



# Internationalization agency cost corporate governance and capital structure from manufacturing firm listed on indonesia stock exchange

Rezza Vitriya<sup>1</sup>, Uswatun Khasanah<sup>2</sup>

<sup>1,3</sup>Department of Management, Sekolah Tinggi Ilmu Ekonomi NU Trate Gresik

<sup>2</sup>Department of Accounting, Sekolah Tinggi Ilmu Ekonomi NU Trate Gresik

## ARTICLE INFO

### Article history:

Received Mar 02, 2023

Revised Mar 16, 2023

Accepted Mar 30, 2023

### Keywords:

Agency cost;  
Degree of internationalization;  
Corporate governance;  
Capital Structure;  
Manufacturing company;

## ABSTRACT

Multinational companies have an advantage in raising capital as they often have opportunities to raise capital from other countries. Additionally, companies with more agency conflicts have higher agency costs. Companies with high agency costs tend to use leverage to minimize them. Moreover, the agency conflict is also closely related to the role of good corporate governance in a company. This study has a purpose to determine the impact of the degree of internationalization, agency costs, corporate governance, and control variables against the capital structure of manufacturing firms listed on the Indonesian Stock Exchange. The data type for this study is panel data. The analytical model used is multiple regression analysis. Based on the research results, it can be concluded that agency costs and corporate governance already have a significant impact on the capital structure of Indonesian manufacturing companies in 2019-2021.

## Corresponding Author:

Rezza Vitriya,  
Department of Management,  
Sekolah Tinggi Ilmu Ekonomi NU Trate Gresik,  
Jl. K.H. Abdul Karim No. 60, Trate, Gresik.  
Email: [rezzavitriya@stienugresik.ac.id](mailto:rezzavitriya@stienugresik.ac.id)

## 1. INTRODUCTION

Determining the capital structure refers to determining the ratio of long-term debt to equity used to fund the investment activities of the company, which is one of the most important decisions for the cooperative finance (Cuevas-Vargas et al., 2021). Indonesia's long-term capital adequacy is subject to internal and external factors. Internal factors relate to the characteristics of the company and external factors relate to the state of the country in which the company is based.

Several previous studies on the capital structure of multinational and domestic companies have shown different results. This is due to the characteristics of different companies and countries. Several studies have shown that multinational companies have lower leverage ratios than domestic companies (Doukas & Pantzalis, 2001). Aggarwal & Kyaw, (2010) argue that multinational companies in America have much lower long-term debt ratios and the level of leverage decreases as the degree of internationalization of companies increases. In contrast, Mittoo & Zhang, (2008) found that Canadian multinational companies have higher levels of debt than domestic companies. Avarmaa et al., (2011) found that multinational companies exerted more use of debt financing than domestic companies in the Baltic countries.

Multinational companies have higher agency costs than domestic companies (Madura, 2011). Agency costs affect the company's capital structure decisions. Agency costs arise from agency problems, which are in the form of conflicts between creditors and shareholders or conflicts between management and shareholders (Jensen & Meckling, 1976). Agency problems that occur

continuously can cause information asymmetry. Information asymmetry consists of two types, namely moral hazard and adverse selection. Adverse selection happens when the company's managers and employees know more about the company's condition and future prospects than investors. Moral hazard refers to managerial activities that are completely unknown to shareholders and creditors so that managers can commit violations or actions that are not in accordance with ethics and standards. The conflicts that occur have an impact on capital structure decision-making, thus requiring corporate governance that is in accordance with the company's needs. Good corporate governance will manage an optimal capital structure that is able to raise corporate value and profitability (Manu, 2019). In addition, according to Jensen & Meckling, (1976), use of debt in the firm's capital structure should serve to minimize or reduce agency problems. The higher the company's debt, the less funds available to managers for their own purposes, because the available funds are used to pay the company's debts.

Based on research previously, this study analyzes the impact of independent variables such as degree of internationalization, agency costs, corporate governance, and control variables against the capital structure as the dependent variables of manufacturing firms listed on Indonesian Stock Exchanges for the period of 2019, 2020, 2021.

## 2. RESEARCH METHOD

The type of study used on this study is a quantitative study based on secondary data. A quantitative study is a study that examines how much an independent variable influences a dependent variable. Quantitative research methods are used to study a specific population or sample, research tools are used to collect data, data analysis is quantitative or statistical in nature, and goals are established in advance It is to verify the hypotheses made.

### Variables and Operational Definitions

#### Dependent Variables

##### Capital Structure

The capital structure shows a ratio between long-term debt and company equity, which is measured using the formula:

$$\text{Capital Structure} = \frac{\text{Long Term Debt}_{it}}{\text{Equity}_{it}} \quad (1)$$

#### Independent Variables

##### Degree of Internationalization

The Degree of Internationalization shows how much export sales are compared to total sales proxied by the foreign sales ratio, which is measured using the formula:

$$\text{Foreign Sales}_{it} = \frac{\text{Export Sales}_{it}}{\text{Total Sales}_{it}} \quad (2)$$

##### Agency Cost

Agency cost is a cost that arises due to agency conflict which is proxied by the assets turnover ratio, namely total sales divided with total assets, which is measured using the formula:

$$\text{Assets Turnover Ratio}_{it} = \frac{\text{Total Sales}_{it}}{\text{Total Assets}_{it}} \quad (3)$$

##### Corporate Governance

Corporate governance is the set of arrangement governing the relationships between the rights and obligations of shareholders, creditors, management, employees, governments, and other internal and external stakeholders. In this study, corporate governance is measured by board size, independent commissioner, and management ownership.

##### Board Size

Board size in this study is the total of directors in a company, and is measured using the following formula:

$$\text{Board Size}_{i,t} = \sum \text{Board}_{i,t} \quad (4)$$

#### Independent Commissioners

An independent commissioner is an outsider who evaluates the firm's performance and makes decisions for the company's progress, not for personal or group interests, which is measured using the formula:

$$\text{Independent Commissioners}_{i,t} = \Sigma \text{Independent Commissioners}_{i,t} \quad (5)$$

#### Managerial Ownership

Managerial ownership is management ownership of the company, which is calculated using the formula:

$$\text{Managerial Ownership}_{it} = \frac{\text{Number of shares from managers, directors, and commissioners}_{it}}{\text{Number of shares issued}_{it}} \times 100\% \quad (6)$$

#### Control Variables

##### Profitability

The meaning of profitability in this study is a firm's ability to generate income or profits over a period of time, which is proxied by return on assets (ROA), it means profit after tax divided with total assets, which is measured using the formula:

$$\text{Return on Asset}_{it} = \frac{\text{Net Income}_{it}}{\text{Total Assets}_{it}} \quad (7)$$

##### Firm Size

Firm size is a measure of the size of a company proxied with total assets, calculated as the natural logarithm from total assets, which is calculated using the formula:

$$\text{Firm size}_{i,t} = \text{LNTotalAsset}_{i,t} \quad (8)$$

#### Regression Model Equation

The analysis model of the study uses a multiple regression analysis model:

$$\text{CS}_{it} = \beta_0 + \beta_1 \text{DOI}_{it} + \beta_2 \text{ATO}_{it} + \beta_3 \text{BS}_{it} + \beta_4 \text{IC}_{it} + \beta_5 \text{MO}_{it} + \beta_6 \text{ROA}_{it} + \beta_7 \text{FS}_{it} + \varepsilon_{it}$$

Information :

CS<sub>i,t</sub> = capital structure

DOI<sub>i,t</sub> = degree of internationalization

ATO<sub>i,t</sub> = assets turnover ratio

BS<sub>it</sub> = board size

IC<sub>it</sub> = independent commissioner

MO<sub>it</sub> = managerial ownership

ROA<sub>it</sub> = return on assets

FS<sub>it</sub> = firm size

β<sub>0</sub> = constant

β (1,2,3,4,5,6,7) = regression coefficient

ε<sub>it</sub> = error

#### Hypothesis

Based on previous research and the problems that have been discussed, researchers can formulate the following hypotheses:

H1: it is suspected that the degree of internationalization has a positive influence on capital structure

H2: it is suspected that agency costs as measured by the asset turnover ratio have a negative effect

on capital structure

H3: Board size is expected to have a positive impact on capital structure

H4: Independent commissioners are expected to have a positive impact on capital structure

H5: it is suspected that managerial ownership has a positive influence on capital structure

H6: it is suspected that profitability will have a negative impact on capital structure

H7: it is suspected that firm size will have a positive influence on capital structure

### Population and Sample

Manufacturing firms listed on IDX in the period of 2019-2021 became the population used in this research. This study population includes a total of 159 companies. The size of final sample for this study was 82 companies with a total of 246 observations. Samples were determined by targeted sampling, a non-random sampling technique with certain limitations, including:

1. Companies with annual reports and foreign sales data as well as complete components in the calculation of the independent variables, control variables and dependent variable.
2. The companies analyzed have a positive ratio of capital structure.
3. The companies being analyzed are companies that have published financial reports ending December 31, 2019-2021.

### Data Processing Methods

Multiple linear regression analysis used in this research to establish the impact of independent variables against the dependent variables. The dependent variable measured in this study is capital structure (CS). The independent variables are degree of internationalization (DOI), agency cost (ATO), corporate governance (BS, IC, MO), and the control variables are profitability (ROA) and firm size (FS).

In this study, descriptive analysis was performed to explain the values of all variables without comparing or relating variables to other variables. We then performed multiple linear regression analysis. F-tests and t-tests are performed to test the acceptance or rejection of hypotheses. F-tests are used to simultaneously test the connection between independent and dependent variables. A t-test is a statistical test used to partially test the connection between independent and dependent variables. The decision criterion used in the t-test is if the probability  $\alpha \geq 0,05$  means that  $H_1$  is rejected and  $H_0$  is accepted and  $H_1$  is rejected. But if probability  $\alpha < 0,05$  means accept  $H_1$  and reject  $H_0$ .

## 3. RESULTS AND DISCUSSIONS

In the description of the research results, the research data of manufacturing firms listed on the IDX (Indonesia Stock Exchange) in period of 2019 to 2021 explains the variables used include capital structure (CS), degree of internationalization (DOI), agency cost (ATO), corporate governance (BS, IC, MO), profitability (ROA), and firm size (FS). Descriptive analysis explains the description of the variables consisting of the mean, minimum, standard deviation and maximum.

**Table 1.** Variables Statistical Description

Variable	Statistic Descriptive			
	Mean	SD	Min	Max
CS	0,4758	1,1397	0,0020	15,3436
DOI	0,2312	0,2879	0,0000	0,9954
ATO	0,9985	0,7489	0,0011	6,9494
BS	5,03	2,238	2	14
IC	1,81	0,904	0	5
MO	0,0638	0,1584	0,0000	0,9239
ROA	0,0403	0,0856	-0,4014	0,4163
FS	22,3143	5,3981	11,9142	30,8762
Total Observations	246			

Source: Calculated Data

Descriptive statistics illustrate that the average capital structure ratio (CS) of manufacturing companies analyzed is 47.58%. This shows that the average value of the ratio between long-term debt and the equity of the firms studied is 47.58%. The degree of internationalization (DOI) which is calculated using the foreign sales ratio achieves the highest value of 99.54% which explains that almost all sales from certain companies analyzed are intended for foreign markets.

The minimum score for an independent commissioner (IC) is 0 indicating that there are no independent commissioners in the particular company under study. The maximum value of profitability (ROA) as measured using the return on assets is 41.63% and the minimum is -40.14%. The minimum value is negative, explaining that the companies analyzed suffered losses during the study period.

### Analysis of Model and Hypothesis Testing

Analysis of model and hypothesis have a result summarized on Table 2:

**Table 2.** Result of Analysis of the Influence of DOI, ATO, BS, IC, MO, ROA, FS on Capital Structure

Dependent Var.	Independent Var.	Coef. Regressi on Beta	Std. Error	t-statistik	Sig. T
Capital Structure	DOI	0,030	0,421	0,459	0,646
	ATO	-0,149	0,256	-2,273	0,024
	BS	-0,115	0,100	-1,585	0,114
	IC	0,159	0,037	2,156	0,032
	MO	-0,040	0,093	-0,623	0,534
	ROA	-0,220	0,457	-3,229	0,001
	FS	-0,062	0,906	-0,968	0,334
	F			0,000	

Source: Calculated Data

Table 2 shows the final result of this research, assets turnover ratio (ATO), independent commissioner (IC), and return on assets (ROA) have a significant influence on capital structure decision (CS) of the companies studied. These three variables have a significant T value < 0,05 which means that the alleged hypothesis is accepted. Otherwise, another variables such as degree of internationalization (DOI), board size (BS), managerial ownership (MO), and firm size (FS) show the significant T value > 0,05. This means that these four variables do not influence the capital structure (CS) significantly and the alleged hypothesis is rejected. Discussion and explanation regarding the final statistic result is describe below.

### Degree of Internationalization and Capital Structure

Degree of internationalization shows the number of the firm's foreign sales. In this study, we analyzed the effect of foreign sales on the capital structure of the target firms. Degree of internationalization does not have an influence on capital structure significantly. This is because during the 2019-2022 research period there was an outbreak at the international level called Covid-19. The outbreak had a significant impact on the economy and the number of foreign sales of most of the companies studied. This finding result has the same result with (Georgakopoulos et al., 2022) the research was undertaken during pandemic, so there were lows in the overall performance of companies. Therefore, hypothesis 1 (H1) in this study was rejected. The study result in accordance with Handayani, (2013) which states that there is no difference in ratio of capital structure between domestic companies and multinational companies in developing countries.

### Agency Cost and Capital Structure

According to examining result, the independent variable agency cost which is expressed as the asset turnover ratio (ATO) in this study shows a significant effect on capital structure negatively. Thus, hypothesis 2 (H2) is accepted. This is because the higher the ATO or the lower the agency cost, the more efficient the firm's management is in managing the firm's assets to create sales which ultimately increases the firm's profitability. When the firm's internal funding capacity has increased, it can minimize the use of debt. Vice versa, if firm management is not

efficient and effective in managing assets, it can reflect the use of company assets by management for its own benefit, such as a bad investment policy. This can lead to significant agency problems and high agency costs. To overcome this, one of the steps that can be taken by company management is to increase corporate debt financing. The greater the capital structure in the form of debt used by the company, the lower the free cash flow funds that managers can use to their advantage, because the available capital will be used to pay off debt obligations, in the form of interest and repayment of loan principal. Using debt as a firm's capital structure will also lead to control by creditors to oversee the use of debt funding by management, thereby reducing agency costs. The final results from this research are in line with the study of Jensen & Meckling, (1976) who found that debt financing in a firm's capital structure is intended to reduce cost of agency. This study also in line with Turkki, (2021) which has result that during the research period companies in Europe tend to increased their leverage due to pandemic.

### **Corporate Governance and Capital Structure**

Corporate governance variable and the ratio of capital structure are the two components that form the basis of an organization's financial stability. In this study, corporate governance variable is measured by the variables including independent commissioners, managerial ownership, and board size. These variables used to represent corporate governance are in line with Jebran & Chen, (2023) and Zattoni & Pugliese, (2021) especially during the pandemic.

The results of the regression test show that board size has no significant effect on the capital structure of manufacturing companies in the year of study. These findings are in line with the research of Imelda & Patricia, (2019) and Singh & Davidson III, (2003). This is because in making capital structure decisions, board size can still cause a conflict of interest in order to prosper themselves. In agency theory, their position as an agent has a certain purpose, this fact induces the variable board size in this research does not have a significant impact on the firm's capital structure. Therefore, hypothesis 3 (H3) is rejected.

Independent commissioners are outsiders who evaluate company performance and make decisions for the company's progress, not for individual or collective interests. According to agency theory, agency problems often arise from conflicts of interest between shareholders and management. This problem will minimize by the function of the board of commissioners as a management supervisor (Fama & Jensen, 1983). The more the value of independent commissioners, the stronger the oversight of management so that it can limit managerial actions that are not in line with company goals, so that agency costs can be minimized. Therefore, the results show that hypothesis 4 (H4) is accepted, which means that there is a positive effect of the independent commissioner variable against the capital structure significantly.

This research is the same as those of (Nguyen et al., 2021), (A.A Zaid et al., 2020) and (Berger et al., 1997) which show that there is a positive influence between independent commissioners and long-term debt ratios. Independent commissioners have aligned interests with shareholders, so they prefer to use debt to prevent managers from taking advantage of the company's free cash flow. In addition, independent commissioners have more information and knowledge, so they have a network that can provide easy access to external funding. This study is also in line with Kieschnick & Moussawi, (2018) and Gyimah et al., (2021).

The final research test does not prove that there is an impact of manager ownership on company capital structure decisions, so hypothesis 5 (H5) is rejected. This research is in line with Putri, (2022). Management ownership is shares ownership by company management. The policy of a manager in a limited company is because capital structure decisions will be more controlled by the majority shareholder, so managers cannot make the company's financial decisions themselves. Ownership of manager shares in manufacturing companies listed on the IDX is relatively low, namely an average of 6.38% during 2019-2021. This causes managers to be less than optimal in

making policies that benefit the majority shareholders because basically managers have different interests as owners and controllers of the company.

### Control Variables and Capital Structure

The control variables considered for analysis in this study are profitability and firm size. Profitability in this research is calculated with the ratio of return on assets (ROA). The final test show that profitability ratio has a negative impact on capital structure significantly, so hypothesis 6 (H6) is accepted. This happens because companies with high value of profitability should financing most of their financial needs with internally funds, so that when making decisions about capital structure, they will prefer to use equity rather than debt. According to the theory of pecking order, company profitability and retained earnings are the determinants of debt policy. Companies with high profitability will prefer internal funding, especially retained earnings, so that the company's dependence on debt will be reduced. Conversely, if the company has low profitability, the company's retained earnings will decrease, so the company will use external funding such as debt to fund the investments made. This study is in line with Vitriya & Marciano, (2020), (Khadijah mohd azhari et al., 2022) and (Georgakopoulos et al., 2022)

The final result in this study do not prove that there is an effect of variable firm size against the capital structure of the firm, so hypothesis 7 (H7) is rejected. The size of a firm's assets does not influence the capital structure decisions of firms in manufacturing sector for the period 2019-2021. This is because in the year of research there was an outbreak of Covid-19 which affected all businesses in Indonesia, so company size cannot guarantee the company's ability and capacity to facing the crisis. Companies both small and large are still affected by the outbreak, because starting from the transportation system, the production process, marketing, sales of goods and services, have been hampered as a whole. Many company stakeholders have been affected by Covid-19. In addition, the existence of government regulations that prohibit companies from operating normally also disrupts the company's operations. Therefore, in the year of research, total assets of an organization which is means as a firm size in this study cannot affect the capital structure decisions of the firms studied.

### 4. CONCLUSION

Hypothesis testing explain that degree of internationalization does not significantly affect capital structure. During the study period 2019-2022, there was an outbreak at the international level called Covid-19. In contrast to that, the agency cost variable has a significant negative impact on the capital structure. This is because the higher the asset turnover ratio or the lower the agency cost, the more efficiently and effectively the firm's management manages the organization's assets to generate revenue, which in turn increases the company's profit. As a company's internal funding capacity improves, it can reduce its use of debt.

Corporate governance variable proxied by board size, independent commissioner, and management ownership have different results. Board size does not significantly affect capital composition variables. This is because the size of the board may still create conflicts of interest when making decisions about the capital structure to develop. Due to the agent's place in agency theory, the number of board director does not significantly affect the capital structure. Unlike that, independent commissioner variable has a positive effect on capital structure significantly. Independent commissioners have aligned interests with shareholders, so they prefer using debt to restrain managers from taking advantage of the company's free cash flow. In addition, independent commissioners have more information and knowledge, so they have a network that can provide easy access to external funding. Same with the board size variable, the management ownership variable does not significantly affect the capital structure. Company management's policies are limited, as capital structure decisions are more controlled by major shareholders and management is no longer able to make decisions about the company's financing on its own.

Control variables include two variables, there are profitability and firm size. Profitability variables have a negative impact on the capital structure significantly. This is because profitable

companies should be able to cover most of their funding needs with internal capital, and therefore prefer to use equity rather than debt when making capital structure decisions. Conversely, firm size variable does not significantly affect the capital structure. This is due to the Covid-19 outbreak that affected all Indonesian businesses during the research year, and the size of the companies cannot guarantee the ability of the companies to cope with the crisis that has occurred. Every country or different industry may have different result in the face of pandemic during the research as stated in U.S. research about the profitability and firm size and their impact to the financing decision of companies (Song et al., 2021).

Companies should observe agency conflicts that give rise to agency costs in making capital structure decisions because agency costs as measured using the assets turnover ratio have a significant effect on capital structure. Besides that, management should pay attention to the number of independent commissioners they have in order to reduce problem in the company by monitoring the performance of managers who are not in line with the interests of shareholders or shareholders. This is because the total number of independent commissioners has an influence on the capital structure significantly. Additionally, management should pay attention to the profitability ratios in making capital structure funding decisions. This is because profitability which is calculated with ratio of return on assets has proven to have a significant impact on the use of debt in the company. However, this research period, to be exact, from 2019 to 2021 there was an outbreak of Covid-19 so that research results with the same variables and company samples in different years may show different results. As previously explained, companies have rethought their capital structure decisions in response to Covid-19 (Huang & Ye, 2021).

This study calculates the ratio of foreign sales to find out the degree of internationalization, suggestions for future researchers should combine the calculation of the ratio of foreign sales and the number of geographic segments in measuring international diversification to anticipate if there are companies that make foreign sales only to one foreign country to make it more convincing in measurement international diversification.

## REFERENCES

- A.A Zaid, M., Wang, M., T.F. Abuhijleh, S., Issa, A., W.A. Saleh, M., & Ali, F. (2020). Corporate governance practices and capital structure decisions: the moderating effect of gender diversity. *Corporate Governance (Bingley)*, 20(5), 939–964. <https://doi.org/10.1108/CG-11-2019-0343>
- Aggarwal, R., & Kyaw, N. N. A. (2010). Capital structure, dividend policy, and multinationality: Theory versus empirical evidence. *International Review of Financial Analysis*, 19(2), 140–150. <https://doi.org/10.1016/j.irfa.2010.01.001>
- Avarmaa, M., Hazak, A., & Männasoo, K. (2011). Capital structure formation in multinational and local companies in the Baltic States. *Baltic Journal of Economics*, 11(1), 125–145. <https://doi.org/10.1080/1406099X.2011.10840494>
- BERGER, P. G., OFEK, E., & YERMACK, D. L. (1997). Managerial Entrenchment and Capital Structure Decisions. *The Journal of Finance*, 52(4), 1411–1438. <https://doi.org/10.1111/j.1540-6261.1997.tb01115.x>
- Cuevas-Vargas, H., Cortés-Palacios, H. A., & Lozano-García, J. J. (2021). Impact of capital structure and innovation on firm performance. Direct and indirect effects of capital structure. *Procedia Computer Science*, 199, 1082–1089. <https://doi.org/10.1016/j.procs.2022.01.137>
- Doukas, J. A., & Pantzalis, C. (2001). Geographic Diversification and Agency Costs of Debt of Multinational Firms. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.282850>
- Fama, E. F., & Jensen, M. C. (1983). Agency Problems and Residual Claims. In *Source: Journal of Law and Economics* (Vol. 26, Issue 2).
- Georgakopoulos, G., Toudas, K., Poutos, E. I., Kounadeas, T., & Tsavalias, S. (2022). Capital Structure, Corporate Governance, Equity Ownership and Their Impact on Firms' Profitability and Effectiveness in the Energy Sector. *Energies*, 15(10). <https://doi.org/10.3390/en15103625>
- Gyimah, D., Kwansa, N. A., Kyiu, A. K., & Sikochi, A. (Siko). (2021). Multinationality and capital structure dynamics: A corporate governance explanation. *International Review of Financial Analysis*, 76. <https://doi.org/10.1016/j.irfa.2021.101758>
- Handayani, A. (2013). *Struktur Modal Perusahaan Multinasional dan Perusahaan Domestik Serta Faktor Penentu: Perbandingan di Negara Maju dan Berkembang*. Universitas Airlangga.



- Huang, H., & Ye, Y. (2021). Rethinking capital structure decision and corporate social responsibility in response to COVID-19. *Accounting and Finance*, 61(3), 4757–4788. <https://doi.org/10.1111/acfi.12740>
- Imelda, E., & Patricia, D. A. (2019). *Capital Structure, Corporate Governance, and Agency Costs*. 203–207. <https://doi.org/10.5220/0008490602030207>
- Jebran, K., & Chen, S. (2023). Can we learn lessons from the past? COVID-19 crisis and corporate governance responses. *International Journal of Finance and Economics*, 28(1), 421–429. <https://doi.org/10.1002/ijfe.2428>
- Jeff Madura. (2011). *Keuangan Perusahaan Internasional*.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- Khadijah MOHD AZHARI, N., Mahmud, R., & Naquia Hanim SHAHARUDDIN, S. (2022). Capital Structure of Malaysian Companies: Are They Different During the COVID-19 Pandemic?\*. *Journal of Asian Finance*, 9(4), 239–250. <https://doi.org/10.13106/jafeb.2022.vol9.no4.0239>
- Kieschnick, R., & Moussawi, R. (2018). Firm age, corporate governance, and capital structure choices. *Journal of Corporate Finance*, 48, 597–614. <https://doi.org/10.1016/j.jcorpfin.2017.12.011>
- Manu, R. E. (2019). The Effect of Corporate Governance on Profitability, Capital Structure and Corporate Value. *Research Journal of Finance and Accounting*, 10(163), 65145. <https://doi.org/10.7176/RJFA>
- Mittoo, U. R., & Zhang, Z. (2008). The capital structure of multinational corporations: Canadian versus U.S. evidence. *Journal of Corporate Finance*, 14(5), 706–720. <https://doi.org/10.1016/j.jcorpfin.2008.09.012>
- Nguyen, T., Bai, M., Hou, Y., & Vu, M. C. (2021). Corporate governance and dynamics capital structure: evidence from Vietnam. *Global Finance Journal*, 48. <https://doi.org/10.1016/j.gfj.2020.100554>
- Putri, T. (2022). KEPEMILIKAN MANAJERIAL, DEWAN KOMISARIS, PROFITABILITAS, DAN STRUKTUR MODAL. *Edunomika*, 06(01).
- Singh, M., & Davidson III, W. N. (2003). Agency costs, ownership structure and corporate governance mechanisms. *Journal of Banking & Finance*, 27(5), 793–816. [https://doi.org/10.1016/S0378-4266\(01\)00260-6](https://doi.org/10.1016/S0378-4266(01)00260-6)
- Song, H. J., Yeon, J., & Lee, S. (2021). Impact of the COVID-19 pandemic: Evidence from the U.S. restaurant industry. *International Journal of Hospitality Management*, 92. <https://doi.org/10.1016/j.ijhm.2020.102702>
- Turkki, T. (2021). *The effects of COVID-19 on the capital structure of European companies*.
- Vitriya, R., & Marciano, D. (2020). Multinationality, Capital Structure, and Cost of Capital of Non-Financial Firm Listed on Indonesia Stock Exchange. *Relevance: Journal of Management and Business*, 3(2), 146–159. <https://doi.org/10.22515/relevance.v3i2.2964>
- Zattoni, A., & Pugliese, A. (2021). Corporate Governance Research in the Wake of a Systemic Crisis: Lessons and Opportunities from the COVID-19 Pandemic. *Journal of Management Studies*, 58(5), 1405–1410. <https://doi.org/10.1111/joms.12693>