The Influence of Institutional Ownership, Managerial Ownership, Firm Size, and Leverage on Financial Distress in Transportation and Logistics Sector Companies Listed on the Indonesian Stock Exchange (BEI) 2020-2022

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Abstract

The aim of this research is to determine the influence of institutional ownership, managerial ownership, independent board of commissioners, company size and leverage on financial distress. The population used in this research is transportation and logistics companies listed on the Indonesia Stock Exchange (BEI) in 2020-2022. Using the purposive sampling method, 10 companies with a total of 30 samples were obtained that met the criteria. The types and sources of data used are quantitative data and secondary data. The data analysis technique uses multiple linear regression analysis using the SPSS version 26 application. The results of this research include institutional ownership, managerial ownership, and have no effect on financial distress. Company size has a positive effect on financial distress. Leverage has a significant negative effect on financial distress. Simultaneously, institutional ownership, managerial ownership, company size and leverage influence financial distress in transportation and logistics sector companies listed on the Indonesia Stock Exchange for the 2020-2022 period.

Keywords: *Financial Distress, Altman Z-Score, Institutional Ownership, Managerial Ownership, Firm Size, Leverage, Transportation dan Logistic.*

A. INTRODUCTION

The transportation and logistics sector plays a central role in supporting Indonesia's economic growth. This sector has a significant impact on all social and economic activities of the community as it provides various services needed by the public every day. Several transportation and logistics businesses have experienced a decline in performance in recent years. This is a consequence of the COVID-19 pandemic, with the government instituting Large-Scale Social Restrictions as known as "Pembatasan Sosial Berskala Besar" (PSBB) in Indonesian, severely limiting public activities. The performance decline is evident in a significant decrease in profits, resulting in negative earnings. Additionally, the slowdown in The expansion of the transportation and logistics sector is also ascribed to its susceptibility to prevailing societal concerns, economic problems, and various other factors occurring at both the international and national levels (Ari, 2017).

Companies that experience negative operating profits for more than one year indicate a deterioration in financial conditions, and such companies can be classified as experiencing financial pressure. This phenomenon can be observed in several entities in the transportation and logistics sector that have incurred losses continuously during the period 2020-2022.

Table 1. Companies in the Transportation and Logistics Sector for the Period 2020-2020 that Experienced Losses (Presented in Indonesian Rupiah)

No	KODE	2020	2021	2022
1	CMPP	(2.754.589.873.561)	(2.337.876.178.035)	(1.646.936.950.638)
2	LRNA	(43.027.059.389)	(26.466.832.753)	(21.311.924.827)
3	MIRA	(18.218.177.373)	(13.195.658.734)	(31.352.237.717)
4	TAXI	(53.221.960.000)	(188.614.656.000)	(14.903.708.000)
5	DEAL	(51.690.228.917)	(28.407.859.735)	(13.078.717.479)
6	KJEN	(1.681.187.095)	(1.840.302.631)	(94.102.528)

From the data presented in Table 1.1, it can be concluded that the listed companies experienced losses for four consecutive years, with the net loss fluctuatingA company undergoing financial challenges is described as being in a state of financial distress, rendering it incapable of fulfilling its obligations, typically occurring before bankruptcy. The Altman Z-Score method is one of several methods used to measure the level of financial distress. Saputri et al. (2021) summarized their findings by stating that the Altman Z-Score method, Demonstrating an accuracy rate of 71.42%, it has been established as more efficacious in anticipating the prospective financial distress of listed transportation companies in Indonesia. The Altman Z-Score model relies on five parameters, namely working capital/total assets, retained earnings/total assets, earnings before interest and taxes/total assets, market equity value/book value of debt, and sales/total assets, acting as indicators for the prediction of bankruptcy.

Good Corporate Governance (GCG) is a framework that governs the interactions among the board of commissioners, directors, shareholders, and other stakeholders. The hallmark of good corporate governance lies in transparent processes involved in delineating the company's objectives, accomplishing those goals, and evaluating its performance. The quality of a good company is also reflected in the application of excellent performance, Consequently, this can mitigate the risk of the company encountering financial distress. Good Corporate Governance (GCG) plays a crucial role in achieving company goals and encourages all internal and external elements of the company to carry out more effective management. Some Good Corporate Governance (GCG) mechanisms that can improve company performance include institutional ownership and managerial ownership.

The amount of a company's shares held by institutions is referred to as institutional ownership. Because institutional shareholders assist in monitoring business operations, institutional ownership plays a vital role in resolving agency issues, preventing management from taking detrimental actions (Nasiroh & Priyadi, 2018). Institutional ownership creates more trust in investors regarding the company because the involvement of institutions tends to encourage monitoring activities. In addition to financial factors, this study also considers firm size (company size). Company size reflects the magnitude of assets owned by a company. The number of assets, sales, market value, and a company's ability to obtain funds from the capital market are indicators that can determine the size of a company.

One way to identify financial distress in a company is to look at how much debt it uses. A ratio called leverage is used to assess a company's capacity to meet its debts over the long and short terms, particularly when the company is in the process of going out of business. The likelihood that a business may face financial strain or difficulty increases with the amount of debt it uses.

B. LITERATURE REVIEW

1. Agency Theory

Jensen and Meckling's 1976 development of the Agency Theory, the allocation of risk responsibilities, decision-making procedures, management functions, and the divergent interests of managers and owners of the company all contribute to the explanation of the distinction between ownership and control of a business. In the context of agency relationships, each party has different motivations according to their respective interests. Conflicts of interest may emerge between management acting as agents and company owners in their role as principals, particularly when each party endeavors to attain or sustain the envisioned level of prosperity (Manossoh, 2016:80).

2. Signaling Theory

According to signaling theory, companies can send positive or negative signals to financial statement users, which may come in the shape of announcements about promotions or other data showing how well the business is performing in comparison to others. The importance of information presented and disclosed by the company is evident in its influence on investment decisions by capital owners or investors, as well as other business parties such as creditors (Gaos & Mudjiyanti, 2021)

3. Financial Distress

According to Hery (2017:33), financial distress refers to a situation where a company faces difficulties in meeting its obligations. In this condition, the company's income is unable to cover all costs, ultimately resulting in losses. Financial distress is the initial stage of bankruptcy. The main causes of financial distress are ineffective management systems and a lack of supervision.

4. Good Corporate Governance (GCG)

To run a company effectively, efficient corporate governance must be an internal practice applied by all employees to address potential financial problems that may arise due to inadequate governance. The quality of good corporate governance, implemented by management, can provide additional confidence to external parties regarding the company's integrity. This trust, in turn, can encourage investors to inject their funds into the company without hesitation, thereby reducing the risk of financial difficulties that the company may face (Wati, Rinofah, dan Maulida, 2022).

5. Good Corporate Governance (GCG) Mechanisms

The mechanism of corporate governance (Good Corporate Governance) involves clearly defined processes and relationships between those responsible for decision-making and those tasked with oversight or control of those decisions, creating effective governance and avoiding conflicts. Here are the mechanisms of Good Corporate Governance (GCG):

6. Institutional Ownership

Institutional ownership involves a significant number of shares held by institutions in a company. Institutional ownership plays a role in reducing the potential for agency problems because institutional shareholders oversee management actions, avoiding detrimental decisions (Nasiroh & Priyadi, 2018). High institutional ownership not only enhances the efficiency of corporate asset utilization but also indicates the ability to monitor management, which, in turn, can reduce the risk of financial difficulties for the company (Telaumbanua dan Budiantara, 2020).

7. **Managerial Ownership**

Managerial ownership pertains to the proportion of the managed company's share capital that is owned by its management. Through managerial ownership, the company assumes full responsibility for decisions made in the shareholders' best interests.

8. Independent Board of Commissioners

The highest internal control mechanism, the board of commissioners, is responsible for overseeing the decisions made by upper management. It supervises and advises the board of directors, ensuring the proper implementation of the company's corporate governance policies. The board of commissioners also monitors and oversees the fair fulfillment of the interests of each stakeholder.

9. Firm Size

According to Putri (2022), the magnitude of assets owned by a company is reflected in its firm size, firm size can be measured by the magnitude of a company's assets, sales, market value, and the ease of obtaining funds from the capital market, which can gauge the size of the company. Firm size is an environmental component that influences management perceptions in the future. When a company has more assets, the company's condition improves, attracting investors to invest in its shares.

10. Leverage

The leverage ratio, according to Hery (2017:162), is a gauge of how much debt a business uses to fund its operations. This ratio is helpful in determining the company's capacity to pay off all of its debt, both short- and long-term, particularly in the event of a company liquidation.

11. The Influence of Institutional Ownership on Financial Distress

Institutional ownership refers to the proportion of shares held by institutional entities in relation to the total outstanding shares of a company. It plays a vital role in overseeing management and holds the potential to strengthen such oversight. Companies with higher institutional ownership, i.e., more than 5%, demonstrate the ability to supervise management more effectively, indicating the efficient use of assets, and, in turn, may reduce the potential financial risks. H1: Institutional ownership has an influence on the risk of financial distress.

12. The Influence of Managerial Ownership on Financial Distress

Managerial ownership pertains to the portion of the company's total share capital held by the management. With managerial ownership, decisions made by the company that align with the best interests of shareholders are under the control of management. Augmenting managerial ownership has the potential to decrease the probability of financial distress by aligning the interests of managers and shareholders. Managerial ownership plays a role in influencing financial distress.

13. The Influence of Firm Size on Financial Distress

Company size indicates the amount of assets owned by the company. Company size can be measured by the magnitude of the company's assets, sales, market value, and the ease of obtaining funds from the capital market, where these measures can gauge the company's scale. The smaller the company, the more likely it is to be at risk of financial distress and bankruptcy. H3: Company size influences financial distress.

14. The Influence of Leverage on Financial Distress

The leverage ratio is a metric utilized to evaluate the degree to which a company's assets are financed through debt. The higher the level of debt utilization by a business, the more loans it takes out to fund its operations and, consequently, the higher the chance that the business will run into financial difficulties.
H4: Financial distress is influenced by leverage.

15. The Influence of Institutional Ownership, Managerial Ownership, Firm Size, and Leverage on Financial Distress

This study will additionally investigate the collective effects of leverage, company size, an independent board of commissioners, institutional ownership, and managerial ownership on financial distress. H5: posits that the amalgamation of institutional ownership, managerial ownership, an impartial board of commissioners, firm size, and leverage collectively influences financial distress.

C. METHOD

The subject of the study comprised the annual financial reports of transportation and logistics companies listed on the Indonesia Stock Exchange (IDX) for the years 2020–2022. The leverage ratio is a metric employed to assess the extent to which a company's assets are funded by debt. A higher level of debt utilization by a company. By using the purposive sampling technique, ten companies that fit the criteria were selected as a sample.

In this research, the analysis was centered on quantitative data. The quantitative data for this study were extracted from the financial reports of companies within the transportation and logistics sector listed on the Indonesia Stock Exchange spanning the years 2020 to 2022. The data source was secondary, sourced from the officially published annual financial reports available on the companies' websites and the Indonesia Stock Exchange (IDX) platform, specifically www.idx.co.id.

This study employed documentation as the method of data collection, utilizing sources such as financial reports from the transportation and logistics industry spanning the years 2020 to 2022, along with information from journals and research-related books. The researcher assesses hypotheses through multiple linear regression analysis using the Statistical Package for Social Science (SPSS) version 26 for Windows.

D. RESULT AND DISCUSSION

1. Descriptive Statistical Analysis

Descriptive statistical analysis, a testing method supported by a literature review to bolster the researcher's analysis and yield more trustworthy conclusions, offers a thorough explanation of the situation under study.

Table 2 Results of Descriptive Statistical Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
KI	30	.181	1.139	.58257	.251380
KM	30	.0000000629	.6017914017	.132012270250	.175316983677 8
FS	30	24.384	29.615	27.13893	1.628818
LEV	30	.096	1.011	.43520	.268514
FD	30	-7.394	12.472	2.71477	5.061638
Valid N (listwise)	30				

Table 2 presents the results of the descriptive statistical test, showcasing key metrics such as the mean, standard deviation, minimum, and maximum values for each variable.

a. For the Institutional Ownership (KI) variable, the smallest value is 0.181 owned by PT. Sidomulyo Selaras (SDMU) in 2022, while the largest value is 1.139 owned by PT. WEHA Transportasi Indonesia (WEHA) in 2021. The average value is 0.582, and the standard deviation is 0.251.
b. For the Managerial Ownership (KM) variable, the smallest value is 0.0000000629 owned by PT. Eka Sari Lorena Transport (LRNA) in 2019-2022, while the largest value is 0.601 owned by PT. Sidomulyo Selaras (SDMU) in 2020-2022. The average value is 0.132, and the standard deviation is 0.175.

c. For the Firm Size (FS) variable, the smallest value is 24.984 owned by PT. Guna Timur Raya (TRUK) in 2022, while the largest value is 29.615 owned by PT. Adi Sarana Armada (ASSA) in 2022. The average value is 27.136, and the standard deviation is 1.628.
d. For the Leverage variable, PT. Sidomulyo Selaras (SDMU) shows the lowest value of 0.96 in 2020, while the highest value is 1.011 in 2021. As a result, the average value is 0.435 with a standard deviation of 0.288.
e. For the Financial Distress (FD) variable, the smallest value is -7.394 owned by PT. Sidomulyo Selaras (SDMU) in 2020, while the largest value is 12.472 owned by PT. Jaya Transport Indonesia (JAYA) in 2021. The average value is 2.715, and the standard deviation is 5.061.

2. Classic Assumption Test

To meet the requirements of multiple regression analysis, traditional assumption tests are employed. These tests include multicollinearity, heteroscedasticity, autocorrelation, and normality tests. The purpose of the normality test is to evaluate whether the residuals or disturbances in the regression model adhere to a normal distribution. This evaluation is measured using a normal probability plot, with the criterion that if the data spread follows the normal distribution linethe information is regarded as regularly distributed. Furthermore, the test is run using the one-sample Kolmogorov-Smirnov table, which indicates that the data is normally distributed if the significance value (sig.) is higher than 0.05.

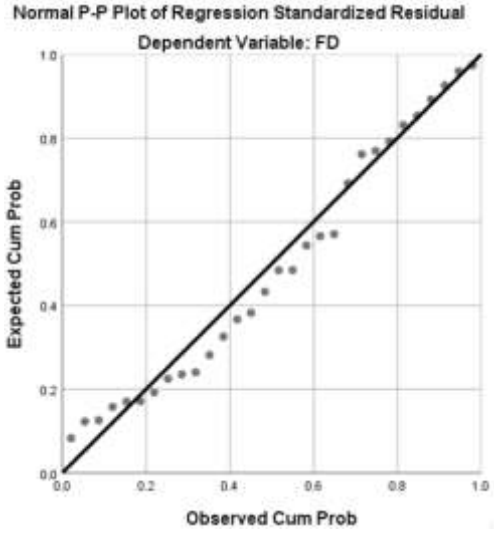

Figure 1. Results of Normality Test P-Plot

Table 3 Results of Normality Test KS

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		30
Normal Parameters[a,b]	Mean	0000000
	Std. Deviation	2.69552886
Most Extreme Differences	Absolute	110
	Positive	110
	Negative	-.078
Test Statistic		110
Asymptotic Significance (2-tailed)		200[c,d]

a. Test Distribution is Normal
b. Calculated from data
c. Lilliefors Significance Correction
d. This is a lower bound ...

The outcomes of the P-plot normality test reveal that the data distribution closely aligns with the diagonal line, as illustrated in Figure 3. To corroborate these results, refer to Figure 4, where the significance value (Asymp. Sig. 2-tailed) of the Kolmogorov-Smirnov normality test is 0.200, surpassing 0.05. The data's normal distribution is inferred, which supports the study's use of the regression model.

To verify the presence of correlation among independent variables within the regression model, the multicollinearity test is utilized. The decision criteria for this test involve tolerance values surpassing 0.10 or VIF values below 10, indicating the absence of multicollinearity.

Table 4 Results of Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	(Constant)		
	KI	.275	3.635
	KM	.217	4.609
	FS	.838	1.193
	LEV	.586	1.705

a. Dependent Variable: FD

As per the observations depicted in Figure 5, the outcomes of the multicollinearity test indicate the absence of multicollinearity among the variables of institutional ownership, managerial ownership, firm size, and leverage.

The purpose of the autocorrelation test is to determine if the disturbance errors at period t-1 (prior) and period t in the linear regression model are correlated. The criterion applied in this study is that autocorrelation does not exist if the Durbin-Watson value is between (-2) and 2.

Table 5 Results of Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.846[a]	.716	.671	2.803173	1.217

a. Predictors: (constant) LEV, KI, FS, KM...
b. Dependent Variable: FD

The Durbin-Watson value (DW count), which ranges from -2 to 2, was obtained from the autocorrelation test results based on Figure 6. (-2 < 1.217 < 2). Therefore, it can be asserted that autocorrelation is not present in this regression model.

The heteroskedasticity test is conducted to evaluate whether there is variance inequality of residuals between observations in the regression model. This test involves using a scatterplot, which examines whether there is a specific pattern in the relationship between SRESID (standard residual) and ZPRED (standard prediction). The Y-axis of the graph represents the predicted values, while the X-axis represents the residuals.

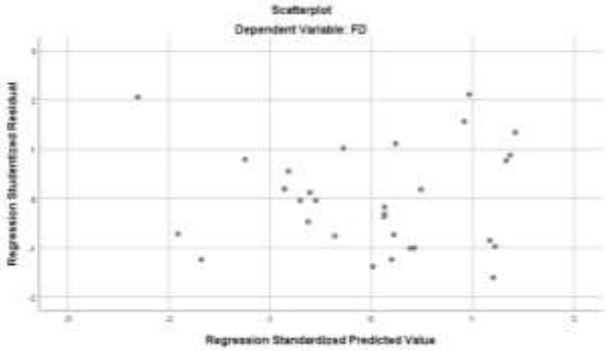

Figure 2 Results of Heteroskedasticity Test

According to the information presented in Figure 7, the scatterplot used for heteroskedasticity analysis indicates that the regression model does not display any indications of heteroskedasticity. The points are distributed randomly both above and below the zero line on the Y-axis, and there is no discernible pattern.

3. Multiple Linear Regression Analysis

An approach to evaluating the influence of two or more independent variables on a dependent variable involves employing multiple linear regression analysis. In the context of this investigation, the explication of the multiple linear regression model unfolds as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y	= Financial Distress
α	= Constant
β_1, β_2, β_3, β_4	= Regression Coefficients
X_1	= Institutional Ownership
X_2	= Managerial Ownership
X_3	= Firm Size
X_4	= Leverage
ε	= Standard Error

Figure 8 Results of Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Significance
1	(Constant)	-21.000	10.756		-1.952	.062
	KI	6.813	4.089	.338	1.666	.108
	KM	11.154	6.602	.386	1.690	.104
	FS	.949	.362	.305	2.625	.015
	LEV	-17.184	2.440	-.979	-7.042	.000

a. Dependent Variable: FD

The results of the multiple linear regression test, based on table 6, produce the regression equation that follows: **Financial Distress = −21.000+6.813 Institutional Ownership + 11.154 Managerial Ownership + 0.949 Firm Size − 17.184 Leverage**

The interpretation is as follows, based on the regression equation:

a. The value of the constant is -21.000. This suggests that financial distress will decrease by 21.000 if the independent variables institutional ownership, managerial ownership, firm size, and leverage are taken into consideration and remain fixed.
b. The regression coefficient value for Institutional Ownership or "Kepemilikan Institusional"(KI) is 6.813. This indicates that if there is a 1% increase or 1 unit increase in Institutional Ownership (KI), the financial distress (FD) will increase by 6.813.
c. The regression coefficient value for Managerial Ownership or Kepemilikan Manajerial (KM) is 11.154. This indicates that if there is a 1% increase or 1 unit increase in Managerial Ownership (MO), the financial distress (FD) will increase by 11.154.
d. The regression coefficient value for Firm Size (FS) is 0.949. This indicates that if there is a 1% increase or 1 unit increase in Firm Size (FS), the Financial Distress (FD) will increase by 0.949.
e. The regression coefficient value for Leverage is -17.184. This indicates that if there is a 1% increase or 1 unit increase in Leverage, the Financial Distress (FD) will decrease by 17.184.

4. Partial Test (T-Test)

Partial hypothesis testing reveals the The degree to which an independent variable exerts an isolated or partial effect in elucidating the dependent variable. If the significance value is < 0.05, it denotes a partial influence between the independent variable and the dependent variable, thereby affirming the hypothesis.

Table 9 Results of T-Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Significance
1	(Constant)	-21.000	10.756		-1.952	.062
	KI	6.813	4.089	.338	1.666	.108
	KM	11.154	6.602	.386	1.690	.104
	FS	.949	.362	.305	2.625	.015
	LEV	-17.184	2.440	-.979	-7.042	.000

a. Dependent Variable: FD

The test results indicate that the t-value is 1.666, which is below the critical t-table value of 2.059 (1.666 < 2.059), and that The Institutional Ownership (KI) variable shows a significance level of 0.000, which exceeds 0.05 (0.108 > 0.05). Consequently, H1 is rejected. This refusal suggests that Institutional Ownership (KI) does not exert a substantial influence on financial distress. One element that helps corporate governance form is institutional ownership. The likelihood of a company going bankrupt is not lowered by significant institutional ownership. Regarding corporate governance, the degree of institutional ownership can reveal a company's level of good or poor corporate governance. Businesses that have strong governance will run

more efficiently. The transportation and logistics industry is exposed to a number of risks, including volatile fuel prices, fierce competition, and a reliance on outside variables like laws, shifting governmental regulations, and global political unrest. These elements may significantly affect the likelihood of experiencing financial difficulties.

The test results indicate that the Managerial Ownership (KM) variable exhibits a significance level of 0.000, surpassing 0.05 (0.104 > 0.05), the t-value is 1.690, which is below the critical t-table value of 2.059 (1.690 < 2.059). H2 is thus turned down. Since H1 implies that Managerial Ownership (KM) is unrelated to financial distress, it is rejected. Managerial ownership is the term used to describe the portion of a company's equity that is owned by the management. From the standpoint of operational management, managerial ownership is not as important in mitigating financial distress as good operational performance and efficient management.

Avoiding financial distress is more dependent on risk management and change adaption. As a result, a company's success or failure in Indonesia is more closely related to the managers' performance, approach, and ability to manage the business than to the quantity of shares they own. Furthermore, despite owner-agents' best efforts to prevent losses, managerial ownership remains unchanged when a company faces financial difficulties.

According to the test outcomes, the variable Firm Size (FS) exhibits a significance level of 0.015, which is below 0.05 (0.015 < 0.05), and the t-value is 2.625, surpassing the t-table value of 2.059 (2.625 > 2.059). Therefore, H3 is accepted. This indicates that the Firm Size (FS) variable affects financial distress, so H3 is accepted. Firm size indicates how large or small a company is based on its total assets. The higher the company's size, the higher the level of financial distress. The size of a company can indicate the level of activities it conducts. Transportation companies often have non-productive assets, meaning the company has to incur costs to utilize them. In addition, there are depreciation costs that can occur due to usage. Larger companies also require higher costs and supervision to run operations well. If a company cannot run its operations well, it is at risk of financial distress.

Based on the test results, The t-value is -7.042, which is smaller than the t-table -1.913 (-1.913 < -7.042), and the Leverage variable has a significance of 0.000, which is less than 0.05 (0.000 < 0.05). H4 is approved since this shows that the Leverage variable has a negative impact on financial distress. A ratio called leverage is used to determine how much of a business is financed by debt. This can indicate that companies with high levels of debt have a negative relationship with financial distress. Large debt can be used by companies for asset purchases to facilitate their operational activities, which can improve company performance and reduce the likelihood of financial distress.

5. Simultaneous Test (F-Test)

If every independent variable in the model simultaneously influences the dependent variable, it can be determined using the simultaneous hypothesis test (F-

test). Decision-making is based on the F-value found in the ANOVA table. If the significance value (f) is < 0.05, the hypothesis is accepted.

Table 10 Result of F-Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	532.275	4	133.069	15.788	.000[b]
	Residual	210.710	25	8.428		
	Total	742.985	29			

a. Dependent Variable: FD

b. Predictors: (constant) LEV, KI, FS, KM...

The results of the F-test, as depicted in Figure 9, reveal a significance level of 0.000. With an F-value of 15.788 exceeding the critical F-table value of 2.759 (15.788 > 2.759) and a significance level below 0.05 (0.000 < 0.05), it indicates that the collective influence of the independent variables, namely institutional ownership, managerial ownership, firm size (company size), and leverage, significantly impacts the dependent variable, financial distress. Therefore, it can be concluded that H5 is accepted.

6. Coefficient of Determination Test (R^2)

The testing of the Coefficient of Determination (R^2) is conducted to assess the extent to which independent variables collectively contribute significantly to the dependent variable. Information about the Coefficient of Determination can be found in the Adjusted R Square value in the Model Summary section.

Table 11 Results of Coefficient of Determination Test (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846[a]	.716	.671	2.903173

a. Predictors: (constant) LEV, KI, FS, KM...

b. Dependent Variable: FD

The outcomes of the Coefficient of Determination (R^2) examination yield an Adjusted R Square value of 0.671, as depicted in Figure 10. This value indicates the extent to which the independent variables, such as institutional ownership, managerial ownership, contribute to explaining the dependent variable, financial distress, firm size (company size), and leverage, by 67.1%. Consequently, other variables or factors not covered in this study, like profitability, liquidity, and sales growth, have an impact on 32.9%.

E. CONCLUSION

Throughout the 2020–2022 period, the financial distress condition of transportation and logistics companies listed on the Indonesia Stock Exchange is not significantly impacted by institutional ownership. During the 2020–2022 period, the financial distress condition of companies in the transportation and logistics sector listed on the Indonesia Stock Exchange is not significantly impacted by managerial ownership. From 2020 to 2022, the financial distress condition of transportation and

logistics companies listed on the Indonesia Stock Exchange is positively correlated with the size of the company.

During the 2020–2022 period, leverage shows a detrimental impact on the financial distress condition of transportation and logistics companies listed on the Indonesia Stock Exchange. Multiple factors, including company size, leverage, independent commissioners, managerial ownership, institutional ownership, and leverage, collectively contribute to the predicted financial distress of companies within the transportation and logistics sector listed on the Indonesia Stock Exchange from 2020 to 2022.

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