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# The Effect of Liquidity, Leverage, Profitability and Firm size on Financial Distress with GCG as a Moderation Variable

Lauda Khansa Bilqis[1*], Wawan Sadtyo Nugroho[2], Nurcahyono[3]

[1,2] Department of Accounting, Universitas Muhammadiyah Magelang, Indonesia
[3] Department of Accounting, Universitas Muhammadiyah Semarang, Indonesia
*Corresponding Author

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**Abstract**

Financial difficulties will arise due to the company's inability to compete, and when a company's finances are in trouble, these conditions trigger bankruptcy. This study examines the effect of liquidity, leverage, profitability and firm size on financial distress with good corporate governance as a moderation variable. The population of this study is mining companies listed on the Indonesia stock exchange from 2018 to 2021 and using purposive sampling. The data analysis used was moderate regression analysis with the help of the SPSS 24 tool. The results showed that liquidity did not affect financial distress, leverage positively affected financial distress, and profitability and firm size negatively affected financial distress. Good corporate governance weakens the effect of liquidity and profitability on financial distress. Good corporate governance strengthens profitability and financial distress. Good corporate governance does not moderate the relationship between firm size and financial distress.

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## Introduction

Since the emergence of COVID-19 virus cases in China in 2019, the COVID-19 pandemic has spread to almost all countries in various parts of the world, including Indonesia (Nurcahyono, Hanum, & Sukesti, 2021). Various government policies are carried out to minimize the impact of the pandemic by limiting social activities such as working from home, going to school from home, and all activities carried out at home. In addition, various restrictions caused a decrease in economic activity, which impacted company performance (Shayan-nia et al., 2017). The pandemic that lasted more than two years caused companies to experience a huge shock, so many companies experienced financial distress. In addition, prolonged financial distress will increase the risk of bankruptcy and potentially liquidation.

A company is under financial stress if it is unable to pay its long-term and long-term debts and does not have enough capital for production activities. Therefore, "companies that experience *financial distress* are at risk of bankruptcy" (Du et al., 2020; Kisman & Krisandi, 2019; Rafatnia et al., 2020). One of the sectors most affected by the pandemic will be the mining sector because they have to stop their business activities, but have an enormous fixed cost. Based on data from the Indonesia Stock Exchange from 2018 to 2021, there was an increase in the number of companies experiencing financial distress. In contrast, during the pandemic, the average mining company experienced a significant decline in performance. One of the companies that experienced a decline in performance was PT Aneka Tambang, Tbk, which experienced a 30% decrease in revenue; PT Bukit Asam experienced a 40% decrease in revenue and many other companies that experienced a more significant decline (Kosasih, 2021).

Studies on financial distress are essential to obtain empirical evidence of various factors that can be used to predict and mitigate the risk of financial distress companies face. Financial distress in the context of this study emphasizes the impact of the COVID-19 pandemic, which certainly has very significant implications for mining sector companies. This study uses several predictors that will be used to predict various determinants of financial distress faced by companies, namely financial ratios (liquidity, leverage, profitability), firm size and good corporate governance.

Liquidity is the ability of a company to settle all obligations that will mature through asset disbursement (Timoty et al., 2022). Liquidity reflects the availability of funds the company owns to meet all debts that will mature. Liquidity is the fulfilment of financial obligations that must be repaid immediately (Hutauruk et al., 2022). Liquidity is a financial ratio in meeting short-term obligations by linking the amount of cash and other assets with short-term liabilities. Commonly used are current and quick ratios (Nurcahyono, Hanum, Kristiana, et al., 2021; Putri, 2021). Based on the above understanding, liquidity is the ability of a company to fulfil obligations to pay short-term debts, namely business debt, dividend debt, tax debt, and others. Liquidity ratios negatively increase financial distress risk (Bukhori & Meilani, 2019). However, contrary to research Azalia & Rahayu (2019) and Fitria & Syahrenny (2022), liquidity ratios did not predict *financial distress*.

Leverage is a ratio that describes the relationship between company debt and capital. This ratio can show how far the company is financed by debt or outsiders with the company's ability described by capital (Harahap, 2018). Meanwhile, according to Younas et al. (2021a), leverage is a measure used in analyzing financial statements to show the amount of collateral available to creditors. It is a ratio that measures how much a company is financed by debt. Broadly Kasmir (2018) said that the leverage ratio measures the company's ability to pay all its long-term and short-term obligations if the company is liquidated. Based on the statements above, leverage is used by a company not only to finance assets capital and bear fixed expenses but also to increase income. A company that can pay short-term debt to avoid liquidity can be said to be liquid (Putri, 2021). Bukhori and Meilani (2019) and Fitria & Syahrenny (2022) research shows that the leverage ratio positively affects predicting *financial distress*. In contrast to what Oktaviani et al. (2019) stated It was found that leverage negatively affected financial distress.

The company's ability to get profit or profit during a specific period is called profitability. The profitability ratio shows the management's effectiveness in generating profits from sales or investment income (Yuliyani & Erawati, 2017). According to Nilasari (2021), profitability is the company's ability to obtain profits related to the sale of total assets and own capital. A company's profitability can be assessed in various ways depending on profits and assets or capital that will be compared with one another. Various studies have found that profitability negatively affects financial distress (Ermawati et al., 2023; Wahyuni, 2021; Younas et al., 2021a), but studies (Kisman & Krisandi, 2019; Younas et al., 2021b; Yuliyani & Erawati, 2017) have found that profitability is not the main factor determining the risk of financial distress companies face.

The company's size can be divided into three categories: annual revenue, total assets, and equity (Brigham & Houston, 2021). Companies with statistically significant assets have the possibility of *financial distress* smaller ones. The greater a company's assets, the more likely it is that it will be able to pay off debts and fulfil its commitments. According to its findings, Azalia and Rahayu (2019) found that the company's size significantly negatively affected variable financial distress. Compared with Nilasari (2021) research**,** which found a positive correlation between the company's size and *financial distress*.

Many studies have raised similar topics related to *financial distress*. However, the results of previous studies still needed to be more consistent. Hence, the researchers added company characteristic variables, namely good corporate governance, as moderating variables. Good corporate governance has a significant role in the company, such as an internal control system that controls the company's business activities from various risks. The variable functions as moderation because it is considered an additional factor, the company can use as a framework and competitive advantage.

This study aims to prove various factors that can affect financial distress empirically. The predictors we use are liquidity, leverage, profitability, firm size and good corporate governance. This research contributes to the literature in financial distress and to companies and regulators in building a conducive business environment. This study aims to prove various factors that can affect financial distress empirically. The predictors we use are liquidity, leverage, profitability, firm size and good corporate governance. This research contributes to the literature in financial distress and to companies and regulators in building a conducive business environment.

**Hypothesis Development**

**Signaling Theory**

In 1973, Michael Spense sparked Signaling theory in a study entitled Job Market Signaling. Signal theory emphasizes the importance of the information a company provides to the decisions of external parties. In a company, information is obtained from financial statements. Signals are sent to external parties because the company has a reasonably good financial performance (Spence, 1973). Then, external parties will adjust the decision according to the understanding obtained from the signal.

**The Effect of Liquidity on Financial Distress**

Liquidity measures how liquid a company is by the amount of the company's ability to pay off the current debt by utilizing current assets (Agung et al., 2021; Sopian, D., & Rahayu, 2017). Liquidity relates to a company's ability to pay its debts when it matures to be called a good company. If the company pays short-term debt well, then the company is said to be liquid. However, if the company cannot settle its short-term debt, it is said to be illiquid (Arini et al., 2021; Hashed & Almaqtari, 2021). Based on signal theory, companies can deliver positive and negative news on financial statements. A company with a low liquidity ratio value experiences financial distress because it cannot pay its short-term debts. The company will convey this condition as needing more information in the financial statements. The study's results stated that the liquidity ratio significantly affected financial distress (Bukhori & Meilani, 2019). The results of the study are in line with research by (Nilasari, 2021).

**H1**: *Liquidity negatively affects financial distress*

### Effects of Leverage on Financial Distress

Leverage measures a company's ability to meet short-term and long-term obligations if a company is liquidated (Agustin et al., 2023; Fizabaniyah et al., 2023; Rahma et al., 2022). If the company cannot overcome the problem correctly, the potential for bankruptcy will be even more significant. Leverage illustrates the relationship between a company's debt to capital and assets. In this case, Signaling theory helps convey both positive and negative information. The greater the leverage value owned by the company, the more likely the company cannot pay off obligations in the future, so the higher the possibility of financial problems. Results of research conducted by Bukhori and Meilani (2019) and Fitria & Syahrenny (2022) show that the leverage ratio significantly positively affects financial distress conditions. The research is in line with research (Septiani & Dana, 2019).

**H2**: *Leverage positively affects financial distress*

### The Effect of Profitability on Financial Distress

The profitability ratio measures the effectiveness of management as a whole, aimed at the level of profit obtained from sales and investments (Kusmawati et al., 2022). The higher the company's profit, the lower the company's prediction of being exposed *to financial distress*. This condition causes the company to provide damaging information to external parties. Based on signal theory, the provision of information through financial statements is carried out by management to reduce uncertainty in the company's prospects. A study stated that the profitability ratio has a negative effect on *financial distress* (Gilang, 2019; Wahyuni, 2021). The research is inversely proportional to the research conducted by Pratiwi and Sudiyatno (2022), which gives profitability results do not affect *financial distress*.

**H3**: *Profitability negatively affects financial distress*

### The Effect of Firm Size on Financial Distress

The size of the company describes its total assets. These significant assets are expected to pay off liabilities in the future (Kristianingrum et al., 2022; Nurcahyono et al., 2023). Companies with significant total assets will find it easy to carry out their operations and less likely to experience financial distress. In deep Signaling theory, significant assets will help the company disclose good information on financial statements. Research conducted by Nilasari (2021) reveals that the company's size positively affects financial distress.

**H4**: *Firm size negatively affects financial distress*

### The Role of Moderation Good Corporate Governance as a Moderation Variable

The company implements *good corporate governance* to control the company and conform to the goals to be achieved. This will give the company good corporate governance in fulfilling its short-term obligations to avoid *financial distress*. In the context of agency theory, *Good Corporate Governance* will encourage the agent to understand the risks associated with liquidity. With this, agents can meet the principal's expectations to avoid *financial distress* (Jodjana et al., 2021; Younas et al., 2021b). The higher the level of liquidity supported by *Good Corporate Governance*, the goodwill spare from *financial distress* (Rama, 2022). The research is inversely proportional to the research conducted by (Sari & Rohman, 2023) which states that good corporate governance does not moderate the effect of liquidity on financial distress. Meanwhile, Setyobudi (2017) states that good corporate governance strengthening the effect of liquidity on financial distress.

**H5:** *Good corporate governance weakens the effect of liquidity on financial distress*

Liability is one of the determining factors for whether or not a company is healthy. The activities of companies financed with significant liabilities increasingly expose the company *to financial distress.* A high leverage value indicates the company's reliance on debt to finance its operations. Thus, high leverage indicates that the company is in *financial distress*. High corporate obligations must be accompanied by sound risk management in the company (Erayanti, 2019). In agency theory, *Good Corporate Governance* is applied following the principle that it is expected to create performance. The company is efficient in avoiding

conditions of financial difficulties. When accompanied by good corporate governance, high leverage will weaken the risk *of financial distress*. This is according to research Setyobudi (2017) and Sakinah (2018). The research is inversely proportional to the research conducted by (Sari & Rohman, 2023) which states that good corporate governance does not moderate the effect of leverage on financial distress
**H6:** *Good corporate governance examines the effect of leverage on financial distress*

Good corporate governance can be the central controller to keep business operations following company objectives and stakeholders. One of the company's goals is to obtain maximum profit to avoid financial difficulties (Azzahra et al., 2023; I. Pratiwi et al., 2022). Based on agency theory, good corporate governance will improve management performance to optimize the company's ability to generate maximum profit. High corporate profits make If supported by implementing effective good corporate governance, the company will be less exposed to financial distress. This statement is inversely proportional to research conducted by (Sari & Rohman, 2023) which states that good corporate governance does not moderate the effect of liquidity on financial distress. Meanwhile, Setyobudi (2017) states that good corporate governance strengthening the effect of profitability on financial distress.
**H7***: Good corporate governance weakens the effect of profitability on financial distress*

The company's large size causes agents to have to conduct tighter supervision of company assets. *Good corporate governance* is a corporate principle to create a good environment. Through *good corporate governance*, companies can maximize their value and increase stakeholder trust. Efforts to maximize value can be through the size of the company from the assets produced by the company (Jodjana et al., 2021). With the existence of agency theory, through the application of *good corporate governance* principles, companies have more significant potential to manage financial risks and avoid financial *distress conditions*. This is according to research Setyobudi (2017).
**H8:** *Good corporate governance weakens the effect of firm size on financial distress*

## Method

This research uses a quantitative approach with secondary data from the company's annual report in the mining sector in 2018-2021. The data is from the Indonesia Stock Exchange (IDX) website. The sampling technique uses the purposive sampling method, which is a sampling technique with specific criteria. The sample selection criteria are (1) Mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2018–2021. (2) Mining sector companies that consistently publish financial statements and annual reports on the IDX website during 2018–2021. (3) Mining sector companies that present complete data following the variables needed in the study (Table 1). Based on the criteria, samples that met the purposive sampling criteria amounted to 58 companies. The study was processed using SPSS 24 to obtain results"

**Table 1.** Variable Measurement

| Variable | Variable Measurement |
|---|---|
| Financial distress | $Z^n = 1{,}2\,X_1 + 1{,}4\,X_2 + 3{,}3\,X_3 + 0{,}6\,X_4 + X_5$<br>Information:<br>Zn= Financial distress Index<br>X1= Working Capital / Total Assets<br>X2= Retained Earning / Total Assets<br>X3= Earning Before Interest and Taxes / Total Assets<br>X4= Book Value of Equity / Total Liabilities<br>X5= Sales / Total Assets |
| Liquidity | CR= Assets/(Current Debt) |
| Leverage | DAR= (Total Debt)/(Total Equity) |
| Profitability | ROA= (Net Profit After Tax)/(Total Assets) |
| Firm Size | Firm size= Ln Total Assets |

| Good corporate governance | Number of Independent Commissioners |
|---|---|

**Data Analysis Techniques**

The data analysis techniques used are descriptive analysis and multiple regression analysis. Descriptive analysis calculates each variable's minimum, maximum, mean and standard deviation values. Here is the equation from multiple regression analysis from the study:

$$FD = \alpha + \beta_1(CR) + \beta_2(DAR) + \beta_3(ROA) + \beta_4(UP) + \beta_5(CR*KI) + \beta_6(DAR*KI) + \beta_7(ROA*KI) + \beta_8(UP*KI) + e$$

Description: FD is financial distress, DAR is leverage ratio, ROA is profitability ratio, KI is independent commissioner of measurement of good corporate governance, β is the coefficient of determination or beta regression value, α is constant, and e is the allowable error rate.

## Result and Discussion

Based on the results of descriptive statistical tests in Table 2, the dependent variable is financial distress. The minimum data is -9,513 obtained by PT. Capital Investment Tbk. PT. Capital Investment Tbk experienced financial distress with a reduced condition compared to other companies in the mining sector—maximum value of a variable financial distress81,432 by PT Optima Prima Metal Sinergi Tbk. The mean obtained from this study is 1,854, and the standard deviation is 6,225. A mean close to the minimum value indicates that many of the companies studied are experiencing financial distress. A standard deviation value more significant than the mean value means that the variable financial distress is widespread.

**Table 2** Descriptive Statistical Test Results

| Variable | Minimum | Maximum | Mean | Std Deviation | Skewness | Kurtosis |
|---|---|---|---|---|---|---|
| FD | -9.513318 | 81.43296 | 1.854967 | 6.225539 | 9.866741 | 121.2123 |
| Liquidity | 0.162448 | 14.19839 | 1.851801 | 1.867815 | 3.407901 | 18.71379 |
| Leverage | 0.007373 | 3.316379 | 0.516542 | 0.341110 | 3.204586 | 23.97624 |
| Profitability | -2.000000 | 13.60000 | 0.240861 | 1.262890 | 7.601737 | 68.99486 |
| Firm size | 24.89144 | 32.31561 | 28.85578 | 1.645373 | -0.082551 | 2.573769 |
| GCG | 0.000000 | 3.000000 | 1.586207 | 0.773690 | 0.244402 | 2.479227 |

Source: SPSS Output 24

**Table 3** Multiple Linear Regression Test Results

| Variable | Beta | Sig | R Square |
|---|---|---|---|
| Constant | 14.19921 | 0.1716 | 0.690199 |
| Liquidity | 0.186274 | 0.3997 | |
| Leverage | 5.157360 | 0.0001 | |
| Profitability | -0.092860 | 0.0500 | |
| Firm size | -0.348473 | 0.0359 | |
| Liquidity × Good corporate governance | -0.462114 | 0.0835 | |
| Leverage × Good corporate governance | 6.813055 | 0.0007 | |
| Profitability × Good corporate governance | -0.235487 | 0.0144 | |
| Firm size × Good corporate governance | 0.691000 | 0.0559 | |

The liquidity variable has a minimum value of 0.162, which means that the company can meet its short-term obligations, and a maximum value of 14.19839, which means it is meeting its short-term obligations. The variable average is close to 1,851, meaning the sample company has a low liquidity ratio. Variable laverage has a minimum value of 0.007, which means that the company's ability to pay its obligations is low, and the maximum value is 3.316. This variable has an average distribution value, as the mean of 0.516542 exceeds the standard deviation of 0.341110.

The variable profitability has a minimum value of -2,000 by PT Dian Swastika Sentosa Tbk and a maximum of 13,600 by PT Adaro Energy Indonesia Tbk. The average value of 0.240861 is less than the standard deviation of 1.262. That is, the data has a wide distribution that causes deviations. The variable size of the company has an average value of 28,855 with a standard deviation of 1,645. There is no data deviation in this variable because the resulting standard deviation value is smaller than the mean. Variable Good Corporate Governance: It has an average distribution value by measuring the number of independent commissioners. It can be seen from the lower standard deviation from the average value of 0.773. This is because the company only uses a maximum of 3 independent commissioners.

**The Effect of Liquidity on Financial Distress**

In this study, liquidity was calculated using the Current Ratio. The test results show that liquidity has a significance value of 0.3997 > 0.05. It can be concluded that liquidity does not significantly influence predicting financial distress. Based on signal theory, companies encourage presenting information to internal and external parties in decision-making through financial statements. A high amount of profitability indicates the company's ability to profit from sales and investments is excellent. High profitability makes the company increasingly away from conditions of financial distress. These results support study Azalia and Rahayu (2019), Kusumayani et al., (2019) and (Fitria & Syahrenny, 2022). Liquidity ratios predict financial performance for a short period. Therefore, the liquidity ratio does not reflect financial distress—H1, which states liquidity negatively affects financial distress, is rejected.

**Effects of Leverage on Financial Distress**

Leverage measures a company paying off its obligations. The results showed that the leverage variable had a significant value of 0.0001 < 0.05 and a positive beta value of 5.157. It can be concluded that variable leverage has a significant favourable influence on financial distress. A company with a high leverage value means that the company has a significant liability that puts the company under conditions of financial distress. Based on signal theory, financial statements can provide positive and negative information to its users. Liability is a factor in whether or not the company is healthy. High leverage indicates the company is in a condition of financial distress. This can be bad news for investors and creditors. From the results and discussions described, H2, which states that liquidity positively affects financial distress, is Accepted. The results of this study are supported by other researchers, namely Fitria & Syahrenny (2022) and (Nilasari, 2021).

**The Effect of Profitability on Financial Distress**

From the study results, it can be seen that the variability of stability has a significant value of 0.0500 and beta -0.092860. This means that the profitability variable has a negative effect on financial distress. Profitability measurement is essential for companies. This is because by calculating the company's profitability, the company's development will be seen between periods. The development of profit between these periods can later be used as a guideline to predict the existence of financial distress. The hope is that the development of company profits can be evaluated by management performance. In context signalling theory, the company encourages presenting information to internal and external parties through financial statements as decision-making. A high amount of profitability indicates the company's ability to profit from sales and investments is excellent. High profitability makes the company increasingly away from conditions of financial distress. This is good news for users of the company's financial statements. From the company's side, signal theory can prevent the occurrence of financial distress by monitoring the profitability ratio in each period. From the results presented, H3, which states profitability, has a negative effect on financial distress. It is accepted. The results of this study align with the research conducted by Fitria & Syahrenny (2022) and (Ariesanti, 2015; Khalid et al., 2020; Putri, 2021).

**The Effect of Firm size on Financial Distress**

Based on the data processing results, it was found that the company's size negatively affected the financial distress. This is evidenced by the significant value of 0.0359, less than 0.05. At the same time, the beta value

is -0.348473. The greater the total assets owned by the company, the more likely it is to be able to pay off obligations in the future. In research, the high assets of the company can avoid problems of financial distress. Thus, based on the theory of signals, internal and external parties assume that the company can overcome the financial situation in several periods. The condition of significant assets indicates that the company can manage its finances well. Positive information attached to the financial statements will attract external parties. From the results presented, it can be concluded that H4, which states the company's size, has a negative effect on financial distress. The results of this study align with the research conducted by (Azalia & Rahayu, 2019; Sahfasat & Nurmala, 2022).

**The Effect of Liquidity on Financial Distress with Good Corporate Governance as a Moderation Variable**

The test results show that the relationship of liquidity to financial distress with good corporate governance as a moderation variable shows a negative beta of -0.462114 and a significant value of 0.0835 > 0.05 or 5%. These results show good corporate governance weakening the effect of liquidity on financial distress so that h5 is accepted. Based on agency theory, good corporate governance acts as a supervisory mechanism that can help reduce the risk of agency conflict and improve transparency (Younas et al., 2021b). Good corporate governance can avoid asymmetric relationships between agents and principals when the company experiences financial distress. The higher the level of liquidity supported by good corporate governance, the more the good will be spared from financial distress. Good corporate governance can be used as policies and strategic choices companies make regarding information disclosure. This will be good news that external parties will receive. From the results presented, it can be concluded that H5, which states the Good corporate governance weakens the effect of liquidity on financial distress is accepted. The results of this study align with the research conducted by (Rama, 2022).

**The Effect of Leverage on Financial Distress with Good Corporate Governance as a Moderation Variable**

Based on the test results, the relationship of leverage to financial distress with Good Corporate Governance as a moderation variable shows a positive beta of 6.813055 and a significant value of 0.0007 < 0.05 or 5%. These results show Good Corporate Governance Strengthening the influence of leverage on financial distress, so H6 is rejected. Good corporate governance the bad ones strengthen the relationship between leverage and financial distress. In agency theory, high corporate leverage causes agents to pervert information to meet expectations principal in the form of profit optimization. If carried out continuously, this information deviation will make it easier for the company to predict its condition. This could have caused the company to experience financial distress in the future. This study's results do not follow the research of Setyobudi (2017) and Sakinah (2018), which states that Good Corporate Governance weakens the influence of leverage by financial distress.

**The Effect of Profitability on Financial Distress with Good Corporate Governance as a Moderation Variable**

The test results show that the relationship of profitability to financial distress with Good Corporate Governance As a moderation variable shows a negative beta of -0.235487 and a significant value of 0.0144 < 0.05 or 5%. These results prove that Good Corporate Governance weakens the influence of profitability on financial distress, so H7 is accepted. In the context of agency theory, Good Corporate Governance Encourage companies to monitor financial performance and conduct risk management for agency problems. Profitability is supported by deployment. Good Corporate Governance: A good one will reduce information asymmetry and the company's costs due to agency problems (Ashraf et al., 2019; Putri, 2021). The higher company makes a profit if it is supported by implementing Good Corporate Governance. The more effective it is, the lower the company is exposed to financial distress. The research is inversely proportional to the research conducted by Setyobudi (2017) and Sari & Rohman (2023).

**The Effect of Firm size on Financial Distress with Good Corporate Governance as a Moderation Variable**

Based on the test results, the relationship of firm size to financial distress with Good Corporate Governance As a moderation variable shows a positive beta of 0.691000 and a significant value of 0.0559 > 0.05 or 5%. These results show that good corporate governance does not moderate the effect of firm size on financial distress. This study does not support the agency theory where the size of the company seen from assets

minimizes agency conflicts, namely financial distress. This study's results align with the research conducted by (Ashraf et al., 2019; Erayanti, 2019). This inversely proportional to research conducted by Setyobudi (2017). So that, H8, which states Good Corporate Governance weakens the influence of firm size on financial distress, rejected.

## Conclusion and Recomendation

Based on the test results of 8 hypotheses, there were three rejected and five accepted hypotheses. The conclusions drawn from the study's findings include that liquidity does not affect financial distress, and leverage positively affects financial distress. Meanwhile, profitability and firm size negatively affect financial distress. In this study, the moderation variable is Good Corporate Governance, which can weaken, strengthen, and not moderate the variables studied. Good corporate governance weakens the influence of liquidity and profitability by financial distress. On the variable profitability, Good Corporate Governance strengthens profitability and financial distress. Last, Good Corporate Governance does not moderate the relationship between firm size and financial distress. For future researchers, increasing the years of observation can provide better results. The scope of this research is only in the mining sector. Therefore, other researchers should examine different objects. In addition, variables that are not included in this study can be used by other researchers to produce more optimal information.

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