

ABSTRACT

The property and real estate sector is one of the key contributors to Indonesia's economy. However, it is also a highly volatile sector, vulnerable to global economic fluctuations, especially evident during the COVID-19 pandemic and its aftermath. Many companies within this industry have faced financial pressure that may lead to financial distress—a condition where firms struggle to meet short-term obligations. Given this, it is essential to investigate factors that can help mitigate such risks, particularly the implementation of Good Corporate Governance (GCG) and the disclosure of Corporate Social Responsibility (CSR) practices.

This study aims to examine the influence of GCG and CSR disclosure on the risk of financial distress among property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2023 period. It also seeks to analyze the individual impact of governance mechanisms such as institutional ownership, managerial ownership, and the presence of independent commissioners, alongside CSR disclosure, on the likelihood of financial distress.

A quantitative research method with a descriptive-verify approach was employed in this study. The sample was selected using purposive sampling based on specific criteria. Data were collected from companies' annual reports and sustainability reports. The Altman Z-Score model was used to measure financial distress. Multiple linear regression analysis was conducted using statistical software to test the research hypotheses.

The findings indicate that GCG and CSR disclosure have a significant simultaneous impact on financial distress. Partially, components such as institutional ownership and independent commissioners show a significant negative effect, suggesting that stronger governance reduces the risk of financial distress. On the other hand, the effect of CSR disclosure appears to vary depending on the intensity and quality of the disclosure made by the company.

This research contributes to the development of financial risk management and corporate governance literature in Indonesia, particularly within the property and real estate sector. Practically, the findings can serve as a reference for company management to design more effective governance strategies and sustainability disclosures to reduce the risk of financial distress. The study recommends that companies maintain consistent application of GCG principles and enhance the quality of CSR disclosure to strengthen financial resilience and stakeholder trust.

Keywords: *Financial Distress; Good Corporate Governance; Institutional Ownership; Managerial Ownership; Independent Board of Commissioners; Corporate Social Responsibility*