THE INFLUENCE OF CORPORATE GOVERNANCE, AUDIT QUALITY, AND INVESTMENT DECISIONS ON FIRM PERFORMANCE IN THE CHEMICAL MANUFACTURING INDUSTRY SUBSECTOR IN INDONESIA

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Abstract

This study aimed to analyze the influence of corporate governance, audit quality, and investment decisions on the performance of manufacturing companies in the basic and chemical industries sub-sectors listed on the Indonesia Stock Exchange for the period 2020–2024. The research sample consisted of 23 companies selected using the purposive sampling method. Data were obtained from audited financial statements and annual reports, analyzed using panel data regression (FEM and REM) through the E-views 9 application, and considered the potential for endogeneity in the model. The results showed that the size of the board of directors had no effect on the company's performance, while the participation of women on the board had a significant positive influence on performance (ROA, ROE, and ROS). Board size has no effect on ROA and ROS, but has a significant negative effect on ROE. Audit quality, leverage, liquidity, fixed assets, and intangible assets had no effect on ROA and ROE, while company size had a significant positive influence on all three performance indicators. Investment decisions are proven to have no effect on the company's performance. The implication of this research is the importance of increasing regulation and supervision of corporate governance, especially in strengthening the role of women on the board of directors. The government is advised to continue to encourage good governance practices in this sector as a long-term strategy to maintain the stability and sustainability of corporate financial performance

Keywords: Corporate Governance, Audit Quality, Investment Decisions, Corporate Performance, Basic and Chemical Industries, Women on the Board of Directors, Data Regression Panel

INTRODUCTION

Global economic developments and increasingly complex market dynamics have encouraged companies, especially the manufacturing sector, to increase efficiency and effectiveness in managing their businesses. A company's financial performance is the main indicator in evaluating business success and understanding the company's financial health (Nanda et al., 2024). A company's performance, which is often measured through indicators such as *Return on Assets* (ROA), *Return on Equity* (ROE) and *Return on Sales* (ROS), is influenced by various factors, including corporate governance mechanisms, audit quality, and investment decisions. Companies in the manufacturing sector tend to be oriented towards meeting the needs of the wider community, the condition explains that they have a dependence on good governance, strategic investment decisions, and efficient working capital management to maintain their profitability competitiveness.

Poor corporate governance has led to huge losses on various global companies, such as Enron, Worldcom, and Parmalat, Silpachai (2023). This shows the importance of effective governance in preventing financial scandals and maintaining company stability. Corporate governance has a very important role in maintaining operational stability and ensuring the sustainability of companies in the manufacturing sector. Through effective oversight, corporate governance ensures that strategic decision-making is transparent, accountable and oriented towards the creation of long-term financial performance. The optimal board size attribute can create a diversity of perspectives in decision-making, which is indispensable to respond to changing consumer needs. From a communication perspective, a larger board of directors is associated with a higher tendency to make disclosures (Jejeniwa et al., 2024).

Audit quality also plays an important role in determining the company's performance. Good audit quality ensures that the company's financial statements are prepared reasonably and free from material misrepresentations. Independent and competent external auditors function as a supervisory mechanism that helps prevent manipulation of financial statements and improve management accountability. In Indonesia, the role of Public Accounting Firms (KAP) in providing audit opinions on the company's financial statements listed on the IDX is very crucial, considering that these financial statements are the basis for decision-making for investors and creditors.

Investment decisions are an innovation in research, serving not only as a growth strategy, but also as a risk mitigation tool through diversification of projects and assets. Investment decisions are also one of the key elements in determining the success of a manufacturing sector company. Strategic investment decisions allow the company to expand production capacity, increase efficiency through advanced technology, and strengthen product competitiveness in an increasingly competitive market. For example, investing in more efficient production technologies or in the development of new products can improve the quality of the goods produced, expand market share, and support the growth of a company's revenue. Investment decisions involve thorough evaluation, risk assessment, and strategic alignment influenced by behavioral biases (Andika & Hatta, 2024). The right investment decisions can also expand a company's market position through acquisitions or strategic alliances, strengthen the brand and expand access to new customers. Diversifying investments into different projects or sectors helps reduce the risk of dependence on a single source of income, while effective investment decisions can increase a company's value in the

eyes of investors by demonstrating the ability to produce positive results. Investors who are successful in taking.

decisions are determined by how precisely an investor makes his investment decisions (Nurchayati & Perkasa, 2024). This explains that planned and strategic investment decisions not only strengthen the company's competitive position but also support sustainable growth and improve overall performance.

Based on the above background description, the formulation of the problem for this research is as follows:

1. Does *Board of directors' size* affect the company's performance?
2. Does *the Percentage of women on the board* affect the company's performance?
3. Does *Quality Audit* affect company performance?
4. Does *Age* affect company performance?
5. Does *leverage* affect company performance?
6. Does *firm size* affect company performance?
7. Does *Liquidity* affect the company's performance?
8. Does *the ratio of tangible assets* affect the company's performance?
9. Does *the ratio of intangible assets* affect the company's performance?
10. Does *Investment Decision* affect the Company's performance?

Based on the formulation of the above problem, the objectives of this research include:

1. Analyze the influence *of Board of directors' size* on company performance.
2. Analyze the influence of *the Percentage of women on the board* on company performance.
3. Analyze the influence of *Quality Audit* on company performance.
4. Analyze the influence *of age* on company performance.
5. Analyze the influence of *leverage* on the company's performance.
6. Analyze the influence of *firm size* on company performance.
7. Analyze the influence of *Liquidity* on the company's performance.
8. Analyze the influence of *the Ratio of tangible assets* on the company's performance.
9. Analyze the influence of *the Ratio of intangible assets* on the Company's performance.
10. Analyzing the influence of *Investment Decisions* on company performance.

REVIEW OF LITERATURE

Board of Directors' Size

The selection of the right number of board of directors management can form a strong foundation for the growth of a company's performance. The company's financial performance can increase if there are more and more board of directors (Cahyani & Oktaviani, 2023). Research related to board size was conducted by (GARBA et al., 2024; Gulzar et al., 2020) show that the size of the board of directors has a significant positive influence on financial performance proxied with ROA.

Percentage of Women on the Board

According to the theory of stewardship , it states that an agent who has a uniqueness in it must want to achieve the goal of being able to improve the company's performance for a common goal. The results of (D. A. P. Putri et al., 2024) show that gender is significantly

and positively correlated with financial performance. (Amahalu & Okudo, 2023) examined the impact of gender in work groups on financial performance found that gender had a positive impact on financial performance.

Audit Quality

Audit quality plays an important role in improving firm performance Because the high quality of audits ensures the reliability of financial statements, increases transparency, and strengthens stakeholders' trust in the company's financial information. According to Alsmady's research (Year 2022), which says that analysts are often worried about the ability to generate business revenue, so reliable information from financial statements and audits is essential and has an impact on business operations. Therefore, the improvement in the quality of audits and financial statements has a positive impact on the Company's performance.

Age

The age of the company can be one of the things that potential investors can consider to make their investments. The age of the company can provide an overview to investors in the form of experience and the company's ability to run its business. According to the results of research from (Olivia & Nazar, 2018; Yumiasih, 2017) which states that the age of the company has a positive effect on the value of the Company.

Leverage

Leverage can influence companies to engage in profit-making practices. According to (Khan & Siddiqui, 2023) leverage has a negative effect on financial performance, which explains that leverage is a strategy to be able to help increase a company's rate of return higher than the interest rate of debt paid before taxes. Companies will be better or better if they seek internal funding sources rather than using external funding sources.

Firm Size

Research (Sulaiman & Khalid, 2024) states that firm size affects financial performance. This is because large companies have higher stability and ability to deal with risks than small companies. Thus, describing firm size affected financial performance (Balami & Koirala, 2024).

Liquidity

According to the results of research by (Silom et al., 2023) liquidity has a positive effect on financial performance. This shows that the higher the liquidity value, the better the financial performance of a company because the company can be said to be able to pay its obligations on time and can optimize the use of company assets. The high level of a current asset indicates the willingness of short-term funds that can be used in addition to paying off short-term debts, it can also be used to support the company's operational activities in increasing sales to generate a profit or profit for a company.

Tangible Assets

Definition tangible asset according to (Kieso et al., 2019) “Property, plant, and equipment are tangible long-lived assets used in the regular operations of the business.”. Fixed assets can consist of land, buildings, machinery and equipment. According to (E. S. Putri & Sudirgo, 2020) "Tangible assets are fixed assets that a company owns and can be used to produce products.". In addition, tangible assets can also be used as collateral when issuing debt or when obtaining debt (Ahmad & Rasheed, 2017).

Intangible Assets

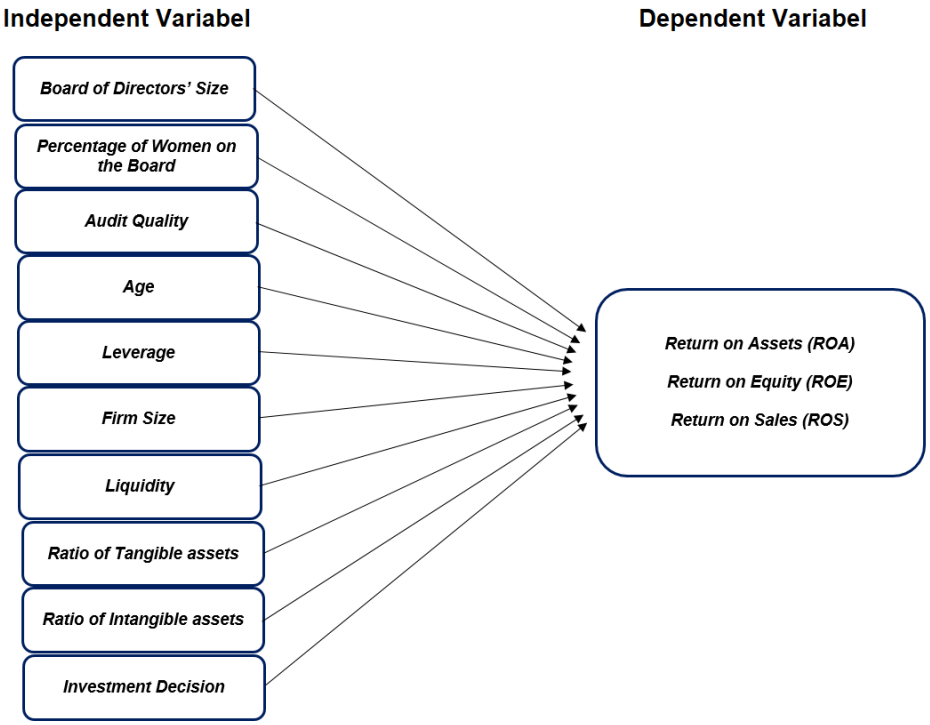
Intangible assets refer to assets that have the potential to trigger risks, such as raw material inventories, finished products, or flammable assets. Intangible assets. It often requires careful judgment to determine the exact transfer price. According to (Cahyani & Oktaviani, 2023) the existence of intangible assets will affect financial performance. If management does not take into account the risks associated with these assets, it will interfere with the Company's profit allocation.

Investment Decision

Good investment decisions also allow companies to exploit market opportunities and innovate in products or services, which in turn can improve the Company's competitiveness and performance. Previous research by (Gitahi & Kosgei, 2024) shows that the right investment decisions can have a positive impact on return on assets. Companies that make measurable and sustainable investments tend to show improvements in their financial performance.

Table 1
Operational Variables and Measurement

Variables	Abbreviation	Measurement	Scale
Dependent Variable			
Return on Total Assets	ROA	(Profit after tax / Total assets) × 100	Rasio
Return on Total Equity	ROE	(Profit after tax / Equity) × 100	Rasio
Return on Total Sales	ROS	(Operating Profit / Sales) × 100	Rasio
Independent Variable			
Board of Directors' Size	BOARD1	Number of members / 11	Rasio
Percentage of Women on the Board	BOARD2	Number of women members / Board size	Rasio
Audit Reputation	AUDIT	Value = 1 if auditing firm is Big 4, and 0 otherwise	Rasio
Age	AGE	Year of calculation – Year of establishment	Rasio
Leverage	Leverage	Total debt / Total assets	Rasio
Firm Size	Size	Natural logarithm of total assets	Rasio
Liquidity	Liquidity	Short-term assets / Short-term liabilities	Rasio
Ratio of Tangible Assets	Tangible	Tangible assets / Total assets	Rasio
Ratio of Intangible Assets	Intangible	Intangible assets / Total assets	Rasio
Investment Decision	PER	Harga saham / Earnings per share	Rasio



Based on theoretical and empirical reviews, the researcher developed the following hypotheses:
H1: Board of directors' size affects firm performance.
H2: Board Percentage of women on the board affected through the firm performance.
H3: Audit Quality affects firm performance.
H4: Age affects firm performance.
H5: Leverage affects firm performance.
H6: Firm size affects firm performance.
H7: Liquidity affects firm performance.
H8: Tangible assets affect firm performance.
H9: Intangible assets affect firm performance.
H10: Investment Decision Affects Firm Performance.

RESEARCH METHOD

The research design in this study used a quantitative approach with the panel data regression analysis method which is a regression model that combines cross sectional data and time series data. Panel data regression analysis was used to test and test independent variables in influencing dependent variables. This study used secondary data with data sources obtained from the Indonesia Stock Exchange (www.idx.co.id) website and annual report data obtained from the website of the company that is the object of the research. In sample withdrawal, the purposive sampling technique was used. The number of populations sampled in this study is 87 companies in the sub-sector of basic and chemical industries listed on the IDX which have data relevant to the variables used in this study with the withdrawal period of 2020 – 2024 so that the number of observation samples is 23 companies.

The data analysis in this study included descriptive statistics, panel data regression analysis, regression model estimation, and model selection. To evaluate the effectiveness of the regression model, the next step involves the implementation of a classical assumption test. If the results of the classical assumption test are positive, the researcher continues with a partial test (T-test) and a simultaneous test (F-test) to answer the research hypothesis. In addition, the researcher conducted a determination coefficient test to assess the extent to which the model can explain the overall fluctuations of independent variables in the model.

To determine the best model among the three models in the panel data regression analysis, namely the common effect (pooled least square), fixed effect, and random effect models, three stages of testing were carried out, namely the Chow test, the Hausman test, and the Lagrange multiplier (LM) test.

Table 2.
Chow Test Results

Model	Probabilities Chi-square	Decision	Explanation
Model ROA	0.3355	Ho accepted	REM
Model ROE	0.6113	Ho accepted	REM
Model ROS	0.0000	Ho rejected	FEM

(Source: data processing, 2025)

From the results of the processing according to Table 1 above, the chi-square cross-section probability value of 0.3355 > 0.05 for the ROA model and 0.6113 > 0.05 for the ROE model was obtained, thus accepting Ho. Thus, it can be concluded that the right model is the crandom effect model (REM), while for the ROS model, the chi-square cross-section probability value is 0.0000 < 0.05, thus rejecting Ho and stating that the right model is a fixed effect model (FEM). Next, the LM test was carried out because the results of the Chow test were based on the selected ROA and ROE model, namely REM. This test is used to determine which model is more appropriate, namely the random effect model (REM) or the common effect model (CEM). Based on the results of the processing, a probability value of Breusch Pagan was 0.0002 > 0.05 for the ROA model and 0.0000 > 0.05 for the ROE model so that Ho was accepted, or the correct ROA and ROE model was a random effect model (REM). Next, the Hausman test was carried out because the results of the Cow test of the ROS model were selected using FEM. This test is intended to determine whether a random effect (REM) model or a fixed effect model (FEM) is a more appropriate model. The processing results produce a random cross-section probability value of 0.0000 > 0.05 for the ROE model, or Ho is accepted, so that the right model is the Fixed Effect Model (FEM).

RESULTS AND DISCUSSION

Panel Data Regression Analysis

In conducting an analysis of corporate governance, audit quality and investment decisions, with proxy: board of directors' size, board Percentage of women on the board, audit quality, age, leverage, firm size, liquidity, tangible assets, intangible assets and investment decisions that affect firm performance with ROA, ROE and ROS proxies and to

measure all independent variables against dependents, the equation model is described as follows:

Model 1

$$ROA = \beta 0 + \beta 1 BOARD1it + \beta 2\ BOARD2it + \beta 3 AUDITit + \beta 4\ AGEit + \beta 5 LEVERAGEit + \beta 6\ SIZEit + \beta 7 LIQUIDITYit + \beta 8 TANGIBLEit + \beta 9\ INTANGIBLEit + \beta 9\ PERit + \varepsilon it$$

Model 2

$$ROE = \beta 0 + \beta 1 BOARD1it + \beta 2\ BOARD2it + \beta 3 AUDITit + \beta 4\ AGEit + \beta 5 LEVERAGEit + \beta 6\ SIZEit + \beta 7 LIQUIDITYit + \beta 8 TANGIBLEit + \beta 9\ INTANGIBLEit + \beta 9\ PERit + \varepsilon it$$

Model 3

$$ROS = \beta 0 + \beta 1 BOARD1it + \beta 2\ BOARD2it + \beta 3 AUDITit + \beta 4\ AGEit + \beta 5 LEVERAGEit + \beta 6\ SIZEit + \beta 7 LIQUIDITYit + \beta 8 TANGIBLEit + \beta 9\ INTANGIBLEit + \beta 9\ PERit + \varepsilon it$$

Information:

And	= Firm Performance
α (alpha)	= Constanta
B	= Regression coefficient
LENGTH	= Return on Assets
ROE	= Return on Equity
PRAISE	= Return on Sales
BOARD1	= Board of directors' size
BOARD2	= Percentage of women on the board
AUDIT	= Audit reputation
AGE	= Age
Leverage	= leverage
Size	= Firm size
Liquidity	= Liquidity
Tangible	= Ratio of tangible assets
Intangible	= Ratio of Intangible assets
FOR	= Price to Earnings Ratio
E	= error
i	= Research sample
t	= research period

Statistical Test F

To find out whether all the independent variables used in the model can affect the dependent variables, the F test is carried out. The results of the F test on the proposed hypothesis use a decision-making criterion where if the probability $F < 0.05$, it means that Ho is rejected. In other words, if independent variables are tested simultaneously, then they affect the dependent variables. If the probability of $F > 0.05$, it means that Ha is accepted, or there is an independent variable that affects the dependent variable when tested simultaneously. The results of the F test processing for the ROA, ROE, and ROS models are shown in the following table.

Table 3.
F Test Results

Model	F Statistic	P-Value
Model ROA	14.58194	0.000000
Model ROE	8.949196	0.000000
Model ROS	19.70072	0.000000

(Source: data processing, 2025)

Based on the results of the F test in Table 2, the results on the ROA, ROE, and ROS models show that the statistical p value of F < 0.05, which means that Ho is rejected and Ha is accepted. These results show that the dependent variable is significantly influenced by at least one independent variable.

Coefficient Determination Test

To find out how well the free variable is able to explain the behavior of the bound variable, the goodness-of-fit test can be used. The adjusted r-square value in the regression model indicates the results of this test. The free variable in the model is able to explain the bound variable if the adjusted r-square is close to the number 1. Provisions in decision-making, namely:

a. The results showed that the free variable was strongly related to the bound variable when the adjusted value of R2 was close to 1.
b. The results showed that the free variable was very weakly related to the bound variable when the adjusted value of R2 was close to 0.

The results of the fit model processing for the ROA Model, ROE Model, and ROS Model are shown in the following table.

Table 4.
Determination Coefficient Results

Model	R-Squared	Adjusted R-Squared
Model ROA	0.788983	0.734876
Model ROE	0.696479	0.618653
Model ROS	0.834751	0.792379

(Source: data processing, 2025)

Based on the test results as shown in table 3 above, the adjusted r-square value for the fit model in the ROA model is 0.734876, where the variation of independent variables (BOARD1, BOARD2, AUDIT, AGE, LEVERAGE, FIRM SIZE, LIQUIDITY, TANGIBLE, INTANGIBLE, PER) can take into account the variation or fluctuation of the dependent variable, namely ROA of 73.48%, and the remaining 26.52% is the variation or behavior of other independent variables that affect the ROA but is not included in the model because not researched. Meanwhile, the fit model in the ROE model obtained an adjusted r-square value of 0.618653 where the variation or behavior of independent variables (BOARD1, BOARD2, AUDIT, AGE, LEVERAGE, FIRM SIZE, LIQUIDITY,

TANGIBLE, INTANGIBLE, PER) can account for fluctuations or behavior of dependent variables, namely ROE of 61.86% and the remaining 38.14% are fluctuations or variations and behaviors of other independent variables that affect ROE but are not included in the model because they are not researched. Meanwhile, the fit model in the ROS model obtained an adjusted r-square value of 0.792379 where the variation or behavior of independent variables (BOARD1, BOARD2, AUDIT, AGE, LEVERAGE, FIRM SIZE, LIQUIDITY, TANGIBLE, INTANGIBLE, PER) can take into account the fluctuations or behavior of the dependent variable, namely ROE of 79.23% and the remaining 20.77% are fluctuations or variations and behaviors of other independent variables that affect ROE but are not included in the model because they are not studied.

Hypothesis Testing (T Test)

Partial or individual tests are used to measure the significance of each independent variable that affects the bound variable. This is done assuming that all other variables remain constant.

This method is used to calculate the regression coefficient:

H0: The free variable does not affect the bound variable.

Ha: Significantly, the free variable affects the bound variable.

The provisions for decision-making, namely:

a) If the significance of the probability is $< \alpha = 0.05$, Ho is rejected and Ha is accepted. Thus, bound variables are significantly influenced by independent variables;
b) b) If the significance of the probability is $> \alpha = 0.05$, Ho is accepted, and Ha is rejected. Thus, the bound variable is not affected by the independent variable.

The following is a table of the results of hypothesis testing (t-test), regression models 1,2, and 3 in this study:

Table 5.
Hypothesis Test Results (t-test) Model 1

Variable	Model 1 (ROA)		
	Coefficient	p-value	Conclusion
C	-36.03403	0.0009	-
BOARD1	-0.171783	0.0642	Not Significant
BOARD2	0.501220	0.0000	Positive Significant
AUDIT	0.958225	0.7169	Not Significant
AGE	-0.222872	0.0125	Negative Significant
LEVERAGE	-0.071782	0.4714	Not Significant
FIRM SIZE	1.783084	0.0000	Positive Significant
LIQUIDITY	-0.060238	0.9023	Not Significant
TANGIBLE	0.007299	0.9165	Not Significant
INTANGIBLE	1.174934	0.0512	Not Significant
FOR	-0.050922	0.4817	Not Significant

(Source: data processing, 2025)

Table 6.
Hypothesis Test Results (t-test) Model 2

Variable	Model 2 (ROE)		
	Coefficient	p-value	Conclusion
C	-132.4540	0.0195	-
BOARD1	-1.041906	0.0403	Negative Significant
BOARD2	2.798298	0.0000	Positive Significant
AUDIT	5.105158	0.7228	Not Significant
AGE	-0.488184	0.2985	Not Significant
LEVERAGE	-0.010403	0.9847	Not Significant
FIRM SIZE	5.120579	0.0124	Positive Significant
LIQUIDITY	-6.023785	0.0289	Negative Significant
TANGIBLE	0.666614	0.0847	Not Significant
INTANGIBLE	5.126144	0.1151	Not Significant
FOR	0.009680	0.9803	Not Significant

(Source: data processing, 2025)

Table 7.
Hypothesis Test Results (t-test) Model 3

Variable	Model 3 (ROS)		
	Coefficient	p-value	Conclusion
C	-30.61644	0.0008	-
BOARD1	-0.144627	0.0642	Not Significant
BOARD2	0.261432	0.0015	Positive Significant
AUDIT	7.482252	0.0016	Positive Significant
AGE	-0.141293	0.0556	Not Significant
LEVERAGE	0.219083	0.0119	Positive Significant
FIRM SIZE	1.495894	0.0000	Positive Significant
LIQUIDITY	2.369954	0.0000	Positive Significant
TANGIBLE	-0.122613	0.0418	Negative Significant
INTANGIBLE	0.257694	0.6031	Not Significant
FOR	-0.071735	0.2418	Not Significant

(Source: data processing, 2025)

1. Board of directors' size (BOARD1) has been shown to have no effect on ROA and ROS but has a significant negative effect on ROE.
2. The percentage of women on the board (BOARD2) has been shown to have a significant positive effect on ROA, ROE, and ROS.
3. Audit quality (AUDIT) is proven to have no effect on ROA and ROE but has a significant positive influence on ROS.

4. Age (AGE) has been shown to have no effect on ROE and ROS but has a significant positive effect on ROA.
5. Leverage (LEVERAGE) has been shown to have no effect on ROA and ROE but has a significant positive influence on ROS.
6. Firm size (FIRM SIZE) has been shown to have a significant positive effect on ROA, ROE, and ROS.
7. Liquidity (LIQUIDITY) is proven to have no effect on ROA but has a significant negative influence on ROE and has a significant positive influence on ROS.
8. Tangible assets (TANGIBLE) have been shown to have no effect on ROA and ROE but have a significant negative influence on ROS.
9. Intangible assets (INTANGIBLE) have been proven to have no effect on ROA, ROE, and ROS.
10. Investment decision (PER) has been proven to have no effect on ROA, ROE and ROS.

CONCLUSION

Here are some conclusions that can be drawn based on the results of research and analysis:

1) The influence of board of directors' size on financial performance (ROE) is significantly negative, while on (ROA and ROS) has no effect;
2) The influence of the percentage of women on the board on financial performance (ROA, ROE and ROS) is positive and significant;
3) The effect of audit quality on financial performance (ROS) is significantly positive while on (ROA and ROE) has no effect;
4) The influence of age on financial performance (ROA) is positively significant while on (ROE and ROS) has no effect;
5) The influence of leverage on financial performance (ROS) is positively significant while on (ROA and ROE) has no effect;
6) The effect of firm size on financial performance (ROA, ROE and ROS) is not the effect of the Influence;
7) The effect of liquidity on financial performance (ROE and ROS) is negative and positive respectively while on ROA has no effect;
8) The influence of tangible assets on financial performance (ROS) is significantly negative while on (ROA and ROE) has no effect;
9) The influence of intangible assets on financial performance (ROA, ROE and ROS) is insignificant;
10) The effect of investment decisions on financial performance (ROA, ROE and ROS) is ineffectual.

Suggestion

The researcher has suggestions for further research based on the findings of the research results and discussion, as well as several research limitations: 1) The next research will not only focus on the basic and chemical industry sub-sectors listed on the Indonesia Stock Exchange for the 2020-2024 period, but will also increase the research period to a period of 10 (ten) years and cover all other manufacturing industry sectors in Indonesia, which are listed and not listed on the Indonesia Stock Exchange; 2) Further research is expected to explore other independent variables to further uncover other variables that can

affect the financial performance of the manufacturing industry, such as the Corporate Governance Disclosure Index (Abang'a et al., 2022), Board Expertise (Aidoo et al., 2024), Number of Board of Commissioners Meetings (Juliani et al., 2024), Audit Committee Expertise (Alajmi & Worthington, 2025; Tiesieh Tapang, 2023) and Audit Committee Independent (Alajmi & Worthington, 2025; Hassan Bazhair, 2022; Tiesieh Tapang, 2023) as well as the addition of other macroeconomic moderation variables such as GDP growth, exchange rates, and interest rates (Aluoch, 2021). Further research is expected to add measurement of the financial performance of the manufacturing industry in the form of Tobin's Q (Alajmi & Worthington, 2025; Hassan Bazhair, 2022; Juliani et al., 2024; Kyere & Ausloos, 2021), Net Profit Margin (Tiesieh Tapang, 2023), and Debt to Equity Ratio (Alajmi & Worthington, 2025).

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