

The Influence of Corporate Governance, Earning Management, and Political Connection on Financial Distress Before and During The Covid-19 Pandemic

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Abstract

This research was conducted to analyze the differences in variable conditions before and during the COVID-19 pandemic, as well as the influence of institutional ownership, managerial ownership, independent commissioners, earning management, and political connections on financial distress. The population studied consisted of transportation and logistics companies listed on the Indonesia Stock Exchange from 2018 to 2021, totaling 33 companies. The sample was determined using purposive sampling technique, with a total of 19 company samples. This study utilized quantitative analysis techniques. Hypothesis testing in this research was conducted using logistic regression analysis with the assistance of Stata v17 software. The results of this study are as follows: 1) There were no differences in institutional ownership, managerial ownership, independent commissioners, and earning management conditions before and during the COVID-19 pandemic; 2) There were differences in financial distress conditions before and during the COVID-19 pandemic; 3) Institutional ownership, managerial ownership, and political connections had no significant influence on financial distress; 4) Independent commissioners had a negative influence on financial distress; and 5) Earning management had a positive influence on financial distress.

Keywords: *financial distress, institutional ownership, managerial ownership, independent commissioners, earning management, political connections.*

Pengaruh *Corporate Governance*, *Earning Management*, dan *Political Connection* terhadap *Financial Distress* pada Sebelum dan Saat Masa Pandemi Covid-19

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Abstrak

Penelitian ini dilakukan untuk menganalisis perbedaan kondisi variabel sebelum dan saat covid-19 beserta pengaruhnya antara variabel kepemilikan institusional, kepemilikan manajerial, komisaris independen, *earning management*, dan *political connection* terhadap *financial distress*. Populasi yang menjadi objek penelitian adalah perusahaan sektor transportasi dan logistik yang terdaftar di Bursa Efek Indonesia periode 2018-2021 yang berjumlah 33 perusahaan. Penentuan sampel dilakukan dengan teknik *purposive sampling* dengan total 19 sampel perusahaan. Penelitian ini menggunakan teknik analisis kuantitatif. Pengujian hipotesis dalam penelitian ini menggunakan analisis regresi logistik dengan bantuan *software Stata v17*. Penelitian ini memperoleh hasil yaitu: 1) tidak terdapat perbedaan kondisi kepemilikan institusional, kepemilikan manajerial, komisaris independen, *earning management*, dan *political connection* pada sebelum dan saat masa pandemi covid-19; 2) terdapat perbedaan kondisi *financial distress* pada sebelum dan saat masa pandemi covid-19; 3) kepemilikan institusional, kepemilikan manajerial, dan *political connection* tidak berpengaruh terhadap *financial distress*; 4) komisaris independen berpengaruh negatif terhadap *financial distress*; dan 5) *earning management* berpengaruh positif terhadap *financial distress*.

Kata kunci: *financial distress*, kepemilikan institusional, kepemilikan manajerial, *komisaris independen*, *earning management*, *political connection*.