

---

---

## **CASH FLOW, BOARD INDEPENDENCE, FINANCIAL DISTRESS IN STATE-OWNED ENTERPRISES (SOE) COMPANIES IN INDONESIA**

**Dara Puspa Wiranti<sup>1</sup>, Hans Hananto Andreas<sup>2\*</sup>**

<sup>1</sup>Program Studi Akuntansi, Universitas Kristen Satya Wacana

<sup>2</sup>Universitas Kristen Satya Wacana

\*Email: [hans.andreas@uksw.edu](mailto:hans.andreas@uksw.edu)

*Diterima: 23/03/2024*

*Direvisi: 20/05/2024*

*DiPublikasi: 01/07/2024*

<https://doi.org/10.22225/kr.16.1.2024.1-11>

### **Abstract**

The purpose of this study was to investigate the impact of cash flow and board independence on financial distress in Indonesian state-owned corporations (BUMN). The sample in this study used 60 data from 20 state-owned companies listed on the Indonesia Stock Exchange in 2019-2021. The results of the cash flow research have no effect on financial distress, and board independence has no effect on financial distress. However, because BUMN is a government-owned company that is very closely connected to politics, using additional analysis in the form of political connections, it was found that political connections had an effect on financial distress. These findings show that the political connections that state-owned companies have can have a positive impact on the company, for example, in getting money loans from banks, tax discounts given by the DJP, preferential treatment in accepting contracts or projects from the government, or having ease in licensing. We suspect that this can reduce the chances of state-owned companies experiencing financial distress if they have political connections.

**Keywords: cash flow, board independence, financial distress, political connections**

### **INTRODUCTION**

The bankruptcy of a company is a phenomenon that occurs quite often in the business world. Increasingly tight competition, increasingly advanced global economic developments, and various events experienced around the world can be reasons for the bankruptcy of a company. In Indonesia, in 2019, the Ministry of Finance announced that there were many state-owned companies (BUMN) experiencing bankruptcy. In 2021, 68% of the total BUMN faced the possibility of potential bankruptcy, and the rest were still in the safe category from potential bankruptcy (Fernando, 2021). From Gibson's (2002) research, there are many ways to explain the condition of bankruptcy or financial failure. The company's inability to pay all its obligations can be an explanation of the meaning of bankruptcy.

Financial distress is one of the phenomena that a company will experience before experiencing bankruptcy. (Beaver, 2010) said that financial distress is the inability of a company to pay obligations when they are due, for example, debts or failure to pay bonds, and usually occurs before the company experiences bankruptcy. According to (Wawo, 2020), financial distress is one of the things that investors and prospective young investors need to pay attention to before purchasing company shares on the stock exchange. (Prameswari Anggita, 2018) also wrote that companies experienced a decline in performance and a decrease in the listing criteria for shares they own, the shares of the company can be removed from the listing on the Indonesian Stock Exchange. Therefore, to prevent this phenomenon, companies can carry out bankruptcy

analysis and see the opportunities for financial distress from the information contained in the financial reports. The Altman Z-Score method is one method that can be used to predict this with a high level of accuracy, reaching 80%–90% (Silaban, 2014).

Previous research conducted by Efriyenty and Purba (2022) stated that cash flow can be used as a benchmark for determining the quality of a company from financial reports, which will later have an effect on predicting the company's financial distress. However, research by (Suharni & Rochman, 2022) states that cash flow has no impact on financial distress, and the company will not experience financial difficulties because it has high cash flow and can fulfill its obligations. Cash flow is one of the most important financial elements and is most often used by investors to see the situation in a company. Cash flow is the amount of money coming in and out of a company in a certain period and is usually used by creditors to measure a company's ability to pay off loans (Aninda Fitri, M., & Juliana Dillak, 2020). One of the state-owned companies that is haunted by the threat of financial distress is PT Pos Indonesia. During 2012–2018, this company was only able to obtain positive cash flow three times, and the rest was negative, even though in 2018, PT Pos Indonesia recorded a net profit of IDR 127 billion. However, in the same year, it recorded a cash flow of minus IDR 293 billion, and because the delivery service industry sector usually makes payments in advance, if the cash flow is negative, then it can be said that the company is experiencing financial difficulties (Adharsyah, T., & Arif, 2019).

The independent board of commissioners is a group of people who have an important role in a company and are responsible for managing the company and its activities. The attitudes and actions taken will influence decision-making for the company's future. Board independence refers to a condition where stakeholders do not take sides with any party and act objectively in every situation. The high independence of an independent board of commissioners can increase investor confidence in the quality of a company's financial reports because it can produce good policies and decisions for the company's sustainability (Nathania, 2015). State-owned companies cannot be separated from "political connections," and this is related to the independence of the board in a company, one example of which is PT Pos Indonesia. In 2021, a corruption case occurred that dragged the name of the former Director of Courier and Logistics at PT Pos Indonesia (Persero). While serving as Executive Vice President of PT Telkom Indonesia's Enterprise Service Division in 2017 in a case of fictitious procurement of goods where the money was used for his personal interests (Dwi, 2023), From this case, it can be seen that there are policies or decisions that only benefit certain parties and sacrifice the company's future, which can ultimately lead the company into financial distress. As seen from (Dirman, 2020) research, the independence of an independent board of commissioners can reduce the occurrence of differences of opinion between several parties in the company, which have the opportunity to give rise to financial distress. Apart from that, research by Annisa et al. (2022) found that the independence of an independent board of commissioners is one of the elements for measuring corporate governance and increasing supervision to prevent non-transparent management actions. Boards that have independent characteristics tend to be able to produce good decisions and policies for the company.

The results of (Dirman, 2020) state that the independence of an independent board of commissioners does not have a significant influence on financial distress. No matter how big or small, the independence of a company's independent board of commissioners does not rule out the possibility that the company will still experience financial difficulties. This is inversely proportional to the research by (Kristina & Wiratmaja, 2018) Board independence has a negative effect on financial distress; increasing the independence of the independent board of commissioners will increase the company's operational activities because supervision of company operations will automatically increase as well, which in the end can minimize the phenomenon of financial distress in a company. Apart from that, according to research by (Dewi & Keuangan, 2019), cash flow and board independence have a simultaneous influence on predicting financial distress in the future.

This research chose to use state-owned companies in Indonesia because, in 2021, at the Commission This phenomenon can occur because adding capital to create added value in the form of loans and issuing new bonds for BUMN is a natural thing, but this additional capital can also increase the risk of financial distress (Nasir, 2022). Seeing the high chance of financial distress occurring in state-owned companies, even though state-owned companies continue to receive cash injections, previous research found that this can also cause state-owned companies to experience financial distress. This research was conducted to test whether cash flow and board independence have an influence. on financial distress in state-owned companies in Indonesia.

Through this research, it is hoped that it can provide benefits such as adding to the literature and providing insight into existing research regarding the influence of cash flow and board independence. It is also hoped that this research will be useful as evaluation material regarding the influence of cash flow and board independence on financial distress in state-owned companies in Indonesia and can predict financial distress conditions in these companies.

## LITERATURE REVIEW

Signal theory explains how the owner of information can provide information in the form of instructions or signals that can later be utilized by the recipient of the information in any form; in this case, the company provides information to the public in the form of financial reports (Sutra, M. F., & Mais, 2019). The relationship between signal theory and financial distress is that when a company has poor conditions in terms of finances and company management, it will give a negative signal to investors, but when the company has good quality in terms of finances and company management, investors will receive a positive signal. This includes potential opportunities, whether the company is experiencing financial distress or not (Pandapotan & Puspitasari, 2022).

The relationship between signal theory and financial distress, cash flow, and board independence is financial information regarding cash flow obtained by investors from financial reports or annual reports and corporate governance information regarding the independence of the independent board of commissioners, which investors can find out from auditors' reports, news reports, or government agencies. can be used as a signal for investors to see the opportunity for a company to experience financial distress. Information received by investors originating from financial reports or from other parties (external/internal auditors, government agencies, news) regarding the condition of the company's positive or negative cash flows and information regarding governance in the company regarding how independent the existing board is can later provide good signals (good news) and bad signals (bad news).

### **The Effect of Board Independence on Financial Distress**

The quality of corporate governance is an important factor that needs to be considered to increase company efficiency, and independence is one of the things found in corporate governance. As stipulated by POJK, companies must have at least an independent board composition of at least thirty percent of the total commissioners (Pandapotan & Puspitasari, 2022). The independence of the independent board of commissioners can be one of the factors that can be used to measure corporate governance and improve supervision, preventing management non-transparency in act (Annisa et al., 2022). Automatically, a company can more easily increase investors' sense of trust if the independence of the independent board of commissioners in corporate governance is guaranteed. For example, in a state-owned company, the image of a state-owned company that is held directly by the government can increase investors' sense of trust because the guarantor is the government (Nathania, 2015). The greater the number of independent boards in a company, the greater the company's ability to optimize its financial performance or monitor company

performance and reduce the possibility of financial difficulties (Hasniati, Adha, B., 2017). higher the independence of the independent board of commissioners in a company, the lower the possibility of financial distress, because the possibility of the company producing the right policies and decisions for the future sustainability of the company becomes greater, and investor confidence can also ultimately increase. This is in line with research belonging to (Kurniasanti, A., 2018), Hilaliya & Margaretha (2017), (Li et al., 2021), and (Lee, N., Sameen, H., & Cowling, 2015). Based on these arguments, the first hypothesis can be formulated:

H<sub>1</sub>: Board independence has a negative effect on financial distress.

### **The Effect of Cash Flow on Financial Distress**

In identifying the health and ups and downs of a company's financial condition, companies can use information from the cash flow report. If the company has good cash flow, creditors or investors will have higher confidence that the company is able to carry out all its obligations and can avoid financial distress (Dirman, 2022). The cash flow report provides various useful information for investors, namely information on the amount of cash obtained and disbursed by the company within a certain period of time. The cash flow report also provides information regarding the company's ability to fulfill its payment obligations and information on dividend payments (Pandapotan & Puspitasari, 2022).

Cash flow can show the company's ability to pay current liabilities and operating activities from a comparison of the number of existing assets (Sudaryanti & Dinar, 2019). By increasing the cash flow experienced by companies, it can help reduce the risk of bankruptcy. The disbursement of funds obtained by state-owned companies from the government can be used as an opportunity to increase the value of the company's cash flow, which can also help creditors and investors assess the company (Jones & Peat, 2014). If the company's cash flow is better, the possibility of financial distress in the company will be lower. This is in line with research by (Purwaningsih & Safitri, 2022), (Jaafar et al., 2021), (Sayari & Mugan, 2013), and (Jones, S., & Peat, 2014). Based on these arguments, the second hypothesis is formulated:

H<sub>2</sub>: Cash flow has a negative effect on financial distress.

### **METHODS**

The population used in this research is state-owned companies in Indonesia that are listed on the Indonesia Stock Exchange from 2019 to 2021. The sampling technique used in this research is purposive sampling, where the sample is state-owned companies that are listed on the IDX. With the following categories: State-owned companies listed on the Indonesia Stock Exchange for the 2019–2021 period; Companies that publish annual financial reports for the 2019–2021 period, which provide all data related to all research variables; Companies that present financial reports in Rupiah.

The dependent variable in this research is financial distress. Financial distress can be described as a condition experienced by a company where the company has larger debts or obligations. compared to the assets it owns. In other words, the company cannot fulfill all obligations that must be paid; this condition usually occurs before a company experiences bankruptcy (Silaen, F. M., Butarbutar, M., & Nainggolan, 2020). The following is a formula for measuring financial distress:

$$\text{Altman Z-Score} = Z = 6,56X_1 + 3,26X_2 + 6,72X_3 + 1,05X_4$$

Information:

$X_1$  : Working Capital / Total Assets

$X_2$  : Retained Earnings / Total Assets

$X_3$  : *EBIT / Total Assets*

$X_4$  : *Book Value of Equity / Book Value of Total Debts*

The cutoff used is when  $Z < 1.1$ , then the company is in the distress zone; if  $Z > 2.675$ , then the company is in the safe zone; and if the company is between 1.1 and  $Z > 2.675$ , then the company is in the gray zone (Pratama & Mulyana, 2020). A cash flow report is a report that contains information on cash in and cash out within a certain time period. This report can provide information about the company's ability to fulfill and pay all its obligations. Apart from that, cash flow reports are also usually used by investors and creditors in making investment decisions. (Pandapotan & Puspitasari, 2022). Cash flow can be measured by:

$$CF = \frac{\text{Operating Cash Flow}}{\text{Total Asset}}$$

Board independence is a characteristic demonstrated by an independent board; the characteristic in question is objectivity and impartiality by any party in monitoring the performance of company management (Pandapotan & Puspitasari, 2022). The independent board of commissioners can be measured using the formula:

$$BIND = \frac{\text{Total Commissioner independent}}{\text{Total Commissioners}}$$

Company size consists of three types, namely large companies, medium companies, and small companies. The reason why company size is used as a control variable is that company size consistently influences share prices (Wawo, 2020). Company size can be measured by:

$$SIZE = \ln(\text{Total Assets})$$

The data analysis method used in this research is multiple linear regression. The tests carried out include the classical assumption test, the F test, and the t test. The following is the equation model for multiple linear regression analysis to test the hypothesis:

$$FD_{it} = \alpha_{it} + \beta_1 CF_{it} + \beta_2 BIND_{it} + \beta_3 SIZE_{it} + \varepsilon$$

Information:

FD : *Financial Distress*

CF : *Cash Flow*

BIND : *Board Independence*

SIZE : *Company Size*

$\varepsilon$  : *Error*

## RESULT AND DISCUSSION

This research uses a sample of state-owned companies listed on the Indonesia Stock Exchange in 2019–2021. There are 60 samples from 20 companies. The analytical method used in this research is multiple linear regression analysis. The number of samples not included in this research is as follows:

**Table 1. Sampling Selection**

Information	Total companies
State-owned companies listed on the Indonesia Stock Exchange and publishing financial reports ending December 21 for the 2020-2021 period	25
State-owned companies that do not present complete financial reports do not end on December 31 for 2020 - 2021	-1
Companies that present financial reports not in Rupiah during the 2020 – 2021 period	-4
Companies that have incomplete data	0
<b>Total companies</b>	<b>20</b>

The dependent variable is presented using the Altman Z-Score as a calculation of financial distress. The cutoff used is when  $Z < 1.1$ , then the company is in the distress zone; if  $Z > 2.675$ , then the company is in the safe zone; and if the company is between 1.1 and  $Z > 2.675$ , then the company is in the gray zone (Pratama & Mulyana, 2020). Based on the table above, of the total of 60 samples used, 25% were in the distress zone, 43% were in the gray zone, and 32% were in the safe zone.

**Table 2. Percentage of Financial Distress with Altman Z-Score**

	Sample	Percent
Distress Zone	15	25%
Grey zone	26	43%
Safe zone	19	32%

**Table 3. Statistic Descriptive**

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Distress	60	-1,780	8,043	2,24328	1,820889
Cash Flow	60	3,984	2,369	2,979	5,94714
Independent board	60	0,17	0,67	0,3743	0,12524
Company size	60	29,10	35,08	31,7508	1,69300
Valid N (listwise)	60				

Before running the multiple regression analysis, we have to ensure that our regression function qualifies for the classical assumption test. Specifically normality, multicollinearity, and heteroskedasticity tests. From normality test, based on asymp value sig. (2-tailed) of 0.147 or greater than the value of  $\alpha (= 0.05)$ , it can be concluded that the data are normal and pass the normality test. Then the VIF value of the three variables is less than 10. So, it can be concluded that no symptoms occur and pass the multicollinearity test. In this study, heteroscedasticity testing uses the Glejser test. Sig values of the four independent variables above 0.05, it can be concluded that there are no symptoms of heteroscedasticity. The F test standard is a significance value of  $< 0.05$ , meaning the independent variable (X) has a simultaneous effect on the dependent variable (Y). Based on the table above, the significance value is 0.415, which means  $> 0.05$ , so it can be concluded that the independent variable (X) has no simultaneous effect on financial distress.

**Table 4. F-Test**

ANOVA <sup>a</sup>		
	F	Sig.
Regression Residual	0,966	0,415 <sup>b</sup>
Total		

The t test standard is the sig value of  $< 0.05$ , which means the independent variable (X) has a partial effect on the dependent variable (Y). In the table above, it is known that cash flow has a significance of 0.985 with a t count of 0.018, which means that cash flow has no partial influence on financial distress. Board independence has a significance value of 0.595 with a t count of -0.535, which means that board independence has no partial effect on financial distress. Company size has a significance value of 0.358 with a t count of -0.928, which means company size has no partial influence on financial distress.

**Table 5. t-Test Table**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9,596	7,392		1,298	0,200
Cash Flow	1,246E-16	0,000	0,004	0,018	0,985
Independent board	-1,029	1,992	-0,922	-0,535	0,595
Company size	-0,220	0,237	0,237	-0,928	0,358

The results of research on the regression model in this study show a calculated t value of 0.018 and a significance value of 0.985, which means the significance value is  $> 0.05$  so that cash flow has no influence on financial distress. These results show that H1 is rejected, meaning that cash flow has no effect on financial distress in state-owned companies. If the cash flow value in a company is low or high, it cannot be confirmed that the company is experiencing financial distress.

Cash flow is one of the things that investors pay attention to in financial reports and is used to provide signals to external parties regarding the company's ability to fulfill all its obligations (Dirman, 2022). According to the results of this research, the high and low levels of cash flow in state-owned companies in Indonesia in 2019–2021 do not affect the chance of financial distress. BUMN is a government-owned company, which is one of the main sources of income for the state; therefore, the government has issued a special policy for BUMN companies called State Capital Pemyertaan (PMN) (Ministry of State-Owned Enterprises, 2022). Therefore, whatever expenses are incurred by state-owned companies can be covered by this policy, and state-owned companies can pay off the debts they have. Apart from that, another reason why cash flow does not have an influence on financial distress is the fluctuating nature of cash flow. If the value of cash flow in a company increases, it does not necessarily mean that the company can fulfill all its obligations to third parties, and vice versa, if the value of cash flow experiences a decline, it does not necessarily mean that the company has poor financial conditions. This is what can make investors hesitate to invest in the company. The results of this research are in line with research conducted by (Suharni & Rochman, 2022), (Oktaviani & Sholichah, 2020) and (Zees & Kawatu, 2022) which said that cash flow has no influence on financial distress.

Based on the results of the partial testing of board independence on financial distress, it shows that in this regression model, the calculated t value is -0.535 and the significance is 0.595, which means the significance value is  $> 0.05$ . These results show that H1 is rejected, so board independence has no effect on financial

distress in the company BUMN in Indonesia. This is not in accordance with signaling theory because the independence of the board makes it unable to provide signals to investors. The quality of independence of the board of independent commissioners in a company can provide a signal to investors if the company has good governance and is able to increase supervision to prevent management's lack of transparency in its actions (Annisa et al., 2022). However, in this research, the size of the independence of the independent board of commissioners owned by state-owned companies in Indonesia does not affect the chance of financial distress. The large proportion of independence of the independent board of commissioners does not guarantee an effective monitoring mechanism to protect the company from opportunities for financial distress. As stated in the Minister of BUMN Regulation No. 12/MBU/2012 concerning an independent board of commissioners to carry out their duties in the form of supervision and providing advice to the board of directors in carrying out company management activities, it cannot yet be said to be effective because there are still cases that are detrimental to BUMN companies. Still, the board must exist to minimize things that could be detrimental to the company. The requirement for companies to have an independent board composition of thirty percent of the total existing commissioners is only used as a condition for complying with regulations and is unable to increase the effectiveness of management supervision and transparency. The results of this research are in line with research conducted by (Dirman, 2022), (Pandapotan & Puspitasari, 2022), and Khafirah & Majidah (2019) which stated that board independence has no effect on financial distress.

#### Additional Analysis: Political Connections

Researchers conducted additional analysis regarding the involvement of political connections in aspects of board independence and financial distress. BUMN is a state-owned company, which allows for the involvement of political and social interests in it. Political connections can have a positive impact on companies. Companies that have political connections can influence banks or investors to provide loans and investments by using the political influence they have so that they can avoid opportunities for financial distress (Kharis, 2022). An independent board of commissioners with a political background in the legislative, executive, and judiciary allows for preferential treatment such as granting unusual loans, tax discounts, preferential treatment in accepting contracts or projects from the government, and ease in licensing and supervision. All of these things can, of course, make it easier for companies in their operational activities; apart from that, the funding aspect is also very helpful, especially for companies that are suspected of experiencing financial distress (Boubakri et al., 2013). All the conveniences obtained from the political connections of an independent board of commissioners can be achieved. attracting the attention of investors to invest and carry out various kinds of collaboration.

**Table 6. t-Test Table with Political connections**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	10,675	4,170			0,013
Cash Flow	6,293E-16	0,000	0,071	0,354	0,724
Independent board	-0,993	0,930	-0,832	-1,067	0,291
Company size	-0,241	0,124	-0,482	-2,377	0,021
Political connections	-0,452	1,034	0,032	2,490	0,016
X2*M	-0,328	0,287	-0,432	-2,632	0,024

The researcher tried to carry out additional testing using political connections using the same sample and produced a significance value of  $0.024 < 0.05$ , which means that there is a relationship between political connections as a moderator and financial distress. This could mean that political connections can strengthen



the independence of the board of commissioners, independent of financial distress. Apart from that, researchers also found a simultaneous relationship between cash flow, board independence, political connections, and financial distress. This was proven by carrying out an f test, which produced a significance value of  $0.004 < 0.05$ . In addition, the coefficient value of the regression analysis for political connections as a moderating variable for board independence on financial distress is -0.328, meaning that if political connections as a moderating variable for board independence increase by 1% and other variables are considered constant, the company's financial distress will decrease by 0.328. The political connections that state-owned companies have can have a positive impact on the company. For example, in getting money loans from banks, tax discounts given by the DJP, preferential treatment in accepting contracts or projects from the government, and having ease in licensing and supervision, the relationship that exists between one party and another party can make the company get this convenience, plus the type of company is a BUMN, which increases the feeling of trust because BUMN is a state-owned company. Things like that can reduce the chances of BUMN companies experiencing financial distress if they have political connections. The results of these additional analyses are in line with proprietary research (H.-K. Chen et al., 2018), (J. Chen et al., 2018), (Cull et al., 2015), (Hung et al., 2017).

## CONCLUSION

From the results of the data processing that has been carried out, the conclusion of this research is that partially cash flow has no effect on financial distress, board independence has no effect on financial distress, and simultaneously cash flow and board independence have no effect on financial distress. However, if you add the factor of political connections to it, cash flow, board independence, and political connections simultaneously influence financial distress. Apart from that, the results of the partial test state that political connections are a moderating variable for board independence, which influences financial distress. Because the research results do not match previous journals obtained by researchers, it is hoped that future research will also add variables related to cash flow such as liquidity level, profitability, and leverage so that researchers know more about the company's ability to face financial distress. For board independence, researchers are also expected to be able to add other variables related to board independence. Researchers can add audit committee and corporate governance factors to determine the chances of financial distress occurring. Or add new variables to look at other factors that can influence the occurrence of financial distress, such as operating capacity and sales growth, so that further research can find out the latest picture and results that match the researchers' expectations.

## REFERENCES

- Adharsyah, T., & Arif, I. A. (2019). *Arus Kas PT Pos Indonesia Negatif, Apa Mungkin Bangkrut?*. CNBC Indonesia. <https://www.cnbcindonesia.com/news/20190723205842-4-87041/arus-kas-pt-pos-indonesia-negatif-apa-mungkin-bangkrut?>
- Aninda Fitri, M., & Juliana Dillak, V. (2020). Arus kas operasi, leverage, sales growth terhadap financial distress. *Journal Unpas.Ac.Id*, 12(2), 60–64.
- Annisa, H. R., Rochmah, H. N., & Ekasari, W. F. (2022). Pengaruh tata kelola dan kinerja perusahaan terhadap financial distress pada perusahaan consumer goods industry. *Jurnal Akuntansi Aktual*, 9(2), 96. <https://doi.org/10.17977/um004v9i22022p096>
- Beaver, W. H. (2010). Financial Statement Analysis and the Prediction of Financial Distress. *Foundations and Trends in Accounting*, 5(2), 99–173. <https://doi.org/10.1561/1400000018>
- Boubakri, N., Ghoul, S. El, & Saffar, W. (2013). Cash holdings of politically connected firms. *Journal of Multinational Financial Management*, 23(4), 338–355. <https://doi.org/10.1016/j.mulfin.2013.06.002>
- Chen, H.-K., Liao, Y.-C., Lin, C.-Y., & Yen, J.-F. (2018). The effect of the political connections of

- government bank CEOs on bank performance during the financial crisis. *Journal of Financial Stability*, 36, 130–143. <https://doi.org/10.1016/j.jfs.2018.02.010>
- Chen, J., Leung, W. S., & Evans, K. P. (2018). Female board representation, corporate innovation and firm performance. *Journal of Empirical Finance*, 48, 236–254. <https://doi.org/10.1016/j.jempfin.2018.07.003>
- Cull, R., Li, W., Sun, B., & Xu, L. C. (2015). Government connections and financial constraints: Evidence from a large representative sample of Chinese firms. *Journal of Corporate Finance*, 32, 271–294. <https://doi.org/10.1016/j.jcorpfin.2014.10.012>
- Dewi, M., & Keuangan, Z. N. (2019). Analisis Pengaruh Tata Kelola Perusahaan yang Baik, Kinerja Keuangan dan Ukuran Perusahaan terhadap Kesulitan Keuangan di Perusahaan Manufaktur yang *Jurnal Manajemen*.
- Dirman, A. (2020). Financial distress: The impact of institutional ownership, independent commissioners, managerial ownership, and audit committee. *International Journal of Management Studies*, 202.
- Dirman, A. (2022). Financial distress: the impacts of profitability, liquidity, leverage, firm size, and free cash flow. *International Journal of Law and Economics*, 22, 1.
- Dwi, A. (2023). *Eks Direktur Pos Indonesia Ditetapkan Tersangka Korupsi Pengadaan Barang Fiktif*. News Detik. <https://news.detik.com/berita/d-6946509/eks-direktur-pos-indonesia-ditetapkan-tersangka-korupsi-pengadaan-barang-fiktif>
- Hasniati, Adha, B., & I. E. (2017). Pengaruh Corporate Governance dan Intangible Assets Terhadap Financial Distress. *Accounting Journal Research*, 16(1).
- Hung, C.-H. D., Jiang, Y., Liu, F. H., Tu, H., & Wang, S. (2017). Bank political connections and performance in China. *Journal of Financial Stability*, 32, 57–69. <https://doi.org/10.1016/j.jfs.2017.09.003>
- Jaafar, S. B., Hassan, H., & Ismail, S. (2021). Cash Flow Statement as a Tool to Predict Financial Distress. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3838158>
- Jones, S., & Peat, M. (2014). Predicting Corporate Bankruptcy Risk in Australia: A Latent Class Analysis. *Journal of Applied Management Accounting Research*, 12(1).
- Khari, J. (2022). *Board Diversity, Koneksi Politik dan Financial Distress*. <https://repository.uksw.edu/handle/123456789/27221>
- Kristina, I. G. A. R., & Wiratmaja, I. D. N. (2018). Pengaruh Board Diversity dan Intellectual Capital pada Nilai Perusahaan. *E-Jurnal Akuntansi*, 2313. <https://doi.org/10.24843/EJA.2018.v22.i03.p25>
- Kurniasanti, A., & M. (2018). Pengaruh Corporate Governance, Rasio Keuangan, Ukuran Perusahaan dan Makroekonomi terhadap Financial Distress. *Jurnal Ilmu Manajemen*, 6(3).
- Lee, N., Sameen, H., & Cowling, M. (2015). Access to Finance for Innovative SMEs Since The Financial Crisis Article. *Crisis. Research Policy*, 2, 370–380.
- Li, Z., Crook, J., Andreeva, G., & Tang, Y. (2021). Predicting the risk of financial distress using corporate governance measures. *Pacific-Basin Finance Journal*, 68, 101334. <https://doi.org/10.1016/j.pacfin.2020.101334>
- Nathania, I. (2015). Pengaruh Karakteristik Komite Audit, Independensi Dewan Komisaris, Reputasi Auditor Terhadap Financial Distress. *Jurnal Akuntansi Bisnis*, 14(27).
- Oktaviani, E. T., & Sholichah, M. (2020). Pengaruh Laba, Arus Kas, dan Corporate Governance Terhadap Prediksi Financial Distress. *JlATAX (Journal of Islamic Accounting and Tax)*, 3(2), 90. <https://doi.org/10.30587/jiatax.v3i2.2247>
- Pandapotan, F., & Puspitasari, F. (2022). The Effect of Cash Flow, Board Independence, and Company Size

- on Financial Distress. *Saudi Journal of Economics and Finance*, 6(9), 311–318. <https://doi.org/10.36348/sjef.2022.v06i09.003>
- Prameswari Anggita, Y. I. (2018). Prediksi Kebangkrutan Dengan Metode Altman Z- Score, Springate dan Zmijewski Pada Perusahaan Delisting Di Bursa Efek Indonesia (BEI). *Journal Riset Akuntansi Kontemporer*, 10(1).
- Pratama, H., & Mulyana, B. (2020). Prediction Of Financial Distress In The Automotive Component Industry : An Application of Altman, Springate, Ohlson And Zmijewski Models. *Dinasti International Journal Of Economics Finance & Accounting*, 1(4).
- Purwaningsih, E., & Safitri, I. (2022). Pengaruh Profitabilitas, Likuiditas, Leverage, Rasio Arus Kas dan Ukuran Perusahaan Terhadap Financial Distress. *JAE (Jurnal Akuntansi Dan Ekonomi)*, 7(2), 147–156. <https://doi.org/10.29407/jae.v7i2.17707>
- Sayari, N., & Mugan, F. N. C. S. (2013). Cash Flow Statement as an Evidence for Financial Distress. *Universal Journal of Accounting and Finance*, 1(3), 95–102. <https://doi.org/10.13189/ujaf.2013.010302>
- Silaban, P. (2014). Analisis Kebangkrutan Dengan Menggunakan Model Altman (Z- Score) Studi Kasus di Perusahaan Telekomunikasi. *Journal Akuntansi (Tarumanagara University)*, 18(3).
- Silaen, F. M., Butarbutar, M., & Nainggolan, D. C. (2020). Analisis Perbandingan Financial Distress Metode Altma dan Springate Sebagai Peringatan Dini Kesulitan Keuangan. *Jurnal Penelitian Ilmu Manajemen*, 5(2).
- Sudaryanti, D., & Dinar, A. (2019). Analisis Prediksi Kondisi Financial Distress Menggunakan Rasio Likuiditas, Profitabilitas, Financial Leverage Dan Arus Kas. *Jurnal Ilmiah Bisnis Dan Ekonomi Asia*, 13(2), 101–110. <https://doi.org/10.32812/jibeka.v13i2.120>
- Suharni, S., & Rochman, F. (2022). Effect of Cash Flow, Profit and Corporate Governance on Financial Distress Conditions. *Cross Current International Journal of Economics, Management and Media Studies*, 4(6), 180–185. <https://doi.org/10.36344/ccijemms.2022.v04i06.002>
- Sutra, M. F., & Mais, G. R. (2019). Faktor-Faktor yang Mempengaruhi Financial Distress dengan Pendekatan Altman Z-Score pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia Tahun 2015-2017. *Jurnal Akuntansi Dan Manajemen*, 16(1).
- Wawo, A. (2020). Pengaruh Financial Distress Terhadap Harga Saham. *Jurnal Ilmiah Akuntansi Peradaban*, 6(1).
- Zees, N., & Kawatu, F. S. (2022). Pengaruh Arus Kas dan Laba Terhadap Financial Distress Pada Perusahaan BUMN yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Akuntansi Manado (JAIM)*, 425–433. <https://doi.org/10.53682/jaim.vi.3324>