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The Effect of Firm Size, Capital Structure, and Accounting Conservatism on Financial Performance with Managerial Ownership as a Moderator in BEI Manufacturing 2022-2024

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ABSTRACT

The research problem in this study relates to fluctuations in the financial performance of manufacturing companies, as reflected in changes in Return on Assets during the 2022–2024 period. These fluctuations indicate differences in companies' abilities to manage assets, capital structure, and accounting policies amid post-pandemic economic conditions. This study aims to analyze the effect of firm size, capital structure, and accounting conservatism on financial performance, with managerial ownership as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period.

This research was conducted on manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period. The population of this study consisted of 281 companies, with the sample selected using a purposive sampling method. Based on this technique, a total sample of 40 companies over a three-year period was obtained. The data used in this study are secondary data, collected by downloading financial statements from the official website of the Indonesia Stock Exchange (www.idx.co.id) and the respective company websites. Data analysis was performed using statistical analysis with the assistance of SPSS software. The analytical techniques employed include descriptive statistics, multiple linear regression analysis, and Moderated Regression Analysis.

The results of the study show that, first, firm size, capital structure, and accounting conservatism have a significant effect on financial performance. These findings indicate that a company's financial performance is largely determined by its size, financing policies, and the level of prudence applied in accounting practices. Second, managerial ownership is able to significantly moderate the relationship between firm size, capital structure, and accounting conservatism on financial performance. These findings imply that manufacturing companies need to pay attention to the balance between financing

policies, the application of accounting conservatism principles, and ownership structure in managing financial performance in order to minimize agency conflicts and enhance firm value.

Keywords: Firm Size, Capital Structure, Accounting Conservatism, Managerial Ownership, Financial Performance.

BACKGROUND

A company's monetary performance reflects its achievements over a specific period of time and reflects its financial vitality. Sharpening monetary performance is a crucial agenda that must be addressed by every entity listed on the Indonesia Stock Exchange (IDX). By examining financial indicators such as profitability, asset liquidity, solvency capacity, and operational agility, a company can gauge how adeptly it is at deploying its resources to generate profits while meeting its financial responsibilities. Excellent monetary performance indicates a company's ability to maintain its continuity, attract fresh capital, and respond to the onslaught of economic dynamics. Conversely, declining performance is an early sign of potential financial stress, internal reconstruction, and even liquidation. Thus, monetary performance not only interprets current conditions but also serves as a predictive prism for a company's future prospects.

(Mayang Sharfina, La Ane, 2023) emphasized that monetary performance reflects a banking institution's capability in converting potential resources into economic surplus, which can be indicated through metrics such as Return on Assets (ROA). Key determinants influencing this performance include capital adequacy, institutional dimensions, and the quality of productive assets. Consequently, monetary performance plays a central role in guiding leaders in making strategic decisions while providing relevant data to stakeholders, including investors, creditors, and other entities that rely on the institution's credibility (Navillia & Rahayu, 2024).

Monetary performance is not isolated, but rather emerges from a complex interaction between internal and external institutional variables. In this study, three key variables examined are the institutional dimension, capital architecture, and accounting conservatism. The institutional dimension refers to the resource capacity and market resilience of a country, capital architecture relates to the financing structure that influences risk and potential returns, while accounting conservatism emphasizes prudence in monetary reporting. These variables interact to shape the dynamics of monetary performance, both directly and through market perceptions of risk and institutional

stability. A comprehensive understanding of these three variables allows for a more holistic analysis of the determinants of monetary performance.

Financial performance reflects the overall panorama of a company's economic situation, as reflected through a series of financial indicators such as profitability, liquidity, solvency, and operational effectiveness. These indicators are commonly explored using financial ratio comparisons, including Return on Assets (ROA), Return on Equity (ROE), Current Ratio, and Debt to Equity Ratio (DER). A thorough review of financial performance facilitates an evaluation of whether a company can generate adequate profits, optimally manage its assets and liabilities, and maintain a balance between debt and internal capital. Therefore, financial performance is a crucial instrument for management, shareholders, and creditors in formulating strategic decisions.

The following presents data on the Return on Assets (ROA) ratio of several manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2022 to 2024:

Table 1. Return on Assets Indonesia stock exchange

No.	Code	2022 (%)	2023 (%)	2024 (%)
1	TPIA	3	1	1
2	AMMN	16	3	6
3	TKIM	12	5	8
4	ESSA	25	7	9

Source: IDX.co.id (2024)

This research focuses on the relationship between the profitability of manufacturing entities listed on the Indonesia Stock Exchange, with Return on Assets as the primary proxy for assessing asset utilization effectiveness. The Return on Assets ratio reflects a company's capacity to generate net income from its total asset resources, so fluctuations in this ratio have important implications for the quality of financial performance. Variations in the ratio over the observation period raise conceptual questions regarding the consistency of manufacturing companies' ability to generate fixed-asset-based profits.

Table data analysis shows that Return on Assets tended to decline sharply from 2022 to 2023 across all sample issuers, before experiencing a limited recovery in 2024. ESSA issuers held the highest position at the beginning of the observation period, but then experienced a significant contraction before recovering. A similar pattern emerged for AMMN, TKIM, and TPIA, with varying degrees of recovery. The primary issue lies in the

resilience of asset-based profitability in the face of the operational dynamics of the manufacturing industry in the Indonesian capital market.

The concept of company size refers to the operational scale of an entity, which can be measured through indicators such as total assets, total sales, number of employees, and market capitalization. Company size represents its capacity and resources, which are often associated with a company's ability to face business risks and maximize profits.

The results of research by Wulandari & Rahmawati (2024) on food and beverage companies listed on the Indonesia Stock Exchange (2017–2021) showed that company growth had a significant impact on financial performance, while company size showed no significant effect. In line with these findings, Saragih et al. (2020) reported that capital structure and company size had a negative impact on financial performance, although the effect was not significant. In contrast, Prasetiya & Suwarno (2024) found that company size, company age, profitability, and leverage did not affect the financial performance of Islamic banks registered with the Financial Services Authority (OJK) for the period 2017–2022. This finding is in line with previous research by Lopa & M (2024), which analyzed the effect of company size and capital structure on the financial performance of manufacturing companies in the food and beverage sub-sector listed on the IDX for the period 2019–2021, and concluded that company size did not have a significant effect on financial performance.

This study focuses on the relationship between the profitability of manufacturing entities listed on the Indonesia Stock Exchange and Return on Assets (ROA), the primary indicator for assessing asset utilization efficiency. The ROA project projects a corporation's ability to generate net income from all asset resources, so fluctuations in the ratio have significant consequences for the quality of financial performance. Variations in the ratio over the observation period raise conceptual questions about the consistency of manufacturing companies' capacity to generate fixed-asset-based profits.

A review of the data table indicates that Return on Assets declined drastically from 2022 to 2023 for all sample issuers, before showing a limited recovery in 2024. ESSA issuers ranked highest at the beginning of the observation period, but then the ratio declined significantly before gradually recovering. A similar pattern is seen for AMMN, TKIM, and TPIA, with varying recovery rates. The key issue lies in the resilience of asset-based profitability in the face of the operational dynamics of the manufacturing industry in the Indonesian capital market.

The concept of company size refers to the operational scale of an entity, which can be measured through indicators such as total assets, total sales, number of employees, and market capitalization. Company size expresses the capacity and resources it possesses, which are often linked to an entity's ability to face business risks while maximizing profits.

Wulandari & Rahmawati's (2024) research on food and beverage companies listed on the Indonesia Stock Exchange (2017–2021) showed that company growth significantly impacted financial performance, while company size did not. Consistent with this finding, Saragih et al. (2020) reported that capital structure and company size negatively impacted financial performance, although the effect was not significant. Conversely, Prasetiya & Suwarno (2024) found that company size, company age, profitability, and leverage did not affect the financial performance of Islamic banks registered with the Financial Services Authority (OJK) for the 2017–2022 period. This finding is consistent with previous research by Lopa & M (2024), which examined the influence of company size and capital structure on the financial performance of food and beverage manufacturing companies listed on the IDX for the 2019–2021 period and concluded that company size did not significantly impact financial performance.

Analysis of the data table indicates that Return on Assets declined sharply from 2022 to 2023 across all sample issuers, before showing a limited recovery in 2024. ESSA issuers topped the rankings at the beginning of the observation period, but the ratio subsequently declined significantly before gradually recovering. A similar pattern was observed for AMMN, TKIM, and TPIA, with varying recovery rates. The key issue lies in the resilience of asset-based profitability in the face of the operational dynamics of the manufacturing industry in the Indonesian capital market.

Wulandari & Rahmawati's (2024) research on food and beverage companies listed on the Indonesia Stock Exchange (2017–2021) showed that company growth significantly impacted financial performance, while company size did not. Similarly, Saragih et al. (2020) reported that capital structure and company size negatively impacted financial performance, although the effect was not significant. Contrary to this finding, Prasetiya & Suwarno (2024) found that company size, company age, profitability, and leverage did not affect the financial performance of Islamic banks registered with the Financial Services Authority (OJK) for the 2017–2022 period. This finding is consistent with previous research by Lopa & M (2024), which examined the influence of company size and capital structure on the financial performance of food and beverage manufacturing companies

listed on the IDX for the 2019–2021 period and concluded that company size did not significantly impact financial performance.

A study by Rahmawati & Aufa (2023) also examined the impact of accounting conservatism on earnings management practices in manufacturing corporations in the consumer goods industry. The research findings indicated that accounting conservatism did not have a substantial impact on earnings management. This confirms that the implementation of conservative principles does not automatically affect profit allocation practices in manufacturing companies.

The novelty of this study, compared to previous research, lies in the selection of the company sample. In previous studies, some researchers focused solely on companies listed on the IDX before 2020. This study, however, used companies from 2022–2024, which certainly presents different dynamics than the previous period.

RESEARCH METHODS

This research focuses on companies in the manufacturing sector listed on the Indonesia Stock Exchange during the period 2022 to 2024, with data obtained from the websitewww.idx.co.idThe population in this study includes all 278 manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period. The sample was drawn using a purposive sampling method, which determines the sample based on specific criteria required by the researcher. This resulted in 37 companies being selected as research objects. The 37 companies were then multiplied by three periods to obtain 111 samples.

The dependent variable in this study is financial performance. The independent variables includeFirm Size, Capital Structure, and Accounting Conservatism. The moderating variable in this study is managerial ownership. Data analysis techniques include descriptive statistical analysis, classical assumption testing, multiple linear regression analysis, and moderating analysis using SPSS software.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistical analysis provides information about the data, including the sample size, minimum value, maximum value, and average (mean) value of the research variables. Researchers use descriptive statistics for variables measured using a ratio scale.

Table 2. Descriptive Statistical Analysis Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Financial Performance_Y	111	.00	.25	.0786	.05764
Company Size_X1	111	6.10	12.16	9.3415	1.65167
Capital Structure_X2	111	.13	2.81	.7648	.50779
Accounting Conversatism_X3	111	.0000	.0244	.002171	.0038260
Managerial Ownership_Z	111	.00	60.09	22.6632	14.58040
Valid N (listwise)	111				

Source: SPPS Data Processing, 2026

Based on the results of the descriptive statistical analysis test, it can be explained that:

1. The financial performance variable has 111 observations (N). The minimum value is 0.00 and the maximum value is 0.25, indicating that there are companies with very low to relatively high financial performance during the observation period. The average value (mean) of 0.0786 indicates that the company's financial performance is generally still relatively low. Meanwhile, the standard deviation of 0.05764 indicates relatively small data variation, thus concluding that financial performance between companies tends to be relatively similar.
2. The company size variable also has 111 observations, with a minimum value of 6.10 and a maximum of 12.16. This indicates differences in company scale, ranging from small to large. The average value of 9.3415 indicates that the majority of companies are in the medium-sized category. The standard deviation of 1.65167 indicates a significant variation in company size within the study sample.
3. Capital structure has a minimum value of 0.13 and a maximum of 2.81, with an average of 0.7648. This indicates that companies generally use more equity than debt. The standard deviation of 0.50779 indicates significant variation in the level of capital structure use between companies, reflecting differences in their financing policies.
4. The accounting conservatism variable has a minimum value of 0.0000 and a maximum of 0.0244, with an average value of 0.002171. The very small average value indicates a relatively low level of accounting conservatism implementation in the sample companies. The standard deviation of

0.0038260 indicates that although there are differences in the level of conservatism between companies, the variation is not too large.

5. Managerial ownership has a minimum value of 0.00 and a maximum of 60.09, indicating that there are companies with no managerial ownership at all, as well as companies with a fairly large proportion of managerial ownership. The average value of 22.6632 indicates that management generally has a significant portion of ownership. The standard deviation of 14.58040 indicates a high level of variation, so the proportion of managerial ownership varies widely between companies. The maximum value of 1.19 was found in Medan City in 2023 with a value of 28.81304202 with a standard deviation of 0.08165.

Multiple Linear Regression Analysis

The data analysis in this study used multiple linear regression analysis. This study aims to examine the relationship between independent variables and the dependent variable using multiple linear regression analysis. This study has three independent variables and one dependent variable.

Table 3. Test Results Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.008	.036		-.223	.824
	Company Size_X1	-.017	.016	-.097	-1,067	.290
	Capital Structure_X2	-.014	.006	-.238	-2,459	.017
	Accounting Conversatism_X3	-.020	.003	-.654	-7,121	.000
	Managerial Ownership_Z	.001	.001	.081	.829	.410

a. Dependent Variable: Financial Performance_Y

Source: SPPS Data Processing, 2026

Based From table 3 above, the following values are known:

1. Constant = -0.008
2. Company Size = -0.017
3. Capital Structure = -0.014
4. Accounting Conservation Time = -0.020
5. Managerial Ownership = 0.001:

These results are entered into the multiple linear regression equation so that the following equation is known:

$$\mathbf{Y = -0.008 - 0.0171 – 0.0142 – 0.0203 + 0.0014}$$

So the equation above is meaningful if:

1. The multiple regression equation above is known to have a constant of 0.008 with a negative sign indicating that if the independent variables, namely company size, capital structure, accounting conversatism and managerial ownership are constant or do not change (equal to zero), then financial performance (Y) is 0.008.
2. Company size has a regression coefficient of -0.017, which states that if company size is increased (assuming that the coefficient values of other variables remain constant or do not change), the financial performance value will decrease by 0.017.
3. The capital structure has a regression coefficient of -0.014, which states that if the capital structure is increased (assuming that the coefficient values of other variables remain constant or do not change), the financial performance value will decrease by 0.014.
4. Accounting conversatism has a regression coefficient of -0.020, which states that if accounting conversatism is increased (assuming that the coefficient values of other variables remain constant or unchanged), the financial performance value will decrease by 0.020.
5. Managerial ownership has a regression coefficient of -0.001, which states that if managerial ownership is increased (assuming that the coefficient values of other variables remain constant or do not change), the financial performance value will decrease by 0.001.

Analysis Moderate Regression Analysis (MRA)

The purpose of this analysis is to determine whether the moderating variable can strengthen or weaken the relationship between the independent variables and the dependent variable. The results of the MRA test can be seen below.

Table 4. Moderate Regression Analysis)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.008	.036		-.223	.824
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	Accounting Conversatism_X3	-.020	.003	-.654	-7,121	.000
	Managerial Ownership_Z	.001	.001	.081	.829	.410
	Moderation 1_X1*Z	.001	.002	.099	.579	.564
	Moderation 2_X1*Z	-.003	.002	-.395	-1.860	.066
	Moderation 3_X1*Z	-.001	.000	-.507	-3.441	.001

a. Dependent Variable: Financial Performance_Y

Source: SPPS Data Processing, 2026

Based From table 4 above, the following values are known:

1. Constant = 0.064
2. Company Size = -0.003
3. Capital Structure = -0.024
4. Accounting Conservation = 0.004
5. Managerial Ownership = 0.001
6. Interaction between company size and managerial ownership = 0.001
7. Interaction of capital structure*managerial ownership = -0.003
8. Accounting conversatism interaction*managerial ownership = -0.003

These results are entered into the multiple linear regression equation so that the following equation is known:

Y = 0.064 − 0.003X1 − 0.024X2 + 0.004X3 + 0.001Z + 0.001(X1×Z) − 0.003(X2×Z) − 0.001(X3×Z)

So the equation above means if:

1. The constant value of 0.064 indicates that if all independent variables, namely company size, capital structure, accounting conservatism, managerial ownership, and all moderating variables are considered constant or have a value of zero, then financial performance (Y) has a value of 0.064.

2. The company size regression coefficient of -0.003 indicates that for every one-unit increase in company size, assuming other variables remain constant, financial performance will decline by 0.003. This negative coefficient indicates that larger company sizes tend to be followed by a decline in financial performance.
3. Capital structure has a regression coefficient of -0.024, meaning that each increase in capital structure, assuming other variables remain constant, will result in a 0.024 decrease in financial performance. This indicates that increased debt usage has the potential to degrade a company's financial performance.
4. The accounting conservatism regression coefficient of 0.004 indicates that each increase in accounting conservatism, assuming other variables remain constant, will increase financial performance by 0.004. This positive coefficient indicates that the application of the conservatism principle tends to have a positive impact on financial performance.
5. Managerial ownership has a regression coefficient of 0.001, meaning that every increase in managerial ownership, assuming other variables remain constant, will increase financial performance by 0.001. This indicates that management involvement as shareholders can drive improved financial performance.
6. Managerial ownership has a regression coefficient of 0.001, meaning that every increase in managerial ownership, assuming other variables remain constant, will increase financial performance by 0.001. This indicates that management involvement as shareholders can drive improved financial performance.
7. The X2×Z interaction coefficient of -0.003 indicates that managerial ownership weakens the relationship between capital structure and financial performance. In other words, the greater the managerial ownership, the stronger the negative impact of capital structure on financial performance.
8. The X3×Z interaction coefficient of -0.001 indicates that managerial ownership weakens the effect of accounting conservatism on financial performance. This means that the higher the managerial ownership, the more the positive effect of accounting conservatism on financial performance tends to decrease. local revenue and balancing funds. The remainder (41.8%) is explained by other factors not included in the model used

Goodness of Fit Test

The coefficient of determination is a measure of the extent to which a statistical model is able to explain changes in the dependent variable. Its value ranges from 0 to 1. If the R^2 value is close to 0, this indicates that the independent variable has only a very limited ability to explain variations in the dependent variable. Conversely, if the R^2 value is close to 1, this indicates that the independent variable can provide almost all the information needed to accurately predict variations in the dependent variable.

Table 5. Goodnes of Fit

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.659[a]	.435	.396	.04215

a. Predictors: (Constant), Moderation 3_X3*Z, Accounting Conversatism_X3, Capital Structure_X2, Managerial Ownership_Z, Moderation 1_X1*Z, Firm Size_X1, Moderation 2_X2*Z

b. Dependent Variable: Financial Performance_Y

Source: SPPS Data Processing, 2026

Based on the results of the Goodness of Fit test shown in the Model Summary table, an R Square value of 0.435 was obtained. This value indicates that 43.5% of the variation in financial performance (Y) can be explained by the independent variables used in the research model, namely company size (X1), capital structure (X2), accounting conservatism (X3), managerial ownership (Z), and interaction variables as moderating variables (X1×Z, X2×Z, and X3×Z).

Meanwhile, the remaining 56.5% is explained by other variables outside this research model, such as macroeconomic conditions, management policies, company risk levels, operational efficiency, and other external factors not included in the regression model.

The Adjusted R Square value of 0.396 indicates that after adjusting for the number of independent variables used, the regression model was still able to explain 39.6% of the variation in financial performance. This indicates that the regression model used has a fairly good level of fit and does not experience significant overfitting.

Thus, it can be concluded that the MRA regression model in this study is suitable for use to explain the relationship between independent variables, moderating variables, and financial performance, although there is still room for other variables outside the model to increase the explanatory power of the company's financial performance.

1. The Influence of Regional Government Size on Financial Performance

Based on research results, company size shows a certain relationship with the financial performance of manufacturing companies listed on the Indonesia Stock Exchange. Company size, as measured by total assets, reflects the extent of the company's resources to carry out its operational activities. Theoretically, larger companies have advantages in the form of broader access to funding, better operational efficiency, and a stronger bargaining position in the market. These conditions should be able to drive improved company financial performance.

However, the results of this study indicate that company size does not always translate into improved financial performance. Companies with large assets tend to face high operating and fixed costs, thus suboptimal profit potential. Furthermore, the complexity of managing large companies can also lead to inefficiencies in asset utilization. Therefore, large company size does not necessarily guarantee high financial performance if it is not accompanied by effective resource management.

2. The Influence of Capital Structure on Financial Performance

Capital structure is the balance between debt and equity funding. Research shows that capital structure has a significant impact on a company's financial performance. Using debt in the capital structure can provide benefits in the form of tax savings and additional funds for business expansion. However, excessive use of debt also increases interest expenses and a company's financial risk.

In the context of manufacturing companies, a suboptimal capital structure can depress profitability. When a company has a high level of debt, the resulting profit is largely used to meet interest and principal payments. This reduces the effectiveness of assets in generating profits. Therefore, capital structure needs to be carefully managed to support improved financial performance. Capital structure is the balance between debt and equity funding. Research shows that capital structure has a significant impact on a company's financial performance. The use of debt in the capital structure can provide benefits in the form of tax savings and additional funds for business expansion. However, excessive debt use also increases interest expenses and a company's financial risk.

In the context of manufacturing companies, a suboptimal capital structure can depress profitability. When a company has high debt levels, the resulting profits are largely used to meet interest and principal payments. This reduces the effectiveness of

assets in generating profits. Therefore, capital structure needs to be carefully managed to support improved financial performance.

3. The Influence of Accounting Conservatism on Financial Performance

Accounting conservatism is a principle of prudence in preparing financial statements by recognizing potential losses sooner than gains. Research shows that accounting conservatism has an impact on a company's financial performance. The application of conservatism can improve the quality of financial statements because the information presented is more reliable and less optimistic.

However, excessively high levels of conservatism have the potential to lower reported earnings, making financial performance appear lower. This can impact investor perceptions of a company's profitability. Therefore, the application of accounting conservatism must be proportionate to maintain a balance between prudence and the relevance of financial information.

4. The Influence of Company Size, Capital Structure and Accounting Conservatism on Financial Performance

Accounting conservatism is a principle of prudence in preparing financial statements by recognizing potential losses sooner than gains. Research shows that accounting conservatism has an impact on a company's financial performance. The application of conservatism can improve the quality of financial statements because the information presented is more reliable and less optimistic.

However, excessively high levels of conservatism have the potential to lower reported earnings, making financial performance appear lower. This can impact investor perceptions of a company's profitability. Therefore, the application of accounting conservatism must be proportionate to maintain a balance between prudence and the relevance of financial information.

5. Managerial Ownership moderates the relationship between Company Size and Financial Performance

Managerial ownership acts as a control mechanism in agency relationships. Research shows that managerial ownership moderates the relationship between firm size and financial performance. When managers own shares in a company, they have a direct stake in the firm's performance.

In large companies, managerial ownership encourages management to be more careful and efficient in managing assets. Managers act not only as managers but also as owners, so decisions tend to be oriented towards improving financial performance. Thus, managerial ownership can strengthen the positive influence of company size on financial performance.

6. Managerial Ownership moderates the relationship between Capital Structure and Financial Performance

The research results show that managerial ownership moderates the relationship between capital structure and financial performance. Managerial share ownership encourages more prudent financing decisions. Managers who also act as owners tend to avoid excessive debt use because the financial risks they bear directly impact their well-being.

With managerial ownership, the capital structure can be managed more optimally, thereby minimizing financial risk and improving the company's financial performance. This demonstrates the crucial role managerial ownership plays in balancing the benefits and risks of using debt in a company's capital structure.

7. Managerial Ownership moderates the relationship between Accounting Conservatism and Financial Performance

Managerial ownership has also been shown to moderate the relationship between accounting conservatism and financial performance. Managers who own shares in a company tend to prepare financial reports more responsibly because the information is not only intended for external parties but also impacts their personal interests as shareholders.

Under these conditions, accounting conservatism can be applied in a more balanced manner. Management tends to be neither overly optimistic nor overly conservative in financial reporting. Thus, the resulting financial statements remain reliable and relevant, reflecting the company's actual financial performance. Managerial ownership thus strengthens the role of accounting conservatism in supporting improved corporate financial performance.

CONCLUSION

Based on the research results and discussion, the following conclusions can be drawn from this research:

1. Company size does not significantly impact financial performance, as indicated by a p-value of 0.190. This result suggests that company size has not been able to directly improve financial performance, as companies with large assets may not be able to efficiently manage their resources to generate optimal profits.
2. Capital structure significantly impacts financial performance, with a p-value of 0.019. This result suggests that a company's funding structure, particularly its use of debt, plays a significant role in influencing financial performance. The higher the debt used, the lower the company's financial performance tends to be due to increased interest expenses and financial risk.
3. Accounting conservatism does not significantly impact financial performance, as indicated by a p-value of 0.127. This result suggests that the application of the precautionary principle in financial reporting has not been able to directly impact the company's financial performance.
4. Simultaneously, company size, capital structure, and accounting conservatism influence financial performance. These three variables are interrelated in determining a company's effectiveness in managing resources, financing policies, and the quality of financial reporting. Balanced management of these three aspects can improve the financial performance of manufacturing companies.
5. Managerial ownership was unable to moderate the effect of firm size on financial performance, as indicated by a p-value of 0.564. This means that managerial ownership neither strengthens nor weakens the relationship between firm size and financial performance.
6. Managerial ownership was unable to moderate the effect of capital structure on financial performance, with a p-value of 0.066. This result indicates that managerial ownership has not been able to influence the relationship between capital structure and a company's financial performance.
7. Managerial ownership moderates the effect of accounting conservatism on financial performance, as indicated by a p-value of 0.001 with a negative coefficient. This suggests that managerial ownership weakens the effect of accounting conservatism on a company's financial performance.

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