How to Cite
Armawan, I. P. S., Yadnyana, I. K., Wirakusuma, M. G., & Sisdyani, E. A. (2026). Corporate governance and financial performance of manufacturing companies in Indonesia. *International Journal of Business, Economics and Management*, *9*(3), 120-128. https://doi.org/10.21744/ijbem.v9n3.2495

Corporate Governance and Financial Performance of Manufacturing Companies in Indonesia

I Putu Sisna Armawan
Faculty of Economics and Business, Udayana University, Denpasar, Indonesia
Corresponding author email: sisna.armawan11@gmail.com

I Ketut Yadnyana
Faculty of Economics and Business, Udayana University, Denpasar, Indonesia

Made Gede Wirakusuma
Faculty of Economics and Business, Udayana University, Denpasar, Indonesia

Eka Ardhani Sisdyani
Faculty of Economics and Business, Udayana University, Denpasar, Indonesia

Abstract---*This study aims to provide empirical evidence on the effect of corporate governance mechanisms, proxied by board size, independent commissioners, family connections, and audit committees, on corporate financial performance, as measured by Return on Assets (ROA). The population of this study comprises manufacturing companies listed on the Indonesia Stock Exchange during the 2021–2024 period. Using a purposive sampling technique, 195 firm-year observations were selected. Data were analyzed using panel data regression with the Fixed Effect Model (FEM) employing Stata version 17. The findings reveal that board size, independent commissioners, family connections, and audit committees all have a positive and statistically significant effect on financial performance. These results suggest that robust internal governance mechanisms are effective in mitigating agency costs and enhancing corporate performance. Furthermore, the findings support the Alignment Effect perspective, indicating that family-connected boards can optimize the utilization of corporate assets and align managerial interests with those of shareholders. The study provides important implications for both corporate managers and regulators. Manufacturing firms are encouraged to maintain and strengthen governance structures to improve organizational performance, while regulators are expected to enhance substantive supervision regarding the implementation of good corporate governance practices. Future research is recommended to extend the analysis beyond the manufacturing sector, employ more comprehensive measures of family connections beyond dummy variables, and incorporate additional governance variables, such as board diversity, to enrich the understanding of corporate governance effectiveness*

Keywords---*Corporate governance, agency theory, financial performance, return on assets, fixed effect model.*

Introduction

Financial performance represents a company's ability to efficiently and effectively utilize its resources to generate profits and maintain organizational sustainability (Ali et al., 2022). It serves as a crucial indicator for stakeholders, including investors, creditors, and managers, in evaluating corporate health and operational effectiveness (Jin, 2021). Strong financial performance not only enhances investor confidence but also reflects the success of managerial strategies in achieving corporate objectives (Rudiwantoro, 2022; Hidayat et al., 2024). Consequently, improving

ISSN 2632-9476
Submitted: 09 April 2026 |Revised: 18 May 2026 | Accepted: 27 June 2026

financial performance has become a strategic priority for firms operating in increasingly competitive business environments.

In Indonesia, the manufacturing sector plays a pivotal role in the national economy. According to data from the Indonesian Central Bureau of Statistics, manufacturing consistently contributed more than 18% to the national Gross Domestic Product (GDP) during the 2021–2024 period, making it the largest contributor among all economic sectors. The sector creates substantial added value by transforming raw materials into finished products, absorbs a significant labor force, stimulates innovation, and promotes export activities, thereby generating considerable foreign exchange earnings (Hindasah et al., 2021). Moreover, manufacturing activities create multiplier effects that stimulate growth in related industries, such as logistics, raw materials, and supporting services (Noliviasari & Siswantoro, 2022). Given its dominant contribution to the Indonesian economy, maintaining the financial sustainability of manufacturing firms is essential for ensuring macroeconomic stability.

Despite its strategic importance, several high-profile corporate failures have raised concerns regarding the effectiveness of corporate governance practices in Indonesian manufacturing firms. For instance, PT Sri Rejeki Isman Tbk. (Sritex), One of Indonesia's largest textile manufacturers was declared bankrupt in 2024 due to severe liquidity problems despite having formally complied with governance regulations. The company accumulated liabilities amounting to approximately IDR 25 trillion, substantially exceeding its total assets (CNBC, 2024a). Similarly, PT Indofarma Tbk. became involved in alleged financial irregularities that caused state losses amounting to IDR 371.8 billion, accompanied by significant financial deterioration during the 2021–2024 period (CNBC, 2024b). These cases indicate that formal compliance with governance regulations may not necessarily guarantee effective monitoring and superior financial performance (Prameswari et al., 2022).

The challenges associated with corporate governance are also reflected in Indonesia's broader institutional context. According to the Indonesian Financial Services Authority (OJK), the country's corporate governance practices remain below those of several neighboring Southeast Asian countries, as indicated by the ASEAN Corporate Governance Scorecard. Furthermore, the concentrated ownership structure that characterizes many Indonesian listed companies creates potential agency conflicts between controlling and minority shareholders. Such conditions intensify agency problems and increase the importance of effective governance mechanisms in protecting shareholders' interests (Aguilera & Crespi-Cladera, 2016).

Agency theory proposed by Jensen & Meckling (1976) provides a theoretical foundation for understanding the relationship between corporate governance and financial performance. The theory suggests that conflicts of interest between principals (shareholders) and agents (managers) generate agency costs that may reduce firm value. Effective corporate governance mechanisms are therefore necessary to align managerial behavior with shareholders' objectives, minimize agency costs, and enhance corporate performance (Chatterjee & Nag, 2022). Corporate governance encompasses a framework of principles, regulations, and practices designed to ensure accountability, transparency, fairness, and responsibility in corporate decision-making processes (Agrawal & Lakshmi, 2020; IDX, 2026). Through effective governance structures, firms are expected to improve managerial efficiency, reduce information asymmetry, and ultimately achieve superior financial outcomes (Bahari, 2024).

Among various governance mechanisms, board structure has received considerable attention in prior studies. Board size is frequently viewed as an important monitoring mechanism because larger boards may provide greater expertise, diverse perspectives, and broader supervisory capacity (Kyere & Ausloos, 2020). Previous studies have reported that board size positively influences financial performance (Abdullah & Tursoy, 2023; Arnaboldi et al., 2018; Famba et al., 2024; Kalsie & Shrivastav, 2016; Kyere & Ausloos, 2020; Lew et al., 2017; Napitupulu et al., 2020; Puni & Anlesinya, 2020; Zhu et al., 2022). However, other studies found no significant relationship between board size and firm performance (Agrawal & Lakshmi, 2020; Bahari, 2024; Cancela et al., 2020; Jin, 2021; Kufo & Shtembari, 2023; Palupi et al., 2023; Roffia et al., 2021; Uyar et al., 2021).

Similarly, the presence of independent commissioners is expected to strengthen monitoring functions due to their objectivity and independence from management and controlling shareholders (Rudiwantoro, 2022). Independent commissioners are assumed to mitigate opportunistic managerial behavior and protect minority shareholders' interests (Voveris et al., 2024). Empirical findings, however, remain inconclusive. Several studies documented a positive association between independent commissioners and financial performance (Kufo & Shtembari, 2023; Kyere & Ausloos, 2020; Musallam, 2020; Napitupulu et al., 2020; Pham & Ho, 2024; Zhu et al., 2022), whereas others reported insignificant effects (Chatterjee & Nag, 2022; Lew et al., 2017; Prabowo & Simpson, 2011; Putri & Deviesa, 2017).

Another governance characteristic that has attracted increasing scholarly interest is family connection within corporate boards. Family ties between directors and commissioners may potentially generate conflicts of interest, weaken board independence, and encourage nepotistic practices, thereby adversely affecting firm performance (Dahlia & Permatasari, 2024; Ulupui et al., 2015). Conversely, family involvement may also strengthen organizational commitment, facilitate long-term strategic orientation, and align managerial interests with shareholder objectives. Previous empirical evidence demonstrates conflicting findings, with some studies reporting negative effects of family connections on financial performance (Astami et al., 2024; Dahlia & Permatasari, 2024; Firdiansjah et al., 2020; Ulupui et al., 2015), while others found positive effects (Arifai et al., 2018; Hassan et al., 2023; Tandiamal et al., 2025).

Furthermore, audit committees constitute an essential governance mechanism responsible for ensuring the integrity of financial reporting and strengthening internal control systems (Al-Okaily & Naueihed, 2019). Effective audit committees are expected to reduce information asymmetry and improve investor confidence. Nonetheless, empirical findings regarding their effectiveness remain mixed. While several studies reported positive effects of audit committees on financial performance (Krisnadewi et al., 2020; Kyere & Ausloos, 2020), others documented insignificant relationships (Abdullah & Tursoy, 2023; Al-Jalahma, 2022; Napitupulu et al., 2020).

The inconsistencies in previous empirical findings indicate the existence of a research gap concerning the effectiveness of corporate governance mechanisms in improving financial performance. Moreover, prior studies employed different analytical approaches, including multiple regression, generalized method of moments (GMM), generalized least squares (GLS), and hierarchical regression analyses, producing diverse conclusions. In addition, limited studies have simultaneously examined board size, independent commissioners, family connections, and audit committees within the context of Indonesian manufacturing firms during the post-pandemic recovery period (Chi & Gursoy, 2009).

Therefore, this study aims to examine the influence of corporate governance mechanisms, represented by board size, independent commissioners, family connections, and audit committees, on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange during 2021–2024. Using panel data regression with the Fixed Effects Model (FEM), this study contributes to the corporate governance literature by providing empirical evidence from an emerging-market context and offering a more comprehensive examination of internal governance mechanisms in Indonesian manufacturing firms during the post-COVID-19 recovery period.

Literature Review and Hypothesis Development

Agency theory posits that the board of commissioners serves as an internal monitoring mechanism designed to align managerial actions with shareholders' interests and reduce agency costs (Jensen & Meckling, 1976). A larger board is expected to provide greater expertise, diverse perspectives, and stronger monitoring capacity, thereby enhancing strategic decision-making and organizational performance (Kyere & Ausloos, 2020). In addition, a larger board may improve operational efficiency, facilitate access to resources, and reduce opportunistic managerial behavior through collective oversight (Rudiwantoro, 2022; Napitupulu et al., 2020). Empirical evidence from previous studies demonstrates that board size positively influences financial performance (Arnaboldi et al., 2018; Famba et al., 2024; Jao et al., 2021; Kalsie & Shrivastav, 2016; Kyere & Ausloos, 2020; Lesmana et al., 2024; Napitupulu et al., 2020; Rompis et al., 2018; Rudiwantoro, 2022; Tulung & Ramdani, 2018; Zhu et al., 2022). Therefore, the following hypothesis is proposed:
H1: Board size has a positive effect on financial performance.

Agency theory suggests that independent commissioners play a crucial role in mitigating managerial opportunism and protecting shareholders' interests through objective and unbiased oversight (Jensen & Meckling, 1976). Independent commissioners are expected to strengthen monitoring effectiveness because they are free from managerial, family, and financial affiliations that may compromise their independence (Chatterjee & Nag, 2022; Napitupulu et al., 2020). Consequently, a higher proportion of independent commissioners may reduce agency conflicts, improve corporate transparency, and ensure that strategic decisions are aligned with the interests of all shareholders (Anas et al., 2023). Previous empirical studies consistently report a positive relationship between independent commissioners and financial performance (Famba et al., 2024; Intia, 2021; Kufo & Shtembari, 2023; Kyere & Ausloos, 2020; Lew et al., 2017; Musallam, 2020; Napitupulu et al., 2020; Pham & Ho, 2024; Tulung & Ramdani, 2018; Zhu et al., 2022). Therefore, this study proposes the following hypothesis:
H2: Independent commissioners have a positive effect on financial performance.

Family connections within corporate boards refer to kinship relationships among members of the board of commissioners and directors, which may weaken board independence and create conflicts of interest (Dahlia & Permatasari, 2024). From the perspective of agency theory, family connections may intensify Type II agency conflicts by enabling controlling shareholders to pursue private benefits at the expense of minority shareholders

(Jensen & Meckling, 1976). The presence of family ties between supervisory and executive functions may reduce monitoring effectiveness, encourage nepotistic practices, and lead to inefficient strategic decisions that ultimately impair firm performance (Firdiansjah et al., 2020; Ulupui et al., 2015). Several studies have documented a negative association between family connections and financial performance (Dahlia & Permatasari, 2024; Firdiansjah et al., 2020; Ulupui et al., 2015). Accordingly, the following hypothesis is formulated:
H3: Family connections have a negative effect on financial performance.

Agency theory emphasizes the importance of monitoring mechanisms in reducing information asymmetry and ensuring that managers act in the best interests of shareholders (Jensen & Meckling, 1976). The audit committee, particularly through frequent meetings, serves as an important governance mechanism responsible for overseeing financial reporting processes, strengthening internal control systems, and enhancing the reliability of financial information (Al-Jalahma, 2022; Musallam, 2020). Frequent audit committee meetings are expected to improve monitoring effectiveness, facilitate early detection of managerial opportunism, and support more efficient asset utilization, thereby enhancing financial performance (Kyere & Ausloos, 2020). Prior studies have demonstrated that active audit committees positively influence financial performance (Al-Jalahma, 2022; Jao et al., 2021; Musallam, 2020). Therefore, the following hypothesis is proposed:
H4: Audit committee has a positive effect on financial performance.

Methods

This study employed a quantitative research design using secondary data to examine the effect of corporate governance mechanisms on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The population comprised all manufacturing firms listed on the IDX, while the sample was selected using purposive sampling based on the following criteria: companies consistently listed during the observation period, publishing complete annual reports and financial statements, and providing complete information related to the research variables. Based on these criteria, 195 firm-year observations were obtained. Data were collected from annual reports and audited financial statements available on the official IDX website and the respective companies' websites. Financial performance was measured using Return on Assets (ROA), while the independent variables included board size, independent commissioners, family connections, and audit committee activity. Board size was measured by the total number of commissioners, independent commissioners by the proportion of independent commissioners to total commissioners, family connection using a dummy variable indicating kinship relationships between commissioners and directors, and audit committee activity by the frequency of audit committee meetings. The hypotheses were tested using panel data regression analysis with Stata version 17. The Chow, Hausman, and Lagrange Multiplier tests were conducted to determine the most appropriate estimation model, and the results indicated that the Fixed Effect Model (FEM) was the best model for this study.

Result and Discussion

Panel Data Model Selection
To determine the most appropriate panel data estimation model, the Chow and Hausman tests were conducted. The Chow test produced a probability value of 0.0000, which is lower than the significance level of 0.05, indicating that the Fixed Effect Model (FEM) is preferable to the Common Effect Model (CEM). Subsequently, the Hausman test generated a probability value of 0.0000, suggesting that the FEM is more appropriate than the Random Effect Model (REM). Therefore, the Fixed Effect Model was selected as the final estimation model.

Table 1
Panel Data Model Selection Results

Test	Hypothesis	Decision
Chow Test	Common Effect vs. Fixed Effect	Fixed Effect
Hausman Test	Random Effect vs. Fixed Effect	Fixed Effect

Primary Data, 2026

Classical Assumption Tests
Before hypothesis testing, several diagnostic tests were performed to ensure the validity of the regression model. The normality test revealed a Kolmogorov-Smirnov probability value of 0.159, indicating that the residuals were normally distributed. Furthermore, all variables exhibited Variance Inflation Factor (VIF) values below 10 and correlation coefficients below 0.80, confirming the absence of multicollinearity. The Breusch-Pagan heteroscedasticity test also demonstrated probability values greater than 0.05 for all variables, suggesting that the model was free from heteroscedasticity problems. These findings indicate that the regression model satisfied the classical assumptions and fulfilled the BLUE (Best Linear Unbiased Estimator) criteria.

Regression Results
As indicated by the model selection procedure, the Fixed Effect Model (FEM) was employed to test the proposed hypotheses. The regression results are presented in Table 2.

Table 2. Fixed Effect Regression Results

Variable	Coefficient	Std. Err.	t-Statistic	Probability
Constant	6.808348	2.971366	2.29	0.022
Board Size (Dkom)	0.300023	0.137055	2.19	0.029
Independent Commissioners (DKI)	0.315143	0.129462	2.43	0.015
Family Connection (KK)	0.242746	0.060561	4.01	0.000
Audit Committee (KA)	0.134920	0.035434	3.81	0.000
Firm Size (SIZE)	-2.420367	0.906694	-2.67	0.008
Leverage (DER)	0.055331	0.042908	1.29	0.198

Primary Data, 2026

The regression equation can be expressed as follows:

$$Y = 6{,}808348 + 0{,}300023\ Dkom_{it} + 0{,}315143\ DKI_{it} + 0{,}242746\ KK_{it} + 0{,}134920\ KA_{it} - 2{,}420367\ SIZE_{it} + 0{,}055331\ DER_{it}$$

The model produced an R-squared value of 0.5527, indicating that 55.27% of the variation in financial performance can be explained by board size, independent commissioners, family connections, audit committee activity, and control variables, while the remaining 44.73% is explained by factors outside the model. In addition, the F-statistic was significant at the 1% level (Prob. = 0.0000), confirming that the model is jointly significant and appropriate for explaining financial performance.

The Effect of Board Size on Financial Performance
The regression results reveal that board size has a positive and significant effect on financial performance ($\beta = 0.300$; $p = 0.029$), thereby supporting H1. This finding suggests that larger boards enhance the profitability of manufacturing firms. From the perspective of agency theory, a larger board strengthens monitoring effectiveness by increasing collective expertise, improving supervisory capacity, and reducing managerial opportunism (Jensen & Meckling, 1976). The presence of more commissioners enables a more effective division of monitoring responsibilities and enhances the board's ability to evaluate managerial decisions. Consequently, agency costs are reduced, and corporate resources can be allocated more efficiently, resulting in improved Return on Assets (ROA).
This finding supports previous studies conducted by Arnaboldi et al. (2018), Kyere & Ausloos (2020), Jao et al. (2021), Rudiwantoro (2022), Famba et al. (2024), and Lesmana et al. (2024), which reported that larger boards contribute positively to corporate financial performance. The result implies that, in the context of Indonesian manufacturing firms, expanding board size represents a strategic investment in governance effectiveness rather than an organizational inefficiency.

The Effect of Independent Commissioners on Financial Performance
The findings indicate that independent commissioners positively and significantly affect financial performance ($\beta = 0.315$; $p = 0.015$). Therefore, H2 is accepted. This result confirms the prediction of agency theory, which emphasizes the role of independent commissioners as objective monitors capable of mitigating conflicts of interest between managers and shareholders. Because independent commissioners are free from managerial and family affiliations, they are more likely to provide unbiased oversight and protect minority shareholders' interests.

The presence of independent commissioners enhances the quality of corporate governance by strengthening supervision over managerial policies, limiting opportunistic behavior, and improving transparency in resource allocation. Consequently, firms with a higher proportion of independent commissioners tend to achieve better financial performance. This finding is consistent with prior studies by Musallam (2020), Kyere & Ausloos (2020), Intia (2021), Kufo and Shtembari (2023), and Pham & Ho (2024), which also documented a positive association between board independence and firm performance.

The Effect of Family Connections on Financial Performance

The empirical results demonstrate that family connections positively and significantly influence financial performance ($\beta = 0.243$; $p = 0.000$). Thus, H3, which predicted a negative relationship, is rejected. Contrary to the initial expectation derived from agency theory, family-connected boards appear to enhance rather than diminish corporate performance.

This unexpected result can be explained through the Alignment Effect perspective. In the Indonesian context, characterized by concentrated ownership structures, family involvement in corporate governance may foster stronger alignment between ownership and management interests. Family members occupying board positions are likely to possess a long-term orientation, strong commitment to preserving family reputation, and a desire to ensure business continuity across generations. Such conditions create a high-trust environment that reduces internal conflicts, lowers monitoring costs, and facilitates faster strategic decision-making.

These findings suggest that the Alignment Effect dominates the Entrenchment Effect in Indonesian manufacturing firms. Instead of encouraging opportunistic behavior, family involvement appears to promote prudent asset management and enhance corporate profitability. This result corroborates previous studies by Arifai et al. (2018), Hassan et al. (2023), and Tandiamal et al. (2025), which found that family involvement in both supervisory and executive boards positively contributes to firm performance.

The Effect of Audit Committee on Financial Performance

The regression analysis indicates that audit committee activity positively and significantly affects financial performance ($\beta = 0.135$; $p = 0.000$), supporting H4. This finding suggests that more frequent audit committee meetings improve firm profitability. According to agency theory, audit committees function as an important governance mechanism that reduces information asymmetry and strengthens internal monitoring.

Frequent audit committee meetings enable more intensive supervision of financial reporting processes, internal control systems, and managerial activities. Such monitoring is particularly important in manufacturing firms, where accounting processes are often complex due to inventory valuation, asset depreciation, and revenue recognition issues. Through regular meetings, audit committees can identify potential irregularities, prevent earnings management practices, and ensure the reliability of financial information.

The findings are consistent with those of Musallam (2020), Jao et al. (2021), and Al-Jalahma (2022), which reported that active audit committees contribute positively to financial performance. Therefore, the audit committee should not merely be viewed as a regulatory requirement but as a substantive governance mechanism capable of enhancing organizational effectiveness and profitability.

Conclusion

This study examined the influence of corporate governance mechanisms on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange during the 2021–2024 period. The empirical findings reveal that board size, independent commissioners, family connections, and audit committee activity positively and significantly affect financial performance, as measured by Return on Assets (ROA). These results indicate that effective internal governance mechanisms play an essential role in enhancing corporate profitability and reducing agency problems.

Specifically, larger boards of commissioners contribute to stronger monitoring and more effective strategic decision-making, thereby improving corporate performance. Similarly, the presence of independent commissioners strengthens governance quality through objective oversight and the protection of shareholders' interests. Audit committee activity, reflected in the frequency of committee meetings, also enhances financial performance by improving the quality of financial reporting and internal control systems. Interestingly, contrary to the initial hypothesis, family connections were found to positively influence financial performance. This finding suggests that, within the Indonesian manufacturing context, the Alignment Effect dominates the Entrenchment Effect, implying that family involvement in corporate governance may foster long-term commitment, reduce internal conflicts, and improve the efficiency of asset utilization.

The study contributes to the corporate governance literature by providing empirical evidence from an emerging market context and demonstrating that family-connected boards may generate positive outcomes under concentrated ownership structures. Overall, the findings emphasize the importance of strengthening governance mechanisms to improve firm performance and ensure the sustainable growth of manufacturing companies in Indonesia.

Managerial Implication

The findings of this study provide several important managerial implications for corporate managers, boards of commissioners, and regulators. First, manufacturing companies should maintain an adequate board size to ensure effective monitoring and enhance the quality of strategic decision-making. A larger board enables firms to benefit from diverse expertise, broader professional networks, and more comprehensive supervision, which ultimately contributes to improved financial performance.

Second, companies are encouraged to strengthen the role and independence of independent commissioners. Firms should not merely comply with the minimum regulatory requirements but should also ensure that independent commissioners possess relevant competencies, professional experience, and sufficient authority to effectively monitor managerial activities and safeguard the interests of minority shareholders.

Third, the positive impact of family connections suggests that family involvement in corporate governance can be beneficial when accompanied by strong governance practices and professional management. Therefore, family-controlled firms should emphasize transparency, accountability, and merit-based decision-making to ensure that family relationships create alignment of interests rather than entrenchment and opportunistic behavior.

Fourth, audit committees should be encouraged to conduct regular and substantive meetings rather than treating such meetings as merely regulatory compliance. Frequent and effective audit committee meetings can strengthen internal control systems, improve the quality of financial reporting, reduce information asymmetry, and mitigate managerial opportunism, thereby enhancing corporate profitability.

From a regulatory perspective, the findings highlight the need for policymakers and the Financial Services Authority (OJK) to strengthen substantive supervision over the implementation of corporate governance practices. Regulators should focus not only on formal compliance with governance regulations but also on evaluating the effectiveness of governance mechanisms in improving corporate performance and protecting shareholders' interests.

References

Abdullah, H., & Tursoy, T. (2023). The effect of corporate governance on financial performance: Evidence from a shareholder-oriented system. *Iranian Journal of Management Studies (IJMS), 16*(1), 70–95.

Agrawal, N., & Lakshmi, V. (2020). Board composition and board size impact on financial performance of the company. *International Journal of Public Sector Performance Management, 6*(5), 737–747.

Aguilera, R. V., & Crespi-Cladera, R. (2016). Global corporate governance: On the relevance of firms' ownership structure. *Journal of World Business*, *51*(1), 50-57. https://doi.org/10.1016/j.jwb.2015.10.003

Ali, S., Naseem, M. A., Jiang, J., Rehman, R. U., Malik, F., & Ahmad, M. I. (2022). "How" and "When" CEO duality matter? Case of a developing economy. *SAGE Open, 12*(3).

Al-Jalahma, A. (2022). Impact of audit committee characteristics on firm performance: Evidence from Bahrain. *Problems and Perspectives in Management, 20*(1), 247–261.

Al-Okaily, J., & Naueihed, S. (2019). Audit committee effectiveness and family firms: Impact on performance. *Management Decision, 58*(6), 1021–1034.

Anas, M., Gulzar, I., Tabash, M. I., Ahmad, G., Yazdani, W., & Alam, M. F. (2023). Investigating the nexus between corporate governance and firm performance in India: Evidence from COVID-19. *Journal of Risk and Financial Management*.

Arifai, M., Tran, A. T., Moslehpour, M., & Wong, W.-K. (2018). Two-tier board system and Indonesian family owned firms performance. *Management Science Letters, 8*, 737–754.

Arnaboldi, F., Casu, B., Kalotychou, E., & Sarkisyan, A. (2018). The performance effects of board heterogeneity: What works for EU banks? *The European Journal of Finance, 26*(10), 897–924.

Astami, E., Pramono, A. J., Rusmin, R., Cahaya, F. R., & Soobaroyen, T. (2024). Do family ownership and supervisory board characteristics influence audit report lag? A view from a two-tier board context. *Journal of International Accounting, Auditing and Taxation*, *56*, 100638. https://doi.org/10.1016/j.intaccaudtax.2024.100638

Bahari, S. (2024). The impact of board size and audit committee characteristics on financial performance in foreign exchange banks: Evidence from Indonesia. *Jurnal Penelitian Ipteks, 9*(1), 85–101.

Cancela, B. L., Neves, M. E. D., Rodrigues, L. L., & Gomes Dias, A. C. (2020). The influence of corporate governance on corporate sustainability: new evidence using panel data in the Iberian macroeconomic environment. *International Journal of Accounting & Information Management*, *28*(4), 785-806.

Chatterjee, C., & Nag, T. (2022). Do women on boards enhance firm performance? Evidence from top Indian companies. *International Journal of Disclosure and Governance, 20*(2), 155–167.

Chi, C. G., & Gursoy, D. (2009). Employee satisfaction, customer satisfaction, and financial performance: An empirical examination. *International journal of hospitality management*, *28*(2), 245-253. https://doi.org/10.1016/j.ijhm.2008.08.003

CNBC. (2024a). *Kronologi bangkrutnya Raja Tekstil Sritex, tumbang ditelan utang*. CNBC Indonesia.

CNBC. (2024b). *Tanda awal kasus Indofarma, laba jeblok 99,65% tapi hasil audit wajar*. CNBC Indonesia.

Dahlia, R., & Permatasari, Y. (2024). CEO duality and financial performance during COVID-19. *Jurnal Akuntansi dan Auditing, 21*(2), 254–268.

Famba, T., Chiriseri, L., Chituku-Dzimiro, G., & Kurauone, O. (2024). Two-tier corporate board structure, corporate governance reforms and financial performance of firms listed on the China stock market. *SN Business & Economics, 4*(11).

Firdiansjah, A., Apriyanto, G., & Widyaratna, L. (2020). Analysis of CEO duality influence and corporate social responsibility toward financial performance through earnings management. *International Journal of Scientific & Technology Research, 9*(1).

Hassan, M. K., Rabbani, M. R., Brodmann, J., Bashar, A., & Grewal, H. (2023). Bibliometric and Scientometric analysis on CSR practices in the banking sector. *Review of Financial Economics*, *41*(2), 177-196.

Hidayat, N., Situmorang, M., & Widyowati, M. P. (2024). Pengaruh ukuran dewan direksi, dewan komisaris dan ukuran perusahaan terhadap kinerja keuangan. *JATAMA: Jurnal Akuntansi Pratama, 1*(4).

Hindasah, L., Supriyono, E., & Ningri, L. J. (2021). The effect of good corporate governance and firm size on financial performance.

IDX. (2026). *Tata kelola perusahaan*. Retrieved from https://www.idx.co.id/id/tentang-bei/tata-kelola-perusahaan

Intia, L. C. (2021). Pengaruh dewan direksi, dewan komisaris independen dan dewan pengawas syariah terhadap kinerja keuangan perbankan syariah di Indonesia, *7*(2), 46–59.

Jao, R., Randa, F., Holly, A., & Gohari, L. (2021). Pengaruh karakteristik dewan direksi terhadap kinerja keuangan perusahaan non keuangan yang terdaftar di Bursa Efek Indonesia. *Akmen, 18*(2), 123–134.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*, 305–360.

Jin, T. (2021). The influence of board size and CEO duality on firm performance: A research on Taiwan listed firms. *12*(6), 533–539.

Kalsie, A., & Shrivastav, S. M. (2016). Analysis of board size and firm performance: Evidence from NSE companies using panel data approach. *Indian Journal of Corporate Governance, 9*(2), 148–172.

Krisnadewi, K. A., & Soewarno, N. (2020). Competitiveness and cost behaviour: evidence from the retail industry. *Journal of Applied Accounting Research*, *21*(1), 125-141.

Kufo, A., & Shtembari, E. (2023). How board size and board independence affect insurance companies' performance. *European Journal of Interdisciplinary Studies, 15*(1), 68–80.

Kyere, M., & Ausloos, M. (2020). Corporate governance and firms financial performance in the United Kingdom. *International Journal of Finance & Economics, 26*(2), 1871–1885.

Lesmana, D., Naprida, D., & Wibowo, B. R. (2024). COVID-19 pandemic and firm performance in emerging market: The role of corporate governance. *Corporate Law and Governance Review, 6*(1), 57–68.

Lew, Y. K., Yu, J., & Park, J.-Y. (2017). The impacts of independent director and CEO duality on performance in the Chinese post-institutional-transition era.

Musallam, S. R. M. (2020). Effects of board characteristics, audit committee and risk management on corporate performance. *International Journal of Islamic and Middle Eastern Finance and Management, 13*(4), 691–706.

Napitupulu, I. H., Situngkir, A., Basuki, F. H., & Nugroho, W. (2020). Optimizing good corporate governance mechanism to improve performance: Case in Indonesia's manufacturing companies. *Global Business Review, 24*(6), 1205–1226.

Noliviasari, C., & Siswantoro, E. (2022). The board of directors, firm size, capital structure, financial performance during the COVID-19 crisis: Evidence from Indonesia. *International Journal of Entrepreneurship and Business Management, 1*(2), 96–104.

Palupi, A. (2023). Does ESG affect the firm value?. *Accounting & Finance Review (AFR)*, *7*(4).

Pham, V. L., & Ho, Y.-H. (2024). Independent board members and financial performance: ESG mediation in Taiwan. *Sustainability, 16*(16), 6836.

Prabowo, M., & Simpson, J. (2011). Independent directors and firm performance in family controlled firms: Evidence from Indonesia. *Asian-Pacific Economic Literature, 25*(1), 121–132.

Prameswari, N. P. A. S., Suaryana, I. G. A. N., Sujana, I. K., & Rasmini, N. K. (2022). Good corporate governance moderates the effect of corporate social responsibility disclosure, financial distress and managerial ability on earnings management with variable. *International Journal of Business, Economics and Management*, *5*(4), 453-462. https://doi.org/10.21744/ijbem.v5n4.2038

Puni, A., & Anlesinya, A. (2020). Corporate governance mechanisms and firm performance in a developing country. *International Journal of Law and Management*, *62*(2), 147-169.

Putri, L. L., & Deviesa, D. (2017). Pengaruh CEO duality terhadap financial performance dengan earnings management sebagai variabel intervening. *Business Accounting Review*, *5*(1), 169-180.

Roffia, P., Moracchiato, S., Liguori, E., & Kraus, S. (2021). Operationally defining family SMEs: a critical review. *Journal of Small Business and Enterprise Development*, *28*(2), 229-260.

Rompis, N. K., Worang, F. G., & Tulung, J. E. (2018). Pengaruh ukuran dewan, keberagaman usia dan keberagaman gender terhadap kinerja keuangan. *Jurnal EMBA, 6*(4), 2628–2637.

Rudiwantoro, A. (2022). Pengaruh independensi dewan komisaris, ukuran dewan direksi, komite audit dan ukuran perusahaan terhadap kinerja keuangan. *Jurnal Akuntansi dan Bisnis Indonesia, 3*(1), 41–51.

Tandiamal, F. G., Daromes, F. E., & Tangke, P. (2025). Pengaruh CEO duality dalam hubungan organizational slack dan ESG terhadap kinerja keuangan. *Jurnal Akuntansi dan Auditing, 19*(2), 212–242.

Tulung, J. E., & Ramdani, D. (2018). Independence, size and performance of the board: An emerging market research. *Corporate Ownership and Control, 15*(2–1), 201–208.

Ulupui, I. G. K. A., Utama, S., & Karnen, K. A. (2015). Pengaruh kepemilikan keluarga, kedekatan direksi dan komisaris dengan pemilik pengendali terhadap kompensasi direksi dan komisaris perusahaan di pasar modal Indonesia. *Jurnal Organisasi dan Manajemen, 11*(1), 62–74.

Uyar, A., Kuzey, C., Kilic, M., & Karaman, A. S. (2021). Board structure, financial performance, corporate social responsibility performance, CSR committee, and CEO duality: Disentangling the connection in healthcare. *Corporate Social Responsibility and Environmental Management*, *28*(6), 1730-1748.

Voveris, D., Jaržemskis, A., & Girdvainienė, I. (2024). The paradox of independent board members and financial return of state-owned enterprises. *Problems and Perspectives in Management, 22*(1), 205–217.

Zhu, C., Husnain, M., Ullah, S., Khan, M. T., & Ali, W. (2022). Gender diversity and firms' sustainable performance: Moderating role of CEO duality in emerging equity market. *Sustainability, 14*(12), 7177.