

## The Effect of Remuneration of Directors and Commissioners, Enterprise Risk Management on Financial Distress with Firm Life Cycle as Moderation

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KEYWORDS	ABSTRACT
financial distress; directors and commissioners remuneration; enterprise risk management; firm life cycle	This study aims to determine the effect of Remuneration of Directors and Commissioners, Enterprise Risk Management on Financial Distress with Firm Life Cycle as moderation. This study uses secondary data obtained from the company's financial statements and annual reports. The amount of data in this research population is 150 data from retail companies listed on the Indonesia Stock Exchange (IDX) for the period 2017 - 2022. The analysis technique used in this research is moderated linear regression analysis which is processed using SPSS version 27. The results of this study are enterprise risk management has a negative effect on financial distress, firm life cycle strengthens the relationship between remuneration of directors and commissioners on financial distress, remuneration of directors and commissioners has no effect on reducing the level of financial distress, firm life cycle has no effect on the relationship between enterprise risk management and financial distress. Based on the results of the analysis and discussion, this study shows that the remuneration of directors and commissioners has no influence on the level of financial distress of the company.

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### 1. Introduction

Indonesia as a developing country with a large population plays a significant role in the global economy. Nevertheless, Indonesia's economic growth has experienced a sharp decline in recent years, mainly influenced by the impact of the COVID-19 pandemic. Indonesia's GDP contracted by -2.07% in 2020, indicating the serious impact of domestic economic instability due to the pandemic. The results of a survey conducted by the Ministry of Manpower of the Republic of Indonesia showed that around 88 percent of the 1,105 companies surveyed were affected and suffered losses due to the pandemic (Indonesia, 2018). For example, PT Hero Supermarket Tbk (HERO) was forced to close all Giant outlets in Indonesia because the company's financial performance experienced a marked decline reaching 4,203 percent. Other companies such as PT Matahari Department Store Tbk, PT Mitra Adiperkasa Tbk and PT Ramayana Lestari Sentosa Tbk also reported significant revenue declines.

Although in June 2023 the pandemic status was lifted, the economic challenges are not completely over. Global economic shocks, energy crises, and climate change are still risk factors that need to be addressed. The development of post-pandemic global dynamics will create significant complexity in the coming years (Masitoh, 2023). In facing an endemic situation, companies need to maintain financial stability to avoid the risk of financial distress, where companies have difficulty fulfilling their financial obligations (Ashok, 2021).

Providing incentives in the form of remuneration is an effective approach that can have a significant impact on the company's level of financial distress. When managers realize that their incentives are directly related to company performance, they are more motivated to work hard to achieve goals that are in the interests of shareholders. Research (Massa, Partyka, & Lana, 2020), (Chatterjee, Jia, Nguyen, Taylor, & Duong, 2023), (Mariani & Suryani, 2021), (Costa, Lisboa, & Marzinzik, 2023), (Kirana & Novita, 2021) and (Pangestu, Agustia, & Rachman, 2019) shows that incentives in the form of performance-based compensation can encourage effective decision making, support growth, and reduce the risk of corporate financial distress.

Enterprise Risk Management (ERM) also plays an important role in reducing the likelihood of financial distress. By identifying, evaluating, and addressing risks, companies can maintain their operational and financial stability in an unpredictable environment (Kulinich, Andrushko, Prosovykh, Sterniyuk, & Tymchyna, 2023). Factors that affect a company's level of financial distress involve the firm life cycle, which reflects the company's stages from establishment to decline. The stages of the company's life cycle can affect the company's human and financial resource capabilities (Habib & Hasan, 2017).

Based on the description above, this study focuses attention on retail companies in Indonesia listed on the IDX during the 2017-2022 period by examining the effect of remuneration of directors and commissioners and ERM on financial distress. The use of firm life cycle as a moderation variable is carried out to explore the role of company life cycle stages in the effectiveness of remuneration and ERM implementation against financial distress.

### **Theoretical Foundation**

Agency theory is a concept based on an agreement in which shareholders as principals delegate responsibility to management as agents. However, the emergence of agency problems occurs due to misalignment of interests between managers and shareholders (Sajjad Nawaz Khan, Hussain, Maqbool, Ali, & Numan, 2019). Strategies to mitigate agency issues involve adjusting managerial incentives, which can align the interests of managers with those of shareholders. (Belghitar & Clark, 2015) suggest that compensation-based incentives could be an effective alternative to address less-than-ideal agent behavior and reduce problems that arise. The provision of structured incentives can increase manager satisfaction, reduce exploitation of organizational resources and improve company performance and avoid the threat of financial distress.

Financial distress occurs when a company experiences a decline in financial condition, especially in fulfilling obligations due to losses (Supriati, Bawono, & Anam, 2019). One method that can be used to predict the bankruptcy of a company is to use a modified Altman Z-Score analysis. Invented by Edward I. Altman in 1968, this model was originally for public manufacturing companies, but has been updated for different types of companies (Tasneem Khan, Shamim, & Khan, 2022). Altman omits X5 in the Altman Z-Score calculation for non-manufacturing companies and classifies the company into "Safe" if  $Z > 2.6$ , "Grey" if  $1.1 < Z < 2.6$ , or "Distress" if  $Z < 1.1$  (Altman, 2002). Although the Altman Z-Score is one of the well-known models, there are also other models such as Zmijewski, Springate, and Grover to predict the bankruptcy of companies.

Remuneration is defined as the level of satisfaction obtained by workers for their efforts which includes various forms of compensation and incentives (Onyekwelu, Dike, & Muogbo, 2020). According to (Wijeweera, Rampling, & Eddie, 2022), executive remuneration in Asia and other regions is often designed to motivate executives to work diligently to obtain the highest profit

potential for company shareholders. The provision of remuneration in Indonesia is regulated by OJK Regulation Number 45 of 2015, covering fixed and variable compensation. Shareholders hope that the provision of remuneration can encourage profitable decision making and increase the productivity of directors and commissioners to reduce the risk of financial distress of the company.

Enterprise Risk Management (ERM) is a series of actions to minimize the negative impact of various risks including financial, operational, and strategic risks with the aim of maintaining and increasing company value. (Gordon, Loeb, & Tseng, 2009) developed an ERM effectiveness index based on COSO objectives in strategy, operations, reporting, and compliance. Effective risk management practices as found in (Tjahjana & Oktorina, 2023) research play an important role in reducing the risk of financial distress. Therefore, actively identifying and managing risks is an important preventive measure for companies.

The company goes through the stages of the company's life cycle throughout its existence, this cycle is also called the firm life cycle. Understanding the company's life cycle can help managers and other stakeholders in estimating organizational operational patterns as they progress through various phases of development (Khuong, Anh, & Van, 2022). According to (DeAngelo, DeAngelo, & Stulz, 2006), companies that have low retained earnings tend to be in the growth stage and rely more on external funding. Conversely, companies that have high retained earnings tend to be more mature with high levels of profit, and have a lower dependence on external funding.

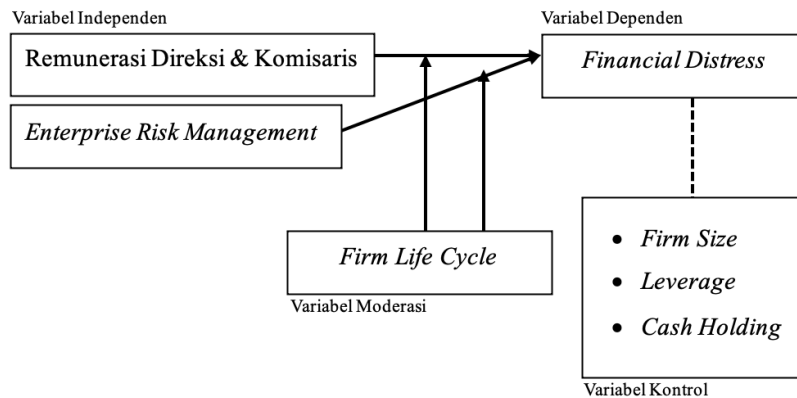
Firm Size refers to various indicators used to assess the extent to which a company has grown which has a major impact on various elements of financial management. According to (Hashmi, Gulzar, Ghafoor, & Naz, 2020), company size is an important factor that affects various companies' financial practices such as financial policies, dividends, investments, company performance as well as compensation and incentive structures.

Leverage is the activity of using debt to finance most of the company's assets that are usually carried out by companies to support their operations. The decision to take this debt will be accompanied by a repayment obligation accompanied by interest (Chohan, 2014).

Cash holding refers to the amount of cash owned by the company used for operational and investment activities (Napitupulu, Nugroho, & Kurniasari, 2018) which can be calculated by the ratio of total cash to total assets (Vergara Garavito & Chi3n, 2021).

### **Frame of Thought**

The independent variables that are the focus of this study include the remuneration of directors and commissioners and *enterprise risk management*. While the dependent variable in this study is *financial distress*. The moderation variable that is also a concern in this study is the stage of the company's life cycle. In addition, this study also added control variables, namely *firm size*, *leverage* and *cash holding*. On the basis of this description, the framework of this research can be described as follows:



**Figure 1. Frame of Mind**

### Hypothesis Development

Remuneration is an important factor for company success because it can motivate employees to work towards achieving company goals (Majid, Mediaty, AH, & Possumah, 2019). This motivation is considered to increase productivity and reduce the risk of financial difficulties of the company. This is supported by research conducted by (Chatterjee et al., 2023) and Mariano et al. (2021) which in their research states that remuneration negatively affects financial distress.

In agency theory, remuneration acts as a motivator for managers to align their interests with those of shareholders so as to help improve their performance and reduce potential financial distress (Costa et al., 2023) (Kirana & Novita, 2021).

H1: Remuneration of directors and commissioners has a negative influence on financial distress

Enterprise risk management is the planning and risk mitigation actions carried out to manage risks effectively (COSO, 2004). Well-implemented Enterprise Risk Management (ERM) plays a role in preventing potential risks and losses (Koeswara & Harjito, 2016). In agency theory, an effective ERM can reduce the risk of financial distress due to differences in interests between agents and principals, where agents tend to prioritize short-term gains over long-term financial stability (Jankensgård, 2019). Research findings by (Tjahjana & Oktorina, 2023) and (Luthfiyanti & Dahlia, 2020) support the statement that ERM has a negative influence on financial distress.

H2: Enterprise Risk Management negatively affects financial distress.

To optimize performance and minimize the likelihood of financial difficulties, resource allocation and management strategies must match the needs of the company at each stage of its life cycle. In the early phases of its life cycle the company has a higher cost of capital due to uncertainty in future profits and cash flows, as well as difficulties in raising capital. Conversely, mature companies tend to maintain and expand existing businesses with a lower risk of financial hardship. Research conducted by (Sari & Ismah, 2022) supports the statement that companies that are at a mature stage are unlikely to face financial difficulties. In the early phases, companies usually do not have good governance structures, inadequate team capabilities and limited resources (Chatterjee et al., 2023)

H3: Firm Life Cycle memperkuat hubungan Remunerasi Direksi dan Komisaris terhadap Financial Distress

The company exhibits different patterns of behavior at each stage of its life cycle that also affect its goals. In the early stages of its life cycle, the company focuses on market growth and expansion, thereby increasing the risk of financial distress due to limited resources, high levels of uncertainty and the risk of investment failure (Yoo, Lee, & Park, 2019). The implementation of ERM in the early stages of the cycle may struggle in mitigating the risk of financial distress due to the high level of market uncertainty and the team's lack of ability to identify risks appropriately.

H4: Firm Life Cycle strengthens the relationship between Enterprise Risk Management and Financial Distress.

## 2. Materials and Methods

### Research Design

This study uses a quantitative approach to analyze the relationship between the remuneration of directors and commissioners, enterprise risk management, firm life cycle as a moderation variable, and firm size, leverage, and cash holding as control variables for financial distress. Data is obtained from the financial and annual reports of retail companies on the Indonesia Stock Exchange (IDX) during the 2017-2022 period. The purposive sampling method is used to determine the number of samples with certain criteria.

### Variables and Measurements

The dependent variable, independent variable, moderation variable and control variable in this study are measured by the following formula:

**Table 1 Variables and Measurements**

Variable	Formula
<b>Financial Distress</b> (Altman, 2002)	$Z'' = (6,56 X1 + 3,26 X2 + 6,72 X3 + 1,05 X4) * - 1$
	$X1 = (Working\ Capital / T. Assets)$
	$X2 = (RE / T. Assets)$
	$X4 = (EBIT / T. Assets)$
	$X4 = (BV\ of\ Equity / T. Liability)$
<b>Remunerasi Direksi dan Komisaris</b> (Ririh, Ningtyas, & Taufiq Rahman, 2021)	Ln (Total Remunerasi Direksi dan Komisaris)
<b>Enterprise Risk Management</b> (Rahman, Kennedyd, & Chen, 2022)	ERM Index = Strategy + Operation
	$Strategy = \frac{Sales - Average\ Sales\ Industri}{Sdev\ T.Sales\ Industri}$
	$Operation = \frac{Sales}{T. Assets}$
<b>Firm Life Cycle</b> (Chatterjee et al., 2023)	RE / T. Assets
<b>Firm Size</b> (Oktasari, 2020)	Ln (Total Assets)
<b>Leverage</b> (Nurhayati et al., 2023)	$DAR = \frac{T. Debt}{T. Assets}$
<b>Cash Holding</b> (Romel & Ekadjaja, 2023)	$Cash\ Holding = \frac{Cash + Cash\ Equivalent}{T. Assets}$

### Data Collection Methods

The data used in this study was sourced from secondary data obtained indirectly through the second party. The main data sources come from financial and annual reports available on the Indonesia Stock Exchange (IDX) website and the official pages of related companies. The determination of the number of samples was carried out using the purposive sampling method, which followed the following criteria: (1) Listed on the IDX during the 2017-2022 period as many as 186 companies, (2) Did not present complete financial statements or annual reports in the 2017-2022 period as many as 12 companies, (3) Excluded from the analysis because it was considered outlier data for 24 companies. Based on these criteria, the total number of samples in this study was 150 companies.

### Data Analysis Methods

The method used in this study is the moderation regression analysis method to obtain relevant information from the data and answer research problems using SPSS version 27. Before regression

analysis is performed, descriptive statistical analysis and classical assumption testing are first performed to verify the absence of problems such as normality, multicollinearity, autocorrelation, and heterocedasticity in the selected model. Then a hypothesis test is carried out consisting of a coefficient of determination test, f test and t test. The following is the moderation regression equation in this study:

$$FD = \alpha + \beta_1 RDK + \beta_2 ERM + \beta_3 FLC + \beta_4 RDK.FLC + \beta_5 ERM.FLC + \beta_6 FS + \beta_7 LV + \beta_8 CH + \varepsilon$$

Description of the regression equation model:

FD : *Financial Distress*

$\alpha$  : Konstranta coefficient

$\beta$  : Koefisien regresi

RDK : Remuneration of Board of Directors and Commissioners

ERM : *Enterprise Risk Management*

FLC : *Firm Life Cycle*

FS : *Firm size*

LV : *Leverage*

CH : *Cash Holding*

$\varepsilon$  : Error term

### 3. Result and Discussion

#### Descriptive Statistical Analysis

**Table 2. Descriptive Statistical Results**

Variable	N	Minimum	Maximum	Mean	Std. Deviation
FD	150	-13.460	74.727	-3.061	7.497
RDK	150	Rp 825,295,143	Rp 363,853,000,000	Rp29,982,186,082.69	Rp46,773,260,144.39
ERM	150	-0.476	9.459	1.759	1.714
FLC	150	-15.092	1.111	0.064	1.311
FS	150	Rp 60,812,091,000	p 57,445,068,000,000	Rp7,103,988,694,844.3 6	Rp9,920,876,009,168.0 8
LV	150	0.077	12.248	0.599	0.985
CH	150	0.008	0.591	0.139	0.126
Valid N	150				

Source: Data processed, 2023

Based on Table 2 above, the *financial distress* (FD) variable has the lowest value of -13,460, namely PT Sona Topas Tourism Industry Tbk and the highest value of 74,727, namely PT Globe Kita Terang Tbk with a mean of -3.06169 and a standard deviation of 7.497. The variable remuneration of directors and commissioners (RDK) has the lowest value of IDR 825,295,143, namely PT Millennium Pharmacon International Tbk and the highest value of IDR 363,853,000,000, namely PT Mitra Adiperkasa Tbk, with a mean of IDR 29,982,186,082.69 and a standard deviation of IDR 46,773,260,144.39. The *enterprise risk management* (ERM) variable has the lowest value of -0.476, namely PT Sona Topas Tourism Industry Tbk and the highest value of 9.459, namely PT Globe Kita Terang Tbk, with a mean of 1.75911 and a standard deviation of 1.714244. The *firm life cycle* (FLC) variable has the lowest value of -15.092, namely PT Globe Kita Terang Tbk, and the highest value of 1.111, namely PT Matahari Department Store, with a mean of 0.06497 and a standard deviation of 1.311469. The variable *firm size* (FS) has the lowest value of IDR 60,812,091,000, namely PT Globe Kita Terang Tbk and the highest IDR 57,445,068,000,000, namely PT Indomobil Sukses Internasional Tbk with a mean of IDR 7,103,988,694,844.36 and a standard deviation of IDR 9,920,876,009,168,084. Variable *leverage* (LV) has the lowest value of 0.077, namely PT Industri dan Perdagangan Bintraco Dharma Tbk and the highest 12.248, namely PT Globe Kita Terang Tbk with a mean of 0.59974 and standard deviation of 0.985035. The variable *cash holding* (CH) has the lowest

value of 0.008 namely PT Mega Petintis Tbk and the highest 0.591 namely PT Sona Topas Tourism Industry Tbk, with a mean of 0.13900 and a standard deviation of 0.126588. A standard deviation value smaller than the mean value indicates that the mean value can be used as a representation of the overall data and vice versa.

### Classical Assumption Testing

#### Normality Test

**Table 3 Normality Test Results**

N	Normality Test	Unstandardized Residual	Conclusion
150	Sig. (2-tailed)	0.200	Normally distributed

Source: Data processed, 2023

Based on the table above, the value of *Sig.* of 0.200 where the value is more than 0.05 so that it can be concluded that the assumption of data normality is met. In this study, an outlier elimination of 24 data was carried out to meet the normality requirements.

#### Multicollinearity Test

Multicollinearity is tested by looking at the VIF and Tolerance values in the output. The non-multicollinearity assumption is satisfied if the VIF value  $\leq 10$  and the Tolerance value  $\geq 0.10$ .

**Table 4 Multicollinearity Test Results**

Variabel	Collinearity Statistics		Conclusion
	Tolerance	VIF	
RDK	0.338	2.956	No multicollinearity
ERM	0.583	1.717	No multicollinearity
FLC	0.000	7550.331	There is multicollinearity
RDK*FLC	0.000	6589.365	There is multicollinearity
ERM*FLC	0.015	66.207	There is multicollinearity
FS	0.354	2.824	No multicollinearity
LV	0.032	31.719	There is multicollinearity
CH	0.620	1.612	No multicollinearity

Source: Data processed, 2023

The test results show the presence of symptoms of multicollinearity, the use of regression with moderation variables tends to give rise to high multicollinearity problems between independent variables (Liana, 2009). However, according to (Nugroho, 2005) the problem of multicollinearity can be ignored if the value of the coefficient of determination is large enough.

#### Heteroscedasticity Test

The heteroscedasticity assumption is tested to determine if the residual variance is constant. If the residual significance value of the independent variable and the control variable is greater than 0.05, there is no heteroscedasticity problem.

**Table 5 Heteroscedasticity Test Results**

Variable	Sig.	Conclusion
RDK	0.237	No multicollinearity
ERM	0.416	No multicollinearity
FLC	0.884	No multicollinearity
RDK*FLC	0.875	No multicollinearity
ERM*FLC	0.479	No multicollinearity
FS	0.930	No multicollinearity
LV	0.851	No multicollinearity
CH	0.495	No heteroscedasticity

Source: Data processed, 2023

The table above shows residual significance values against independent variables and control variables greater than 0.05, concluding that there is no heteroscedasticity problem in the model.

**The Automobile****Table 5 Autocorrelation Test Results**

Durbin Watson	N	K	dU	4-dU	Conclusion
2.150	150	7	1.8316	2.1684	No autocorrelation

Source: Data processed, 2023

Autocorrelation detection can be done through evaluation of the range of statistical values dU and dW. If  $dU < dW < 4-dU$ , then it can be concluded that there are no signs of autocorrelation. The test data shows a Durbin-Watson value of 2.150 which is between the range of du (1.8316) and 4-du (2.1684). So that the assumption of non-autocorrelation can be considered fulfilled.

**Uji Coefficient of Determination (R<sup>2</sup>)****Table 6 Coefficient of Determination Test Results**

Model	Adj R <sup>2</sup>
FD	0.976

Source: Data processed, 2023

Based on the information in the table, it can be concluded that the coefficient of determination (R<sup>2</sup>) has a value of 0.976. That is, the variables of remuneration of directors and commissioners, *enterprise risk management*, *firm life cycle*, *firm size*, *leverage* and *cash holding* in this study were able to explain around 97.6% of the changes that occurred in the dependent variable of *financial distress*. The remaining 2.4% were influenced by other factors that were not the focus of the study.

**Test F****Table 8 F Test Results**

Model	Sig
FD	0.000

Source: Data processed, 2023

Based on the table above, the value of *Sig.* of 0.000 ( $\leq 0.05$ ). So it can be concluded that there is an independent variable that has a significant influence on the dependent variable.

**T Test****Table 7 T Test Results**

Variable	Directional Prediction	Unstandardized Coefficient (B)	Sig. (One Tailed)	Results
Constant		-21.669	0.000	
RDK	-	0.534	0.000	H1 reject
ERM	-	-0.225	0.001	H2 accept
FLC	-	17.964	0.002	
RDK*FLC	-	-1.041	0.000	H3 reject
ERM*FLC	-	0.765	0.000	H4 reject
FS	-	0.076	0.239	Insignificant
LV	+	10.121	0.000	Significant
CH	-	-2.911	0.001	Significant

Source: Data processed, 2023

$FD = -21.669 + 0.534 (RDK) - 0.225 (ERM) + 17.964 (FLC) - 1.041 (RDK*FLC) + 0.075 (ERM*FLC) - 0.076 (FS) + 10.121 (LV) - 2.911 (CH)$

The results of the statistical test showed that the remuneration of directors and commissioners could not reduce the level of financial distress with a coefficient of 0.534 and a positive beta sign and did not match the hypothesis proposed so that the significance test was not continued. Therefore, H1 is rejected. In contrast, *enterprise risk management* has a negative effect on *financial distress* with a coefficient of -0.225 and the beta sign corresponds to the hypothesis that H2 is accepted. *The firm life cycle* strengthens the relationship between the remuneration of directors and



commissioners against financial distress with a coefficient of -1.041 and the beta mark in accordance with the hypothesis so that H3 is accepted. However, H4 was rejected, *the firm life cycle* did not strengthen the relationship *of enterprise risk management* to financial distress with beta marks that did not match the hypothesis proposed so that the significance test was not continued. The firm size control variable had no significant effect on financial distress (sig = 0.239 > 0.05). Leverage has a significant positive effect on financial distress, with sig = 0.000 and beta 10.121. Cash holding had a significant negative effect on financial distress, with sig = 0.001 and beta -2.911.

## **Discussion**

### **Remuneration of Directors and Commissioners Against Financial Distress**

The results of hypothesis testing show that the remuneration of directors and commissioners has no effect on financial distress. So this finding is not in line with the research of (Chatterjee et al., 2023) and (Mariano, Izadi, & Pratt, 2021) which states the negative effect of remuneration on financial distress. In this study, it was not found that the remuneration of directors and commissioners can reduce the level of financial distress. This can be caused by the failure of directors and commissioners in making decisions that are beneficial to the company. Other factors such as excessive remuneration or not in accordance with the company's performance can also cause an increase in costs and financial expenses which ultimately affect the company's level of financial distress.

### **Enterprise Risk Management Against Financial Distress**

The results of hypothesis testing show that enterprise risk management has a negative influence on financial distress. This finding is consistent with research by (Tjahjana & Oktorina, 2023) and (Luthiyanti & Dahlia, 2020) which states that ERM negatively affects financial distress. This research shows that companies that effectively implement enterprise risk management can avoid risk and prevent financial distress, enabling sustainable growth and operational stability.

### **Remuneration of Directors and Commissioners for Financial Distress with Firm Life Cycle as Moderation**

The results of hypothesis testing show that the firm life cycle strengthens the relationship between the remuneration of directors and commissioners with financial distress. This means that the firm life cycle acts as a moderation variable that reduces the impact of increasing financial distress. This finding is in line with research by (Chatterjee et al., 2023) which shows that companies in the mature stage have supportive characteristics such as low dependence on external financing, good governance structures, experienced management teams, and sufficient resources.

### **Enterprise Risk Management Against Financial Distress with Firm Life Cycle as Moderation**

The results of the hypothesis test show that the firm life cycle cannot strengthen the relationship of enterprise risk management to financial distress. It is important for mature and growth companies to implement enterprise risk management effectively to avoid the risk of financial distress. Although mature companies have adequate external funding, lack of innovation and delay in adapting to changing market and technological trends can increase the risk of financial distress (Coad, Segarra, & Teruel, 2016).

#### **4. Conclusion**

Based on the results of the analysis and discussion, this study shows that the remuneration of directors and commissioners has no influence on the level of financial distress of the company. Conversely, enterprise risk management has a negative impact on the level of financial distress, demonstrating the importance of implementing risk management to reduce the risk of financial distress. The firm life cycle strengthens the relationship between the remuneration of directors and commissioners and financial distress, while at the same time having no effect on the relationship between enterprise risk management and financial distress.

In this finding there are a number of limitations where some samples of retail companies used in the study do not separately report remuneration for directors and commissioners, so in this study the variable remuneration of directors and commissioners is considered as a unit. In addition, some companies in the study also did not provide complete data on the amount of remuneration based on certain characteristics. Therefore, this study uses total remuneration in cash without distinguishing fixed and variable remuneration.

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