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The Effect of Financial Difficulties and Institutional and Managerial Ownerships on Accounting Conservatism

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Abstract: The purpose of this study is to determine the effect of financial distress and institutional and managerial ownership on accounting conservatism. The study used purposive sampling to select 36 companies and used secondary data with documentation and literature techniques. Panel Data Regression Analysis with the views 10 software tool was used to analyze data. The results show that financial distress, institutional and managerial ownerships affect accounting conservatism. The lack of consistency in the results of previous studies related to the effect of financial distress, institutional ownership and managerial ownership on accounting conservatism motivates this research.

Keywords: financial distress, institutional ownership, managerial ownership, accounting conservatism.

财务困难以及机构和管理层所有权对会计保守主义的影响

摘要：本研究的目的是确定财务困境以及机构和管理所有权对会计稳健性的影响。该研究使用有目的的抽样来选择 36 家公司，并使用带有文档和文献技术的二手数据。使用意见 10 软件工具进行面板数据回归分析来分析数据。结果表明，财务困境、机构所有权和管理层所有权影响会计稳健性。先前关于财务困境、机构所有权和管理所有权对会计稳健性的影响的研究结果缺乏一致性，这促使了这项研究。

关键词：财务困境、机构所有权、管理所有权、会计稳健性。

1. Introduction

Financial statements show the company's output and information that describes performance in a fiscal period. The statements contain information vital to internal parties, including managers as decision-makers, and external parties, such as investors, creditors, and stakeholders. Financial Accounting Standards (SAK) allow company management to choose a method and estimate for accounting records and corporate financial transaction reporting. However, this freedom might lead to opportunistic behavior, where managers prioritize personal interests. Accounting conservatism can be used to limit opportunistic behavior in organizations [1].

Conservatism attempts to choose accounting methods that result in slower recognition of revenue, fast cost identification, and lower and higher valuation

of assets and liabilities. In certain situations, some of these criteria may conflict with one another.

At PT Goodyear Indonesia Tbk, fixed assets' composition is greater than other assets every year, from 43.94% in 2012 to 51.18%, 46.27%, 46.57%, and 52.90% of total assets in 2013. There is a need to examine manufacturing companies because they have a larger asset composition than other companies. The list for depreciation of fixed assets and profit/loss of PT Goodyear Indonesia Tbk for 2012-2016 is as follows.

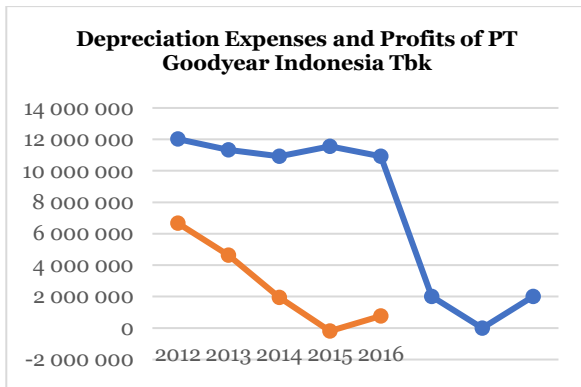


Fig. 1 Graph of depreciation expense and profit/loss

The highest depreciation expense for PT Goodyear Indonesia was in 2012. The company is expected to suffer a loss when the depreciation is high. However, the profits were relatively higher when the depreciation expense was high in 2012. PT Goodyear uses the straight-line method to measure its assets. The company should adjust to the asset measurement method in line with the accounting principles (PSAK) to easily provide clear information to external parties and avoid misleading users of financial statements. Different depreciation methods lead to a different allocation of depreciation costs, affecting the cost of goods sold, operating expenses, and profit [2].

The principle of prudence can be applied in preparing financial statements using a very conservative method. The profit reflects the minimum amount that the company can earn for quality purposes. The declining balance method is believed to be the most conservative in valuing company assets [3]. That is because the method results in higher cost, hence lower profit.

Research on accounting conservatism has been widely conducted. However, the results have some inconsistencies, with some studies using financial distress as independent variables with the Interest Coverage Ratio measuring instrument, used in previous studies as an independent variable with the Altman Z-score method.

2. Theoretical Background and Hypothesis

2.1. Agency Theory

Companies use agency theory to conduct their business practices [4]. This theory describes the agency relationship between shareholders (owners) and managers and shareholders (through managers) and creditors. Furthermore, it explains that there are differences in interests between company owners and managers. The company owner or the investor wants a seemingly insignificant profit to avoid too much tax. The company managers want a seemingly big profit hence as a manifestation of a good performance. In a high-profit situation, creditors believe that the company

can cover its debts and reduce its debt's risk level not being paid. Therefore, the bonuses received by managers and other insiders are calculated from the profits earned by the company. That is certainly a problem because both parties have their interests. Companies need to carry out agency costs to reduce losses due to the managers' behavior [4]. Accounting conservatism arises from incentives related to contracts, litigation, tax, and political costs that benefit companies to reduce agency costs and excessive payments to parties, such as managers, shareholders, courts, and governments.

Agency theory explains institutional ownership as one of the tools that can be used to reduce agency conflict. The higher the institutional ownership, the stronger the supervision and control by external parties to suppress opportunistic management behavior. As the majority shareholders, institutional investors have control rights over the company to influence company decisions [5]. Agency conflicts can be reduced by aligning the goals between owners or shareholders and management through a managerial ownership mechanism [5]. Apart from managerial ownership, accounting conservatism can solve problems between managers and shareholders [6].

2.2. Positive Accounting Theory

The theory predicts the situation where accounting is applied for the preparation of theory construction and verification. The positive accounting theory states that managers have an incentive to maximize their welfare. Furthermore, the positive accounting theory states that managers tend to reduce the level of accounting conservatism because they experience a high level of financial distress [7].

2.3. Financial Distress

Financial distress refers to a decline in a company's financial condition before bankruptcy or liquidation. This condition is generally marked by delays in delivery, deteriorating product quality, and delays in paying bills from banks.

Financial distress is an early symptom of bankruptcy, where the company cannot meet its short-term obligations, including liquidity obligations and liabilities in the solvency category. When the financial condition deteriorates, the manager should adjust the level of accounting conservatism in the company reports. A conservative financial statement prevents companies from exaggerating profits and limiting the amount of dividend distribution, indirectly increasing the availability of cash for debt payments and reducing the possibility of financial distress [8].

H_0 : Financial distress does not affect accounting conservatism.

H_1 : Financial distress affects accounting conservatism.

2.4. Institutional Ownership

Institutional ownership refers to the ownership of shares by other institutions to reduce agency conflict. The higher the institutional ownership, the stronger the supervision and control by external parties to suppress opportunistic management behavior [5]. Institutional investors usually control a large number of shares, can influence decision-making. Through a large proportion of institutional ownership, owners can direct management actions to apply conservative accounting principles to prevent opportunistic actions to manipulate the company's performance [9].

Institutional ownership is one of the aspects of a good corporate governance mechanism. It is the shared ownership concept by financial institutions, such as insurance companies, pension funds, and investment banks. Moreover, institutional ownership is shown by the percentage of share ownership by institutions. It helps reduce manipulation from managers and result in increasingly conservative financial reports.

H_0 : Institutional ownership does not affect accounting conservatism.

H_1 : Institutional ownership affects accounting conservatism

2.5. Managerial Ownership

Managerial ownership is the percentage of the number of shares owned by the manager compared to other parties. Share ownership structure can influence policy and decision-making by the company [7]. Generally, it can align shareholders' interests because managers experience the benefits of the decisions made and bear risks if there are losses due to wrong decisions [5].

The objective of shareholders is to maximize the value of the company. That can be achieved by presenting a quality financial statement through the application of conservative accounting principles. That is because managers with high company share ownership will align with shareholders, requiring more conservative accounting.

The size of managerial shareholdings in the company can indicate a similarity (congruence) of interests between management and shareholders. Managerial ownership is closely related to the application of accounting conservatism principles in financial reporting. Managers are the source of information about current or future company performance. In general, limited views and responsibilities of managers lead to agency problems between managers and shareholders. These limitations encourage them to increase the value created by increasing current profits and expected future cash flows, creating agency costs [10].

H_0 : Managerial ownership does not affect accounting conservatism.

H_1 : Managerial ownership affects accounting conservatism.

2.6. Accounting Observation

Accounting conservatism attempts to choose an accounting method that slows revenue recognition, accelerates expense recognition. This approach arises from incentives related to the contract, litigation, tax, and political costs to reduce agency costs and payments. Financial statements should fulfill the generally accepted objectives, rules, and principles. In order to perfect these applicable financial statements, the conservatism concept was developed. This concept has a huge effect on the valuation of company assets and helps anticipate an uncertain situation [11].

Statement of Financial Accounting Standards (FAS) triggers the implementation of accounting conservatism principles in Indonesia. Financial Accounting Standards (SAK) provide freedom to choose the accounting method used in preparing financial statements. However, this freedom can be used to produce different financial statements for each company. PSAK Number 16 (Revised 2015) can lead to conservative financial statements is. For instance, paragraph 63 explains that various depreciation methods can be used to allocate depreciated amounts systematically. These include the straight-line method, declining balance, and the number of units method. The declining balance method is the most conservative approach because it results in higher costs and lowers the resulting profit [3]. Suppose the depreciation method is carried out with a shorter period; the accounting principles applied are increasingly conservative [12].

3. Research Method

This study uses associative research with a quantitative approach. The research population is manufacturing companies listed on the Indonesia Stock Exchange in 2014–2018. The sample was selected using a purposive sampling method and obtained 36 companies. Furthermore, secondary data, specifically annual reports from the company's official website, was used with documentation as a data collection technique. Panel Data Regression or Ordinary Least Square using the EViews 10 application was used to analyze data. There are three independent variables: financial distress and institutional and managerial ownerships, with only one dependent, accounting conservatism. The regression equation is as follows.

$$\text{CON_ACC} = \alpha + \beta_1\text{KS} + \beta_2\text{KI} + \beta_3\text{KM} + \varepsilon$$

where:

CON_ACC - Accounting Conservatism;

α - Constant;

β_{1-3} - Regression coefficient;

KS - Financial Distress;

KI - Institutional Ownership;

KM - Managerial Ownership;
 ε - Error.

4. Empirical Result

4.1. Descriptive Statistics

Table 1 shows that manufacturing companies' average interest coverage ratio fluctuated yearly, meaning that it can still cover its interest debt. The lowest interest coverage ratio was in 2017 by -46.72, meaning that the company suffered a loss and experienced financial distress. The highest value of the interest coverage ratio in the last five years was in 2015, specifically 114.75.

Table 1 Descriptive statistics

Accounting Conservatis	Managerial Ownership	Institutional Ownership	Financial Distress	Variable	
-0,11	0,00	0,32	-2,60	Min	2014
0,29	0,43	0,98	54,13	Max	
-0,20	0,00	0,32	-4,30	Min	2015
0,82	0,61	0,98	114,75	Max	
-0,05	0,00	0,03	-34,51	Min	2016
0,59	0,91	0,95	110,81	Max	
-0,04	0,00	0,03	-46,72	Min	2017
0,28	0,89	0,93	90,06	Max	
-0,03	0,00	0,01	-13,67	Min	2018
0,17	0,89	0,95	112,18	Max	

According to Table 1, the average institutional ownership of manufacturing companies in the last five years increased. It means that the greater the institutional ownership in the company's ownership structure, the more the use of conservative accounting principles [13]. The lowest value of institutional ownership was in 2018, specifically 0.01. It means that with low share ownership, the company has not made institutional parties carry out the monitoring function of its management performance properly. The highest institutional ownership value was 0.98, recorded in 2014 and 2015. It means that high institutional ownership can control management through an effective monitoring process to avoid managers' opportunistic actions and ask management to apply conservative accounting.

Based on table 1, the average managerial ownership of manufacturing companies during the last five years fluctuated, meaning that managers with high company share ownership are in line with shareholders, hence the need for more conservative accounting. The lowest managerial ownership values in the last five years were similar, specifically 0.00. It means that the low managerial ownership value is possible since the management chooses an accounting method that maximizes its utility for a high bonus. Although management may not have share ownership in the

company, they prefer an accounting method that maximizes bonuses. Therefore, it is unlikely that a company will apply accounting conservatism [14]. The highest managerial ownership value in the last five years was in 2016, specifically 0.98. It means that the greater the manager's shares, the more conservative the resulting profit.

Table 1 shows that the average accounting conservatism fluctuated for the last five years, meaning that the companies reduced accounting conservatism implementation. The lowest value for the last five years was -0.20, recorded in 2015, which means that companies have a low accounting conservatism level suppose the conacc value is below zero (negative). The financial statements' profits are smaller than the available cash for operational activities [14]. The highest value of accounting conservatism in 2015 was 0.82, which was high. Suppose the value of conacc is above zero, the result is positive. That is because the financial statements' profits are greater than the available cash for operational activities [14].

4.2. Determination Method of Panel Regression Model

4.2.1. Chow Test

To determine the most appropriate *Fixed Effect* or *Random Effect* model in estimating panel data, the hypothesis in the Chow test is:

a. H_0 is accepted when the chi-square probability value is ≥ 0.05 , hence uses a common effect model.

b. H_1 is rejected when the chi-square probability value < 0.05 continues with a fixed effect and uses the Hausman test to choose between a fixed or random effect.

After testing using Eviews 10, the results are as follows.

Table 2 Cow test (The results of EViews 10 output)

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.870297	(35,141)	0.0000
Cross-section Chi-square	121.195391	35	0.0000

Based on the results of Chow's test using Eviews10, the chi-square probability value is 0.0000. It shows that the probability value is smaller than the significance level (0.05), hence H_0 is rejected, and H_1 is accepted. Therefore, a better estimate to use is the Fixed Effect Model (FEM).

4.2.2 Hausman Test

After the Chow and Ho tests were rejected, the Hausman test was conducted to select the model's accuracy between fixed and random effects. The hypothesis used in the Hausman Test is:

H_0 is accepted if the Chi-Square Probability Value is ≥ 0.05 and uses a random effect.

H_1 is accepted if the Chi-Square Probability Value < 0.05 and uses a fixed effect.

After the Hausman Test, the following are the results obtained:

Table 3 Hausman test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.767983	3	0.6219

Source: The result of Eviews 10 output

The Hausman test results using Eviews10 show that the probability is 0.6219, greater than the significance level (0.05). Therefore, H_0 is accepted, while H_1 is rejected. The estimation model that deserves to be used is the Random Effect Model (REM).

4.2.3. Classics Assumption Test

According to the normality results, the probability value is $0.21967 > 0.05$, showing that the data is normally distributed.

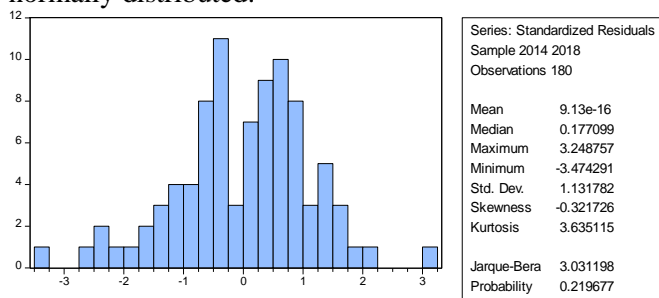


Fig. 2 The result of classics assumption test EViews 10 output

4.2.4. Multicollinearity Test

Based on Table 4, each independent variable's variance inflation factor value is less than 10, while the tolerance value is above 0.10. Therefore, there was no multicollinearity because the data was in line with the basis for decision-making.

Table 4 Multicollinearity test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.001054	20.17071	NA
X1	1.23E-07	1.200936	1.052507
X2	0.001671	16.29723	1.647218
X3	0.002028	2.060815	1.601803

Source: The result of Eviews 10 output

4.2.5. Autocorrelation Test

According to Table 5, the Durbin Watson value is 1.978. There are no autocorrelation symptoms suppose the Durbin Watson value is between du to $(4-du)$. The result of du in this study is $du (1.790) < \text{Durbin Watson} (1.980910) < 4-du (2.01909)$. The DU value is searched in the Watson Durbin table value distribution table based on $K = 3$ and $N = 180$ with a significance of 5%; the result is 1.790, hence no autocorrelation.

Table 5 Autocorrelation test

Model of Equation	dU value	Durbin Watson (DW-test)	Value 4-dU	Description
		1,790	1,980910	
			9	There is no autocorrelation

Source: The result of Eviews 10 output

4.2.6. Heteroscedasticity Test

Based on Table 6, the Glejser test results indicate no correlation in the chi-square probability in the regression model. Obtained the chi-square probability value 0.1311 for each independent variable is more than 0.05, hence no heteroscedasticity.

Table 6 Heteroscedasticity test

Heteroskedasticity Test: Glejser			
F-statistic	2.012322	Prob. F(3,176)	0.1139
Obs*R-squared	5.969413	Prob. Chi-Square(3)	0.1131
Scaled explained SS	10.43536	Prob. Chi-Square(3)	0.0152

Source: The result of Eviews 10 output

4.2.7. Determination Coefficient Test (R^2)

The results of data processing show that the value of Adjusted R Square is 0.5704 or 57.04%. It means that the effect of variables X1, X2, and X3 simultaneously on variable Y is 57.04%, while the remaining 42.96% is affected by other factors.

Table 7 Determination coefficient test (The result of EViews 10 output)

R-squared	0.570457
Adjusted R-squared	0.563135

4.3. Result

4.3.1. The Effect of Financial Difficulties on Accounting conservatism

The test result of Eviews 10 shown in Table 8 shows the significance value is smaller than 0.05, equal to 0.0000, and has a negative regression coefficient value of -0.002153. It shows that financial difficulties have a negative direction and a significant effect on

accounting conservatism; hence the first hypothesis is accepted. It shows that financial difficulties affect accounting conservatism. The positive accounting theory predicts a negative relationship between financial difficulties and accounting conservatism. Problematic financial conditions encourage managers to reduce accounting conservatism, though shareholders and creditors want such practices [15]. Therefore, greater financial difficulties encourage managers to reduce the level of accounting conservatism [16].

Table 8 Random effect hypothesis testing

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.413737	0.070280	5.887002	0.0000
X1	-0.002153	0.000464	-4.634727	0.0000
X2	-0.328751	0.080173	-4.100522	0.0001
X3	-0.579318	0.039766	-14.56835	0.0000

Source: The result of Eviews 10 output

This study aligns with [17]; [18], which stated that financial distress affects accounting conservatism. According to the debt covenant hypothesis, companies experiencing financial distress often choose accounting procedures that shift future earnings reporting to the current period. That is meant to cover managers' poor performance due to unsatisfactory contract results from investors. The poor financial condition is caused by the poor quality of managers, who choose to reduce accounting conservatism to hide poor performance. It shows how managers' behavior determines the consequences of their policies, especially those maximizing their utility [9]. In this regard, managers are encouraged to lower accounting conservatism to make a good impression. Therefore, investors' and creditors' pessimistic attitudes can be avoided if the company experiences financial difficulties [1].

Based on descriptive data from 2014-2018, the average percentage of financial distress of manufacturing companies listed on the Indonesia Stock Exchange increased significantly. However, there was a decrease after applying accounting conservatism, which allows for an opposite (negative) relationship between difficulties.

Table 9 Comparison of financial distress and accounting conservatism

	2014	2015	2016	2017	2018
Financial distress	7,6294	7,5197	5,2990	2,6041	11,0806
Accounting Conservatism	0,0356	0,0552	0,0488	0,0393	0,0319

The data source is processed

4.3.2. The Effect of Institutional Ownership on Accounting Conservatism

According to Eviews 10 in table 8, the significance value is smaller than 0.05, equal to 0.0001, and has a negative regression coefficient of -0.328751. It shows that institutional ownership has a significant negative effect on accounting conservatism. Since the second hypothesis is accepted, it can be concluded partially that institutional ownership affects accounting conservatism. It means that the greater the institutional ownership, the lower the accounting conservatism. Institutional ownership can be a useful monitoring tool to replace or strengthen the board's supervisory function, reducing agency problems between shareholders and company managers. With high ownership, institutional shareholders can demand transparent information from company management. In this case, institutional investors' existence is considered less optimal in carrying out the company's supervisory function over management. More optimal monitoring of actions can minimize the possibility of managers' bad actions, and managers will be more careful in making decisions [19].

This study's results are not in line with the research of [14], which showed that the greater the institutional ownership in the company's ownership structure, the use of conservative accounting principles as determined by accrual measurement. Large companies with good growth often useless conservative (more aggressive) accounting principles through accrual media. The greater the company's profitability and debt level, the greater the accounting conservatism with accrual measures. Companies with large institutional ownership show their ability to monitor management because the greater the institutional ownership, the more efficient the utilization of assets, preventing waste by management [15]. The higher the institutional ownership, the lower is the managers' opportunistic behavior, which reduces agency costs [17].

It is in line with [5], [19], [20], [21], which stated that institutional ownership affects accounting conservatism. In agency theory, institutional ownership is one tool that can be used to reduce agency conflicts. The higher the level of institutional ownership, the stronger the supervision and control exercised by external parties to suppress opportunistic management behavior. As the majority shareholder, institutional investors have control rights to influence company decisions [5].

The majority shareholder (institutional investor)

controlling rights regulate company policy through management to benefit from the existing inter-organizational relationships. It shows that minority shareholders (managerial ownership) can hardly maximize their interests when they have goals contrary to the majority shareholders [5]. With high institutional ownership, institutional shareholders can demand transparent information from company management [22].

4.3.3. *The Effect of Managerial Ownership on Accounting Conservatism*

The test results using Eviews 10 are shown in table 4.8, where the significance value is smaller than 0.05, equal to 0.0000, with a negative regression coefficient value of -0.579318. It shows that managerial ownership has a significant negative effect on accounting conservatism. Since the third hypothesis is accepted, managerial ownership partially affects accounting conservatism. Managers with high equity holdings may use a lower accounting conservatism to avoid falling share prices. Because the profit of a company is low, the dividends to investors will be small. That decreases investor interest in the company, reducing the company's stock price, this inline to [18].

The lower the managerial ownership, the higher the demand for conservative accounting. Therefore, it is a potential mechanism for solving agency problems between managers and shareholders due to the separation of corporate ownership and control functions.

Suppose the greater the number of share ownership given to management, the higher the company's sense of belonging. The management prioritizes the survival of the company over short-term personal gain. The application of conservative accounting principles can be the main choice of management compared to aggressive accounting principles. The results of this study are in line with agency theory, which states that agency conflicts could be reduced by aligning the goals between owners or shareholders and management through a managerial ownership mechanism [5]

The results in this study are in line with [5], [10], which stated that managerial ownership affects accounting conservatism. In this regard, managers are concerned with the long-term sustainability of the company and focus on development. The greater the managerial ownership, proxied by the percentage of company share ownership, the more the managers pay attention to the percentage of ownership, ensuring that the policies taken are more conservative [16].

The size of the company's managerial shareholdings can indicate a congruence of interests between management and shareholders. Companies with a large number of managerial shareholdings should have low agency conflicts and costs due to research from [23]. Managerial ownership is closely related to the

application of accounting conservatism principles in financial reporting. Managers are often a source of information about the company's current or future performance. Limitations of views and managerial responsibility lead to agency problems between managers and shareholders. This limitation provides incentives for managers to increase the value created by increasing current earnings and expected future cash flows, creating agency costs [10].

5. Conclusion

Based on the results of data processing and discussion in research on the effect of financial difficulties, institutional ownership, and managerial ownership on accounting conservatism in manufacturing companies, this study makes the following conclusions.

1) Financial distress affects accounting conservatism. That is in line with the positive accounting theory, which predicts a relationship between financial distress and accounting conservatism. Troubled financial conditions can encourage managers to reduce accounting conservatism, though shareholders and creditors want such practices. Therefore, greater financial difficulties encourage managers to reduce the level of accounting conservatism.

2) Institutional ownership affects accounting conservatism. It means that the greater the institutional ownership, the lower the accounting conservatism. Institutional ownership can be an effective monitoring tool to replace or strengthen the board's supervisory function, reducing agency problems between shareholders and company managers. With high institutional ownership, institutional shareholders can demand transparent information from company management.

3) Managerial ownership affects accounting conservatism. Managers with high equity ownership use lower accounting conservatism to avoid falling share prices. Since the profit of a company is low, investors' dividends will be small, lowering investors' interest in the company, which will reduce the company's share price.

Based on these conclusions, the authors give the following suggestions.

1) When there is high financial distress, the company management should reconsider the application of accounting conservatism. They should avoid too many conservatism principles and only apply them when necessary. Companies should be conservative to avoid giving excessive expectations to investors. However, the management should not display too high a conservatism in accounting. That might make investors pessimistic and will not invest their share capital in the company.

2) Institutional parties' monitoring function of share

ownership should ensure that management actions are not implemented properly. However, there is always a high probability that institutions may take part in the company's earnings management. Therefore, they should be supervised by other parties, such as the Financial Services Agency (SFA), the Financial Services Authority (FSA), the Indonesia Stock Exchange (IDX), and the Minister of Finance (MENKEU).

3) The lower the managerial ownership, the less conservative the financial statements will be. Therefore companies are advised to consider investing in a managerial ownership percentage. That enables decisions to be made effectively, precisely, quickly, and independently.

Research conducted by [24] on 858 companies listed on the Tehran Stock Exchange shows no significant relationship between institutional ownership and accounting conservatism. That in itself contradicts their hypothesis, which states a significant relationship between institutional ownership and accounting conservatism. The differences in the models used in this study lead to differences in results with previous studies.

However, this research has some limitations. The industry that is emphasized in this research is the manufacturing industry. That, of course, cannot be generalized to other industries that have different characteristics from the manufacturing industry. Therefore, future research may include other industries besides manufacturing. In addition, this study only took 2014-2018 data. Different results will be obtained if the year of observation is extended. The number of samples of 36 companies in this study will have different results if the number of sampled companies increases.

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