capital measured by Value Added Capital Employed (VACE) has a positive and significant effect on financial distress. Generally, an increase in VACE indicates that a company has allocated more capital to productive assets. However, if such investments are made without thorough feasibility analysis or fail to generate a proportional return, capital utilization becomes inefficient. This inefficiency can lead to higher fixed costs while cash inflow remains insufficient, ultimately increasing the company's risk of financial distress. Furthermore, to boost VACE, companies often rely on debt financing. While this may raise the quantitative value of capital employed, excessive dependence on debt heightens liquidity and solvency risks. When profitability declines and the company is unable to meet interest or principal repayments, its vulnerability to financial distress rises. These findings are consistent with the study by Walidain and Ardian (2023), which also found that VACE has a positive and significant impact on financial distress. Their research suggests that increasing efficiency in the use of physical and financial capital does not automatically reduce financial distress risk. On the contrary, if the increase in VACE is not supported by prudent financial management and strategic capital allocation, it may deteriorate the company's financial condition.

3. The Impact of Board of commisioner's recommendations on Financial Distress

The findings of this study indicate that the recommendations of the board of commissioners have a negative and significant effect on financial distress. The board of commissioners plays a central role in monitoring management performance and delivering strategic recommendations to safeguard the company's long-term sustainability. When functioning actively and independently, the board is well-positioned to identify early indicators of financial distress, oversee high-risk or detrimental managerial decisions, and promote the adoption of operational efficiency and prudent financial policies. Strategic, data-driven recommendations such as financial restructuring, enhancing operational efficiency, and

strengthening risk management can directly contribute to mitigating the risk of financial distress.

According to the Financial Services Authority Regulation (POJK) No. 33/POJK.04/2014 concerning the board of commissioners and directors of public companies, the board must consist of at least two members, with independent commissioners comprising at least 30% of the total number. The board of commissioners is responsible for overseeing company policies and the overall implementation of management decisions. To ensure the effective execution of these supervisory duties, the board is required to establish an audit committee and other supporting committees as necessary. Additionally, the board of commissioners must evaluate the performance of these committees to ensure that the supervisory function is being carried out effectively (OJK, 2014).

In line with The Resource-Based View (RBV) theory posits that a firm's competitive advantage stems from internal resources that are unique, valuable, and difficult to replicate such as intellectual capital and organizational experience embedded within oversight mechanisms like the board of commissioners. Strategic recommendations issued by the board that are proactive, data-informed, and long-term oriented exemplify the effective utilization of such resources, contributing to cost efficiency, risk mitigation, and the reinforcement of financial structures. From an RBV standpoint, the board's strategic involvement transcends its traditional governance role, functioning instead as an intangible asset that enhances the firm's resilience and competitiveness in the face of financial pressures, including potential financial distress.

In line with Agency theory highlights the inherent conflict of interest between company owners (principals) and managers (agents), wherein managers may pursue personal gains at the expense of shareholders particularly in the absence of effective oversight. In this context, board of commissioners' recommendations function as a critical external control mechanism to align managerial actions with shareholder interests. Strategic recommendations grounded in active and independent oversight can help mitigate high-risk decision-making, reinforce corporate governance, and reduce the potential for financial distress caused by poor managerial choices. The implications of agency theory suggest that the presence of an effective board of commissioners can minimize agency conflicts, thereby directly contributing to a lower risk of financial distress (Zaid et al., 2023).

Based on the results of this study, it was found that Board of commissioner's recommendations has a negative and significant effect on financial distress. Strong, well targeted, and independent recommendations from the board of commissioners play a vital role in ensuring that management decisions remain aligned with shareholder interests. When such recommendations emphasize cost efficiency, financial restructuring, and the reassessment of high-risk investments, they can help prevent losses that may lead to financial distress. The board's capacity to formulate strategic recommendations reflects the firm's superior internal resources that are difficult for competitors to imitate. As such, these recommendations serve not only as a component of sound corporate governance but also as an intangible asset that reinforces the company's resilience under financial pressure.

These findings are consistent with the study by Zahranie et al. (2024) which found that the Board of commissioner's recommendations has a negative and significant effect on financial distress. These findings align with the perspective of agency theory, which emphasizes the importance of supervisory mechanisms in mitigating conflicts of interest between management and shareholders. Through objective and accountable oversight, independent commissioners can detect financial risks at an early stage, promote more prudent strategic

decision-making, and ultimately reduce the company's likelihood of experiencing financial distress.

4. The Impact of Audit Committee Expertise on Financial Distress

The findings of this study indicate that the Audit Committee Expertise have a negative and significant effect on financial distress. A competent audit committee plays a critical role in the early detection of financial distress indicators, such as declining liquidity, rising debt levels, and deteriorating earnings quality. Its financial expertise ensures the preparation of reliable, standards-compliant reports, thereby supporting informed decision-making by stakeholders. In addition, a sound understanding of financial and operational risks enables the committee to offer strategic input on risk mitigation, including cost management. The presence of an expert audit committee also strengthens the company's credibility with investors and creditors, facilitating access to financing during periods of financial distress.

In accordance with Financial Services Authority Regulation (POJK) No. 55/POJK.04/2015 Article 4, an audit committee must consist of at least three members, including independent commissioners and external parties unaffiliated with the issuer or public company. Audit committee members are required to possess high integrity, along with the competence, knowledge, and experience relevant to their respective fields. Strong communication skills are also essential. Additionally, at least one member of the audit committee must have an educational background and expertise in accounting or finance.

From the Resource-Based View (RBV) perspective, internal resources that are valuable, rare, inimitable, and non-substitutable are essential to building competitive advantage and organizational resilience. The expertise of audit committee members in areas such as accounting, auditing, finance, and risk management constitutes a strategic resource that enhances the effectiveness of corporate governance. A competent audit committee can reinforce financial oversight, enable early risk detection, improve the quality of financial reporting, and recommend enhancements to internal controls. When leveraged effectively, these capabilities strengthen a company's preparedness to withstand financial pressures and reduce the likelihood of financial distress (Alshatnawi et al., 2023).

From the Agency theory posits that conflicts of interest between owners (principals) and managers (agents) may arise due to information asymmetry and misaligned objectives. Managers may engage in opportunistic behavior, such as manipulating financial statements or concealing the company's true financial condition. In this context, the audit committee functions as a key governance mechanism designed to mitigate agency conflicts and promote transparency. Its expertise in accounting, auditing, and finance is essential for critically evaluating financial reports, identifying financial risks, and curbing harmful managerial practices. Equipped with these competencies, the audit committee can perform its oversight role effectively and contribute to preventing financial distress (Salehi & Manesh, 2020).

Based on the results of this study, it was found that Audit Committee Expertise has a negative and significant effect on financial distress. Audit committees with expertise in accounting, finance, and auditing play a vital role in the early detection of financial distress indicators, such as declining profitability, negative cash flows, and rising debt levels. This expertise enables them to offer strategic input to help prevent financial crises. Competent members can critically evaluate financial statements, reduce the risk of earnings manipulation, and ensure the delivery of reliable information to stakeholders. In addition, professional audit committees tend to be more proactive in monitoring risks and internal controls, including identifying system weaknesses and evaluating high-risk managerial policies. An effective audit

committee enhances investor and creditor confidence, thereby improving the company's access to funding and strengthening its resilience to liquidity pressures.

In this context, the presence of an audit committee serves as a key mechanism of corporate governance. Audit committees with expertise in accounting and finance are better positioned to enhance the effectiveness of financial reporting oversight and internal control systems. Furthermore, such expertise contributes to reducing information asymmetry between agents and principals, lowering agency costs through independent and objective monitoring, and preventing fraudulent activities. Therefore, the financial expertise of the audit committee plays a critical role in mitigating the risk of financial distress, in accordance with the fundamental principles of agency theory.

These findings are consistent with the study by Nurhayati et al. (2019), has a negative and significant effect on financial distress. high explains that financial expertise enables audit committees to identify early indicators of potential financial distress, including cash flow anomalies, increasing debt ratios, or declining gross profit margins. With such early detection, companies can take prompt corrective measures. Moreover, audit committees with strong technical competencies are capable of ensuring that financial statements are prepared in accordance with applicable accounting standards and are free from manipulation. This, in turn, enhances transparency and builds trust among investors and creditors. Their expertise also reinforces the effectiveness of internal control systems and financial practices, thereby reducing the likelihood of errors and helping prevent material losses.

CONCLUSION

Based on the results of this study, the effect of business efficiency on financial distress has a negative and insignificant effect, the effect of intellectual capital proxied by value added capital employed has a positive and significant effect. In addition, the implementation of corporate governance proxied by the recommendation of the board of commissioners and audit committee expertise has a negative and significant effect on financial distress.

Based on the research that has been conducted, this study has a limitation in that it only uses the educational background of the audit committee as a variable. This presents certain challenges, as not all members of the board of directors possess an educational background in business, accounting, or economics. Therefore, the researchers suggest that future studies consider incorporating other aspects of corporate governance particularly the audit committee's work experience as an additional variable. Audit committee members with professional experience in accounting and auditing are generally more capable of detecting early signs of financial statement manipulation, recording inaccuracies, or inappropriate expenditures. Their practical expertise also enables them to evaluate financial reports more critically and professionally. Furthermore, additional proxies for intellectual capital are introduced, namely Human Capital Value Added (HCVA) and Structural Capital Value Added (SCVA). HCVA reflects the workforce's contribution to the creation of added value within the company. A competent, innovative, and skilled workforce has the potential to enhance operational efficiency and bolster the company's resilience to financial pressures. Consequently, HCVA can serve as an early indicator for detecting potential financial distress, particularly in labor-intensive industries such as the manufacturing sector. On the other hand, SCVA captures the quality of a company's internal infrastructure, including information systems, organizational culture, and the efficiency of business processes. A strong internal structure can reinforce operational effectiveness and support more informed and appropriate managerial decision-making when facing financial distress.

REFERENCES

Adrian. (2012). *Corporate Governance dan Teori Agensi*. Jakarta: Penerbit Ekonomi Modern

Alshatnawi, F., Alrawashdeh, N., & Saadeh, M. (2023). *Audit Committee Expertise and Financial Distress: Evidence from the Middle East*. *Asian Journal of Accounting Research*, 8(2), 167–181. https://doi.org/10.1108/AJAR-11-2022-0334.

Arifin, J., Suhadak, Astuti, E. S., & Arifin, Z. (2014). The Influence of Corporate Governance, Intellectual Capital on Financial Performance and Firm Value of Bank Sub-Sector Companies Listed at Indonesia Stock Exchange in Period 2008–2012. *European Journal of Business and Management*, 6(26), 159–167.

Astria, Tia. (2011). Analisis Pengaruh Audit Tenure Struktur Corporate Governance, dan Ukuran KAP Terhadap Integritas Laporan Keuangan. Fakultas Ekonomi. Universitas Diponegoro. Semarang.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. https://doi.org/10.1177/014920639101700108.

Bontis, N. & Girardi, J. (2000). Teaching Knowledge Management and Intellectual Capital Lessons: An Empirical Examination of The Journal Tango Simulation. *International Journal of Technology Management*, 20, 5-8.

Cenciarelli, G., Greco, G., & Allegrini, M. 2018. *Does Intellectual Capital Help Predict Bankruptcy?*. *Journal of Intellectual Capital*, 19(2), 321-337

Dewi, G. A. A. O., & Rahayu, N. M. S. (2020). *Pengaruh komponen intellectual capital terhadap kinerja keuangan perusahaan*. E-Jurnal Akuntansi, 30(9), 2311–2325. https://doi.org/10.24843/EJA.2020.v30.i09.p03.

Deviacita, A. W., & Achmad, T. (2012). Analisis pengaruh mekanisme corporate governance terhadap financial distress. *Diponegoro Journal of Accounting*, *1*(1), 1–15.

Fahmi, I. (2014). *Analisis Laporan Keuangan*. Bandung: Alfabeta.

Farrell, M. J. (1957). The measurement of productive efficiency. *Journal of the Royal Statistical Society: Series A (General)*, 120(3), 253–290

Fashhan, M. R., & Fitriana, V. E. (2018). The Influence of Corporate Governance and Intellectual Capital Towards Financial Distress (Empirical Study of Manufacturing Company in IDX for the Period of 2014 - 2016). *Journal of Applied Accounting and Finance*, 2(2), 163-179.

Febriany, F. (2019). *Analisis Pengaruh Sumber Daya Internal terhadap Keunggulan Bersaing Perusahaan: Pendekatan Resource-Based View*. Jakarta: Penerbit Ekonomi Strategis

Forum of Corporate Governance in Indonesia. 2002. Peranan Dewan Komisaris dan Komite Audit Dalam Pelaksanaan Governance (Tata Kelola Perusahaan). Citra Graha. Jakarta.

Ginting, R. B. (2021). Pengaruh Likuiditas, Profitabilitas dan Leverage Terhadap Finansial Distress Pada Perusahaan Pertambangan di Bursa Efek Indonesia Periode 2014 – 2018. *Kumpulan Karya Ilmiah Mahasiswa Fakultas Sains*. Universitas Pembangunan Panca Budi. Medan.

Ghozali, I. (2017). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 23*. Semarang: Badan Penerbit Universitas Diponegoro.

Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25* . Semarang: Badan Penerbit Universitas Diponegoro.

Gunawan, E. L. (2023). *Pengaruh efisiensi corporate governance terhadap financial distress pada perusahaan manufaktur yang terdaftar di BEI tahun 2018–2021* (Skripsi, Universitas Atma Jaya Yogyakarta).

Hamzah, H., & Mu'id, D. (2018). *Pengaruh keahlian komite audit dan jumlah rapat komite audit terhadap manajemen laba dengan moderasi auditor eksternal*. Diponegoro Journal of Accounting, 7(4), 1–12

Hanifah, O. E., & Purwanto, A. (2013). Pengaruh Struktur Corporate Governance dan Financial Indicators Terhadap Kondisi Financial Distress. *Diponegoro Journal of Accounting*, 2(2), 1-15.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kartikaningdyah, E., & Putri, R. N. (2017). Pengaruh Tax Avoidance dan Board Diversity Terhadap Kinerja Perusahaan dalam Perspektif Corporate Governance. *Journal of Applied Accounting and Taxation*, 2(2), 114-122.

Khatimah, N. (2022). Efisiensi Usaha Pada Usaha Mikro, Kecil dan Menengah di Indonesia. *Jurnal Ekonomi dan Bisnis*, 15(2), 123-135.

Liu, Y., Wang, X., & Zhang, L. (2020). Financial distress, internal control, and earnings management: Evidence from China. *China Journal of Accounting Research*, 13(1), 1–18.

Muazaroh, A., Rahmawati, R., & Wulandari, S. (2012). Faktor - Faktor yang Mempengaruhi Efisiensi Bank di Indonesia. *Jurnal Ekonomi dan Keuangan*, 10(2), 123-135.

Mulyadi, J. M. (2015). Penilaian Efisiensi Bank dengan Data Envelopmen Analysis Pada 10 Bank Berperingkat Besar di Indonesia. *Jurnal Riset Akuntansi dan Perpajakan* , 2(2), 113-126. https://doi.org/10.35838/jrap.2015.002.02.11.

Naufal, M., & Firdaus, M. (2018). Analisis Efisiensi dan Financial Distress Pada Perusahaan Kategori Tekstil dan Garmen. *Jurnal Bisnis, Manajemen dan Ekonomi* , 4(1), 1-10.

Ningrum, D. A. (2018). 4 Perusahaan Besar Mendadak Bangkrut, Ini Penyebabnya. Diakses pada 31 Januari 2023, dari https://www.merdeka.com/uang/4-perusahaan-besar-mendadak-bangkrut-ini-penyebabnya.html

Nurhayati, N., Nurcholisah, K., & Aprian, T. (2019). *Pengaruh sales growth dan keahlian keuangan komite audit terhadap financial distress: Studi empiris pada perusahaan manufaktur sub-sektor otomotif dan komponen di BEI (2012–2016). Kajian Akuntansi, 20*(1), 80–86. https://doi.org/10.29313/ka.v20i1.4580

Nguyen, D. T. (2023). The Moderating Role of Income Diversification on The Relationship Between Intellectual Capital Efficiency and Bank Performance. *Cogent Business and Management*, 1(1).

OJK. (2014). *Peraturan Otoritas Jasa Keuangan Nomor 33/POJK.04/2014 Tentang Direksi dan Dewan Komisaris Emiten atau Perusahaan Publik*. Jakarta: Otoritas Jasa Keuangan.

OJK. (2015). *Peraturan Otoritas Jasa Keuangan Nomor 55/POJK.04/2015 Tentang Pembentukan dan Pedoman Pelaksanaan Komite Audit*. Jakarta: Otoritas Jasa Keuangan.

Permatasari, R. D., Yusroni, N., & Retnoningsih, S. (2022). *Pengaruh Rasio Keuangan Terhadap Financial Distress pada Perusahaan Property and Real Estate di Bursa Efek Indonesia Tahun 2018–2021*. Jurnal Akuntansi, Manajemen dan Ekonomi (JAMANE), 1(2), 327–338. https://doi.org/10.56248/jamane.v1i2.42

Purba, H. M. (2018). *Pengaruh intellectual capital terhadap kinerja keuangan perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia*. Jurnal Akuntansi dan Keuangan, 9(2), 150–162.

Putri, T. P., & Cahyono, Y. T. (2023). *Pengaruh pertumbuhan penjualan, komisaris independen, efisiensi operasional, dan kepemilikan publik terhadap financial distress pada perusahaan manufaktur yang terdaftar di BEI periode 2020–2022. Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah, 6*(8), 6197–. https://doi.org/10.47467/alkharaj.v6i8.4433

Puspitasari, D. P., & Suryono, B. (2020). Modal intelektual, ukuran perusahaan dan struktur modal terhadap nilai perusahaan dengan profitabilitas sebagai variabel intervening. *Jurnal Ilmu dan Riset Akuntansi*, 9(2), 1–25

Rachmawati, T. R., & Rohman, A. (2024). *Pengaruh karakteristik komite audit terhadap financial distress. Diponegoro Journal of Accounting, 13*(4).

Sa'diyah, N. H. (2016). Analisis Efisiensi Menggunakan Metode Data Envelopment Analysis (DEA): Kasus Pada PT. Indonesia Toray Sinthetic. *Sains: Jurnal Manajemen dan Bisnis* , 9(1), 101-119.

Salehi, M., & Manesh, N. B. (2020). The effect of audit committee characteristics on financial distress: Evidence from Iran. *International Journal of Law and Management*, 62(3), 239–260.

Sampurno. (2013). *Manajemen Stratejik: Menciptakan Keunggulan Bersaing Yang Berkelanjutan.* Yogyakarta: Gajah Mada University Press

Santos, A. (2021). Pengaruh financial distress, audit delay dan reputasi auditor terhadap auditor switching (studi empiris pada perusahaan manufaktur subsektor kimia, logam, keramik dan pakan yang terdaftar di Bursa Efek Indonesia tahun 2016 – 2018). *Economic and Financial Journal*, 3(3), 299-309. https://doi.org/10.32877/ef.v3i3.412

Sari, M., & Husaini, H. (2021). *Karakteristik komite audit, struktur kepemilikan, dan financial distress. Jurnal Fairness, 6*(1), 59–70.

Sari, K. A. (2022). Pengaruh Value Added Capital Employed terhadap Prediksi Financial Distress. Jurnal Manajemen dan Kewirausahaan, 10(1), 45-60.

Shaqila, B. L. (2021). Pengaruh Tata Kelola Perusahaan Terhadap Tindakan Kecurangan Akuntansi Pada Perusahaan Publik di Indonesia. *Jurnal Ilmiah Mahasiswa FEB UB*, *9*(2).

Siswanto, N., & Fuad, F. (2017). *The impact of audit committee characteristics on financial distress*. Diponegoro Journal of Accounting, 6(2), 117–125.

Sawarjuwono, T., & Prihatin Kadir, A. P. (2003). *Intellectual capital: Perlakuan, pengukuran dan pelaporan*. Jurnal Akuntansi dan Keuangan, 5(1), 35–57

Subarkah, J. (2021). *Pengaruh Value Added Capital Employed, Structural Capital Value Added dan Dewan Direksi Terhadap Kinerja Keuangan*. Jurnal Akuntansi dan Pajak, 22(1), 380–386. https://doi.org/10.29040/jap.v22i1.2794

Sutedi, Adrian. 2011. Good Corporate Governance. Sinar Grafika. Jakarta.

Ulum, I. (2017). *Intellectual Capital: Model Pengukuran, Framework Pengungkapan dan Kinerja Organisasi*. Malang: UMM Press.

Walidain, S. B., & Ardian, N. (2023). *The Effect of Intellectual Capital and Profitability on Financial Distress in Manufacturing Companies in The Building Construction Sub-Sector Listed on the IDX*. International Journal of Management, Economic and Accounting, 2(1).

Wang, L.-H., & Cao, X.-Y. (2022). *Corporate Governance, Financial Innovation and Performance: Evidence from Taiwan's Banking Industry. International Journal of Financial Studies, 10*(2), 32. https://doi.org/10.3390/ijfs10020032

Wu, S., Zhang, H., Tian, Y., Shi, L., & Gong, D. (2021). Financial Distress Warning: An Evaluation System Including Ecological Efficiency . *Discrete Dynamics in Nature and Society*, 1-9.

Wunu, D. H., & Kelen, L. H. S. (2023). *Analisis Efisiensi Usaha Pande Besi dengan Metode Data Envelopment Analysis (DEA)*. AKSIOMA : Jurnal Manajemen, 2(2), 90–100. https://doi.org/10.30822/aksioma.v2i2.2216

Wirawan, S. (2017). Pengaruh Human Capital, Structural Capital dan Customer Capital Terhadap Kinerja Perusahaan Pada Perusahaan Daerah Air Minum (PDAM) di Kabupaten Tabalong. *Jurnal Administrasi Publik dan Administrasi Bisnis*, 2(2), 275-285.

Yesseri, A. (2015). The Impact of Audit Committee Characteristic on Financial Distress. *Diponegoro Journal of Accounting*, 6(2), 1-12.

Yusbardini, Y., & Rashid, M. (2019). Analisis Prediksi Financial Distress Menggunakan Model Altman Z score Pada Perusahaan Manufaktur. *Jurnal Akuntansi dan Keuangan*, 10(2), 123-134.

Zaid, M. A. A., Wang, M., & Abuhommous, A. A. (2023). Audit Committee Expertise and Financial Distress: Evidence from Emerging Markets. *International Journal of Finance & Economics*, 28(2), 1247–1261. https://doi.org/10.1002/ijfe.2619.

Zahranie, A. M., Lukita, C., & Nasihin, I. (2024). *Pengaruh sustainability reporting, dewan komisaris independen terhadap financial distress dengan sales growth sebagai variabel moderasi. Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah, 6*(11), 8366–. https://doi.org/10.47467/alkharaj.v6i11.4412,

Zhou, H. (2016). *Directors' education and corporate liquidity: evidence from boards in Taiwan. Review of Quantitative Finance and Accounting, 49*(4), 463–485.