

# The Mechanism of Board of Commissioners and Managerial Ownership on Financial Performance with Mediation of Capital Structure in the Indonesia Stock Exchange

Nasirwan<sup>1</sup>, Azizul Kholis<sup>2</sup>, Muhamad Ridha Habibi Z<sup>3</sup>

nasirwan@unimed.ac.id

Department of Accounting, Faculty of Economic, Medan State University, Medan, Indonesia

**Abstract.** This study analyzes the effect of board of commissioners mechanisms and managerial ownership on financial performance, with capital structure as a mediating variable. Using a quantitative approach, the research examined 18 banking companies listed on the Indonesia Stock Exchange (2022-2024), selected through purposive sampling from 47 companies. Data analysis employed Structural Equation Modeling (SEM) via Smart PLS 3. Results indicate that board of commissioners does not influence financial performance but affects capital structure. Managerial ownership significantly impacts financial performance, though its effect on capital structure remains inconclusive. Capital structure substantially influences financial performance. However, neither board of commissioners nor managerial ownership affect financial performance through capital structure mediation. The findings suggest managerial ownership more effectively enhances financial performance compared to board mechanisms, while capital structure significantly affects performance but lacks mediating function.

**Keywords:** Board of Commissioners, Managerial Ownership, Capital Structure, Financial Performance.

## 1. Introduction

A company's financial performance is one of the main indicators that reflects the success of its management in achieving organisational goals. In the context of the banking industry, financial performance is particularly crucial given the strategic role of banks as financial intermediaries that support the national economy. Optimising financial performance not only impacts a company's profitability, but also stakeholder confidence, financial system stability, and overall economic growth [1]. Furthermore, robust financial performance enables banks to maintain adequate capital buffers, expand their lending capacity, and effectively manage risks in an

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<sup>1</sup> Singh, "Corporate Governance, Board Networks and Firm Performance."

increasingly complex regulatory environment. The measurement and enhancement of financial performance have therefore become central concerns for banking executives, regulators, and investors who seek to ensure the long-term sustainability and competitiveness.

According to agency theory, the division between ownership and managerial control may give rise to conflicts of interest between shareholders (as principals) and corporate executives (as agents). Such tensions can undermine operational effectiveness and adversely affect financial outcomes [2]. Addressing these agency-related challenges requires robust corporate governance mechanisms, wherein the board of commissioners and the structure of managerial ownership play pivotal roles in mitigating potential conflicts. The adoption of sound governance practices functions as an essential oversight tool, aligning managerial actions with shareholder objectives while curbing information asymmetry and self-serving behavior. Furthermore, a well-designed governance framework fosters greater transparency, accountability, and strategic coherence ultimately enhancing organizational performance and promoting long-term value creation for all stakeholders.

The board of commissioners serves as a governing entity responsible for overseeing the decisions and activities of the board of directors in company management. The expectation is that an effective supervisory function by the board of commissioners will minimize harmful management behaviors toward shareholder interests and improve the quality of corporate strategic decisions [3]. Nevertheless, the effectiveness of board oversight can be influenced by various factors including board composition, member expertise, and level of independence. Research consistently demonstrates that boards with diverse skill sets, appropriate size, and strong independent representation are more capable of providing effective oversight and strategic guidance to management teams.

Conversely, managerial ownership refers to the proportion of a firm's equity held directly by its executive management. This arrangement serves as a tool for harmonizing management and shareholder objectives. When managers possess direct financial stakes through share ownership, they typically demonstrate increased commitment to improving corporate performance since their personal financial well-being is directly connected to company success [4]. This concept is referred to as the alignment theory, which proposes that management ownership can minimize agency expenses and enhance organizational value. However, optimal levels of managerial ownership must be carefully calibrated, as excessive concentration can lead to entrenchment effects where managers prioritize personal interests over broader shareholder value maximization.

Capital structure refers to how companies combine debt and equity financing, serving a crucial

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<sup>2</sup> Gyimah and Owusu-Afriyie, "Bank Sustainability: Do Corporate Governance and Internal Audit Quality Matter?"

<sup>3</sup> Astami et al., "Do Family Ownership and Supervisory Board Characteristics Influence Audit Report Lag? A View from a Two-Tier Board Context."

<sup>4</sup> Shan et al., "Managerial ownership and financial distress: evidence from the Chinese stock market,"

function in determining financial outcomes [5]. Decisions regarding capital structure extend beyond merely optimizing financing costs to encompass governance and oversight functions. Incorporating debt into the financing mix can act as a management discipline tool by creating obligations for regular interest and principal repayments. This concept aligns with the free cash flow theory, which suggests that debt limitations can restrict management's access to excess cash that might otherwise be used for poor investment choices.

The banking sector possesses distinctive capital structure features due to its business model, which heavily relies on public confidence and regulatory compliance. Banks typically maintain elevated debt levels since customer funds (including savings accounts, time deposits, and checking accounts) constitute their primary financing source [6]. Consequently, examining the interconnections between governance systems, financing structures, and financial results within the banking sector presents increased complexity and research value.

Earlier research has produced conflicting findings concerning the connections between board mechanisms, management ownership, financing structure, and company performance. Certain studies have identified positive correlations between effective board governance and financial outcomes, while other research has revealed negligible or adverse effects. Likewise, regarding management ownership, research findings support both the alignment theory and the entrenchment theory, which suggests that excessive managerial ownership may promote self-serving management conduct.

The contradictory results from previous research indicate the need for additional investigation that accounts for intermediary variables that could influence these relationships. Capital structure is believed to serve as a mediating factor between corporate governance practices and financial performance. While board of commissioners' activities and management ownership may not directly influence financial results, they do affect decisions related to capital structure composition.

The implementation of Corporate Governance (CG) in the banking sector is crucial to maintaining integrity, stability, and public trust in the financial system. With the principles of transparency, accountability, responsibility, independence, and fairness, CG helps banks manage risk more effectively, prevent corruption or abuse of authority, and ensure compliance with applicable regulations. In the long term, consistent implementation of CG strengthens institutional reputation, attracts investors, and supports sustainable economic growth through a healthy and trustworthy banking system [7].

Within Indonesia's economic landscape, scholarly investigation into the interconnections among corporate governance frameworks, capital structure decisions, and financial performance

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<sup>5</sup> Habib et al., "Do intellectual capital efficiency and institutional quality influence a firm's capital structure? Evidence from India,"

<sup>6</sup> Emengini et al., "Ownership structure characteristics and banks performance,"

<sup>7</sup> Athar et al., "Corporate Governance and Bank Performance: Evidence from Banking Sector of Pakistan,"

outcomes remains comparatively underdeveloped, especially within the banking industry. However, Indonesia's banking sector constitutes a cornerstone of the domestic economy and has experienced substantial regulatory transformations in response to the financial upheavals of 1998 and 2008. As banking operations have grown increasingly sophisticated and regulatory bodies alongside stakeholders have intensified their calls for enhanced transparency, the adoption of robust corporate governance practices has become critically important.

Given these contextual factors and identified research limitations, this investigation aims to analyze how board of commissioners mechanisms and managerial ownership structures affect financial performance outcomes, utilizing capital structure as an intermediary variable, among banking institutions publicly traded on the Indonesia Stock Exchange during 2022-2024. This timeframe was chosen to reflect post-COVID-19 pandemic circumstances, which created distinctive operational challenges for banks attempting to sustain financial performance while navigating widespread economic volatility.

This research is anticipated to enhance the academic literature concerning corporate governance and financial performance relationships, with particular relevance to banking sector dynamics. From a practical standpoint, this study offers dual value by providing actionable insights for bank executives, regulatory authorities, and investment stakeholders. Specifically, the findings can inform the design and evaluation of effective corporate governance mechanisms, with the ultimate goal of enhancing corporate financial performance.

## **2. Research Methodology**

The population of this study consists of all banking companies that are listed on the Indonesia Stock Exchange (IDX) during the period from 2022 to 2024. The present study utilizes secondary data obtained from various official and reliable sources. Information regarding the board of commissioners, managerial ownership, capital structure, and financial performance was obtained from annual reports and audited financial statements published by each bank through their official websites and the Indonesia Stock Exchange. The sampling technique employed was purposive sampling, a non-probability sampling technique in which the selection of samples is based on specific criteria established by the researcher [8]. A total of 18 companies were sampled, resulting in 54 research data. The data analysis employed in this study utilized partial least squares (PLS). The objective of this test is to ascertain whether the mediating variable (capital structure) exerts a significant influence on the independent variables (board of commissioners and managerial ownership) with respect to the dependent variable (financial performance).

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<sup>8</sup> Sugiyono, "Metode Penelitian Kuantitatif, Kualitatif, Dan R & D"

### 3. Research Results and Discussion

**Table 1.** Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Board of Commissioners -> Financial Performance	0.202	0.185	0.166	1.217	0.224
Board of Commissioners -> Capital Structure	0.530	0.535	0.088	6.046	0.000
Managerial Ownership -> Financial Performance	-0.293	-0.307	0.110	2.665	0.008
Managerial Ownership -> Capital Structure	0.243	0.232	0.160	1.516	0.130
Capital Structure -> Financial Performance	0.269	0.280	0.111	2.426	0.016

#### The Influence of the Board of Commissioners on Capital Structure

The first hypothesis, which states that the board of commissioners influences capital structure, can be accepted based on the test results with a p-value of  $0.000 < 0.05$ . This finding shows that the existence and role of the board of commissioners contribute significantly to the capital structure decisions of banking companies. These results support the agency theory, which states that the board of commissioners, as an internal control mechanism, can influence management decisions related to capital structure. An effective board of commissioners provides oversight of financing decisions, ensuring that the chosen capital structure is in line with the interests of shareholders and stakeholders. This monitoring function can reduce agency costs and encourage optimization of the capital structure in accordance with trade-off and pecking order theories [9].

The considerable impact observed can be partly explained by the strategic function of the board of commissioners in shaping financial decisions. Selecting commissioners with financial expertise offers crucial perspectives in determining the most effective mix of debt and equity. In addition, the board contributes to reducing financial risk by overseeing leverage levels, thereby guiding capital structure choices to sustain an equilibrium between risk and return. These results align with earlier research Putri (2022) serta Puspita & Yuliari (2022), which

<sup>9</sup> Shahzad et al., "Ownership structure, board composition and CEO dominance: what does really matters to corporate deleveraging policies?,"

highlight that corporate governance mechanisms especially the role of the board of commissioners are essential in decisions related to capital structure. The effectiveness of the commissioners' oversight has been shown to influence both a firm's ability to secure external financing and the cost of capital. Firms with strong and competent boards generally enjoy greater credibility, which allows them to access diverse funding options at more favorable rates [10] [11].

The confirmation of the board of commissioners' influence on capital structure carries significant practical implications for banking sector governance and regulatory frameworks. Financial institutions should prioritize the appointment of commissioners with diverse expertise in finance, risk management, and banking regulations to enhance the quality of capital structure decisions. This finding suggests that regulatory bodies, including Indonesia's Financial Services Authority (OJK), should continue emphasizing the importance of board composition and competency requirements in their supervisory guidelines. The results also indicate that investors and stakeholders should consider the composition and effectiveness of the board of commissioners as a key factor when assessing a bank's financial health and strategic direction. For banking management, these findings underscore the necessity of maintaining transparent communication channels with the board of commissioners regarding capital allocation strategies, debt-equity decisions, and long-term financial planning. This collaborative approach can lead to more informed decision-making processes that balance regulatory compliance, shareholder expectations, and market competitiveness while optimizing the institution's overall financial performance.

### **The Influence of the Managerial Ownership on Capital Structure**

The second hypothesis, which states that managerial ownership influences capital structure, cannot be accepted based on the test results with a p-value of  $0.130 > 0.05$ . These findings suggest that managerial ownership exerts a negligible influence on the capital structure of banking companies. The negligible impact of managerial ownership on capital structure can be attributed to various contextual factors. First, the level of managerial ownership in the sample companies may be relatively low, thereby failing to provide sufficient incentives for managers

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<sup>10</sup> Putri, "Kepemilikan Manajerial, Dewan Komisaris, Profitabilitas, Dan Struktur Modal,"

<sup>11</sup> Puspita and Yuliani, "Coorporate Governance Dengan Struktur Modal Perusahaan BUMN Listed Di IDX (2018-2020),"

to optimize capital structure. Second, managers have different risk preferences than shareholders, so share ownership does not necessarily align their interests in capital structure decisions. Third, in the context of Indonesia's still-developing capital market, managers tend to focus on short-term growth rather than long-term capital structure optimization.

The results of this research align with Yulia (2024) findings, which revealed an ambiguous connection between managerial ownership and capital structure decisions. Numerous research studies have shown that managerial ownership has a non-linear effect on how companies structure their capital. When ownership levels are minimal, managers tend to increase debt usage to capitalize on tax advantages. However, when ownership stakes are substantial, managers typically avoid excessive borrowing to reduce bankruptcy risks. Although managerial ownership doesn't significantly impact capital structure, it plays an important role in other corporate governance areas, including operational efficiency and corporate transparency. These outcomes indicate that organizations should focus on other more influential variables when establishing their ideal capital structure mix [12].

This finding can also be attributed to the unique characteristics of the highly regulated banking industry, where capital structure is shaped more by regulatory capital requirements such as the Capital Adequacy Ratio (CAR) than by managerial preferences. The Financial Services Authority (OJK) sets a minimum CAR threshold of 8%, compelling banks to maintain a certain capital ratio regardless of managerial ownership. Furthermore, the primary funding source in banking, third-party funds (DPK), differs significantly from conventional debt, making capital structure decisions more dependent on the bank's ability to attract customer deposits than on ownership preferences. This indicates that in highly regulated industries such as banking, regulatory factors and industry-specific characteristics exert a more dominant influence on capital structure decisions than corporate governance elements like managerial ownership.

### **The Influence of the Board of Commissioners on Financial Performance**

The third hypothesis, which states that the board of commissioners influences financial performance, cannot be accepted based on the test results with a p-value of  $0.224 > 0.05$ . These findings suggest that the board of commissioners exerts minimal influence on the financial performance of banking companies. The negligible impact of the board of commissioners on

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<sup>12</sup> Yulia, "Pengaruh Risiko Bisnis, Growth Opportunity dan Kepemilikan Manajerial terhadap Struktur Modal,"

financial performance may be attributable to multiple distinct characteristics inherent in the Indonesian context. First, the composition and quality of the board of commissioners may not be adequate to contribute significantly to financial performance. Secondly, the board of commissioners has been observed to function primarily as a regulatory compliance entity rather than as an active participant in strategic oversight. Thirdly, the board of commissioners has restricted access to detailed operational information, thereby diminishing its capacity to influence financial performance. Fourthly, the corporate culture of Indonesia, which prioritizes a hierarchical structure, contributes to the diminished effectiveness of the board of commissioners in providing essential input to management.

The findings of this study align with those of Yuliyanti & Cahyonowati (2023), who identified a fluctuating relationship between the board of commissioners and corporate financial performance [13]. Complementary evidence from Fatmawati & Alliyah (2023) indicates that the influence exerted by the board may unfold gradually and remain undetectable within short-term analytical frameworks. The board of commissioners' success depends on multiple variables, such as member independence, board expertise, meeting frequency, and board composition size [14]. These results highlight the importance of assessing how well the board of commissioners functions within corporate governance frameworks. To enhance the effectiveness of the board, firms should prioritize three strategic dimensions: advancing the competencies and expertise of board members, reinforcing board independence, and optimizing internal control mechanisms. Realizing the full potential of the board of commissioners in driving organizational performance depends on the successful implementation of these targeted initiatives.

The practical implications of these findings suggest that Indonesia's banking sector should undertake structural reforms in corporate governance systems, particularly concerning the role and function of the board of commissioners. Regulators such as the Financial Services Authority (OJK) may consider tightening qualification requirements for board members, including aspects of competence, experience, and independence. Additionally, a more comprehensive and transparent performance evaluation mechanism for the board of commissioners is needed to

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<sup>13</sup> Yuliyanti and Cahyonowati, "Pengaruh dewan direksi, dewan komisaris, komisaris independen, komite audit, kepemilikan manajerial, dan kepemilikan institusional terhadap kinerja keuangan,"

<sup>14</sup> Fatmawati and Alliyah, "Pengaruh Struktur Modal, Ukuran Perusahaan, Dewan Direksi Dan Dewan Komisaris Terhadap Kinerja Keuangan Pada Perusahaan Consumer Goods Tahun 2019-2021,"

ensure that their presence not only fulfills regulatory compliance but also delivers tangible value in enhancing the company's financial performance. Companies may also consider adopting international governance best practices that have proven effective in strengthening the board's contribution to achieving strategic corporate objectives.

### **The Influence of the Managerial Ownership on Financial Performance**

The fourth hypothesis, which posits that managerial ownership exerts an influence on financial performance, can be substantiated based on the findings of the statistical analysis, as evidenced by a p-value of  $0.008 < 0.05$ . This result indicates that the extent of management's equity stakes substantially affects the financial outcomes of banking institutions. The study's findings validate agency theory, which proposes that management ownership can minimize agency expenses arising from conflicting interests between executives and shareholders. When managers hold significant equity positions, they become motivated to enhance corporate value since their personal wealth is directly linked to company success. Equity ownership has been shown to harmonize management interests with those of other stakeholders, thus promoting sound decision-making that enhances organizational performance.

The significant influence of managerial ownership on financial performance can be explained through three main mechanisms. First, it has been demonstrated that managers who possess shares in the company are more inclined to work optimally and make strategic decisions that increase long-term profitability. Secondly, managerial ownership has been demonstrated to curtail opportunistic conduct, including excessive compensation and suboptimal investment. Thirdly, managers who possess shares of the company's equity are more oriented towards the creation of long-term value than towards the manipulation of short-term profits. The findings align with the research conducted by Irsyad (2023), which indicates that companies with optimal managerial ownership frequently exhibit superior financial performance. Within the parameters of the research sample, the degree of managerial ownership is at an optimal level to enhance financial performance without encountering entrenchment problems [15].

The observed positive association between managerial ownership and financial performance among Indonesian banking institutions highlights multiple strategic channels through which concentrated ownership contributes to enhanced operational efficiency. Manager-owners

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<sup>15</sup> Irsyad, "Pengaruh Kepemilikan Institusional, Kepemilikan Manajerial Dan Corporate Social Responsibility Terhadap Kinerja Keuangan,"

demonstrate enhanced commitment to implementing robust risk management frameworks, as their personal financial exposure incentivizes prudent lending practices and comprehensive credit assessment procedures. This heightened risk awareness contributes to lower non-performing loan ratios and improved asset quality, which are critical performance indicators in the banking sector. Furthermore, managerial ownership appears to foster innovation in service delivery and operational efficiency, as manager-owners are more likely to invest in technological upgrades, staff training, and process improvements that generate sustainable competitive advantages. The alignment of interests also manifests in more disciplined cost management practices, where manager-owners actively pursue operational optimization without compromising service quality or regulatory compliance. These findings suggest that banking institutions should consider establishing optimal managerial ownership thresholds as part of their governance framework.

### **The Influence of the Capital Structure on Financial Performance**

The fifth hypothesis, which states that capital structure affects financial performance, can be accepted based on the test results with a p-value of  $0.016 < 0.05$ . This result demonstrates that the mix of assets, debts, and shareholder equity within a company's financing structure significantly influences its financial outcomes. The study's conclusions can be understood through trade-off theory and pecking order theory frameworks. Trade-off theory suggests that an ideal debt level exists where debt advantages (including tax benefits) balance the associated expenses (such as bankruptcy costs and agency expenses). When companies reach this optimal financing balance, it enhances corporate value and performance outcomes. Pecking order theory indicates that well-performing organizations typically select more cost-effective funding sources, and strategic debt utilization sends positive market signals to investors.

The substantial impact of capital structure on financial performance is attributable to three fundamental economic mechanisms. Firstly, the optimal utilization of debt has been demonstrated to provide tax benefits that increase cash flow and company profitability. Secondly, debt functions as a regulatory instrument for managerial oversight, as the financial obligations associated with interest payments promote enhanced operational efficiency. Thirdly, an optimal capital structure has been demonstrated to reduce overall capital costs, thereby increasing the present value of future cash flows. These results are consistent with the research by Astuti et al. (2021), which shows that companies with optimal capital structures tend to have

better financial performance. In the context of the research sample, companies have effectively managed their capital structures to improve financial performance [16].

These findings also carry significant practical implications for corporate management in making strategic decisions related to capital structure. Companies need to develop dynamic and adaptive capital structure strategies that respond to changes in macroeconomic conditions and industry characteristics. Management should regularly evaluate the composition of the debt to equity ratio to ensure it remains at an optimal level that can enhance financial performance. Moreover, the study highlights firms must also consider financial flexibility and access to diverse funding sources to optimize their capital structure. From the perspective of investors and creditors, these findings suggest that capital structure analysis serves as a key indicator in assessing a company's financial performance prospects

**Table 2.** Specific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Board of Commissioners -> Capital Structure -> Financial Performance	0.143	0.154	0.076	1.887	0.060
Managerial Ownership -> Capital Structure -> Financial Performance	0.065	0.070	0.060	1.094	0.275

### **The Influence of the Board of Commissioners on Financial Performance Through Capital Structure**

The sixth hypothesis, which states that the board of commissioners influences financial performance through capital structure, cannot be accepted based on the test results with a p-value of  $0.060 > 0.05$ . These findings show that while the board of commissioners directly affects capital structure, the indirect impact on financial performance through capital structure lacks statistical significance. The lack of meaningful mediating effects from capital structure may stem from various reasons. Initially, achieving an optimal financing structure does not necessarily guarantee enhanced financial results since other more influential elements exist, including operational effectiveness, corporate strategy, and market dynamics. Additionally, the board of commissioners may influence financial performance through alternative pathways

<sup>16</sup> Astuti et al., "Pengaruh likuiditas, solvabilitas, manajemen aset, ukuran perusahaan, dan struktur modal terhadap kinerja keuangan,"

beyond capital structure, such as overseeing operational strategies, managing risks, or ensuring quality financial reporting.

These results indicate a complex interconnection among corporate governance, financing structure, and company performance. The board of commissioners affects a company's capital structure, and this impact may demonstrate delayed effects on the organization's financial outcomes. The complete influence of this relationship might only be evident across longer time periods. The success of capital structure in improving financial results depends on management's skill in maximizing the use of resources obtained through these financing choices. The results suggest that the relationship between corporate governance and financial performance does not consistently follow a linear pattern. The board of commissioners exerts a multifaceted impact on financial outcomes through a range of interrelated mechanisms. Capital structure is merely one potential channel of influence, and it may not be as dominant as other factors, such as the quality of management, supervision, and strategic decision-making.

### **The Influence of the Managerial Ownership on Financial Performance Through Capital Structure**

The seventh hypothesis, which states that managerial ownership affects financial performance through capital structure, cannot be accepted based on the test results with a p-value of  $0.275 > 0.05$ . These results indicate that capital structure does not play a significant mediating role in the relationship between managerial ownership and company financial performance. The insignificant effect of capital structure mediation can be explained through several theoretical perspectives. First, according to agency theory, although managerial ownership has the potential to reduce agency costs, financing decisions may not be a primary concern for owner-managers in enhancing corporate performance. Secondly, managers who possess shares demonstrate a heightened emphasis on operational strategies and long-term investments, as opposed to a focus on optimizing capital structure. This finding suggests that the influence of managerial ownership on financial performance is more directly influenced by operational decisions.

This result may be explained by the nature of management ownership within the studied companies. The comparatively modest levels of managerial shareholding fail to create adequate motivation for managers to enhance capital structure for better financial outcomes. Managers with minimal equity stakes typically adopt more prudent approaches when considering financial risks through capital structure modifications, thus preserving conventional financing

arrangements.

The results reveal that capital structure is not the sole pathway through which management ownership influences company performance. Alternative channels by which management ownership may impact financial results include enhanced investment decisions, reduced agency expenses, and improved operational effectiveness. When managerial ownership remains at levels insufficient to significantly influence financing decisions and risk tolerance, capital structure may not serve as a factor that responds readily to variations in management shareholding.

#### **4. Conclusion**

Based on the results of analyzing the influence of the board of commissioners and managerial ownership on financial performance with capital structure as a mediating variable in banking companies listed on the Indonesia Stock Exchange for the period 2022-2024, it can be concluded that the board of commissioners influences capital structure, managerial ownership does not influence capital structure, the board of commissioners does not influence financial performance, while managerial ownership and capital structure do influence financial performance. The findings also reveal that capital structure fails to mediate the relationship between both the board of commissioners and managerial ownership with financial performance. The results of this study indicate that capital structure did not serve as a mediating variable because the average value of banking DAR was 0.74, making it unsuitable for testing in the banking sector. Therefore, further research could analyze different industries such as mining, property, and infrastructure to test the consistency of results and sectoral characteristics. Further research could also explore other mediating and moderating variables to broaden the understanding of the relationship between the board of commissioners, managerial ownership, and financial performance.

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