Journal of Studies in Academic, Humanities, Research and Innovation
Volume 3 No 1 June 2026
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

The Effect Of Working Capital Turnover And Debt Policy On The Value Of Technology Companies Listed On The Indonesia Stock Exchange (IDX) In 2020-2024

[1]Siti Nurersyah Midar
[1]Universitas Negeri Makassar, Indonesia.
[1]*Sitinurersyahm@gmail.com*

**Correspondence Email: Sitinurersyahm@gmail.com*

Abstract: *The technology sector is a key driver of digital economic growth in Indonesia. However, during the 2020–2024 period, several companies in this sector experienced stock price volatility, indicating pressure on company value. This issue prompted this study, which aims to analyze the effect of working capital turnover and debt policy on company value in technology sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. This study used a quantitative approach with a panel data regression method, and the sample was determined through purposive sampling technique, involving 10 companies that met the criteria for data availability over five years of observation. The results showed that working capital turnover had a negative but insignificant effect on company value, while debt policy had a negative but significant effect on company value. This finding supports the Trade-off Theory, which emphasizes the existence of an optimal point for debt use, but is inconsistent with Agency Theory's expectations regarding efficient working capital management as a means of increasing value. This study concludes that increasing the proportion of debt has the potential to reduce company value due to increased financial risk, while efficient working capital turnover has not been able to provide a significant impact. Therefore, companies need to consider balancing their funding structure and improving the quality of current asset management to strengthen market perception and increase company value sustainably.*
Keywords: *Capital Structure, Profitability, Firm Value, Trade-Off Theory, Signaling Theory*

INTRODUCTION

The corporate market serves as a platform that integrates key elements such as labor, natural resources, human capital, and entrepreneurial spirit. The establishment of any company is always driven by clear objectives. Its primary goal is to generate profit. Subsequently, the company aims to ensure the welfare of its owners or shareholders. Additionally, companies strive to enhance their corporate value, which is clearly reflected in stock price movements in the capital market (Ajizah & Perdinusa, 2022).

A solid understanding of accounting principles is essential for managing a company's finances efficiently and accurately. Corporate finance serves as the fundamental pillar supporting a business's continuity and growth, as many business failures or bankruptcies stem from poor financial management. As an economic entity, a company typically sets both short-term and long-

term objectives, the achievement of which heavily depends on management's ability to manage financial resources wisely, transparently, and accountably (Muliana & Ahmad, 2021).

Amid increasingly intense business competition, companies are required to continuously innovate through both managerial policies and product development. Such innovations are expected to enhance corporate value. However, every policy carries inherent risks, particularly if it fails or proves ineffective. Such failures can lead to serious problems for the company, potentially reducing its value or, in the worst-case scenario, resulting in bankruptcy (Thalia & Anggraeni, 2022).

Financial management plays a strategic role in ensuring a company's survival. The responsibilities of a financial manager extend beyond merely managing available funds; they also include actively identifying funding sources and making investment decisions that support corporate growth. The ultimate objective is to sustainably increase corporate value while driving progress through business operations. Moreover, financial management is also responsible for formulating operational strategies, enhancing profitability, and ensuring economic efficiency across all business aspects to align fund allocation with the company's needs and goals (Mulyana et al., 2023).

A company's primary objectives are to expand its business, maximize shareholder wealth, and optimize corporate value. In fulfilling their duties, company management is accountable for enhancing this corporate value. Therefore, every financial decision must be made carefully and accurately, as these decisions are interrelated and directly impact the company's overall goal achievement (Herawan & Dewi, 2021).

Corporate value reflects not only current performance but also future prospects. It represents the market's overall assessment of a company's quality, credibility, and growth potential. For publicly listed companies those whose shares are traded on the stock exchange corporate value is commonly measured through stock prices, which reflect investors' expectations regarding the company's long-term performance. Rising stock prices benefit investors through capital gains and dividends, making corporate value a critical benchmark for investment decisions. Amid the rapid growth of Indonesia's manufacturing sector, investor interest in listed manufacturing companies continues to rise, making corporate valuation and value enhancement a key strategic focus for management (Ilyas et al., 2022).

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 3 No 1 June 2026
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

Corporate value generally increases alongside rising stock prices, indicating high investment returns for shareholders. To achieve this objective, companies must ensure adequate fund availability to support operations and maximize performance. Strong corporate performance, in turn, positively contributes to increased corporate value. It should be noted that corporate value is not solely reflected in stock prices. Various methods exist to measure corporate value, one of which is the Price-to-Book Value (PBV) ratio. PBV is a financial ratio that compares a stock's market price to its book value per share. A higher PBV indicates greater shareholder wealth, signaling that the company has successfully fulfilled one of its core objectives: creating value for its owners (Thalia & Anggraeni, 2022).

According to agency theory, one factor influencing corporate value is working capital turnover. As agents, managers aim to efficiently utilize available resources, including working capital. When a company's working capital cycle shortens, its turnover accelerates. Conversely, if a company maintains high working capital while operating efficiently, this reflects improved profitability—a condition that attracts potential investors. Greater investor interest subsequently boosts corporate value (Telaumbanua et al., 2021).

Another factor affecting corporate value, based on the trade-off theory, is debt policy. The trade-off theory posits that management can benefit from tax shields through debt financing, as interest expenses are tax-deductible. However, this benefit holds only up to a certain point. If debt levels become excessive, the associated interest burden and financial risk may outweigh the advantages, potentially decreasing corporate value. Overreliance on debt also increases bankruptcy risk and can trigger financial distress, discouraging investors due to uncertainty about investment returns. On the other hand, excessively low debt levels are also suboptimal, as the company becomes overly dependent on equity financing and may miss opportunities for rapid growth. Therefore, management must effectively and efficiently balance debt and equity financing to maximize corporate value (Mentari & Idayati, 2021).

METHOD

This study adopts a quantitative approach with a causal research design. The quantitative method is employed to examine relationships among variables using numerical data and statistical testing. This systematic approach aims to understand a phenomenon by collecting measurable data

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 3 No 1 June 2026
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

and analyzing it through statistical, mathematical, or computational techniques. In contrast, correlational research focuses on identifying the association or linkage between two or more variables without manipulating them, emphasizing the strength and direction of the relationship among the variables under investigation.

RESULTS AND DISCUSSION

Analysis Descriptive

This study employs panel data from 10 technology-sector companies listed on the Indonesia Stock Exchange (IDX) over the 2020–2024 period, resulting in a total of 50 observations. Data analysis was carried out using EViews 12.0 software for panel regression modeling.

Statistik	X1	X2	Y
Mean	7.104472	3.150441	3.049489
Median	4.976664	0.461705	1.387002
Maximum	70.14172	78.6089	51.35952
Minimum	22.16059	0.000115	0.001104
Std. Dev.	12.20764	11.58881	7.355909
Skewness	2.771412	5.832489	5.895075
Kurtosis	16.61749	37.71248	38.86154

***Tabel 1**. Analisis statistik deskriptif*

Based on the descriptive statistics, the mean values for variables X_1, X_2, and Y are 7.10, 3.15, and 3.05, respectively, representing the average levels of these variables in the sample. Variable X_1 exhibits a wide data dispersion, with a maximum value of 70.14 and a minimum of 22.16. A similar pattern is observed for X_2 and Y, where the maximum values are substantially higher than their respective medians, suggesting the presence of outliers or extreme observations. The standard deviations 12.20 for X_1, 11.59 for X_2, and 7.36 for Y further confirm that all three variables display considerable variability around their means. Additionally, the skewness values for all variables are positive (greater than 0), indicating that their distributions are right-skewed (positively skewed) and thus asymmetric, with longer tails extending toward higher values.

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 3 No 1 June 2026
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

Model Selection Test

Based on the model selection tests conducted using the Chow Test and the Hausman Test, it can be concluded that the Fixed Effect Model (FEM) is the most appropriate model for this study.

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	14.22987	2	0.0008

***Tabel 2**. Hasil Uji Hausman*

Based on the Hausman test results, the Chi-Square statistic is 14.229868 with 2 degrees of freedom and a p-value of 0.0008. Since this p-value is less than the 5% significance level ($\alpha = 0.05$), the null hypothesis (H_0)which states that the Random Effects Model (REM) is appropriate is rejected. Consequently, the Fixed Effects Model (FEM) is deemed more suitable. This implies that there are significant, systematic differences across individual entities (cross-sectional units) that cannot be treated as random and must instead be explicitly accounted for in the model.

Uji T

The t-test is used to evaluate the statistical significance of the individual impact of each independent variable on the dependent variable.

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	4.052262	1.239469	3.269354	0.0023
X1	-0.03835	0.091265	0.420207	0.6767
X2	-0.231814	0.111606	2.077062	0.0446

***Tabel 3**. Uji T (Parsial)*

Based on the partial regression results above, the p-value for variable X_1 is 0.6767 (> 0.05), indicating that X_1 has no statistically significant effect on Y. In contrast, variable X_2 has a p-value of 0.0446 (< 0.05), which means X_2 significantly affects Y at the 5% significance level.The negative coefficient of X_2 (–0.231814) further indicates an inverse relationship between X_2 and Y: as X_2 increases, Y decreases. This suggests that higher levels of X_2—interpreted in this context as greater debt usage—are associated with lower firm value

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 3 No 1 June 2026
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

Uji persamaan regresi panel

Based on the estimation results of the panel data regression model using the Fixed Effects Model (FEM), the following equation is obtained:

$Y = 4.0523 – 0.0383X1 – 0.2318X2 + [CX=F]$

The regression equation indicates that when both independent variables (X_1 and X_2) are equal to zero, the predicted value of the dependent variable (Y) is 4.0523. The coefficient of X_1 is –0.0383, implying that a one-unit increase in X_1 is associated with a 0.0383-unit decrease in Y. However, this effect is not statistically significant, as evidenced by its high p-value (> 0.05). In contrast, the coefficient of X_2 is –0.2318, meaning that a one-unit increase in X_2 leads to a 0.2318-unit decline in Y, and this relationship is statistically significant at the 5% level (p-value < 0.05). Therefore, among the two predictors, only X_2 (debt policy) has a significant negative impact on firm value (Y), while X_1 (working capital turnover) does not exert a statistically significant influence.

Uji Koefisien Determinasi

The coefficient of determination test (R^2) is used to assess the extent to which working capital turnover and debt policy jointly explain variations in firm value.

Statistik	Nilai	Statistik	Nilai
R-squared	0.303795	Mean dependent var	3.049489
Adjusted R-squared	0.102262	S.D. dependent var	7.355909
S.E. of regression	6.969654	Akaike info criterion	6.926572
Sum squared resid	1845.891	Schwarz criterion	7.385457

***Tabel 4**. Hasil Uji R square*

An R-squared value of 0.3038 indicates that approximately 30.38% of the variation in the dependent variable (Y) is explained by the independent variables X_1 (working capital turnover) and X_2 (capital structure), while the remaining 69.62% is attributed to other factors outside the model. The Adjusted R-squared of 0.1023 further reveals that, after accounting for the number of predictors and sample size, the model's explanatory power drops to just 10.23%. This substantial

decline suggests a relatively weak relationship between the independent and dependent variables. Moreover, the Prob(F-statistic) value of 0.1692 (> 0.05) confirms that the regression model is not statistically significant when the variables are considered jointly. Consequently, X_1 and X_2 together do not significantly explain variations in the dependent variable (Y), implying limited overall explanatory validity of the model.5.

CONCLUSION

Based on the research findings, it can be concluded that working capital turnover has a negative but statistically insignificant effect on firm value, whereas capital structure (debt policy) exerts a significant negative impact on firm value. This suggests that improving working capital efficiency has not translated into higher firm valuation, while increasing the proportion of debt tends to reduce firm value likely due to heightened financial risk, such as greater bankruptcy probability and interest obligations. When tested simultaneously, both variables together do not significantly influence firm value. The coefficient of determination ($R^2 = 0.3037$) indicates that only 30.37% of the variation in firm value is explained by working capital turnover and capital structure combined, while the remaining 69.63% is attributable to other factors not captured in this study.

REFERENCE

Ajizah, E., & Perdinusa, B. O. (2022). Pengaruh Kebijakan Dividen Dan Kebijakan Hutang Terhadap Nilai Perusahaan. The Asia Pacific Journal Of Management Studies, 9(3). Https://Doi.Org/10.55171/Apjms.V9i3.768

Hamidah, L., & Ramdani, E. (2023). Pengaruh Struktur Modal, Ukuran Perusahaan Dan Keputusan Investasi Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Food And Beverage Yang Terdaftar Di Bursa Efek Indonesia Tahun 2017-2021). Jurnal Akuntansi Barelang, 2, 37–47.

Herawan, F., & Dewi, S. P. (2021). Pengaruh Profitabilitas, Leverage, Likuiditas, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. Jurnal Paradigma Akuntansi, 3(1), 137. Https://Doi.Org/10.24912/Jpa.V3i1.11414

Ilyas, M., Hertati, L., & Id, H. C. (2022). Pengaruh Profitabilitas, Leverage, Struktur Modal Dan Kebijakan Dividen Terhadap Nilai Perusahaan Era Pandemi Covid-19. Jurnal Ilmu Keuangan Dan Perbankan(Jika), 11(2).

Kalbuana, N., Yohana, Y., Bp, A. I., & Cahyadi, C. I. (2021). Pengaruh Ukuran Perusahaan, Kebijakan Hutang, Profitabilitas Terhadap Nilai Perusahaan (Studi Kasus Perusahaan Properti Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016 – 2020). Jurnal Riset Akuntansi Politala, 4(2), 58–66. Https://Doi.Org/10.34128/Jra.V4i2.79

Mentari, B., & Idayati, F. (2021). Pengaruh Kepemilikan Manajerial, Profitabilitas, Dan Kebijakan Hutang Terhadap Nilai Perusahaan. Jurnal Ilmu Dan Riset Akuntansi, 10(2).

Muliana, M., & Ahmad, S. W. A. (2021). Pengaruh Struktur Modal Dan Profitabilitas Terhadap Nilai Perusahaan. Point: Jurnal Ekonomi Dan Manajemen, 3(2), 97–110. Https://Doi.Org/10.46918/Point.V3i2.1171

Mulyana, A., Susilawati, E., Purwantu, Afif H., Arfianty, Muangsal, & Ita Suryanita Supyan. (2023). Manajemen Keuangan. Widina Media Utama.

Oktapianus, O., & Mu'arif, S. (2022). Pengaruh Modal Kerja, Perputaran Piutang, Dan Total Hutang Terhadap Laba Bersih. Bussman Journal : Indonesian Journal Of Business And Management, 2(3), 552–563. Https://Doi.Org/10.53363/Buss.V2i3.79

Puspitaningrum, A., & Hanah, S. (2024). Pengaruh Ukuran Perusahaan, Kebijakan Dividen Dan Kebijakan Hutang Terhadap Nilai Perusahaan (Studi Empiris Pada Perusahaan Manufaktur Sektor Consumer Non- Cyclicals Subsektor Makanan &Amp; Minuman Di Bursa Efek Indonesia Tahun 2018 - 2022). Jurnal Economina, 3(2), 180–196. Https://Doi.Org/10.55681/Economina.V3i2.1180

Ramaadhianti, V., Wafiyyah Septiwidya, Juwainah Juwainah, Anditha Wanda Salsabila, Avriliani Dwi Septianay, & Tri Yulaeli. (2023). Faktor-Faktor Yang Mempengaruhi Current Ratio, Debt Equity Ratio, Debt Asset Ratio, Dan Perputaran Modal Kerja Terhadap Return On Asset. Student Scientific Creativity Journal, 1(5), 168–190. Https://Doi.Org/10.55606/Sscj-Amik.V1i5.1973

Salim, S. (2023). Analisis Perputaran Modal Kerjaterhadap Profitabilitas Pada Pt. Uni-Charm Indonesia Tbk. Jurnal Ilmiah Gema Ekonomi, 13(2oktober), 2213–2226. Https://Doi.Org/10.52392/Gema.V13i2oktober.37

Telaumbanua, H., Marbun, M., Simanjuntak, V. Anisa, & Elisa Agustina Br. Sembiring, D. Arisandy Aruan. (2021). Pengaruh Struktur Modal, Perputaran Modal Kerja, Kebijakan Dividen Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Moderatig Pada Perusahaan Infrastruktur Yang Terdaftar Dibursa Efek Indonesia Periode 2015-2018. Krisna: Kumpulan Riset Akuntansi, 12(2), 266–277. Https://Doi.Org/10.22225/Kr.11.2.1154.190-196

Thalia, F., & Anggraeni, Rr. D. (2022). Pengaruh Penghindaraan Pajak, Perataan Laba,Dan Kebijakan Hutang Terhadap Nilai Perusahaan. Global Accounting : Jurnal Akuntansi, 1(3), 1–17.

Warouw, C., Nangoy, S., & Saerang, I. S. (2016). Pengaruh Perputaran Modal Kerja Dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Farmasi Di Bursa Efek Indonesia. Jurnal Berkala Ilmiah Efisiensi, 16(2).

Wibowo, R. Y. K., Fadjrih Asyik, N., & Bambang, S. (2021). Pengaruh Struktur Kepemilikan, Arus Kas Bebas, Ukuran Perusahaan Terhadap Nilai Perusahaan Melalui Struktur Modal. Ekuitas (Jurnal Ekonomi Dan Keuangan), 5(3), 321–345. Https://Doi.Org/10.24034/J25485024.Y2021.V5.I3.4799

Widianto, A., Sjahruddin, H., & Fachri Rifai, D. (2024). Pengaruh Perputaran Modal Kerja Dan Perputaran Persediaan Terhadap Profitabilitas. Jurnal Bina Bangsa Ekonomika, 17(1), 950–961. Https://Doi.Org/10.46306/Jbbe.V17i1

Wulandari, C., Maharani, B., & Ari Wardhaningrum, O. (2021). Pengaruh Profitabilitas, Kebijakan Dividen, Dan Kebijakan Utang Terhadap Nilai Perusahaan Pada Perusahaan Asuransi Yang Terdaftar Di Bursa Efek Indonesia Periode 2016-2020. Ace | Accounting Research Journal, 1(2), 151–162. Https://Journal.Feb.Unipa.Ac.Id/Index.Php/Ace