

ABSTRACT

This study aims to examine the effect of corporate governance mechanisms on the capital structure of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2023 period. Capital structure is measured using the Debt to Equity Ratio (DER), while corporate governance is represented by six key variables: board size, independent commissioners, board of directors, audit committee, managerial ownership, and institutional ownership.

A quantitative approach was employed using multiple linear regression analysis. The sample was selected using purposive sampling from manufacturing companies that had complete annual report data during the observation period. Data were sourced from official publications of each company's annual report. Classical assumption tests and hypothesis testing were conducted to assess the significance of the influence of each independent variable on the capital structure.

The results show that board size, independent commissioners, and board of directors have a significant effect on capital structure. Meanwhile, audit committee, managerial ownership and institutional ownership do not exhibit a significant influence. These findings suggest that not all corporate governance mechanisms play an equal role in financing decisions. The implication is that more targeted governance enhancement is essential to achieve an optimal and sustainable capital structure.

Keyword: Corporate Governance, Capital Structure, DER, Board of Commissioners, Share Ownership