

ABSTRACT

THE EFFECT OF GOOD CORPORATE GOVERNANCE AND LIQUIDITY ON FINANCIAL DISTRESS

***(Survey of Cosmetics and Household Utilities Sub-Sector Companies Listed on
the Indonesian Stock Exchange in 2017-2022)***

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The purpose of this research is to find out the effect of institutional ownership, board of directors and liquidity on financial distress in Cosmetics and Household Utilities Sub-Sector Companies Listed on the Indonesian Stock Exchange in 2017-2022. The research method used is a survey method with a descriptive quantitative approach, while the sampling technique uses a purposive sampling method. The data collection technique used for secondary data is carried out through other parties or documents. Secondary data is company annual reports obtained from the official website of the Indonesian Stock Exchange and the official website of each companies. The analysis tool uses panel data regression analysis with the Eviews 12 tool. The research results show that: (1) Institutional ownership has a positive and significant effect on financial distress, (2) the board of directors has a positive and significant effect on financial distress, (3) liquidity has a positive and significant effect on financial distress, (4) institutional ownership, board of directors and liquidity simultaneously have a significant effect on financial distress.

Keywords: Institutional Ownership, Board of Directors, Liquidity and Financial Distress