

## On-line Submission

The Journal of Asian Finance, Economics and Business

### About Us +

- ↳ Aims and Scope
- ↳ Editorial Board
- ↳ Review Policy

### For Contributors +

- ↳ Guide For Authors
- ↳ Ethical Guideline
- ↳ Open Access Policy

### Journal Search +

- ↳ Most read Article
- ↳ Current Issue
- ↳ Archive

The Journal of Distribution Science

Journal of Industrial Distribution & Business

The Journal of Business, Economics and Environmental Studies

The Journal of Asian Finance, Economics and Business

## ICBE2020

Juju City, South Korea, November 25-27, 2020  
Korean Distribution Science Association



## The Journal of Asian Finance, Economics and Business

Frequency : Monthly (Twelve issues per year from 2020 onwards)

Language: English

ISSN: 2288-4637 (Print) 2288-4645 (Online)

Year of Launching : 2014

Publisher : Korea Distribution Science Association

Indexed/Tracked/Covered By :

Clarivate Analytics' Web of Science - Emerging Sources Citation Index (ESCI) in Web of Science Core Collection, Elsevier's SCOPUS in Elsevier Product(s), Crossref - Digital Object Identifier (DOI), Directory of Open Access Journals (DOAJ), Cabell's Directories of Publishing Opportunities, EconBiz, ECONIS - Datenbank der ZBW, Publons, WorldCat, Scilit - MDPI (Basel, Switzerland), Directory of Korea Open Access Journals (KOAJ), Korea Citation Index (KCI) - The National Research Foundation of Korea (NRF).



Scopus



DOAJ DIRECTORY OF OPEN ACCESS JOURNALS

### Volume.7 No.11 November 2020

#### Corporate Social Responsibility and Unsecured Debt: Evidence from China

Xia CHEN,Zhe MA,Jiayu SHI,Bingyan TU,Songtao XU

The Journal of Asian Finance, Economics and Business :: Vol.7 No.11 pp.1-11

DOI:https://doi.org/10.13106/jafeb.2020.vol7.no11.001

↳ Open abstract

Download pdf

Export Citation

#### The Rubber Pricing Model: Theory and Evidence

Pitak SRISUKSAI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.11 pp.13-22

DOI:https://doi.org/10.13106/jafeb.2020.vol7.no11.013

↳ Open abstract

Download pdf

Export Citation

#### Monetary Policy Independence and Bond Yield in Developing Countries

Cep Jandi ANWAR,Indra SUHENDRA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.11 pp.23-31

DOI:https://doi.org/10.13106/jafeb.2020.vol7.no11.023

↳ Open abstract

Download pdf

Export Citation

#### Does Earnings Quality Affect Companies' Performance? New Evidence from the Jordanian Market

Isam SALEH,Malik ABU AFIFA,Fares ALSUFY

The Journal of Asian Finance, Economics and Business :: Vol.7 No.11 pp.33-43

DOI:https://doi.org/10.13106/jafeb.2020.vol7.no11.033

↳ Open abstract

Download pdf

Export Citation

#### The Impact of COVID-19, Day-of-the-Week Effect, and Information Flows on Bitcoin's Return and Volatility

Ying Sing LIU,Liza LEE

The Journal of Asian Finance, Economics and Business :: Vol.7 No.11 pp.45-53

DOI:https://doi.org/10.13106/jafeb.2020.vol7.no11.045

↳ Open abstract

Download pdf

Export Citation

## On-line Submission

The Journal of Asian Finance,  
Economics and Business

### About Us +

- ↳ [Aims and Scope](#)
- ↳ [Editorial Board](#)
- ↳ [Review Policy](#)

### For Contributors +

- ↳ [Guide For Authors](#)
- ↳ [Ethical Guideline](#)
- ↳ [Open Access Policy](#)

### Journal Search +

- ↳ [Most read Article](#)
- ↳ [Current Issue](#)
- ↳ [Archive](#)

The Journal of  
Distribution Science

Journal of Industrial  
Distribution & Business

The Journal of Business, Economics  
and Environmental Studies

The Journal of Asian Finance,  
Economics and Business

**ICBE2020**  
Juku City, South Korea, November 25-27, 2020  
Korean Distribution Science Association



## Editorial Board

### Editorial Board

Senior Editor-in-Chief	<b>Jung Wan Lee, Ph.D.</b> School of International Economics and Trade Anhui University of Finance and Economics, China
Editor for Southeast Asia	<b>Hooi Hooi Lean, Ph.D.</b> School of Social Sciences Universiti Sains Malaysia, Malaysia
Editor for East Asia	<b>Teng-Tsai Tu, Ph.D.</b> Graduate Institute of International Business National Taipei University, Taiwan
Editor for Central Asia	<b>Azimkhan A. Satybaldin, Ph.D.</b> The Institute of Economics under the Ministry of Education and Science Republic of Kazakhstan
English Editor	<b>Jean-Luc Renaud, Ph.D.</b> Professor of Mass Communication and Globalization, Linton School of Global Business Hannam University, Korea (the Republic of)
Publishing Editor	<b>Myoung-Kil Youn, Ph.D.</b> Department of Medical IT Marketing, College of Health Industry Euji University, Korea (the Republic of)
Associate Editors	<p><b>D. Tripati Rao, Ph.D.</b> Professor of Economics, Business Environment Area Indian Institute of Management Lucknow, India</p> <p><b>Wee-Yeap Lau, Ph.D.</b> Department of Applied Statistics, Faculty of Economics and Administration University of Malaya, Malaysia</p> <p><b>Moh'd Mahmoud Ajjouni, Ph.D.</b> Department of Banking and Finance, Faculty of Economics Yarmouk University, Jordan</p> <p><b>Anel A. Kireyeva, Ph.D.</b> The Institute of Economics under the Ministry of Education and Science Republic of Kazakhstan</p> <p><b>Nailya K. Nurlanova, Ph.D.</b> Department of Management &amp; Entrepreneurship, College of Business Rowan University, USA</p> <p><b>Rajasekhara Mouly Potturi, Ph.D.</b> College of Business Studies Al Ghurair University, Dubai, United Arab Emirates</p> <p><b>Muhammad Ayub Siddiqui, Ph.D.</b> Bahria Institute of Management and Computer Sciences Bahria University, Pakistan</p> <p><b>Tahereh Alavi Hojjat, Ph.D.</b> Professor of Economics &amp; Finance, Division of Business DeSales University, USA</p> <p><b>Tantatape Brahmastre, Ph.D.</b> Professor of Finance and International Business, College of Business Purdue University Northwest, USA</p>
Ad Hoc Associate Editors	<p><b>Helena M. Nobre, Ph.D.</b> DEGEIT - Economics, Management, Industrial Engineering and Tourism, GOVCOPP, University of Aveiro, Portugal</p> <p><b>Yuliani Dwi Lestari, Ph.D.</b> Professor, School of Business and Management, Institut Teknologi Bandung, Indonesia</p>

**Yuliani Dwi Lestari, Ph.D.**

Professor, School of Business and Management,  
Institut Teknologi Bandung, Indonesia

**Nguyen Xuan Truong, Ph.D.**

Professor, Faculty of Marketing,  
University of Finance – Marketing, Ho Chi Minh City, Vietnam

**Soo-Joon Chae, Ph.D.**

Division of Business Administration and Accounting,  
Kangwon National University, South Korea

**Nguyen Ngoc Duy Phuong, Ph.D.**

Professor, International University,  
Vietnam National University, Ho Chi Minh City, Vietnam

**Jarunee Wonglimpiyarat, Ph.D.**

Department of Aeronautics and Astronautics  
Massachusetts Institute of Technology, USA

**Yu Hsing, Ph.D.**

Joseph H. Miller Endowed Professor, Department of Management & Business Administration,  
College of Business, Southeastern Louisiana University, USA.

**Yoon S. Shin, Ph.D.**

Department of Finance, The Sellinger School of Business and Management,  
Loyola University, Maryland, USA

**Ayşe Yüce, Ph.D.**

Professor of Finance, Department of Finance, Ted Rogers School of Management,  
Ryerson University Toronto, Canada

**Soo-Joon Chae, Ph.D.**

Division of Business Administration and Accounting,  
Kangwon National University, South Korea

**Nguyen Ngoc Duy Phuong, Ph.D.**

Professor, International University,  
Vietnam National University, Ho Chi Minh City, Vietnam

**Jarunee Wonglimpiyarat, Ph.D.**

Department of Aeronautics and Astronautics  
Massachusetts Institute of Technology, USA

**Yu Hsing, Ph.D.**

Joseph H. Miller Endowed Professor, Department of Management & Business Administration,  
College of Business, Southeastern Louisiana University, USA.

**Yoon S. Shin, Ph.D.**

Department of Finance, The Sellinger School of Business and Management,  
Loyola University, Maryland, USA

**Ayşe Yüce, Ph.D.**

Professor of Finance, Department of Finance, Ted Rogers School of Management,  
Ryerson University Toronto, Canada

- **Diversification and Performance of Sri Lankan Banks**

Anirut PISEDASALASAI, Piyadasa EDIRISURIYA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.1-10

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.001> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Factors Affecting Financial Risk: Evidence from Listed Enterprises in Vietnam**

Hang Thu DANG, Duong Thuy PHAN, Ha Thi NGUYEN, Le Hong Thi HOANG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.11-18

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.011> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Determinants of Micro-, Small- and Medium-Sized Enterprise Loans by Commercial Banks in Indonesia**

Rizky YUDARUDDIN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.19-30

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.019> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Stock Market Response to Terrorist Attacks: An Event Study Approach**

Safdar Husain TAHIR, Furqan TAHIR, Nausheen SYED, Gulzar AHMAD, Muhammad Rizwan ULLAH

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.31-37

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.031> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Herding in Fast Moving Consumer Group Sector: Equity Market Asymmetry and Crisis**

Bharti BHARTI, Ashish KUMAR

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.39-49

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.039> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Effect of Maturity Mismatch between Investing and Financing on Audit Pricing**

Hong YIN, Ruo Nan ZHANG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.51-61

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.051> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Foreign Investors' Abnormal Trading Behavior in the Time of COVID-19**

Anya KHANTHAVIT

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.63-74

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.063> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Effect of Financial Restructuring on the Overall Financial Performance of the Commercial Banks in Vietnam**

Tam Thanh Nguyen DUONG, Hai Thanh PHAN, Tien Ngoc HOANG, Tien Thuy Thi VO

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.75-84

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.075> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Reciprocal Capital Structure and Liquidity Policy: Implementation of Corporate Governance toward Corporate Performance**

Sumani SUMANI, Ahmad ROZIQ

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.85-93

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.085> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Asian Stock Markets Analysis: The New Evidence from Time-Varying Coefficient Autoregressive Model**

Napon HONGSAKULVASU, Asama LIAMMUKDA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.95-104

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.095> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **A Risk-Return Analysis of Loan Portfolio Diversification in the Vietnamese Banking System**

Japan HUYNH, Van Dan DANG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.105-115

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.105> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Tests of a Four-Factor Asset Pricing Model: The Stock Exchange of Thailand**

Sasipa POJANAVATEE

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.117-123

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.117> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Nominal Price Anomaly in Emerging Markets: Risk or Mispricing?**

Lai Trung HOANG, Trang Thu PHAN, Linh Nhat TA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.125-134

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.125> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Shrinkage Model Selection for Portfolio Optimization on Vietnam Stock Market**

Nhat NGUYEN, Trung NGUYEN, Tuan TRAN, An MAI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.135-145

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.135> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Herding Behavior in Emerging and Frontier Stock Markets During Pandemic Influenza Panics**

Quang Thu LUU, Hien Thi Thu LUONG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.147-158

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.147> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Determinants of Capital Structure: The Case in Vietnam**

Thu Minh Thi VU, Chung Quang TRAN, Duong Thuy DOAN, Thang Ngoc LE

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.159-168

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.159> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Financial Development in Vietnam: An Overview**

Toan Ngoc BUI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.169-178

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.169> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Bank-Specific Determinants of Loan Growth in Vietnam: Evidence from the CAMELS Approach**

Hoang Dieu Hien NGUYEN, Van Dan DANG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.179-189

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.179> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Sectoral Contribution to Economic Development in India: A Time-Series Co-Integration Analysis**

Sandip SOLANKI, Krishna Murthy INUMULA, Asmita CHITNIS

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.191-200

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.191> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Oil Prices and Terms of Trade of Saudi Arabia: An Empirical Analysis**

Mohammad Imdadul HAQUE, Mohammad IMRAN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.201-208

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.201> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **China-ASEAN Trade Relations: A Study of Determinants and Potentials**

Hiep Xuan TRAN, Nhan Thanh Thi HOANG, Anh Thuy NGUYEN, Hoan Quang TRUONG, Chung Van DONG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.209-217

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.209> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Impulse Response of Inflation to Economic Growth Dynamics: VAR Model Analysis**

Doan Van DINH

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.219-228

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.219> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Debt Finance among Vietnamese Enterprises: The Influence of Managers' Gender\***

Hoang Lan HO, Minh Hoa DAO, The Cong PHAN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.229-239

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.229> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **FDI, Corruption and Development of Public Service Sectors in ASEAN Countries**

Nghi Huu PHAN, Loan Quynh Thi NGUYEN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.241-249

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.241> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Role of Economics, Politics and Institutions on Budget Deficit in ASEAN Countries**

Minh Ngoc NGO, Loc Duc NGUYEN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.251-261

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.251> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Factors Affecting Foreign Direct Investment: Evidence on Tay Ninh Province**



Thinh Quoc TRAN, Tuan Anh DANG, Ngoc Anh Thu TRAN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.263-269

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.263> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Does Taxable Income under Full Disclosure of Earnings Provide Incrementally Useful Information to Investors?**

Joonhyun KIM

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.271-281

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.271> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Effect of Corporate Governance on the Cost of Debt: Evidence from Thailand**

Kulaya JANTADEJ, Woraphon WATTANATORN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.283-291

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.283> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Does Fixed Asset Revaluation Create Avenues for Financial Numbers Game? Evidence from a Developing Country**

Md. Tahidur RAHMAN, Syed Zabid HOSSAIN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.293-304

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.293> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Financing Risk in Indonesian Islamic Rural Banks: Do Financing Products Matter?**

Agus WIDARJONO, M.B. Hendrie ANTO, Faaza FAKHRUNNAS

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.305-314

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.305> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **A Comparison of Models for Predicting Discretionary Accruals: A Cross-Country Analysis**

Goksel ACAR, Ali COSKUN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.315-328

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.315> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Effect of Capital Structure on Financial Performance of Vietnamese Listing Pharmaceutical Enterprises**

Hung The DINH, Cuong Duc PHAM

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.329-340

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.329> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Small- and Medium-sized Firms' Internationalization and Performance during a Recession**

Yong-Young KIM, Young Ei KIM, Ka Young OH

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.341-350

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.341> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Credit Management Guidelines to Strengthen Thai Industrial Sector**

Chittikhun KULCHITTIVEJ, Pairat PORNPUDEJWITTAYA, Thanin SILPCHARU

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.351-362

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.351> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **An Impact of Budgetary Goal Characteristics on Performance: The Case of Vietnamese SMEs**

Thang Ngoc LE, Dung Duc NGUYEN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.363-370

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.363> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Individual Customers' Access to Credits at Commercial Banks in Viet Nam: The Case of Tra Vinh Province**

**Ha Hong NGUYEN**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.371-376

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.371> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Impact of Board Characteristics on Bank Risk: The Case of Vietnam**

**Tu T. T. TRAN, Nhung H. DO, Yen T. NGUYEN**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.377-388

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.377> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Factors Influencing Cost Overruns in Construction Projects of International Contractors in Vietnam**

**Thong Quoc VU, Cuong Phu PHAM, Thu Anh NGUYEN, Phong Thanh NGUYEN, Phuong Thanh PHAN, Quyen Le Hoang Thuy To NGUYEN**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.389-400

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.389> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Relationship between Ownership Structures and Earnings Management Behavior in Vietnamese Commercial Banks**

**Thinh Quoc TRAN, Anh Hoang LY, Dung Khanh Ngoc NGUYEN**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.401-407

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.401> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Impact of Foreign Ownership and Management on Firm Performance in Vietnam**

**Thi Xuan Hong NGUYEN, Thu Huyen PHAM, Thi Nhung DAO, Thi Nga NGUYEN, Thi Kim Ngoc TRAN**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.409-418

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.409> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Fintech and Banking: Evidence from Vietnam**

Nguyen Thi Kim LIEN, Thu-Trang Thi DOAN, Toan Ngoc BUI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.419-426

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.419> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Reflective Model of Brand Awareness on Repurchase Intention and Customer Satisfaction**

Gunawan Bata ILYAS, Sri RAHMI, Hasmin TAMSAH, Abdul Razak MUNIR, Aditya Halim Perdana Kusuma PUTRA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.427-438

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.427> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **A Study on the Effects of Business Service Quality on Satisfaction, Commitment, Performance, and Loyalty at a Private University**

Hyuk Jin LEE, Myeong Hee SEONG

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.439-453

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.439> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **An Exploratory Research on Country-of-Origin and Its Impact on the UAE Consumers Buying Decisions**

Rajasekhara Mouly POTLURI, Sophia JOHNSON

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.455-466

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.455> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Factors Affecting Enterprise's Satisfaction toward Social Security's Online Public Service: The Case of Thanh Hoa Province, Vietnam**

Chi Thanh NGO, Thi Ngoc Mai NGUYEN, Duy Dat NGUYEN, Hoang Ba Huyen LE, Van Cuong LE, Thi Binh LE

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.467-475

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.467> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Leadership Styles and Customer Loyalty: A Lesson from Emerging Southeast Asia's Airlines Industry**

Mohamad RIZAN,Ari WAROKKA,Agus WIBOWO,Ika FEBRILIA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.477-488

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.477> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Effects of Shoppers' Motivation on Self-Service Technology Use Intention: Moderating Effects of the Presence of Employee**

Yongsoo HA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.489-497

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.489> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Service Quality Perception and Customer Satisfaction in Islamic Banks of Oman**

Naushad ALAM,Hanin Abdulrhman AL-AMRI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.499-504

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.499> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Examining Customers' Continuance Intentions towards E-wallet Usage: The Emergence of Mobile Payment Acceptance in Vietnam**

Nguyen Ngoc Duy PHUONG,Ly Thien LUAN,Vu Van DONG,Nguyen Le Nhat KHANH

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.505-516

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.505> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Impact of Service Quality and Perceived Value on Customer Satisfaction and Behavioral Intentions: Evidence from Convenience Stores in Vietnam**

Van Dat TRAN,Nhat Minh Trang LE

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.517-526

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.517> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Dynamic Capabilities, Environmental Dynamism and Small and Medium Enterprises' Internationalization Level**

Hazem ALI, Yunhong HAO, Chen AIJUAN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.527-536

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.527> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Perceived Ease of Use, Perceived Usefulness, Perceived Security and Intention to Use E-Filing: The Role of Technology Readiness**

Afrizal TAHAR, Hosam Alden RIYADH, Hafiez SOFYANI, Wahyu Eko PURNOMO

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.537-547

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.537> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Linking Knowledge Sharing to Innovative Work Behaviour: The Role of Psychological Empowerment**

Abdullah F. ALMULHIM

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.549-560

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.549> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Factors Affecting Sustainable Tourism Development in Ba Ria-Vung Tau, Vietnam**

Dong Van VU, Ghi Nha TRAN, Hien Thi Thu NGUYEN, Cong Van NGUYEN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.561-572

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.561> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Effect of Entrepreneurial Learning towards Entrepreneurial Intention of Indonesian Women**

Charly HONGDIYANTO, Teofilus TEOFILUS, Timotius F.C.W. SUTRISNO, Putu Sonnia Paramaesya DEWANTI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.573-582

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.573> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Evaluation of Auditors' Professional Skills in Local Auditing Firms in Hanoi**

**Thi Hanh Duyen NGUYEN, Van Luyen LE, Nguyen Van HAU, Duc Tai DO, Nguyen Thi Thu THAO**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.583-591

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.583> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Innovation Culture and Process in Mediating Human Capital Supply Chain on Firm Performance**

**Muafi MUAFI, Yuni SISWANTI, Awan Kostrad DIHARTO, Imanirrahma SALSABIL**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.593-602

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.593> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Factors Affecting Job Motivation among Faculty Members: Evidence from Vietnamese Public Universities**

**The Tuan TRAN, Quang Hung DO**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.603-611

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.603> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Measuring the Interest of Smartphone Usage by Using Technology Acceptance Model Approach**

**Yohan WISMANTORO, Heribertus HIMAWAN, Karis WIDIYATMOKO**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.613-620

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.613> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Impact of Human Resource Management Activities on the Compatibility and Work Results**

**Duc Trung NGUYEN, Van Dung HA, Truong Thanh Nhan DANG**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.621-629

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.621> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Corporate Social Responsibility, Profitability and Firm Value: Evidence from Indonesia**

Zaky MACHMUDDAH, Dian Wulan SARI, St. Dwiwarso UTOMO

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.631-638

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.631> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Understanding the Entrepreneurial Intention in the Light of Contextual Factors: Gender Analysis**

Md. Atikur RAHAMAN, Md. Julfikar ALI, Zahidur Rahman MAMOON, Ahmed Al ASHEQ

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.639-647

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.639> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Students' Perceptions and Expectation Gap on the Skills and Knowledge of Accounting Graduates**

Cornelia ARYANTI, Desi ADHARIANI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.649-657

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.649> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Coronavirus 'COVID-19' – Supply Chain Disruption and Implications for Strategy, Economy, and Management**

Jarrah F. AL-MANSOUR, Sanad A. AL-AJMI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.659-672

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.659> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Linkages of Financial Efficacy, Demographics, Risks Preference and Consumption Behavior in Malaysia**



Suhal KUSAIRI, Nur Azura SANUSI, Suriyani MUHAMAD, Madihah SHUKRI, Nadia ZAMRI

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.673-685

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.673> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Environmental Sustainability Awareness in the Kingdom of Saudi Arabia**

Uzma KHAN, Mohammad Imdadul HAQUE, Aarif Mohammad KHAN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.687-695

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.687> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Competency Gap in the Labor Market: Evidence from Vietnam**

Quan Thai Thuong LE, Tam Ho Dan DOAN, Quyen Le Hoang Thuy To NGUYEN, Doang Thi Phuc NGUYEN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.697-706

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.697> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **The Impact of Climate Factors, Disaster, and Social Community in Rural Development**

Faradiba FARADIBA, Lodewik ZET

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.707-717

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.707> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Applying the Fuzzy Decision-Making Method for Program Evaluation and Management Policy of Vietnamese Higher Education**

Kiet Hao TONG, Quyen Le Hoang Thuy To NGUYEN, Tuyen Thi Mong NGUYEN, Phong Thanh NGUYEN, Ngoc Bich VU

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.719-726

DOI: <https://doi.org/10.13106/jafeb.2020.vol7.no9.719> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **A Contiguity of Social Capital, Competence, and Business Performance Moderating by Government Policy**

Made Gde Sudharma SANTOSA,Wayan Gde SUPARTHA,I. Gede RIANA,I. B. Ketut SURYA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.727-736

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.727> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Impacts of Industrial Park Development on the Surroundings' Livelihood**

Thanh Thuy CU,Thi Hoai Huong HOANG,Thi Yen LE

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.737-746

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.737> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Definition of Success According to Women Entrepreneur in Malang, Indonesia**

Maretha Ika PRAJAWATI,Wahjoedi WAHJOEDI,Hari WAHYONO,Sunaryanto SUNARYANTO

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.747-753

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.747> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Poverty Alleviation Efforts through MDG's and Economic Resources in Indonesia**

Samson LAURENS,Aditya Halim Perdana Kusuma PUTRA

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.755-767

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.755> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Empowering Poor-Households Women on Productive Economy Businesses in Indonesia**

Suminah SUMINAH,Sapja ANANTANYU

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.769-779

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.769> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Psychological Capital, Personality Traits of Big-Five, Organizational Citizenship Behavior, and Task Performance: Testing Their Relationships**

Udin UDIN,Ahyar YUNIAWAN

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.781-790

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.781> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Challenges and Opportunities for Agribusiness Development: Lesson from Indonesia**

**Soetriono SOETRIONO, Djoko SOEJONO, Evita Soliha HANI, Anik SUWANDARI, Bagus Shandy NARMADITYA**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.791-800

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.791> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Accounting Knowledge as a Contributing Intention on Improving Public Accounting Profession**

**Ria Sandra ALIMBUDIONO**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.801-809

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.801> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

- **Injustice Perception and Work Alienation: Exploring the Mediating Role of Employee's Cynicism in Healthcare Sector**

**Omar DURRAH**

The Journal of Asian Finance, Economics and Business :: Vol.7 No.9 pp.811-824

DOI:<https://doi.org/10.13106/jafeb.2020.vol7.no9.811> [Download pdf](#) [Export Citation](#)

[Open abstract](#)

Print ISSN: 2288-4637 / Online ISSN 2288-4645  
doi:10.13106/jafeb.2020.vol7.no9.085

## Reciprocal Capital Structure and Liquidity Policy: Implementation of Corporate Governance toward Corporate Performance

Sumani SUMANI<sup>1</sup>, Ahmad ROZIQ<sup>2</sup>

Received: June 14, 2020 Revised: June 28, 2020 Accepted: August 10, 2020

### Abstract

The research objective examines the effect of corporate governance on capital structure and its effect on liquidity policy and corporate performance. It tests the effect of capital structure and liquidity policy on corporate governance. It also examines the effect of liquidity policy on capital structure and the effect of capital structure on liquidity policy. The study population is all manufacturing companies that went public on the Indonesia Stock Exchange in the period 2010-2019. The research population is 182 manufacturing companies. The Judgment Sampling was used and 109 companies meet the research criteria. The study used panel data for ten years so that the amount of data observed was 1090 observations. The analysis tool uses Warp Partial Least Square (WarpPLS). The results showed that corporate governance had a significant positive effect on capital structure, but corporate governance had a significant adverse effect on liquidity policy, and corporate governance had a significant positive effect on corporate performance. Furthermore, capital structure has a significant negative effect on corporate performance, but liquidity policy has no significant effect on corporate performance. Capital structure and liquidity policy are proven to be reciprocally significant positive correlations for manufacturing companies in Indonesia.

**Keywords:** Corporate Governance, Capital Structure, Liquidity Policy, Corporate Performance

**JEL Classification Code:** G34, D24, O16, G38, L25

### 1. Introduction

Is corporate governance still a problem in a country's business and economy? It is an interesting question in theoretical studies and among business people, especially in Indonesia. According to a study conducted by the World Bank, the weak implementation of the corporate governance system is one of the determinants of an acute crisis that occurred in Southeast Asia (World Bank, 1998, 2000, 2002). Besides, corporate governance also has a crucial role in increasing competition with global companies (Ehikioya, 2009).

Different theories have explained corporate governance issues. Agency theory is put forward (Fama & Jensen, 1983; Jensen & Meckling, 1976), which is at the center of many explanations for the link between corporate governance and firm performance. Williamson (1979, 1981, 1984) suggested a transaction cost economics where the firm itself is a governance structure facing a set of contractual hazards. Shleifer and Vishny (2012) suggest a financial model under which the corporate governance system should ensure that substantial resources are managed efficiently and in the interest of the suppliers of capital, mitigating the expropriation of resources by managers.

Jensen and Meckling (1976) assert that agency problems arise when managing a company is separate from its owner. Corporate governance is a means to make companies better, among others, by inhibiting practices of corruption, collusion, nepotism, improving budget discipline, utilizing supervision, and encouraging efficiency in corporate management (Zarkasyi, 2008). According to the agency theory, if this monitoring function can be carried out properly, it will reduce agency problems. It is explained by Macey and O'Hara (2003) that corporate governance is needed to reduce agency problems between owners and

<sup>1</sup>First Author and Corresponding Author. Associate Professor, Department of Management, Faculty of Economics and Business, University of Jember, Indonesia [Postal Address: Kampus Tegalboto, Jl. Kalimantan No.37, Kabupaten Jember, Jawa Timur 68121, Indonesia] Email: sumani@unej.ac.id

<sup>2</sup>Associate Professor, Department of Accounting, Faculty of Economics and Business, University of Jember, Indonesia. Email: ahmad.roziq@unej.ac.id

managers. The larger number of audit committee members is expected to carry out more effective oversight. Increasing the number of members of the audit committee will increase confidence in supervision by the audit committee, because there are diverse experience and expertise, so it is expected to reduce agency problems in the company in the form of less optimal liquidity management (Karamanou & Vafeas, 2005). According to Chtourou et al. (2005), with a bigger number of boards, the monitoring mechanism of company management will be better. Taken together, theoretical and empirical studies using agency theory as a theoretical framework suggest that conflicts of interest between managers and shareholders, managerial incentives, controlling shareholders' motives, and the existing corporate governance structure in the firm have a significant influence on the capital structure choices made by managers (Jensen & Meckling, 1976; Berger et al., 1997; Faccio, Lang, & Young, 2010; Vijayakumaran & Vijayakumaran, 2019). Therefore, a firm's observed capital structure is the result of the combination of managers' incentive, controlling shareholders' objectives, and the robustness of the governance mechanisms in place to ensure the interest of outside shareholders or minority shareholders as well as the traditional financial determinants that have been typically used to explain capital structure choices.

The country has a growing, advanced, and robust industry. If the contribution of the manufacturing industry is at least 40% of GDP, Indonesia is still far below that limit (Hartanto, 2014). Nevertheless, the results of the Indonesian Manufacturing Purchasing Manager Index (PMI) survey published by the Nikkei and IHS Markit Bernard Aw amounted to 51.2 in December 2018, up from the previous month's achievement of 50.4. However, the global manufacturing index in December 2018 is at the lowest level since September 2016, which is 51.5, down from November 2018, which reached 52.0. This condition is caused by the continued decline in sales to foreign markets (Kontan.co.id., 2019). Based on the problems that have been raised previously, the importance of the research is in determining the Reciprocal Capital Structure and Company Liquidity Policy: Implementation of Corporate Governance on Company Performance.

## 2. Literature Review

### 2.1. Corporate Governance and Capital Structure

Studies have pointed out (Fidanoski et al., 2013; Motjaba et al., 2014; Mudalige & Ekanayake, 2017; Orazalin et al., 2016; Fidanoski et al., 2013; Motjaba et al., 2014; Orazalin et al., 2016; Mudalige & Ekanayake, 2017) that corporate governance proxies can be institutional ownership, managerial ownership, the board of directors, domestic

ownership, ownership concentration, board independence, auditors' opinions, ultimate ownership, state ownership, the role of quality, board meetings, remuneration committee, CEO education, corporate disclosure, and number of meetings held.

Myers and Majluf (1984) and Safdar and Hasan (2009) found that corporate governance has a significant effect on capital structure. Nevertheless, Motjaba et al. (2014) found evidence that corporate governance did not affect capital structure. Furthermore, Siromi and Chandrapala (2017) explained that the composition of the board a significant positive effect and board committee have a significant adverse effect on capital structure; the board size, CEO duality, and managerial ownership have no significant effect on capital structure. According to Liao et al. (2015), corporate governance (board composition, CEO duality, ownership concentration, and profitability) has a significant negative relationship with the debt ratio; corporate governance (board size) shows a significant positive relationship with the debt ratio.

According to studies (Chen & Hu, 2012; Fama & Jensen, 1983; Jensen & Meckling, 1976; Sun et al., 2016), at a low level of managerial ownership, ownership structure has a significant positive effect on capital structure, but in groups of companies with high managerial ownership levels, ownership structure has a significant adverse effect on capital structure. Furthermore, institutional ownership has a positive effect on the level of corporate leverage. Shyu (2013) shows ownership structure, proxied by insider ownership, has a significant negative effect on company performance. Su (2010) also explains that companies controlled by the government use less debt financing.

### *H1. Corporate Governance influences Capital Structure*

### 2.2 Corporate Governance and Liquidity Policy

High liquidity in companies may be an indication of agency problems due to differences in interests between principals and agents (Jensen, 1986). Managers prefer the existence of substantial cash because this form of liquid assets is the easiest that can be used by managers for their welfare (Myers & Rajan, 1998). Alternatively, in other words, agency problems are one of the essential determinants in a company's liquidity policy (Dittmar et al., 2003). Agency problems that occur in companies can be minimized by applying good corporate governance, one of which is by determining the optimal level of liquidity (Jensen & Meckling, 1976).

Dittmar et al. (2003) found that companies with bad corporate governance, tended to have higher cash balances compared to companies with good corporate governance. Bokpin et al. (2011) and Luo and Hachiya (2005) found a positive relationship between foreign ownership and

corporate cash holding. However, if corporate governance is proxied by managerial ownership, the results are negatively correlated with cash holding (Bokpin et al., 2011; Papaioannou et al., 1992).

The application of corporate governance with the proxy of managerial ownership will build harmony between the interests of principals and agents so that managers act according to the wishes of shareholders (Jensen & Meckling, 1976). If managerial ownership is low, then the incentive for the manager to misuse company assets through the accumulation of cash holding will be higher, so that it can reduce the value of shareholders. Nevertheless, if managerial ownership is high, then managers will be motivated to increase the value of the company and be wiser in the use of company cash. Ozkan and Ozkan (2004) support that there is a significant positive relationship between managerial ownership and cash holding. Luo and Hachiya (2005) also find that insider ownership has a positive effect on the company's cash holding level. Christina and Ekawati (2014) and Luo and Hachiya (2005) found that institutional ownership negatively affected the company's cash holding. Corporate liquidity policy is proxied by cash holding, current ratio, liquid ratio, absolute liquid ratio, cash conversion cycle, and working capital (Bagchi & Chakrabarti, 2014; Bokpin et al., 2011; Wasiuzzaman, 2019).

## *H2. Corporate Governance influences Liquidity Policy*

### **2.3. Corporate Governance and Corporate Performance**

Company performance is the result of activities in return on investment within a specified period. Company performance is used for evaluation and in the decision-making by certain parties. Performance evaluation can be divided into two categories, namely, based on financial performance and based on market information (firm value). According to Ross et al. (2010), firm value is the same as the market value of debt and equity, minus cash and cash equivalents of the company. Saidat et al. (2019) shows that corporate financial performance is proxied by return on assets (accounting-based) and Tobin's Q (market-based), and has a significant adverse effect on the performance of family firms. In non-family firms, there is no systematic relationship with corporate performance (Nguyen & Nguyen, 2020).

Corporate governance has a significant positive effect on corporate performance (Bhatt & Bhatt, 2014; Kasozi & Ngwenya, 2010; Myers & Majluf, 1984; Orazalin et al., 2016). There was a significant positive relationship between corporate governance (board composition and board size) and financial performance. Ownership structure which is proxied by insider ownership and institutional ownership has

a significant positive effect on corporate performance (Lin & Fu, 2017; Shyu, 2013). However, Alucha and Bogumil (2017) show that corporate governance proxied by the concentration of ownership by majority shareholders have a significant adverse effect on corporate performance. In contrast, Mollah et al. (2012) showed that scattered ownership could improve corporate performance and reduce agency conflict. Mardnly et al. (2018) shows that corporate governance that is proxied by board of directors, auditing, disclosure, and ownership structure, apparently, only ownership structure has a significant positive effect on corporate performance (return on assets and earnings per share). Furthermore, in the ownership structure, only foreign ownership items have a significant positive effect on corporate performance. Ofoeda (2017) also shows a positive relationship between board size, audit committee size, meetings of the audit committee, and profitability.

### *H3. Corporate Governance influences Corporate Performance*

### **2.4. Capital Structure and Corporate Performance**

Capital structure is one of the important decisions in the field of corporate finance and refer to the way that a company finances its assets by combining liabilities and equity (Gul & Cho, 2019). Listed companies possess the basic characteristics whereby different shareholders, forming the company's ownership structure, own equity capital. Ross (1977) explains that, when a company issues new debt, it becomes a sign or signal to shareholders and investors about the company's prospects in the future. This signaling theory arises because of asymmetric information problems caused by asymmetric conditions of information existing from time to time; companies must maintain loan reserve capacity by keeping loans low. Myers and Majluf (1984) also formulated a signaling model, which was a combination of investment decisions and funding decisions.

The effect of capital structure influencing corporate performance has been proven empirically (Ikapel & Kajirwa, 2017; Khan et al., 2013; Khanam et al., 2014; Mwangi et al., 2014; Sumani, 2015). Capital structure has a significant negative effect on financial performance. It contrasts with research (Detthamrong et al., 2017; Modigliani & Miller, 1963) showing that capital structure has a significant positive effect on financial performance. Vithessonthi and Tongurai (2015) show that capital structure has a significant negative effect on corporate performance. However, internationally-oriented companies show that capital structure has a significant positive effect on corporate performance.

### *H4. Capital Structure influences Corporate Performance.*

## 2.5. Liquidity Policy and Corporate Performance

According to Brealey et al. (2007), liquidity is the ability to sell an asset to get cash in a short time, especially to settle large and unexpected bills. Companies certainly also have assets with different degrees of liquidity, so corporate liquidity policy becomes very important in each company. Takon and Ogakwu (2013) show that liquidity has a significant positive effect on return on assets. Durrah et al. (2016) also showed a significant positive effect of all liquidity ratios (current ratio, quick ratio, defensive interval ratio) on gross profit margin, operating profit margins, net profit margins, operating cash flow margins, and return on assets. Samo and Murad (2019) show liquidity (current ratio), significantly positive effect on a firm's profitability (return on assets, and return on equity). Bagchi and Chakrabarti (2014) show that liquidity management has a significant negative effect on profitability (return on investment).

*H5. Liquidity Policy influences Corporate Performance.*

## 2.6. Capital Structure and Liquidity Policy

Sarlija and Harc (2012) show that liquidity ratios which are proxied by current ratio, quick ratio, and cash ratio have a significant adverse effect on leverage ratios, which is proxied by debt ratio, debt to equity ratio and debt factor. However, the cash ratio does not have a significant effect of leveraging proxied by a long term debt ratio. Khanqah and Ahmadnia (2013) also explained that liquidity, which was proxied by cash flow to total assets ratio, had a significant negative effect on capital structure. However, liquidity, which was proxied by cash flow to net income ratio and cash flow to equity ratio, had a significant positive effect on capital structure. Furthermore, Takon and Ogakwu (2013) explained that liquidity is the primary financial indicator in measuring whether companies can fulfill their commitments for payment of short-term, long-term debt and, total debt ratio. Bukair (2019) shows that bank size, liquidity, and corporate age are positively correlated to the leverage ratio, supporting the trade-off theory.

Some empirical studies indicate a reciprocal relationship between capital structure and corporate liquidity policy and significant research results. Burksaitiene and Draugele (2018) show that capital structure has a significant negative effect on liquidity, meaning that a high company equity will reduce liquidity risk, conversely, high debt capital will increase liquidity risk. Dasgupta et al. (2011) state that companies with high levels of debt make cash flow negative and make cash flow more sensitive. In other words, the unfavorable capital structure can increase the level of sensitivity to cash flow. Dasgupta et al. (2011) state that there is a positive correlation between capital structure components and cash flow shock. According to Darabi et al. (2012), cash flow

shock is the effect of changes in operating cash, which leads to cash holding. In contrast, research conducted by Darabi et al. (2012) shows is no correlation or effect between capital structure and cash flow sensitivity.

*H6. Capital Structure affects Liquidity Policy*

*H7. Liquidity Policy affects the Capital Structure.*

## 3. Methodology

This study aims to examine and explain the effect of exogenous variables on endogenous variables, so that the type of research used is explanatory research. Exogenous variables are corporate governance, while endogenous variables include capital structure, corporate liquidity policy, and corporate performance. The sampling method using Judgment Sampling identified as many as 109 companies, as well as research data on manufacturing companies listing on the Indonesia Stock Exchange in 2010-2019. Data analysis uses the Partial Least Square Warp (WarpPLS) to investigate the variables in the study by testing the hypothesis by performed t-test.

## 4. Results and Discussion

### 4.1. Model Fit and Quality Indices Model WarpPLS

There are ten measurements of Model Fit and Quality Indices in the WarpPLS analysis to measure the quality of structural models (Solimun et al., 2017) (see Table 1).

### 4.2. Indicator Weights

Indicator weights are used to determine the strength of the indicator as a measure of latent variables. Indicators with large weights indicate that the indicator has a strong ability to reflect latent variables. Corporate governance as an exogenous variable has three indicators, namely, independent commissioners, management ownership, and public ownership. Independent Commissioners weight 0.317, Management Ownership, has a weight of 0.255, and Public Ownership has a weight of 0.440. All indicators of corporate governance have p-values less than 0.001. Thus, public ownership indicators have a stronger ability to form corporate governance variables compared to the other two indicators.

The capital structure as the first mediating variable has two indicators, namely, Debt-to-Asset Ratio (DAR) and Debt-to-Equity Ratio (DER). The DAR indicator weight is 0.407 with p-value <0.001 and DER weights 0.613 with p-value <0.001. The debt-equity ratio (DER) indicator has a stronger and more significant ability to shape the capital structure variable. Liquidity policy as the second mediating variable has three indicators, namely, cash holding, liquid

**Table 1:** Model Fit and Quality Indices

No	Model Fit and Quality Indices	Fit Criteria	Value	Result
1	Average Path Coefficient (APC)	$P < 0.05$	0.282; $P < 0.001$	Good
2	Average R-Squared (ARS)	$P < 0.05$	0.361; $P < 0.001$	Good
3	Average Adjusted R-Squared	$P < 0.05$	0.345; $P < 0.001$	Good
4	Average Block VIF (AVIF)	Acceptable if $< 5$ , Ideally $< 3.3$	2.047	Ideal
5	Average Full Collinearity VIF	Acceptable if $< 5$ , Ideally $< 3.3$	2.310	Ideal
6	Tenenhaus GoF (GoF)	Small $> 0.1$ , Medium $> 0.25$ , Large $> 0.36$	0.527	Large
7	Symspson's Paradox Ratio (SPR)	Acceptable if $> 0.7$ , Ideally 1	0.854	Good
8	R-Squared Contribution Ratio	Acceptable if $> 0.9$ , Ideally 1	0.901	Good
9	Statistical Suppression Ratio (SSR)	Acceptable if $> 0.7$	0.925	Good
10	Nonlinear Bivariate Causality Direction Ratio (NLBCDR)	Acceptable if $> 0.7$	0.832	Good

**Table 2:** Hypothesis Testing on the Direct Effect of WarpPLS Analysis

No.	Influence Between Variables	Coefficients	p-value	Description
1	Corporate Governance → Capital Structure	0.279	0.015	Significance
2	Corporate Governance → Liquidity Policy	-0.182	0.004	Significance
3	Corporate Governance → Corporate Performance	0.363	0.001	Significance
4	Capital Structure → Corporate Performance	-0.216	0.012	Significance
5	Liquidity Policy → Corporate Performance	0.081	0.110	Not Significance
6	Capital Structure → Liquidity Policy	0.127	0.033	Significance
7	Liquidity Policy → Capital Structure	0.377	0.011	Significance

assets, and cash ratio. Cash holding indicators have a stronger ability to form variable liquidity policies. It is evidenced by the indicator weight of 0.509 with p-value  $< 0.001$ . Corporate performance variables as endogenous variables have three indicators, namely, ROA, ROE and Tobin's Q. Tobin's Q indicators have a stronger ability to form corporate performance variables with an indicator weight of 0.492 and p-value 0.001. The results of testing the direct effect hypothesis with WarpPLS are shown in Table 2.

Table 2 shows that all hypotheses were proven to be significant, except for the fifth hypothesis, which was not proven; that is, the corporate liquid policy had a significant effect on corporate performance.

### 4.3. Discussion

Hypothesis testing results indicate that corporate governance has a significant positive effect on capital

structure. The meaning of the results of this study confirms that corporate governance can play a role in shaping the effectiveness of capital structure management by utilizing supervision, budget discipline, and encouraging efficiency in corporate management. The results of this study support the previous research (Fama & Jensen, 1983; Jensen & Meckling, 1976; Liao et al., 2015; Masnoon & Rauf, 2014; Myers & Majluf, 1984; Shyu, 2013; Siromi & Chandrapala, 2017; Su, 2010; Sun et al., 2016), but do not support the research by Motjaba et al. (2014).

Hypothesis testing results indicate that corporate governance has a significant negative effect on corporate liquidity policy. These results prove that the ability of companies to make policies about liquidity will be determined by how well and effective the role of corporate governance is. The results of this study support the research by Papaioannou et al. (1992), but it contradicts other research (Bokpin et al., 2011; Luo & Hachiya, 2005).



The results of the study show that corporate governance has a significant positive effect on corporate performance. This condition confirms that if corporate governance, both in terms of composition and size as well as competencies, are arranged appropriately, corporate governance will play the major role in improving company performance. It is due to the effective functioning of the supervision, which will reduce the occurrence of agency costs and other transaction costs. The results of this study support the previous research (Bhatt & Bhatt, 2014; Mardnly et al., 2018; Ofoeda, 2017; Orazalin et al., 2016; Saidat et al., 2019). However, Saidat et al. (2019) also found that corporate governance had no significant effect on the performance of non-family firms.

The results of testing the hypothesis show that capital structure has a significant negative effect on corporate performance. The results of this test confirm that companies that are mostly funded from debt will have an impact on decreasing corporate performance. This is due to an increase in financial risk, a decrease in shareholders' income, which lead to agency costs. The results of this study support the previous research (Ikapel & Kajirwa, 2017; Khan et al., 2013; Khanam et al., 2014; Mwangi et al., 2014; Samo & Murad, 2019; Vithessonthi & Tongurai, 2015), but do not support the research results by Chang et al. (2010); Detthamrong et al. (2017); Modigliani and Miller (1963).

The results of hypothesis testing show that corporate liquidity policy has no significant effect on corporate performance. This phenomenon explains that the high corporate liquidity policy (cash holding, liquid assets, and cash ratio) does not have a direct impact on improving the company's operations. The corporate liquidity policy is not directly related to the addition of working capital or investment, but instead is focused on activities to reduce the cost of capital, especially in meeting unexpected funding needs and obligations that will soon be due. High liquidity may be an indication of agency problems due to differences in interests between principals and agents (Jensen, 1986). Managers prefer the existence of substantial cash because this form of liquid assets is the easiest to use by managers for their well-being (Myers & Rajan, 1998). It means that the high liquidity of a company is not merely to improve corporate performance, but there is a tendency for the welfare of managers themselves. The results of this study do not support the research results (Bagchi & Chakrabarti, 2014; Samo & Murad, 2019; Takon & Ogakwu, 2013).

Hypothesis testing that capital structure has a significant positive effect on corporate liquidity policy. Companies that have high levels of debt will undoubtedly have an impact on the high cost of capital, and ultimately will reduce the company's profitability. Declining profitability can result in a decrease in cash flow, so the company will use cash holding, liquid assets, and cash ratio to cover the cost of capital. Thus,

the risk of bankruptcy experienced by the company will be higher, and the company must prepare substantial funds to anticipate the bankruptcy earlier. The results of this study support the study by Dasgupta et al. (2011), but it contradicts the research by Burksaitiene and Draugele (2018) and Darabi et al. (2012).

The results of the study show that corporate liquidity policy has a significant positive effect on capital structure. Manufacturing companies that have excellent corporate liquidity policy are formed by proper capital structure management and the capital structure with a proportion of debt that is balanced with its capital. Thus, if the company's debt is high, of course, liquidity policy in the form of cash holding, liquid assets, and cash ratio will also be high. It is because companies must provide sufficient cash balances to cover capital costs, anticipate financial risks, and other unexpected needs. The results of this study support the research by Bukair (2019); Khanqah and Ahmadnia (2013); Sarlija and Hanc (2012). Nevertheless, it does not support research by Bagchi and Chakrabarti (2014).

## 5. Conclusion

The results of the study state that corporate governance has a significant positive effect on the capital structure, but a significant negative effect on corporate liquidity policy and a significant positive effect on corporate performance. Capital structure has a significant negative effect on corporate performance, and liquidity policy is not significantly correlated with corporate performance. Capital structure has a significant positive effect on corporate liquidity policy, and liquidity policy has a significant positive effect on capital structure. Future studies should include corporate governance indicator variables, namely, institutional ownership, the board of directors, domestic ownership, ownership concentration, auditors' opinions, ultimate ownership, state ownership, the role of quality, board meetings, remuneration committees, and several meetings held.

This research is expected to provide input for companies managing corporate governance by paying more attention to capital structure and corporate liquidity policy in optimizing corporate performance, to improve the welfare of shareholders and stakeholders. Besides, companies must also be aware that investors will conduct an assessment of the application of corporate governance in the feasibility analysis of investment decisions. Furthermore, it can enrich the conceptual discussion and consolidate the study of corporate governance, through agency theory developed by Jensen and Meckling (1976) and Fama and Jensen (1983), transaction costs introduced by Williamson (1979, 1981, 1984), as well as financial models (Shleifer & Vishny, 2012), and signaling theory (Ross, 1977).

## References

- Alucha, M., & Bogumil, K. (2017). Ownership Structure and Company Performance: A Panel Study from Poland. *Baltic Journal of Management*, 12(1). <https://doi.org/https://doi.org/10.1108/BJM-01-2017-0025>
- Bagchi, B., & Chakrabarti, J. (2014). Modelling Liquidity Management for Indian FMCG Firms. *International Journal of Commerce and Management*, 24(4), 334-354. <https://doi.org/https://doi.org/10.1108/IJCoMA-10-2012-0065>
- Bhatt, P., & Bhatt, R. (2014). Corporate Governance and Firm Performance in Malaysia. *The International Journal of Business in Society*, 17(5), 896-912. <https://doi.org/>. <https://doi.org/10.1108/CG-03-2016-0054>
- Berger, P. G., Ofek, E., & Yermack, D. L. (1997). Managerial entrenchment and capital structure decisions. *Journal of Finance*, 52, 1411-1438. <https://doi.org/10.1111/j.1540-6261.1997.tb01115.x>
- Bokpin, G. A., Isshaq, Z., & Otchere, F. A. (2011). Ownership Structure, Corporate Governance, and Corporate Liquidity Policy. *Journal of Financial Economic Policy*, 3(3), 262-279. <https://doi.org/https://doi.org/10.1108/17576381111152236>
- Brealey, R. A., Myers, S. C., & Marcus, A. J. (2007). *Fundamentals of Corporate Finance*. New York, NY: McGraw-Hill Companies, Inc.
- Bukair, A. A. (2019). Factors Influencing Islamic Banks' Capital Structure in Developing Economies. *Journal of Islamic Accounting and Business Research*, 10(1), 2-20. <https://doi.org/DOI:10.1108/JIABR-02-2014-0008>
- Burksaitiene, D., & Draugele, L. (2018). Capital Structure Impact on Liquidity Management. *International Journal of Economics, Business, and Management Research*, 2(1), 110-127.
- Chang, Y., Liu, Y., & Chien, C. (2010). Capital Structure and Firm Value in China. A Panel Threshold Regression Analysis. *African Journal of Business Management*, 4(4), 1-10.
- Chen, P., & Hu, H. S. (2012). *Total Quality Management & Business Excellence The mediating role of relational benefit between service quality and customer loyalty in airline industry*. September, 37-41. <https://doi.org/10.1080/14783363.2012.661130>
- Christina, Y., & Ekawati, E. (2014). Excess Cash Holding and Institutional Ownership in Manufacturing Companies Listed on the IDX. *Jurnal Manajemen Strategi Bisnis Dan Kewirausahaan*, 8(1), 1-10. <https://ojs.unud.ac.id/index.php/jmbk/article/view/8051> [Indonesian]
- Chtourou, S. M., Bedard, J., & Courteau, L. (2005). Corporate Governance and Earnings Management. *SSRN Electronic Journal*, <https://doi.org/10.2139/ssrn.275053>
- Darabi, R., Adeli, M., & Torkamani, M. (2012). The Effect of Cash Flow Shocks on Capital and Asset Structure (Evidence from Tehran Stock Exchange). *International Journal of Humanities and Social Science*, 13(2), 267-275.
- Dasgupta, S., Noe, T. ., & Wang, Z. (2011). Where did are Dollar Go? The Effect of Cash Flow Shocks on Capital and Asset Structure. *Journal of Financial and Quantitative Analysis*, 46(5), 1259-1294.
- Detthamrong, U., Chancharat, N., & Vithessonthi, C. (2017). Corporate Governance, Capital Structure, and Firm Performance: Evidence from Thailand. *Research in International Business and Finance*, 42, 689-709. <https://doi.org/DOI:10.1016/j.ribaf.2017.07.011>
- Dittmar, A., Smith, J. ., & Servaes, H. (2003). International Corporate Governance and Corporate Cash Holding. *Journal of Financial and Quantitative Analysis*, 38(1), 111-133.
- Durrah, O., Rahman, A. A. A., Jamil, S. ., & Ghafeer, N. A. (2016). Exploring the Relationship between Liquidity Ratios and Indicators of Financial Performance: An Analytical Study on Food Industrial Companies Listed in Amman Bursa. *International Journal of Economics and Financial Issues*, 6(2), 435-441.
- Ehikioya, B. (2009). Corporate Governance Structure and Firm Performance in Developing Economies: Evidence from Nigeria. *Corporate Governance: The International Journal of Business in Society*, 9(3), 231-243.
- Faccio, M, Lang, L. H. P., & Young, L. (2010). Pyramiding vs leverage in corporate groups: International evidence. *Journal of International Business Studies*, 41(1), 88-104. <https://doi.org/10.1057/jibs.2009.33>
- Gul, S., & Cho, H. R. (2019). Capital structure and default risk: evidence from Korean stock Market. *Journal of Asian Finance, Economics and Business*, 6(2), 15-24. <https://doi.org/10.13106/jafeb.2019.vol6.no2.15>.
- Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control Source. *Separation of Ownership and Control Source*, 26(2), 301-325.
- Fidanoski, F., Mateska, V., & Simeonovski, K. (2013). Corporate Governance and Bank Performance: Evidence from Macedonia. *Proceedings of 16th International Students' Conference*, Faculty of Economics and Administrative Sciences, Ege University, Izmir, Turkey, April 2013.
- Hartanto, E. (2014). *Opportunities and Challenges in the Industrial Sector Facing the National, Regional, Global Economy in the future*. Retrieved December 15, 2019 from: <http://rocana.kemenperin.go.id/index.php/download/category/412014?download=444%3A04-p-p-p-p> [Indonesian]
- Ikapel, O. ., & Kajirwa, I. (2017). Analysis of Long Term Debt and Financial Performance of State-Owned Sugar Firms in Kenya. *International Journal of Commerce and Management Research*, 3(2), 108-111.
- Jensen, M. C. (1986). Agency Costs of Free Cash Flow, Corporate Finance and Takeovers. *American Economic Review*, 76(2), 323-339. <https://www.jstor.org/stable/1818789?seq=1>
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure.

- Journal of Financial Economics*, 3(4), 305-360. [https://doi.org/https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/https://doi.org/10.1016/0304-405X(76)90026-X)
- Karamanou, I., & Vafeas, N. (2005). The Association between Corporate Boards, Audit Committees, and Management Earnings Forecasts: An Empirical Analysis. *Journal of Accounting Research*, 43(3), 453-486.
- Kasoz, J., & Ngwenya, S. (2010). The Capital Structure Practice of Listed Firms in South Africa. *Corporate Ownership & Control*, 8(1-6), 624-636. DOI:10.22495/cocv8i1c6p4
- Khan, F. N., Niazi, G. S. ., & Akram, T. (2013). Impact of Capital Structure on Firm Financial Performance: A Case of The Pakistani Engineering Firms Listed on KSE. *International Journal of Information, Business, and Management*, 5(2), 218-240.
- Khanam, F., Nasreen, S., & Pirzada, S. (2014). Impact of Capital Structure on Firm's Financial Performance: Evidence from the Food Sector of Pakistan. *Research Journal of Finance and Accounting*, 5(11), 93-104.
- Khanqah, V., & Ahmadnia, L. (2013). The Impact of Capital Structure on Liquidity and Investment Growth Opportunity in the Teheran Stock Exchange. *Journal of Basic and Applied Scientific Research*, 3(4), 463-470.
- Kontan.co.id. (2019, January). *PMI Index Reflects Increased Manufacturing Activity at the End 2018*. Retrieved March 15, 2020 from: <https://insight.kontan.co.id/news/indeks-pmi-cerminkan-peningkatan-kegiatan-manufaktur-di-akhir-2018> [Indonesian]
- Liao, L. ., Mukherjee, T., & Wang, W. (2015). Corporate Governance and Capital Structure Dynamics: An Empirical Study. *The Journal of Financial Research*, 38(2), 169-191. <https://doi.org/https://doi.org/10.1111/jfir.12057>
- Lin, Y. ., & Fu, X. (2017). Does Institutional Ownership Influence Firm Performance? Evidence from China. *International Review of Economic Finance*, 49, 17-57.
- Luo, Q., & Hachiya, T. (2005). Corporate Governance, Cash Holdings, and Firm Value: Evidence from Japan. *Review of Pacific Basin Financial Markets and Policies*, 8(4), 613-636.
- Nguyen, H. T., & Nguyen, A. H. (2020). The Impact of Capital Structure on Firm Performance: Evidence from Vietnam. *Journal of Asian Finance, Economic and Business*. 7(4), 97-105. <https://doi.org/https://doi.or/10.13106/jafeb.2020.vol7.no4.97>
- Macey, J., & O'Hara, M. (2003). The Corporate Governance of Bank, Federal Reserve Bank of New York. *Economic Policy Review*, 9(1), 91-107.
- Mardnly, Z., Mouselli, S., & Abdulraouf, R. (2018). Corporate Governance and Firm Performance: an Empirical Evidence from Syria. *International Journal of Islamic and Middle Eastern Finance and Management*, 11(4), 591-607.
- Masnoon, M., & Rauf, M. (2014). Impact of Corporate Governance on Capital Structure – A Study o KSE Listed Firms. *Global Management Journal for Academic & Corporate Studies*, 3(1), 94-110.
- Modigliani, F., & Miller, H. M. (1963). Corporate Income Taxes and the Cost of Capital: A Correction. *The American Economic Review*, 53(3), 433–443. <http://www.jstor.org/stable/1809167>
- Mollah, A. S., Farooque, O. A., & Karim, W. (2012). Ownership structure, corporate governance and firm performance: Evidence from an African emerging market. *Studies in Economics and Finance*, 29(4), 301-319. <https://doi.org/DOI:10.1108/10867371211266937>
- Motjaba, N., Poor, A., & Sadeghi, Z. (2014). The Relationship between Corporate Governance, Capital Structure, and Systematic Risk in those Firms Listed at Tehran's Stock Exchange, Iran. *Research Journal of Recent Sciences*, 3(12), 67-74.
- Mudalige, N., & Ekanayake, A. (2017). The Influence of Corporate Governance on Capital Structure Decisions of Listed Companies in Sri Lanka. *Modern Sri Lanka Studies*, 6(1), 33-45.
- Mwangi, L., Makau, M., & Kosimbei, G. (2014). Relationship between Capital Structure and Performance of Non-Financial Companies Listed in the Nairobi Securities Exchange Kenya. *Global Journal of Contemporary Research in Accounting, Auditing, and Business Ethics*, 1(2), 77-90.
- Myers, S., & Rajan, R. (1998). The Paradox of Liquidity. *The Quarterly Journal of Economics*, 113(3), 733-741.
- Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information that investors do not have. *Journal of Financial Economics*, 13(2), 187-221. [https://doi.org/10.1016/0304-405X\(84\)90023-0](https://doi.org/10.1016/0304-405X(84)90023-0)
- Ofoeda, I. (2017). Corporate Governance and Non-Bank Financial Institutions Profitability. *International Journal of Law and Management*, 59(6), 854-875.
- Orazalin, N., Mahmood, M., & Lee, K. (2016). Corporate governance, financial crises and bank performance: lessons from top Russian banks. *Corporate Governance: The International Journal of Business in Society*, 16(5), 798-814. <https://doi.org/https://doi.org/10.1108/CG-10-2015-0145>
- Ozkan, A., & Ozkan, N. (2004). Corporate Cash holding: an Empirical Investigation of UK Companies. *Journal of Banking & Finance*, 28(9), 2103-2134. <https://doi.org/https://doi.org/10.1016/j.jbankfin.2003.08.003>
- Papaioannou, G., Strock, E., & Travlos, N. (1992). Ownership Structure and Corporate Liquidity Policy. *Managerial and Decision Economics*, 13(4), 315-322. <https://www.jstor.org/stable/2487763>
- Ross, S. A. (1977). The Determination of Financial Structure: The Incentive-Signalling Approach. *The Bell Journal of Economics*, 8(1), 23-40. <https://doi.org/DOI:10.2307/3003485>
- Ross, S. A., Westerfield, R. ., & Jordan, B., D. (2010). *Fundamentals of Corporate Finance* (9<sup>th</sup> ed.). New York, NY: The McGraw-Hill Companies, Inc.
- Safdar, A., & Hasan, M. (2009). Impact of Ownership Structure and Corporate Governance on Capital Structure of Pakistani Listed Companies. *International Journal of Business and Management*, 4(2), 50-57. <https://doi.org/DOI:10.5539/ijbm.v4n2p50>

- Saidat, Z., Silva, M., & Seaman, C. (2019). The relationship between Corporate Governance and Financial Performance. *Journal of Family Business Management*, 9(1), 54-78. <https://doi.org/10.1108/JFBM-11-2017-0036>
- Samo, A., & Murad, H. (2019). Impact of Liquidity and Financial Leverage on Firm's Profitability-an Empirical Analysis of the Textile Industry of Pakistan. *Research Journal of Textile Apparel*, 23(4), 291-305. <https://doi.org/10.1108/RJTA-09-2018-0055>
- Sarlija, N., & Hanc, M. (2012). The Impact of Liquidity on the Capital Structure: A Case Study of Croatian Firms. *Business Systems Research*, 3(1), 30-36. <https://doi.org/10.2478/v10305-012-0005-1>
- Shleifer, A., & Vishny, R. (2012). A Survey of Corporate Governance. *The Journal of Finance*, 52(2), 737-783. <https://doi.org/10.1111/j.1540-6261.1997.tb04820.x>
- Shyu, J. (2013). Ownership Structure, Capital Structure, and Performance of Group Affiliation: Evidence from Taiwanese Group-Affiliated Firms. *Managerial Finance*, 39(4), 404-420. <https://doi.org/10.1108/03074351311306210>
- Siromi, B., & Chandrapala, P. (2017). The Effect of Corporate Governance on Firms' Capital Structure of Listed Companies in Sri Lanka. *Journal of Competitiveness*, 9(2), 19-33. <https://doi.org/10.7441/joc.2017.02.02>
- Solimun, Fernandes, A. A. R., & Nurjannah. (2017). *Multivariate Statistics Method: Structural Equation Modeling (SEM) WarpPLS Approach*. Kota Malang, Indonesia: Universitas Brawijaya Press. [Indonesian]
- Su, L. D. (2010). Ownership Structure, Corporate Diversification, and Capital Structure. *Management Decision*, 48(2), 314-339. <https://doi.org/10.1108/00251741011022644>
- Sumani, S. (2015). Determinan Struktur Modal dan Nilai Perusahaan Pertambangan Pasca UU Nomor 4 Tahun 2009. *Jurnal EKUITAS*, 19(1), 24-41.
- Sun, J., Ding, L., Guo, M., & Li, Y. (2016). Ownership, Capital Structure, and Financing Decision Evidence from the UK. *British Accounting Review*, 48(4), 448-463. <https://doi.org/10.1016/j.bar.2015.04.001>
- Takon, S. M., & Ogakwu, V. (2013). Impact of Liquidity on Return on Assets of Firms: Evidence from Nigeria. *International Journal of Management & Information Technology*, 6(3), 885-894. <https://doi.org/10.24297/ijmit.v6i3.728>
- Vithessonthi, C., & Tongurai, J. (2015). The Effect of Leverage on Performance: Domestically-Oriented Versus Internationality-Oriented Firm. *Research in International Business and Finance*, 34, 265-280. <https://doi.org/10.1016/j.ribaf.2015.02.016>
- Vijayakumaran, S & Vijayakurmaran. R. (2019). Corporate Governance and Capital Structure Decisions: Evidence from China Listed Companies. *Journal of Asian Finance, Economics and Business*. 6(3), 67-79. <https://doi.org/10.13106/jafeb.2019.vol6.no3.67>
- Wasiuzzaman, S. (2019). Geographical Diversification and corporate Liquidity in Malaysia: A Quantile Regression Approach. *Pacific Accounting Review*, 32(2), 125-146. <https://doi.org/10.1108/101108/PAR-09-2019-0118>
- Williamson, O. E. (1979). Transaction-cost economics: the governance of contractual relations. *Journal of Law and Economics*, 22(2), 233-261. <http://www.jstor.org/stable/725118>
- Williamson, O. E. (1981). The economics of organization: the transaction cost approach. *American Journal of Sociology*, 87(3), 548-577. <https://www.jstor.org/stable/2778934>
- Williamson, O. E. (1984). Corporate governance. *The Yale Law Journal*, 93(7), 1197-1230. <https://www.jstor.org/stable/1232654>
- World Bank. (1998). *East Asia: The Road to Recovery*. Retrieved March 15, 2020 from: <http://documents.worldbank.org/curated/en/364021468770639382/East-Asia-the-road-to-recovery>
- World Bank. (2000). *Corporate Governance: A Framework for Implementation*. Retrieved March 15, 2020 from: <http://documents.worldbank.org/curated/en/810311468739547854/Corporate-governance-a-framework-for-implementation>
- World Bank. (2002). *The State of Corporate Governance: Experience from Country Assessments*. Retrieved March 15, 2020, from: <http://documents.worldbank.org/curated/en/419361468764404142/The-state-of-corporate-governance-experience-from-country-assessments>
- Zarkasyi, W. (2008). *Good Corporate Governance in Manufacturing, Banking and Other Financial Services*. Bandung, Indonesia: Alfabeta. [Indonesian]

