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[Calling and Membership in Intrinsic Motivation-based Leadership for Increasing Organizational Commitment and Productivity](#)

M. Nadjib Usman, Romi Ilham, Agus Samekto

This research aims to contribute about the impacts of calling and membership for lecturers as professional through spiritual leadership. The proposed research model was tested using partial least square and 327 valid questionnaires were collected. According to the literature review and analytical technique,...

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Factors Influencing Corruption Actions with Parliamentary Behavior as Moderating Variables (Polewali Mandar Regency DPRD Study)

Jamaluddin M, Mediady, Harryanto, Abdul Hamid Habbe, Lili Aprilianti

This study aims to examine the greedy effect of greed, opportunity, need and disclosure on the behavior of APBD corruption with parliamentary behavior as a moderating variable. This research is a quantitative research using a descriptive approach. The method of data collection is by handing out questionnaires....

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The Extent of Voluntary Disclosure Before and After IFRS Convergence in Indonesia

Totok Budisantoso, Maria Eliza Suryanto

This research aims to prove empirical result whether there is a significant increase on the extent of voluntary disclosure after the IFRS convergence in Indonesia. Utilizing the manufacturing companies listed in Indonesian Stock Exchange (IDX) as the samples, this research selects two years before the...

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Does the Change of Company Name Matter for the Investors? Evidence from Indonesia

Bambang Sutrisno, Azimah Hanifah

Changing the name of the company requires careful consideration and is not an easy thing. Companies need to assess the impact and benefits of changing company names. This study aims to examine the impact of company name

changes on stock returns on the Indonesia Stock Exchange. This research uses the...

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[Climate of Organizational Ethics to Business Satisfaction \(Study of SME in South Sulawesi\)](#)

Muhammad Idrus Taba, Muhammad Ismail, Muhammad Sobarsyah, Tasrim
Organizational ethics plays an important role in shaping a good climate for all members of the organization. The ethical issues concerning to social problem, protection of the rights of employees, public society (social responsibility) and also consumers. The application of ethics in organization raises...

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[Exchange Rate Forecasting and Value-at-Risk Estimation on Indonesian Currency Using Copula Method](#)

Kevin Bastian Sirait, Batara Maju Simatupang

This study aims to determine the future value and the value-at-risk estimation of four selected currencies, namely United States Dollar (USD), Australian Dollar (AUD), European Union Euro (EUR) and Japanese Yen (JPY) against Indonesian Rupiah (IDR). The Monte-Carlo simulation is implemented to estimate...

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[The Factors Affecting Income of Go-Jek Drivers in South Tangerang](#)

Nazifah Husainah, Azizatul Munawaroh

The develop an online motorcycle in South Tangerang City, especially in GO - JEK. This has resulted in competition between online motorbike drivers, which affects GO - JEK revenues driver. In addition, the income of the drivers is influenced by several factors, namely working hours, education level,...

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[Integration of Balanced Scorecard and Analytical Hierarchy Process as a Tool for Determining the Priority of the Program Strategy: Case Study in Dr.Tc.Hillers Maumere Hospital](#)

Yosefina Andia Dekrita, Rita Yunus, Andi Batary Citta, Muhammad Yamin

Purpose - The purposes of this study are to measure hospital performance based on a combination of Balanced Scorecard method and Analytic Hierarchy Process method with four perspectives namely customer perspective, finance, internal business processes and learning and growth, and to determine the priority...

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[The Factors of Fraud Trends in Public Sector in Makassar City](#)

Arman Kamal, Diah Ayu Gustiningsih, Mediaty, Abdul Hamid Habbe, Arifuddin

Abstract. This study aims to obtain empirical evidence about the factors causing fraud trends in public sector organizations in the city of Makassar. The variables tested were distributive justice, procedural fairness, internal control system, leadership style, and organizational ethical culture. The...

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Testing the Monday Effect in the Banking Sector in Indonesia Stock Exchange

Agus Arman, Dwi Ayu Lestari

Calendar anomalies are one of the market anomalies that disrupt the efficient market hypothesis. Based on studies of calendar anomalies carried out in several capital markets in the world prove the existence of irregularities in seasonal return (day of the week effect) and monthly (month of the year...

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The Woman Empowerment Model through Entrepreneurship in Depok and Bogor

Hasanah, Nurul Sriminarti

The role of woman in the field of entrepreneurship increases rapidly because, in this era of openness, the opportunities for females are widely open. By means of females, participating in economic activities provide a good condition for the Indonesian economy. The purpose of this research is to create...

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The Education Measurement Specific Effect on Sustainable Development: An Experience of Indonesia

Abdur Razzaq, Sari Lestari Zainal Ridho

Abstract—the sustainability development is a target to be achieved by any nations, it requires to have qualified human capital. While population`s level of education, especially those who work, are still relatively low. The failure in education indicates the failure in the education quality improvement,...

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[SWOT Analysis of Financial Technology in the Banking Industry of South Sulawesi: Banking Survey in South Sulawesi](#)

Andi Batary Citta, Yosefina Andia Dekrita, Rita Yunus, Ahmad Ridha, Hartina

Purpose - This study aims to analyze financial technology using SWOT analysis in the banking industry in South Sulawesi. Design / methodology / approach - The type of research used in this study is a qualitative research method with a descriptive approach. The research will describe the SWOT analysis...

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[Poverty Reduction Model through Empowerment People's Economy According to Islamic Perspectives \(Study on Islamic Village in Sikka-Flores District\)](#)

Rita Yunus, Yosefina Andia Dekrita, Muhammad Yamin, Andi Batary Citta

Purpose - Poverty is a phenomenon that is so easy to find everywhere both in the village and in the city, including in the Islamic village, SIKKA Regency, East Nusa Tenggara Province. The worrisome economic situation of the Islamic settlements in SIKKA District is not to be mourned, but to find a solution....

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[Individual Intelligence as One of Competency Assessments and Performance of Employees in State-Owned Cement Enterprises](#)

Andi Ririn Oktaviani, Siti Haerani, Muh. Asdar, Muh Ismail

Individual intelligence of employees has an important role as a stimulus to achieving competency standards based on competency dictionaries in state-owned cement companies in Indonesia. Employee competency assessment is an indicator established by a company that reflects the behavior that must be carried...

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[Entrepreneurship in through Islam Perspective](#)

Veppy Anwar, Sofyan Hamid, La Ode Hidayat, Andi Harmoko Arifin

Entrepreneur is a strategic economic change agent for the Indonesian people in reducing poverty. By seeing that most of the Indonesia's population is Muslim, so it is very appropriate to implement an Islamic-based entrepreneurship system. Entrepreneur is a system in accordance with the teachings of Islam...

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[The Effect of XBRL Adoption on the Investors' Trading Behavior in Indonesia Stock Exchange](#)

Linda Arisanty Razak, Grace T. Pontoh, Haliah, Muhammad Yamin

This research aimed to examine the effect of XBRL (Extensible Business Reporting Language) adoption on investors' trading behavior in Indonesia Stock Exchange which was reflected in the frequency of trading on Indonesia Stock Exchange. By using a number of 34 banking issuers taken randomly from a number...

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The Influence of the Credit Channeling and Utilization of Assets against the Adequacy of Capital at PT. Bank Branch North Sumatra Medan Iskandar Muda

Novien Rialdy, Laster Jujanwar Bancin

As for formulation problems in the research is any influence of utilization of active in credit channeling special and simultaneous concerning capital adequacy at PT. Bank of not Sumatra Branch of Iskandar Muda Medan. In the study used techniques of data collection studies, that documentation related...

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Entrepreneurship Development through Tourism Villages in the Perspective of Defense Economic (Study Case: Penteng Sari, Sleman, Yogyakarta)

Andhika Alfathanah Putra Pandu Pratama, Supandi Halim, Sulistiyanto, Dony Setiawan

This article provides one of successful village, which able transformation from poor village to destination tourism. Entrepreneurship is the success key of Pentingsari Village as a tourism village. Pentingsari Village Tourism offering circumstances nature. Living in the village is rarely activity for...

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The Effect of Debt to Equity Ratio and Total Asset Turnover on Return on Equity in Automotive Companies and Components in Indonesia

Asrizal Efendi, Linzzy Pratami Putri, Shinta Dungga

This study aims to determine the effect of Debt to Equity Ratio and Total Asset Turnover partially and simultaneously on Return on Equity. The sample withdrawal used was purposive sampling so that a sample of 10 companies from automotive companies and their components were listed on the IDX. Data analysis...

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[The Role of Safety-specific Transformational Leadership in Reducing Near Miss Incidents, Using Safety Climate as a Mediator](#)

Ahmad Shahrul Nizam Isha, Muhammad Zeeshan Miza, Sundas Azeem, Muhammad Zahid

Despite the fact that near miss incident plays an important role in the evaluation and improvement of workplace safety, there is limited work on identifying the reasons and providing solutions to curtail near miss incidents at workplace. The current study looks to fill this void by proposing safety-specific...

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[Moslem Entrepreneur Behavior and its Effect on Knowledge, Network and Performance](#)

Wiwik Lestari, Sri Lestari K, Djoko Budhi Setyawan, Achmad Saiful Ulum

The research aim is study entrepreneurial behavior based on Islamic taught. Islam encourage learning and networking. The first taught of Alqur'an is "Iqra!" means read or learn! Entrepreneurs need to equip themselves with entrepreneurial knowledge and experience so called entrepreneurial literacy....

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The Effect of Human Capital on the Role of the Board of Commissioners

Makaryanawati

Abstract: This study aims to provide empirical evidence of the influence of human capital on the monitoring and the advising role of the board of commissioners. The monitoring of management behavior is needed because of the separation of authority between the shareholder and manager. One of the roles...

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Brand Religiosity Image : A Conceptual Review of Islamic Marketing

Munadi Idris, Nuraeni Kadir, La Ode Hidayat, Nur Rahmah

Islamic marketing has a different approach to know its identity. The approach to the concept of brand image has not been able to explore the identity of Islamic marketing. Some dimensions or indicators used in measuring brand image in Islamic marketing are not appropriate and needs adjustment. This is...

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The Influence of Organizational Culture and Organizational Citizenship Behavior (OCB) on the Performance of Hotel Employees in Batam City with Organizational Commitment as Intervening Variables

Wasiman

The purpose of this study was to determine the effect of organizational culture and organizational citizenship behavior (OCB) on the performance of hotel employees in Batam City with organizational commitment as an intervening variable. Respondents used in this study were employees of four-star hotels...

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[Tanah Liek Batik's Industry in West Sumatra \(a Study of Development Problems\)](#)

Rose Rahmidani, Armianti, Dessi Susanti

This study aims to identify the problems faced by the Batik Tanah Liek industry in West Sumatra thus, based on this identification can be found a solution to solve the problem. The research method used is a qualitative method. The study was conducted in three locations, namely Dharmasraya District, South...

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[Effect of Framing and Locus of Control on Commitment Escalation in Investment Decisions](#)

Linda Arisanty Razak, Haliah, Abd. Hamid Habbe, Mediaty, Arifuddin

This research aimed to examine whether framing and locus of control affect the commitment escalation in making investment decisions. This research was an experimental study by applying a design of factorial 2x2 between subjects with a sample of 84 students at the University of Muhammadiyah Makassar....

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Linking Human Resource Management Practices to Organizational Performance in Nigeria Education Sector

Malam Salihu Sabiu, Kabiru Maitama Kura, Andi Reni

This study is aimed at examining the relationship between human resource management practices and organizational performance. Training and development and compensation practices were mainly incorporated in our research model. A sample of 181 Education Ministry, boards, parastatals and agencies in seven...

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Performance Enhancement Strategy through Business Environment, Product Innovation and Competitive Advantages

Maat Pono, Andi Reni, Isnawati Osman, Meutia, Rahmawati Harisa

This research tries to examine the influence of business environment, product innovation and competitive advantage on SME performance. The type of research is survey. The population in this study is the overall SMEs in South Sulawesi. The sampling technique is simple random sampling with the number of...

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Village Development Planning Discussion in Indonesia: Is It Working?

Syarifuddin, Ratna Ayu Damayanti

The purpose of this study is to describe the problems in village musrembang which is a planning model implemented by the Indonesian government at the village level. This research is essential to determine whether musrembang is

useful to encourage community participation in the planning process of developing...

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[Effectiveness of the Board of Commissioners Role: Review of Resources Dependence Theory](#)

Makaryanawati, Sriyani Mentari, Fatmawati Zahroh, Ria Zulkha Ermayda

Abstract: One of the roles of the board of directors is to provide advice on policies and strategies to management. This advice requires intellectual ability inherent in the board of commissioners, one of them is social capital. The study aims to determine the effect of social capital on the role of...

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[The Company Efficiency Increasing Strategy in Makassar Contract Terminal Using Quantitative Strategic Planning Matrix](#)

Siti Haerani, Muhammad Yunus Amar, Muhammad Iskandar, A. Sugeng S. Aji

Abstract: Company Efficiency Improvement Strategy At Makassar Container Terminal. The company's operational strategy related to the supply of goods and services will be much better if through coordination and communication so that the operational activities of the company run efficiently and effectively....

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[Mediating Effect of Social Media on the Consumer Buying Behaviour of Cosmetic Products](#)

Kabiru Jinjiri Ringim, Andi Reni

Social media are increasingly influencing and changing the way consumers behave, and how they make the decision to buy the cosmetics online via Facebook, Instagram, WhatsApp, and telegrams. The importance of cosmetics has increased, as many people want to stay young and look attractive. Therefore, the...

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[The Effect of Reporting Channel and Moral Reasoning on Intention to Report the Fraud in Procurement Processes in the Government Sector](#)

Nayang Helmayunita, Dian Fitria Handayani, Abel Tasman

This study aims to examine the effect of the reporting channel and the level of moral reasoning on interest in reporting fraud that occurs in the procurement of goods / services in the government sector. In this study proposed the hypothesis that the interest to report fraud will be higher with the use...

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[Relationship between Fundamental Signals and Cash Flow Information on Stock Return after the Convergence of IFRS](#)

Ramly, Ismail Rasulong, Buyung Romadhoni, Diah Ayu Gustiningsih, Alamsjah, St. Ramlah

This study aims to find alternative information non-earnings (earnings) after IFRS convention in investing by testing (1) the relationship of fundamental information (account receivable signal, inventory signal, gross margin signal, sales, and administrative signal, effective tax signal, labor force...

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[The Influence of Website Service Quality towards Consumer Satisfaction by Using Webqual 4.0 Method: Study on Grab Users in Bandung](#)

Febri Hikmah Haryanti, Retno Setyorini

This research is motivated by rapid technological developments to create business opportunities through technology increasingly. The website becomes important as platforms deliver information to users in a wide range of information about a company (company profile) until the customer service. One current...

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[Measuring Asean Rice Non-tariff Measures \(NTMS\) and its Impact on Indonesian Food \(Rice\) Security](#)

Iwan Hermawan

In this research, we calculated ASEAN rice non-tariff measures (NTMs) and its impact on Indonesian food (rice) security. To assess whether NTMs facilitate or impede rice trade across countries in ASEAN region, Gravity Model was applied with Pseudo Poisson Maximum Likelihood (PPML) method. It allowed...

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[The Influence of Leader's Islamic Work Ethic on Employee Performance and Organizational Commitment](#)

Wardhani Hakim, Siti Haerani, Haeriah Hakim, Asriani Ansar

This study aims to determine the influence of ethical work Islamic leader against employee performance and organizational commitment at ‘The Ministry of Religious Affairs’ Bantaeng District. Research data were obtained from questionnaires, literature studies, and interviews according to the objectives...

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[Tax Avoidance Dynamics across Firm's Life Cycle](#)

Yenni Mangoting, Monica Valencia Nugroho, Avelia Yanuar

The purpose of this study is to examine the association between the stages in a firm’s life cycle on tax avoidance strategies. This research uses cash flow pattern as a proxy to identify firm’s life cycle and divide it into four phases of life cycle. We find that tax avoidance is significantly positively...

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[HRM Practices in Hotel Industry](#)

I Wayan Gede Suharta Dewantara, Siti Haerani, Nurdjanah Hamid

This research has the aim to uncover human resource practices in the hospitality industry. This research hopes to support and build insights and theories about the practice of Human Resources. This qualitative research begins with a literature study on HR practices, which will be confirmed through a...

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[Determinants of Banking Efficiency and its Impact on Banking Competitive Advantage](#)

Andi Ruslan, Cepi Pahlevi, Syamsu Alam, Mursalim Nohong, Andi Reni
This paper aims to identify the level of competition and the level of banking efficiency and develop a conceptual framework to examine the effect of the level of banking competition, the characteristics of banks on efficiency and competitive advantage of banking. To discuss the topic studied in this...

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[Implementation of E–Budgeting as an Effort of the Enhancement of Transparency and Accountability in the Government of Binjai City in North Sumatra](#)

Anggi Pratama Nasution, Atika

This research is intended to the Government at Binjai City of North Sumatra. Application of e-governance at regional work unit (SKPD) aims to strive the improvement of work performance based on several principles on good corporate governance (GCG) such as transparency and accountability on the government...

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[Women and Whistle-Blowing: Gender in Reporting Channel and Moral Reasoning to Report the Fraud in Procurement Processes in The Government Sector](#)

Dian Fitria Handayani, Nayang Helmayunita

This study aims to examine the effect of gender in reporting fraud in the procurement of goods in government sector. The study employs a 2 x 2-between-subject experimental design with the participant of bachelor's degree of Accounting Student Faculty of Economics, Universitas Negeri Padang. Hypothesis...

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[Online Disclosure of University Environmental Responsibility: A Case of Indonesia](#)

Alia Ariesanti, Aftoni Sutanto, Utik Bidayati

A university has a commitment to maintain transparency and accountability. To fulfill that obligation and win the high competition, the university strives to improve the brand image by disclosing positive information to public. Therefore, the university proposed environmental activities as a form of...

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[Spending Standard Analysis Model in Budget Fairness \(an Empirical Study on Wajo Regency\)](#)

Rasyidah Nadir, Andi Khaerul Nasruddin, Sabri Wahab

This study aims to create a Spending Analysis Standard (ASB) model following the policy by Wajo Regency's government officials. This analysis is an instrument used for assessing the fairness of workloads and costs incurred for government-organized activities. Data was obtained from the 2017 Budget Implementation...

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[Board Structures and Managerial Ownership in Identifying the Financial Distress Likelihood](#)

Hatane Hatane, Nathalia Chandra, Josua Tarigan

This study investigates the impact of board structures and managerial ownership on the ability in preventing financial distress in the context of Indonesia and Malaysia consumer goods companies. Board structure consists of board size, composition and gender diversity. Ability in preventing in financial...

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[The Influence of Pressure in Detecting Financial Statement Fraud](#)

Mia Angelina Setiawan

This study examines the pressure factors that influence fraud on the financial statements of BUMN companies because of the case that happened to PT. KAI (Kereta Api Indonesia), which is one of the State-Owned Companies (BUMN) in Indonesia. To provide more comprehensive results, this study will investigate...

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[Role of Banking Inclusion in Reducing Poverty in Eastern Indonesian Region, Sulampua \(KTI\)](#)

Marsuki, Sabir, Munawwarah S.M, Muhammad J.T

This paper has the objective to understand the condition, factor determining and effect of banking inclusion program to income distribution in order to reduce poverty in a selected city in the Eastern Indonesian Region (KTI). It also analyses the banking inclusion effect on income distribution and poverty...

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The Effect of Celebrity Endorser and Halal Brand Image on Customers' Purchasing Decisions of Wardah Cosmetics

Sandi Salere, Abdul Razak Munir, Nurdjanah Hamid

The purpose of this study is to determine the effect of halal brand image and celebrity endorser on Wardah cosmetic purchasing decisions. The data used in this study were obtained through survey with questionnaire. The number of samples used was 263 students of the Faculty of Economics and Business at...

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The Mediating Role of Effort in the Relationship between Job Involvement and Job Performance. A Case Study of Private Higher Education Institutes in Eastern Indonesia

Muhammad Akhsan Tenrisau, Siti Haerani, Haris Maupa, Muhammad Ismail Pabo

Abstract: The objective of this study is to clarify ambiguities in the literature regarding the relationships among three key constructs of work relationships: job involvement, effort, and job performance. This present study aims to make at least three contributions: (1) to add to the theory building...

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The Role and Performance of Sustainable Microfinance Institutions (MFIs)

Gagaring Pagalung, Kartini, Jusni, Afdal

Microfinance is a new financial instrument tool in the development of poverty alleviation and equity and or income generation of low-income people.

Microfinance is function as a macro financial development stimulus that will ultimately affect national economic growth. The purpose of this research is...

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[Moderating Effect of Capital Outflow Monitoring Management \(COMM\) on Credit Risk and Loan Performance](#)

Muhammad Irfai Sohilauw, Muhammad Ali, Mursalim Nohong

This study aims to explain the relationship between credit risk and loan performance which is moderated by Capital outflow monitoring management (COMM). This research is an explanatory research in the city of Makassar. The population in this study is the Associate Account Officer (AAO) of the Makassar...

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[Innovation Strategy for Creating Successful Small and Medium Businesses](#)

Wihalminus Sombolayuk, Ria Mardiana Yusuf

This study aimed to explore the innovation strategy and the link between human capital, social capital, and financial capital as a factor that determines the success of small & medium businesses. The approach is through the study of literature. The results show 1) human capital as in the dimensions...

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[Fairness in Profit Sharing of Business in Capture Fisheries in Muslim Community at South Sulawesi](#)

Alimuddin, M. Christian Mangiwa, Muallimin

This study aims to examine the justice in the profit sharing system of capture fisheries in Muslim communities in South Sulawesi. The research method uses descriptive qualitative analysis. To determine whether there is fairness in the profit sharing system, the value of fairness is based on Islamic Sharia....

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[Analysis the Influences of Food Prices \(Volatile Food\) in South Sulawesi 2011-2017](#)

Anas Iswanto Anwar, Sri Undai Nurbayani, Putri Rezky Indria

The aim of this study is to analyze the effect of the amount of money in circulation, import, and the number of population on volatile foods in South Sulawesi. This research uses secondary data which is time series as much as 78 periods from January 2011 until June 2017 sourced from BI (Indonesian Bank)...

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[The Effects of Economic Growth, Micro Finance Institution, and Micro and Small Enterprises to Income Inequality in South Sulawesi](#)

Anas Iswanto Anwar, Muhammad Agung Ady Mangilep

This study aims to determine the relationship of economic growth, small banks, and small enterprises on income inequality in South Sulawesi. Secondary data from 2005 to 2016 are used on the descriptive quantitative approach which is analyzed by a multiple linear regression analysis. The results showed...

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[Manufacturing Strategy in Gerabah Business](#)

Anwar, A. Ratna Sari Dewi

The purpose of this study is to build a sustained competitive advantage for the gerabah business through the development of a manufacturing strategy. The specific target of this study is to analyze the application of manufacturing strategies as a competitive weapon in the gerabah business. The design...

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[Innovation of Digital Start Up Business Model with 4As Marketing Approach and its Application in Small and Medium-Sized Enterprises in South Sulawesi](#)

Abd. Rahman Kadir, Najmi Kamariah, Nina Fapari Arif

The purpose of this research is to discuss the innovation of Digital Start Up business model with 4As Marketing Approach and its application to Small and Medium-sized Enterprises in South Sulawesi. The 4As approach in Marketing is 1) Acceptability, 2) Affordability 3) Accessibility, and 4) Awareness....

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[Factors Affecting Business Development of Warung Tegal: The Case of Warung Tegal in Jabodetabek](#)

Tri Susanto, Mirsa Diah Novianti, Rene Johannes, Holila Hatta, Aurino Djamaris Rilman, Adi Budipriyanto

This study aims to identify the most important factors affecting business development of Warung Tegal in Jabodetabek. A method of Management Audits and Strategic Assumption Surfacing and Testing were used. Management audits resulted twenty three factors influencing the business development of Warung...

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[Effect of the Contents of Information on the Accountability of the Implementation of the Regional Revenue and Expenditure Budget Against the Re-Election of Incumbents](#)

Darmawati, Gagaring Pagalung, Mediaty, Ratna Ayu Damayanti

Purpose – This paper aims to explore the extent to which the use of accounting information contented in the report on the performance of local government performance influences voter behavior in the re-election of incumbent regional heads. Based on changes that are recommended by New Public Management...

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[Women and Poverty \(a Study in Foreign TKW in Tulung Agung Regency\)](#)

Sayekti Suindyah Dwiningwarni, Andi Reni, Titin, Tatik Mulyati, Muhammad Yusuf

The objectives of this research are: (1) to find out the comparison of TKW life before and after becoming TKW, (2) to know and to examine the problems faced by former TKW, the analytical method used is a qualitative method by using Forum Group Discussion (FGD). The results of the research are: (1) the...

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[Analysis of Gender Empowerment in Building a Family Economy: A Case Study of a Group of Women of Receiving Credit from the Save and Loan Program in the PNPM Program at Maros District, South of Sulawesi](#)

Muhammad Yunus Amar, Humriati, Alimuddin Unde

This study aims to determine: 1). The influence of the level of information dissemination on the level economic community; 2)the influence of the level of community understanding of the economic level of the community, and 3) the influence of the level of community participation on the economic level...

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[Performance Improvement through Interpersonal Communication and Job Satisfaction \(Empirical Study of Nurses](#)

[in Puskesmas/Community Health Center\) in Makassar, Indonesia](#)

Fauziah, Isnawati Osman, Dian A. S. Parawansa, Jumidah Maming

This study aimed to analyze the effect of interpersonal communication and the job satisfaction nurses' performance. The study was designated as a quantitative research. The research was conducted in the community health center (PUSKESMAS) in Makassar, Indonesia. The study applied structured questionnaires...

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Muhammad Toaha, Haris Maupa, Nurdin Brasit, Idrus Taba, Andi Aswan

The study is aimed to identify and solve the problems of why the food and beverage SMEs in South Sulawesi are not able to have a longer sustainability in comparison to the large one and how an integrated model of the sustained competitive advantage is built for SMEs of food and beverage should be built....

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Muhammad Agung Ady Mangilep, Anas Iswanto Anwar, Adelia Undangsari
Ady Mangilep

This research is aimed to explore the potential relation between Baubau City and its hinterlands to improve their economies. This research uses quantitative data obtained from a series of Indonesian government's publications. LQ method is used to analyze basic sectors in the economy and descriptive statistics...

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Eli Jamilah Mihardja, B. P. Kusumo Bintoro, D.M. Putri, T. Widiastuti, P.M. Agustini, F. Adriati

Brand determines the success of a company, as well as branding a city. In the era of regional autonomy and transparency of information, city branding has a major role as a strategy to gain a reputation and a strong positioning in the face of competition with other cities. Therefore, this study aims to...

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Kristina Sisilia, Nizar Sabiq

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Nasir, Halimatussakdiah, Irma Suryani

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Nurmadhani Fitri Suyuthi, Muh. Kafrawi Yunus, Siti Haerani, Idayanti Nursyamsi, Nurdjanah Hamid

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The purpose of this study is to determine whether the dimensions of innovation culture, motivation, and entrepreneurship orientation affect the advantage competition of SMEs in South Sulawesi Province in selected districts/cities

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Muhammad Guntur, Henni Zainal, Aslinda

One of the ways that the job seekers find their livelihood in big cities is by trading in the informal sector that is termed with a street vendor. Street vendors are trading by holding their merchandise with benches/tables, mats, and other supporting tools. The presence of street vendors in the city...

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[Strategy Orientation Transformation from Market Orientation to Innovation Orientation and the Effect on Marketing Performance of Woven Industry in Wajo District, South Sulawesi Province](#)

Nurhilalia, Abd.Rahman Kadir, Mahlia Muis, Jusni

The woven industry is an important economy actor in Wajo to bring a positive effect on trade sector. The marketing performance improvement of woven industry is done with various marketing strategies and often called the implementation of strategic orientation. This study aim is to examine the strategic...

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Benediktus Elnath Aldi, Irine Herdjiono, Gerzon Maulany, Fitriani

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Swandani, Anita De Grave, Alimuddin, Grace T. Pontoh

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[Sectoral ICORs of South Sulawesi Province](#)

Muhammad Agung Ady Mangilep, Fitriwati Djam'an, Retno Susanti, Adelia Undangsari Ady Mangilep

This research is aimed to find out sectoral ICORs of South Sulawesi Province. This research uses quantitative data obtained from a series of Indonesian government's publications. The ICOR method is used to calculate an ICOR coefficient. This research found that the ICOR of South Sulawesi Province is...

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[Women's Role in the Development of South Sulawesi's Small and Medium Enterprises Home Industry through Social Media](#)

Jumidah Maming, Abdul Razak Munir, Nuraeni Kadir, Andi Reni

The social media provided the prospect of further development of Small and Medium Enterprises. Because of that the companies specifically the home industries that utilizes social media in developing its business requires special attention due to its strategic nature. In addition, the low number of women...

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Board Structures and Managerial Ownership in Identifying the Financial Distress Likelihood

Saorce Elsy Hatane¹, Nathalia Chandra² and Josua Tarigan³

¹Petra Christian University, Indonesia, e-mail: elsyehat@petra.ac.id

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Abstract: This study investigates the impact of board structures and managerial ownership on the ability in preventing financial distress in the context of Indonesia and Malaysia consumer goods companies. Board structure consists of board size, composition and gender diversity. Ability in preventing in financial distress is measured by profitability (EBIT), financial expense (FE) and retained earnings (RE). This research study examines the consumer goods companies in Indonesia and Malaysia for the period of 2011 to 2015 with the total sample of 24 Indonesia companies or 120 firm-years observations and 98 Malaysia companies or 490 firm-years observations. The data examined by Partial Least Square (PLS) under the Structural Equation Model concept. The findings of this study present mixed results. Board size and board composition have significant impact on the ability in preventing financial distress in Indonesia whereas it is found insignificant in the case of Malaysia companies. On the contrary, in Indonesia, the managerial ownership has impact on the financial distress prevention, while Malaysia's result shows there is a significant impact. Additionally, this study has found that gender diversity has a significant impact on the ability in preventing financial distress in both Indonesia and Malaysia. Gender diversity also serves as moderating variable in both countries regardless of the type of moderation between both countries.

Keywords: Board structure, Financial Distress, Consumer Goods Sector, Indonesia, Malaysia

Introduction

The economic and monetary crisis in 1997 – 1998 has increased the interest and attention on corporate governance in Asia. It is shown on Table 1, percentage of Indonesia and Malaysia distressed companies are the highest with 49.62% and 47.21% respectively compared to Korea, Philippines, and Thailand. Distressed companies are identified as companies which had an interest coverage (the ratio of interest expenses to earnings) less than one in 1998 (Claessens, Djankov, & Klapper, 2003). Although Indonesia and Malaysia had the highest percentage of distressed companies, but both countries had the first and third lowest percentage of number of bankruptcy companies with 3.03% (Indonesia) and 7.09% (Malaysia). Despite that, growth of real GDP of Indonesia in 1998 was declining 13.7% due to financial crisis. Years later, financial crisis in 2008 and financial scandals in Enron, World COM, Lehman Brothers, AIG and others have given attention to many parties including academics, researchers, regulators, policymakers and investors to evaluate corporate governance and its impact on performance and financial distress (Shahwan, 2015).

Generally, corporate governance is described as the system in which companies are directed and controlled (International Finance Corporation Advisory Services in Indonesia, 2014). Corporate governance is important as it is not only strengthening the business's capability in attracting investment and growing, but also developing companies to be more efficient and accountable. Corporate governance also contributes to economic and financial crisis promotion and prevention, scandal as well as transparency and accountability (Rajablu, 2016; Campbell & Minquez-Vera, 2008). In term of agency theory, corporate governance can be used to mitigate the agency problems which occur in the company, thus the interest of both managers and shareholders can be aligned.

For this study, financial distress is defined as the lack of company's ability to cover its maturity financial obligations. There have been many research studies that have conducted the impact of corporate governance to probability of financial distress, however the findings are varied due to

different indicators, sample, period, economic condition and others. There are several studies regarding financial distress and corporate governance have been conducted in particular countries ((Manzanque, Priego, & Merino, 2016), (Akhmetova & Batomunkueva, 2014), (Donker, Santen, & Zahir, 2009), (Kristanti, Rahayu, & Huda, 2016), (Brédart, 2014)). Hence this study is conducted in two countries, namely Indonesia and Malaysia. Moreover, it would be interesting to learn whether the models developed for US companies also apply to foreign companies (Pindado, Rodriguesb, & De La Torre, 2008). Furthermore, in fact, there is an increasing interest in conducting research using data from several countries at the same time (Pindado, Rodriguesb, & De La Torre, 2008).

Table 1 Summary Statistics on Bankruptcy Filings in 1997 and 1998

Country	Number of observations	Number of distress companies	Distressed companies as % of country	Number of bankruptcies	Number of bankruptcies as % of distressed companies	Real GDP growth in 1998 (%)
Indonesia	133	66	49.62	2	3.03	- 13.7
Korea	282	116	41.14	26	22.41	- 5.8
Malaysia	627	296	47.21	21	7.09	- 6.7
Philippines	68	20	29.41	1	5.00	- 0.5
Thailand	362	146	40.33	33	22.60	- 9.1

Source: (Claessens, Djankov, & Klapper, 2003).

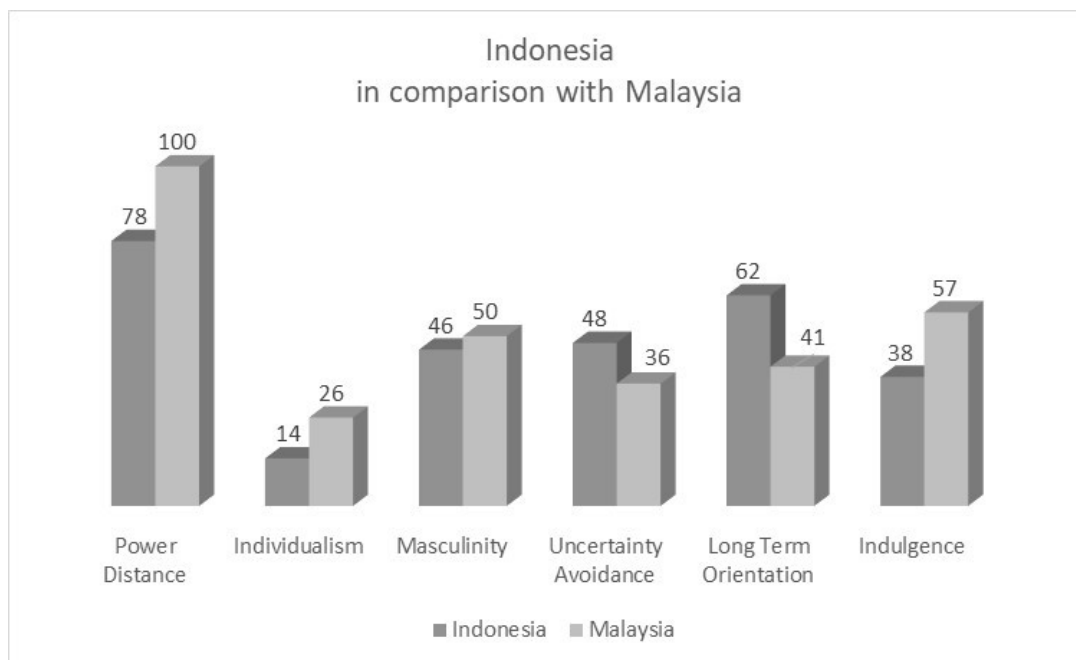


Figure 1 Comparison of Hofstede Score in Indonesia and Malaysia. Source: (Hofstede, 2017)

This study chooses Indonesia and Malaysia listed companies in consumer goods sector as the sample due to some reasons. First, there is high competitiveness between companies in manufacturing industry particularly in consumer goods sector. Not only that, development of this industry and sector is very rapid. Manufacturing industry contributes 20.51% as the largest contributor to economy in Indonesia (Badan Pusat Statistik, 2017) whereas manufacturing industry in Malaysia is the second largest with 23% (Department of Statistics Malaysia, 2017) Furthermore, the projection of Asian retails sales in 2018 which is conducted by PWC (2015) indicates that there will be 60% of global

consumer expenditure in food, beverage and tobacco category due to increase in income and shift in consumer preferences. Market demand growth in Indonesia and Malaysia for food, beverages and tobacco is predicted to be 5% and 5.1% respectively in 2018 (PWC, 2015) compared to 3.5% and 4.5% respectively in 2011.

Moreover, there is a study about the effectiveness of corporate governance in Asia (McGee, 2008) which emphasizes on objectivity, compliance, fairness and other points shows that Malaysia reached 77.3 point out of 100, which is the total point, compared to Indonesia, Thailand and Vietnam (McGee, 2008). It shows that Malaysia has better corporate governance compared to the other countries. Third, Indonesia and Malaysia are similar in terms of national culture which is measured by Hofstede cultural dimension. Figure 1 describes that both Indonesia and Malaysia have high power distance, low uncertainty avoidance, low individualism and low preference for avoiding uncertainty. For the masculinity, Indonesia is considered low whereas Malaysia's score is 50 which the preference of this dimension can't be determined. The observed periods in year 2011 until 2015 are chosen as those are the periods when Indonesia and Malaysia, as part of ASEAN and included in the major countries in the ASEAN region, were preparing themselves to carry out the ASEAN Economic Community (AEC) agreement.

Hence based on above description, this research study inspects four research problems. This study examines the influence of board structures, which comprises of board size and board composition; managerial ownership; and gender diversity on the ability in preventing financial distress. In addition, this study investigates the moderating influence of gender diversity towards the relationship of board structures and the financial distress likelihood. There are remaining four sections in this research study. The second section explains literature review of the variables together with the theories and hypothesis. The third section describes the research methodology. The fourth section is about the result of the research, analysis, and discussion. The last section provides the summary of the research findings as well as suggestions for future research.

OECD (2004) describes corporate governance is a set of relationships between a company's management, its board, its shareholders and other stakeholders. Additionally, World Bank (2010) stated that corporate governance refers to "the structure and processes for the direction and control of companies." Corporate governance has a key role in business success or failure and company's accountability and transparency (Rajablu, 2016). Good corporate governance contributes to sustainable economic development by increasing the company's performance (World Bank, 2010). In addition, corporate governance can help to reduce agency problems. The conflict of interest between management, shareholders, investors and debt holders are more serious and intense in financial distress situation compared to normal condition (Donker, Santen, & Zahir, 2009).

Financial crisis in 1997-1998 that has brought a dramatic, adverse impact on Indonesia's social, economic and political environment (International Finance Corporation Advisory Services in Indonesia, 2014). National Committee on Corporate Governance (KNKCG) has been established in 1999 and was then changed to National Committee on Governance (KNKG) in 2004 (International Finance Corporation Advisory Services in Indonesia, 2014). Indonesia implements two – tier system in which the board of directors (BOD) and board of commissioners (BOC) are separated. BOC has the responsibility in overseeing and providing advice to BOD whereas BOD is responsible for the day-to-day of the company's management (International Finance Corporation Advisory Services in Indonesia, 2014).

Malaysia was strong in governance guidelines compared to other Asian countries and had made some efforts to ensure effective corporate governance practices in its public listed companies even before the financial crisis in 1997-1998 (Kamardin & Haron, 2011; Wahab, Pitchay, & Ali, 2015). Additionally, the emphasis on corporate governance practices were particularly being highlighted by Malaysia government in the aftermath of financial crisis in order to boost investors' confidence. Malaysian Code on Corporate Governance (MCCG) is a key document in Malaysia's corporate governance framework and has contributed significantly in increasing the corporate governance

standards of Malaysian listed companies (Securities Commission Malaysia, 2016). MCGG was first issued in March 2000 and later was revised in 2007 and 2012 (Securities Commission Malaysia, 2012). Malaysia adopts one – tier system or unitary board system in their corporate governance system which the responsibility of board of directors are about management oversight roles and performance evaluation roles (Kamardin & Haron, 2011). This research study would like to examine the impact of board structure, managerial ownership and gender diversity to the ability in preventing financial distress as a dependent variable with gender diversity is also as moderating variable.

Financial distress begins when the company cannot meet its scheduled payments or when cash flow projection indicates that the company will soon be unable to cover its obligations (Brigham & Daves, 2007). Financial distress is also defined as the lack of company's ability to cover its maturity financial obligations (Pindado, Rodriguesb, & De La Torre, 2008). The study reports the factors are mainly financial factors (47.3%), economic factors (37.1%), neglect, disaster and fraud (14%) and other factors (1.6%) (Brigham & Daves, 2007). According to Pindado, et al. (2008), financial distress companies that are considered are those that meet some of the following criteria:

1. Its earnings before interest and taxes depreciation and amortization (EBITDA) are lower than its financial expenses for two consecutive years; and/or
2. A fall in its market value appears between 2 consecutive periods.

As this research study applies the concept of business failure by Pindado, Rodriguesb, & De La Torre (2008), the explanatory variables for financial distress will be earning before interest (EBIT), financial expense (FE) and retained earnings (RE). The selection of explanatory variables is relied on financial theory (Pindado, Rodriguesb, & De La Torre, 2008). The original formula of FE_t/RTA_{t-1} is reversed for the purpose of this study. Profitability, financial expense and retained earnings will be calculated using $EBIT_t/RTA_{t-1}$, RTA_{t-1}/FE_t , RE_t/RTA_{t-1} as the instrument of measure respectively. $EBIT_t/RTA_{t-1}$ is measured by earnings before interest and taxes id divided by total assets at the beginning period. RTA_{t-1}/FE_t is measured by total assets at the beginning period divided by financial expense. Lastly, RE_t/RTA_{t-1} is measured by retained earnings divided by total assets at the beginning period.

Board Size. In agency framework, board has functions to resolve agency problems between managers and shareholders by setting compensation and replacing managers that do not create value for shareholders (Fama & Jensen, 1983). The quality of managerial monitoring and controlling can be determined by the board size (Lakshan and Wijekoon, 2012). Small board size may be better in non – financial distressed companies due to free-rider problems and easier coordination (Yermack, 1996). Based on agency theory, large board size also increases the disciplinary control over the CEO and management. Large board size may have more business contacts that can raise the help in facing the financial distress situation through strategic alliances or partners to emerge from financial distress (Fich & Slezak, 2008; Lakshan and Wijekoon, 2012). As for resource dependence perspective, large board size means the more connections or external contacts and diversification of skills which can protect the company from the adversity in financial distress situation (Manzaneque, et al., 2016). Board size is measured by “the total numbers of members in the boards.”

Board Composition. Independent directors represent better shareholder's interest compared to inside directors or non – independent directors in the distress situation (Fich & Slezak, 2008). Further, independent boards may be more willing to remove ineffective executives before a crisis reaching the point of corporate bankruptcy (Daily, Dalton, & Cannella Jr, 2003). Independent director may also have more different skills and knowledge to give them perspective to solve the crisis (Fich & Slezak, 2008). It is in line with resource dependency theory which states that independent directors can bring in knowledge and expertise, thus it minimizes the uncertainty of the environment. Board composition is measured by “the number of independent board members divided by the total number of board members” (Manzaneque, Priego, & Merino, 2016; Akhmetova & Batomunkueva, 2014). Based on above description, the first hypothesis can be expressed as follow.

H1: Board structure has an impact to the ability in preventing financial distress.

The monitoring and control function of the board can be improved through large managerial ownership (Akhmetova & Batomunkueva, 2014; Salloum, Bouri, & Schmitt, 2013), thus it also can reduce agency cost. Fich & Slezak (2008) conclude that large board ownership can minimize the bankruptcy hazard. Incentive mechanism including board ownership can be an effective incentive to align the interest of managers and shareholders (Donker, Santen, & Zahir, 2009). Based on agency theory, board directors who have ownership in the company will not make decisions that might potentially affect his wealth (Jensen, 1993; Jensen & Meckling, 1976). Fich and Slezak (2008) study shows negative relationship between share ownership of the board with the likelihood of business failure. Li, et al. (2008), Wang and Deng (2006), Donker, et al. (2009) and Manzaneque, et al. (2016) concludes that there is a negative relationship between managerial ownership and financial distress. Managerial ownership is measured by “the ratio of shares owned by the board to total outstanding ordinary shares” (Manzaneque, Priego, & Merino, 2016; Akhmetova & Batomunkueva, 2014).

H2: Managerial ownership has an impact to the ability in preventing financial distress.

Gender diversity which comprises of men and women in board is a superior and tougher monitoring (Adams & Ferreira, 2004). Women can add value by giving different perspectives, experiences and opinions on the boardrooms (Adams & Ferreira, 2004). In addition, gender diversity has positive effect on company’s performance who have weak governance as measure by their abilities to resist takeovers (Adams & Ferreira, 2009). Aside from all of those, Kristanti, et al. (2016) proves that there is negative relationship between gender diversity with the financial distress. In contrary, research study of Santen & Donker (2009) shows that gender diversity and financial distress have no relationship. Gender diversity is measured by “number of women on board divided by total members on board” (Kristanti, Rahayu, & Huda, 2016; Carter, Simkins, & Simpson, 2003; Darmadi, 2013). Based on above description, the third and fourth hypothesis can be expressed as.

H3: Gender diversity has an impact to the ability in preventing financial distress.

H4: Gender diversity has an impact as a moderating variable to the ability in preventing financial distress.

Research Methodology

Board structures, managerial ownership and gender diversity are the independent variables. Gender diversity also as moderating variable. Ability in preventing financial distress as dependent variable. This research uses secondary data which are taken from annual reports and Bloomberg. The population are consumer goods listed companies in Indonesia Stock Exchange (IDX) and *Bursa Malaysia* for the period of 2011 to 2015. This research study uses purposive sampling technique, thus there are four chosen criteria to determine the sample of the research which are as follows. For Indonesia companies, the company is listed in Indonesia Stock Exchange (IDX) in consumer goods sector. For Malaysia companies, the company is listed in *Bursa Malaysia* in consumer products sector. All Indonesia and Malaysia listed companies had Initial Public Offering (IPO) before 2010 and published a complete annual report for the period of 2011 – 2015, and all Indonesia and Malaysia listed companies must have financial expenses.

120 observations (firm-year companies) of Indonesia listed companies and 490 observations (firm-year companies) of Malaysia listed companies were identified as the unit analysis with complete corporate governance and financial data. Hence, the total unit of analysis in this research is 610 firm-year companies (122 companies for 5 years) in consumer goods sector listed in Indonesia Stock Exchange and consumer products sector listed in *Bursa Malaysia* for the five-year period of 2011 to 2015.

As this research study used structural equation modeling (SEM), the SEM analysis is carried out using statistic software, named WarpPLS, which is the development of PLS is a graphical user interface statistic software for both variance-based and factor-based structural equation modelling (SEM) by combining both partial least squares (PLS) and factor-based methods (Kock, 2015).

Furthermore, WarpPLS is equipped with the analysis of moderating variable with the interaction variable approach so it will be easier for the users (Solimun, 2017).

Result and Discussion

Using WarpPLS software, model analysis used in testing the hypotheses is shown below

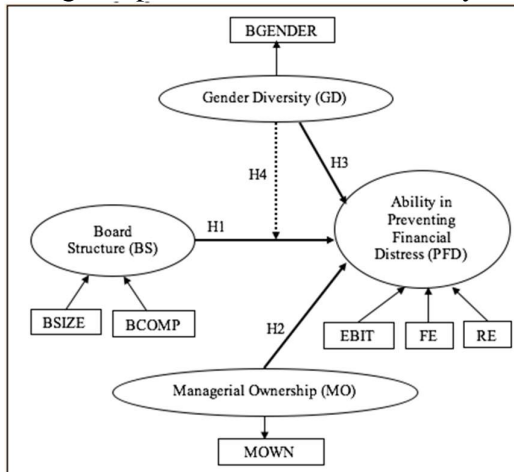


Figure 2. Model Analysis

Based on the model analysis, the formula is expressed as below:

$$PFD = \alpha + \beta_1 BS + \beta_2 MO + \beta_3 GD + \beta_4 GD \times BS$$

Where: BSIZE = Board size; BCOMP = Board composition

MOWN = Managerial ownership; BGENDER = Gender diversity; EBIT = Earnings before interest and taxes – Profitability; FE = Financial expense; RE = Retained earnings

For Indonesia, the calculation for each independent variable is separated between the BOD and BOC (i.e. BSIZE is separated into BODSIZE and BOCSIZE).

As it shown in Table 2, all Indonesia consumer goods companies had complied with the regulation of UU PT. No. 40 year 2007 article 92 paragraph (4) that states "...listed company must have at least 2 (two) members of board of directors". This statement is also the same with statement on chapter 2 article 2 paragraph (1) of Indonesia Financial Services Authority (Number: 33/POJK.04/2014) about Board of Directors and Board of Commissioners in Public Companies. In addition, BOCSIZE of Indonesia consumer goods companies had also complied with Under UU PT. No. 40 year 2007, article 108 paragraph (3) that states board of commissioners should consist of at least 1 (one) members or more in board of commissioners. On the other hand, Malaysia corporate governance code (MCCG) does not mentioned the exact number of board members nor set the maximum number of board directors in the company's boards for listed companies (Securities Commission Malaysia, 2012). However, the number of member(s) on company's board should be appropriate for company's benefit and its business (Securities Commission Malaysia, 2012).

Table 2. Descriptive of Indicators-Indonesia

Indicators	Min	Max	Mean	Std. Dev
BOD Size	3.00	12.00	5.21	2.23
BOC Size	2.00	9.00	4.35	1.69
BOD Comp	0.00	0.40	0.07	0.12
BOC Comp	0.00	0.80	0.40	0.12
BOD Mown	0.00	0.23	0.02	0.06
BOC Mown	0.00	0.02	0.00	0.00
BOD Gender	0.00	0.67	0.12	0.17
BOC Gender	0.00	0.67	0.14	0.21
EBIT	-0.15	0.98	0.17	0.19
FE	9.98	41405.45	565.67	3779.72
RE	-1.45	1.04	0.26	0.40

Source: Author's compilation

Table 3. Descriptive of Indicators-Malaysia

Indicators	Min	Max	Mean	Std. Dev
BOD SIZE	4.00	17.00	7.19	1.87
BOD COMP	0.29	0.80	0.45	0.12
BOD MOWN	0.00	0.64	0.16	0.19
BOD GENDER	0.00	0.50	0.11	0.13
EBIT	-0.87	0.96	0.08	0.14
FE	17.10	296107.44	3766.52	23467.27
RE	-1.17	1.39	0.25	0.30

Source: Author's compilation

At the same time in Malaysia, the range of BODCOMP is from 28.6% to 80% with the mean value of 45% which are slightly higher than Indonesia. The range of BODCOMP Malaysia is also higher than range of BODCOMP in Indonesia which are from 0% to 40%. The maximum BODCOMP in Malaysia is two times higher compared to Indonesia BODCOMP. On contrary, the maximum BODCOMP in Malaysia is the same with maximum value of BOCCOMP in Indonesia.

The range of BODMOWN are 0% to 23% (BOD - Indonesia), 0% to 2% and 0% (BOC - Indonesia) to 63.71% (Malaysia). The minimum BODMOWN in Malaysia has the same value with the minimum BODMOWN and BOCMOWN in Indonesia which are 0%. It indicates that many board of directors in Malaysia and Indonesia companies did not hold any share ownership. Maximum of BODMOWN in Malaysia is higher compared to BODMOWN and BOCMOWN in Indonesia. The mean of BODMOWN in Malaysia (15.9%) are higher compared to average BODMOWN in Indonesia (2%). For board of director gender diversity (BODGENDER), the range is from 0% to 67% with mean and standard deviation of 12% and 17% respectively. Board of commissioners' gender diversity has the same minimum value of 0% and maximum value of 67% as BODGENDER. BOCGENDER mean is 14% and standard deviation is 21%. The maximum and mean of gender diversity in BOC is a little bit higher than in BOD. It shows that proportion of women on board is slightly higher on BOC compared to on BOD. In Malaysia, BODGENDER has minimum value of 0% and maximum value of 50% with mean of 11.12%. When average of BODGENDER in Malaysia is compared with BODGENDER in Indonesia, it shows that proportion of women on board of directors in Malaysia is slightly lower.

Lastly, the average value of EBIT in Indonesia (0.17) is higher compared to Malaysia (0.08). On the contrary, Malaysia has higher average FE value of 3766.5167 compared to Indonesia which has

average FE value of 565.67. On the other hand, the average values of RE in both Indonesia and Malaysia are quite similar with value of 0.26 and 0.25 respectively.

Both Indonesia and Malaysia data show that the models have passed all criteria of goodness of fit test. This indicates that both models can be used in this research study as both models are considered to be fit. Table 4 presents the result of model fit and quality indices of Indonesia and Malaysia consumer goods listed companies.

For Indonesia, all indicators of board structure show positive contribution, except BODCOMP. Weight indicator of BODCOMP shows negative contribution to the variable of board structure which means the higher number of independent board of directors on board, the lower board structure (BS) value it has. On contrary, the strongest indicator of board structure variable in Indonesia is BODSIZE with weight of 0.475. The positive sign means that the larger number of board of directors who sit on the board, the higher overall board structure value it has. It is in accordance with resource dependency theory. Resource dependency theory explained that larger board size gives many advantages, such as there will be different knowledge, expertise, experiences and contacts that the company can benefit from in achieving the business objectives through company's capability in getting resources and information from directors (Isidro & Sobral, 2014; Pearce & Zahra, 1992; Fich & Slezak, 2008).

Table 4. Model Fit and Quality Indices – Indonesia and Malaysia

Model fit & Quality Indices	Fit Criteria	Indonesia Result	Malaysia Result
Average Path Coefficient (APC)	$p < 0.05$	0.154 (P=0.021)	0.142, P<0.001
Average R-squared (ARS)	$p < 0.05$	0.178 (P=0.011)	0.132, P<0.001
Average adjusted R-squared (AARS)	$p < 0.05$	0.149 (P=0.023)	0.125, P<0.001
Average Block VIF (AVIF)	Acceptable if ≤ 5 , ideally ≤ 3.3	1.178	1.106
Average full collinearity VIF (AFVIF)	Acceptable if ≤ 5 , ideally ≤ 3.3	1.315	1.03
Tenenhaus GoF (GoF)	Small ≥ 0.1	0.29	0.282
	Medium ≥ 0.25		
	Large ≥ 0.36		
Sympson's paradox ratio (SPR)	Acceptable if ≥ 0.7 , ideally = 1	1	1
R-squared contribution ratio (RSCR)	Acceptable if ≥ 0.9 , ideally = 1	1	1
Statistical suppression ratio (SSR)	Acceptable if ≥ 0.7	1	1
Nonlinear bivariate causality direction ratio (NLBCDR)	Acceptable if ≥ 0.7	1	0.875

Source: Author's compilation

On the other hand, for Malaysia case, board of director size (BODSIZE) and board of director composition (BODCOMP) have the same weight contribution to board structure variable with value of 0.900. Therefore, it means that board size is as important as board composition regarding their contribution to board structure variable in Malaysia. However, board of director composition in Malaysia has different sign compared to Indonesia case.

Table 5. Weight Indicators – Indonesia

Indicator	Weight Indicator	P value	VIF
BODSIZE	0.475	<0.001	1.509
BOCSIZE	0.384	<0.001	1.274
BODCOMP	-0.185	0.018	1.038
BOCCOMP	0.393	<0.001	1.242
BODMOWN	0.692	<0.001	1.002
BOCMOWN	0.692	<0.001	1.002
BODGENDER	0.636	<0.001	1.059
BOCGENDER	0.636	<0.001	1.059
EBIT	0.549	<0.001	1.134
FE	0.31	<0.001	1.02
RE	0.562	<0.001	1.143
BODGENDER x BODSIZE	0.338	<0.001	6.798
BODGENDER x BOCSIZE	0.046	0.304	1.756
BODGENDER x BODCOMP	-0.167	0.029	1.423
BODGENDER x BOCCOMP	0.212	0.008	2.34
BOCGENDER x BODSIZE	0.344	<0.001	6.486
BOCGENDER x BOCSIZE	0.089	0.161	1.658
BOCGENDER x BODCOMP	-0.145	0.051	1.264
BOCGENDER x BOCCOMP	0.228	0.005	1.827

Source: Author's compilation

The most important indicator of preventing financial distress in Indonesia and Malaysia are RE with weight of 0.562 and 0.617 respectively. However, both EBIT and RE in Indonesia and Malaysia are the strongest compared to its FE weight. This mean that those two indicators of EBIT and RE are important in forming its latent variable. As both countries have significantly lower value of FE, it indicates that this indicator is not as important in forming the variable. Further, weight of EBIT and RE in Indonesia are 0.549 and 0.562 respectively whereas the weight of EBIT and RE in Malaysia are 0.611 and 0.617 respectively. Both weight of EBIT and RE in Indonesia and Malaysia do not show big difference.

In measuring total effect, the direct effect is taken into consideration. The total effect of board structure (BS) to the ability in preventing financial distress (PFD) in Indonesia is significantly higher at 6.6049% whereas in Malaysia it is very low at only 0.2116%. The relationship between BS and PFD in Indonesia represents the strongest effect compared to relationship of other latent variables with PFD. In addition, the effect of BS to PFD in Indonesia is significant at $\alpha=5\%$ while the relationship of BS to PFD is not significant in Malaysia as the p value is more than significant level of $\alpha=5\%$ and $\alpha=10\%$.

Table 6. Weight Indicators – Malaysia

Indicators	Weight Indicator	P-value	VIF
BODSIZE	0.9	<0.001	1.171
BODCOMP	0.9	<0.001	1.171
BODMOWN	1	<0.001	0
BODGENDER	1	<0.001	0
EBIT	0.611	<0.001	1.116
FE	0.049	0.127	1.003
RE	0.617	<0.001	1.118
BODGENDER x BODSIZE	0.971	<0.001	1.283
BODGENDER x BODCOMP	0.971	<0.001	1.283

Source: Author's compilation

On the other hand, the total effect result of managerial ownership (MO) to the ability in preventing financial distress (PFD) is in contrast with the total effect result of board structure (BS) to ability in preventing financial distress (PFD). The total effect between MO and PFD in Malaysia has the highest effect compared to the relationship of other latent variables with PFD. On the contrary, the total effect value between MO and PFD in Indonesia has a smallest effect at only 0.2704%. Moreover, the relationship between MO and PFD in Indonesia is not significant as the p value is more than the significant level of $\alpha=5\%$ and $\alpha=10\%$. In case of Malaysia, the relationship of MO and PFD is significant at $\alpha=5\%$.

Next is the total effect of gender diversity (GD) to the ability in preventing financial distress (PFD). The relationship between GD and PFD in both Indonesia and Malaysia cases represent the second strongest effect among other latent variables. Total effect results of GD to PFD in Indonesia and Malaysia are 2.5921% and 3.24% respectively. Further, the relationship of GD and PFD in both countries have significant effect as the p value is less than significant level of $\alpha=5\%$.

Lastly, the total effect of gender diversity (GD) as a moderating variable in Indonesia is 2.0736% whereas in Malaysia it is only at 0.3721%. The total effect of GD as moderating variable in both Indonesia and Malaysia represent the third strongest effect among other latent variables. Although it is similar as third strongest effect, the total effect value of Malaysia is much lower compared to the value of Indonesia. Similar to the relationship of GD to PFD, the effect of GD as moderating variable to the relationship of BS to PFD in both Indonesia and Malaysia sample are significant, however it is at significant level of $\alpha=10\%$

Table 7. Results Summary

Country	Type of Variable			Type of Effect	Explanation	Hypothesis
	Independent	Moderating	Dependent	Total Effect		Accept/Reject
Indonesia	Board Structure (BS)	—	Ability in Preventing Financial Distress (PFD)	0.257 (p value = 0.002)	BS has positive impact on PFD ($\alpha = 5\%$)	H1 is accepted
	Managerial Ownership (MO)	—	Ability in Preventing Financial Distress (PFD)	-0.052 (p value = 0.283)	MO has no impact on PFD	H2 is rejected
	Gender Diversity (GD)	—	Ability in Preventing Financial Distress (PFD)	0.161 (p value = 0.034)	GD has positive impact on PFD ($\alpha = 5\%$)	H3 is accepted
		Gender Diversity * X	Ability in Preventing Financial Distress (PFD)	0.144 (p value = 0.052)	GD serves as moderating variable to PFD ($\alpha = 10\%$)	H4 is accepted (Quasi Moderation)
Malaysia	Board Structure (BS)	—	Ability in Preventing Financial Distress (PFD)	-0.046 (p value = 0.152)	BS has no impact on PFD	H1 is rejected
	Managerial Ownership (MO)	—	Ability in Preventing Financial Distress (PFD)	-0.280 (p value < 0.001)	MO has negative impact on PFD ($\alpha = 5\%$)	H2 is accepted
	Gender Diversity (GD)	—	Ability in Preventing Financial Distress (PFD)	0.180 (p value < 0.001)	GD has positive impact on PFD ($\alpha = 5\%$)	H3 is accepted
		Gender Diversity * X	Ability in Preventing Financial Distress (PFD)	0.061 (p value = 0.087)	GD serves as moderating variable to PFD ($\alpha = 10\%$)	H4 is accepted (Absolute moderation)

Source: Author's compilation

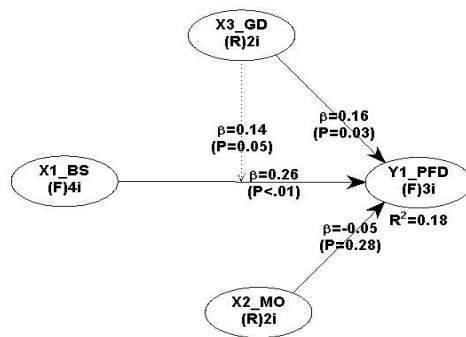


Figure 3. Model Result – Indonesia

Figure 3 above shows the result of Indonesia consumer goods listed companies' direct effect of board structure, managerial ownership and gender diversity to the ability of preventing financial distress with gender diversity as moderating variable after the SEM analysis was completed. The figure above presents the results of path coefficients, p values and R-squared coefficients. Generally, beta coefficient is the value of the path coefficients in PLS-based SEM analysis. Meanwhile, the percentage of variance in the latent variable which is explained by latent variables that are hypothesized to affect it is reflected in R-squared coefficient.

Board structure (BS) has positive impact ($p < 0.05$) to the ability in preventing financial distress (PFD) with coefficient value of 0.26. On the other hand, managerial ownership (MO) has no significant impact ($p > 0.05$ as well as $p > 0.10$) to the ability in preventing financial distress (PFD) as its p value = 0.28 with coefficient value of 0.05. Meanwhile, gender diversity (GD) has positive significant impact ($p < 0.05$) to the ability in preventing financial distress (PFD). Gender diversity has significant level of $< 5\%$ with coefficient value of 0.26. In addition, gender diversity also serves as moderating variable because there is a significant impact where the significant level is less than 5% ($p < 0.05$). The coefficient value of gender diversity as moderating variable is 0.14. Further, it can be concluded that the type of moderation in Indonesia sample is quasi moderation based on table 3.3. Quasi moderation occurs when b_1 , b_2 and b_3 are significant.

The board structure's result in Indonesia is in accordance with Manzanque, et al. (2016) who found that board size and board composition is negatively associated with financial distress. For board size, previous research study by Brédart (2014) has also found that board size has negative relationship to financial distress. Hence, higher board size will reduce the likelihood of company experiencing financial distress. Findings in research of Chaganti, et al. (1985) shows that non – failed companies tend to have larger board compared to failed companies. This result also in line with Akhmetova & Batomunkueva (2014), Elloumi & Gueyié (2001) and Wang & Deng (2006) who found that proportion of independence directors on board is negatively related to the probability of financial distress.

For managerial ownership, it is in line with empirical result of Li, et al. (2008) and Wang & Deng (2006) which indicate that managerial ownership has insignificant effect to the financial distress. This result can be due to small fraction of managerial ownership for both board of directors and board of commissioners in Indonesia (Table 2. shows the mean of managerial ownership at 0.02 for board of directors and 0 for board of commissioners), thus the effect of convergence or entrenchment are limited (Li, Wang, & Deng, 2008). This is also possible because the shares own by company's management are belong to employee shares which are issued with the aim to add benefits rather than an incentive scheme (Xu & Wang, 2007 as cited in Wang & Deng, 2006).

Figure 4 below shows the result of Malaysia consumer goods listed companies' direct effect of board structure, managerial ownership and gender diversity to the ability of preventing financial distress with gender diversity as moderating variable. Board structure has no significant impact ($p > 0.05$ as

well as $p > 0.10$) to the ability in preventing financial distress. On the other hand, managerial ownership has negative significant impact ($p < 0.05$) to the ability in preventing financial distress with coefficient value of 0.28. Contrary to managerial ownership, gender diversity has positive significant impact ($p < 0.05$) to the ability in preventing financial distress with coefficient value of 0.18. Furthermore, gender diversity also serves as moderating variables as its significant level is less than 10% ($p < 0.10$) with the coefficient value of 0.06. In addition, it can be concluded that the type of moderation in Indonesia sample is absolute moderation where b_1 is not significant while b_2 and b_3 are significant.

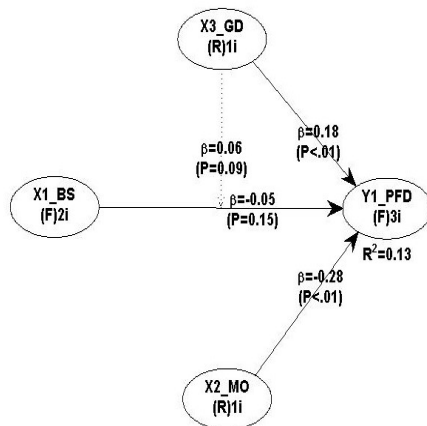


Figure 4. Model Result – Malaysia.

The board structure's result is in line with Shahwan (2015) who found that there is no relationship between corporate governance which is measured by corporate governance index to the probability in financial distress in Egypt. Additionally, previous research studies conducted by Akhmetova & Batomunkueva (2014) and Wang & Deng (2006) have found that there is no significant effect between board sizes to the probability of financial distress. Brédart (2014) and Wardhani (2007) also found that board independence has insignificant effect to the financial distress. Furthermore, Malaysia's result is in accordance with stewardship theory. According to stewardship theory, managers are seen as good stewards who eagerly do the job to achieve the high level of profit and shareholder return (Donaldson & Davis, 1991). Close monitoring and monitoring are less likely to be the focused to the manager's stewardship attitude (Davis, Schoorman, & Donaldson, 1997). Aside from that, the trade statistic in term of export of goods and services (% of GDP) in Malaysia for the period of 2011 to 2015 is significantly higher compared to Indonesia (The World Bank, 2015). In 2015, the export of goods and services in Malaysia shows the percentage 70.9% of GDP (Global Edge, 2017) meanwhile Indonesia's export of goods and services is only 21.09% of GDP (Global Edge, 2017). It means that the international trade of Malaysia is greater as the percentage of export in Malaysia is high. Therefore, companies will try to maintain their reputation due to their market has expanded to international market. Hence it can be inferred that board structure is not related to the ability in preventing financial distress because corporate governance has become a culture in Malaysia companies.

For managerial ownership, this result contradicts with the results of some researchers ((Manzaneque, Priego, & Merino, 2016) and (Akhmetova & Batomunkueva, 2014)). The negative impact in Malaysia sample is occurred due to some reasons. First, there are 66% sample which are below the mean value of managerial ownership at 15.88% while the percentage of sample above the average is 34%. It represents that most companies in the data sample do not have high managerial ownership. Second, the average of EBIT as well as average of RE in high managerial ownership sample are lower compared to low managerial ownership sample. The lower average of EBIT indicates that the increase

in profit is low while lower average of RE means that the increased of past profitability is also low. Moreover, the average of FE is also lower in high managerial ownership which means that the cost of debt is low. In other words, companies with high managerial ownership in Malaysia data sample are less risky rather than companies with low managerial ownership. This result can be also supported by Hofstede Cultural dimension which states that Malaysia is more short-term oriented (Hofstede, 2017). Besides that, the conflict of interest between management, shareholders, investors and debt holders are more serious and intense in financial distress situation compared to normal condition (Donker, Santen, & Zahir, 2009). Managers choose a short-term strategy and make prejudiced managerial decisions due to the prospect of losing their jobs (Donker, Santen, & Zahir, 2009). This led to managers' behavior to prioritize their personal gains and interests rather than making value enhancing decisions and maximizing value of company to ensure the company's survival in financial distress.

For both Indonesia and Malaysia, gender diversity's results are in accordance with the research conducted by Kristanti, et al. (2016) who found that gender diversity has an impact to financial distress. According to agency theory, board diversity can enhance the independence on board, thus agency problem in the company can be reduced. Furthermore, gender diversity on board becomes important as it can add value in the companies. Monitoring control in the company will also be improved when the board consists of men and women (Adams & Ferreira, 2004). Moreover, Carter, et al. (2003) reported that there is a positive relationship between women presence on board and company's performance. Greater diversity also can provide greater innovation, perceptions and flexibility in the decision-making process.

Table 8. Supporting Details for Managerial Ownership in Malaysia Sample

	Below Mean – Low Managerial Ownership (66% of total sample)	Above Mean – High Managerial Ownership (34% of total sample)
Avg. EBIT	97,796,290.34	16,244,582.21
Avg. FE	8,704,051.94	1,899,701.42
Average RE	533,658,842.37	68,316,595.98
Avg. Total Assets _{t-1}	1,070,592,639.70	218,631,252.87
Avg. Total Debt	213,712,114.74	40,950,466.40
Avg. Total Equity	782,753,130.65	151,780,906.05
Debt/Equity	21%	21%

Source: Author's compilation

Conclusion

This study examines the influence of board structures and managerial ownership to identify the potential of financial distress. The board structures are represented by board and executive size and composition, while the board gender diversity is the moderating variable that interact the influences of board structures and managerial ownership toward financial distress. The research objects are companies in consumer goods sector in Indonesia and Malaysia. Mixed results are found in this study. The Board structure has a positive impact to the ability in preventing financial distress in Indonesia, thus the probability of company experiencing financial distress is lower. Meanwhile, there is no impact found in case of Malaysia. In Indonesia, there is no impact found between managerial ownership and ability in preventing financial distress. On contrary, managerial ownership has a negative impact to the ability in preventing financial distress in case of Malaysia companies. Both results of Indonesia and Malaysia shows that gender diversity has positive impact to the ability in preventing financial distress, thus the probability of company experiencing financial distress is lower. Gender diversity as moderating variable in both Indonesia and Malaysia has a positive impact to the

ability in preventing financial distress. The positive impact implies that gender diversity is able to strengthen the impact of board structure to the ability in preventing financial distress.

Board structures show mixed results in Indonesia and Malaysia. For companies in Indonesia, it is found that board structure has an impact to the ability in preventing financial distress. Higher board structures lead to higher ability in preventing financial distress. Meanwhile, the finding in Malaysia data found that there is no significant impact between board structure and ability in preventing financial distress. Large board size can give companies more knowledge, expertise, skills and external links which can be useful in financial distress situation, however large board size may also be less effective and time – consuming. Therefore, companies should find and maintain the right balance of board structure whether in terms of board size or board composition in order to maximize the ability in preventing financial distress. The number of members on board can be varied depend on company's necessities and complexity of its business. Jensen (1993) explained that the board function will be more effective when the number of boards in the company is less than 7 (seven) to 8 (eight) members. A study (Lipton & Lorsch, 1992) suggests the maximum number of members on board is from 8 (eight) to 10 (ten), otherwise it will be less effective in terms of expressing ideas and opinions in limited time.

Gender diversity in both Indonesia and Malaysia has positive impact to the ability in preventing financial distress. Furthermore, gender diversity also serves as moderating variable in both countries. Aside it indicates that proportion on women and men on board are important, it also shows that gender diversity can strengthen the impact of board structure to the ability in preventing financial distress. Hence, companies should consider and maintain gender diversity on its board as gender diversity has its advantages toward company's performance and ability in preventing financial distress.

Besides that, the company's management is encouraged to enrich their knowledge in corporate governance mechanism in order to gain a better understanding about the impact of corporate governance and ability in preventing financial distress. This better understanding can help the company to overcome and manage the company's survival in financial distress situation. The limitation in this research is the average adjusted R-squared of Indonesia and Malaysia which are 14.9% and 12.5% respectively. These results indicate that the model of this research study has a very low explanatory power. In addition, the goodness of fit test criteria of GoF in Indonesia and Malaysia show a medium range. Hence, more corporate governance components or other variables, such as control variable can be added in the future research. Besides that, this research only examines Indonesia and Malaysia companies in consumer goods sector, thus all sectors in manufacturing industry or all registered companies in Indonesia Stock Exchange and *Bursa Malaysia* can be examined as the object for further research study.

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