Determinants of Financial Distress Risk: The Roles of Corporate Ownership, Capital Structure, and Intellectual Capital

By Mildan Nur Azis

ABSTRACT

Throughout the 2022–2024 period, companies in the consumer cyclicals sector listed on the Indonesia Stock Exchange experienced considerable financial pressure, as reflected by deteriorating financial performance and the increasing number of forced delistings resulting from bankruptcy. This study aims to examine the effects of managerial ownership, institutional ownership, capital structure, and intellectual capital on the risk of financial distress. Using a purposive sampling technique, the study obtained a sample of 64 companies, representing 192 firm-year observations. The hypotheses were tested using panel data regression with the Fixed Effect Model (FEM) in Stata 17. The empirical findings reveal that managerial ownership has a significant negative effect on financial distress risk, while capital structure has a significant positive effect. In contrast, institutional ownership and intellectual capital do not exhibit a statistically significant influence on financial distress risk. Furthermore, profitability, included as a control variable, is found to mitigate the likelihood of financial distress.

Keywords: *financial distress, managerial ownership, institutional ownership, capital structure, intellectual capital*

Pengaruh *Managerial Ownership*, *Institutional Ownership*, *Capital Structure*, dan *Intellectual Capital* terhadap Risiko *Financial Distress*

Oleh Mildan Nur Azis

ABSTRAK

Sepanjang periode 2022–2024, perusahaan sektor barang konsumen non-primer di Bursa Efek Indonesia mengalami tekanan finansial yang cukup berat, hal ini diindikasikan oleh penurunan performa keuangan serta maraknya fenomena penghapusan pencatatan saham *(delisting)* secara paksa lantaran kepailitan. Studi ini dirancang untuk menguji pengaruh dari *managerial ownership*, *institutional ownership*, *capital structure*, dan *intellectual capital* terhadap risiko *financial distress*. Dengan menerapkan teknik *purposive sampling*, diperoleh sampe 64 perusahaan yang mencakup total 192 unit observasi. Uji hipotesis dilakukan dengan menggunakan metode regresi data panel melalui pendekatan *Fixed Effect Model* (FEM) dengan *software* Stata 17. Hasil pengujian empiris mengonfirmasi bahwa *managerial ownership* memberikan berpengaruh negatif terhadap risiko *financial distress*. Sebaliknya, *capital structure* dan *intellectual capital* memberikan berpengaruh positif terhadap risiko *financial distress*. Sedangkan, *institutional ownership* dan *intellectual capital* diidentifikasi tidak memiliki pengaruh. Di sisi lain, kehadiran *profitability* selaku variabel kontrol terbukti efektif dalam menekan potensi timbulnya risiko *financial distress.*

Kata kunci: *financial distress, managerial ownership, institutional ownership, capital structure, intellectual capital*