Jurnal Ekonomi dan Bisnis, Vol. 14 No. 2 Juni 2025
P - ISSN : 2503-4413
E - ISSN : 2654-5837, Hal 414 – 439

Analysis Influence Working Capital Investment on Company Value and Investment Decisions Long Term: An Empirical Study of the Sector Manufacturing 2014 – 2023 in Indonesia

Rena Khaesarani*
Management, Faculty of Economics and Business, Universitas Indonesia, Indonesia

Rofikoh Rokhim
Management, Faculty of Economics and Business, Universitas Indonesia, Indonesia

***Corresponding author**
Rena Khaesarani
renakhaesa@gmail.com

Article Info

Article History:

Received:
18 March 2025
Revised:
30 April 2025
Accepted:
30 May 2025

Abstract

This research aims to investigate the impact of working capital investment on firm value and long-term investment decisions in the manufacturing sector in Indonesia. The study utilizes annual panel data from 100 to 150 manufacturing firms listed on the Indonesia Stock Exchange (IDX) during the period 2014-2023. Findings indicate that efficient working capital investment has a positive influence on firm value and long-term investment decisions. This study utilizes the Trade-Off, Agency, and Resource-Based View theories as a framework. The results provide valuable implications for finance managers in the manufacturing sector to optimize working capital management to enhance firm profitability and long-term growth.

Keywords : Working Capital Investment, Long-Term Investment Decisions, Manufacturing Sector.

INTRODUCTION

Working capital investment plays an important role in guard balance finance term short and supportive mark term long company. Proper working capital management allow companies to fulfil obligation finance daily without bothering plan growth term long.

In context manufacturing, managed working capital with Good become factor main in efficient and sustainable operations, especially in the midst of volatility economy and fluctuations market demand (Roshan & Chatnani, 2023; Aktas, Croci, & Petmezas, 2015). More continue, literature show that excessive working capital investment can press liquidity and increase risk financial company, while lack of working capital can hinder performance operations and investments (Afrifa, 2016; Baños-Caballero, García-Teruel, & Martínez-Solano, 2014).

Study of working capital management in emerging markets, including Indonesia, is increasingly relevant remember existence difference structure finance compared to with developed countries. Companies in developing countries tend more rely on internal financing, credit trade, and loans term short For fund asset fluent like inventory and receivables (Chittenden et al., 1998; Seth et al., 2020).

Difference This create need unique For balancing working capital in a way efficient use ensure that company can utilise potential growth and increase mark holder share without sacrifice stability term short (Gupta, Jatav, & Prakash, 2023).

Roshan and Chatnani's research (2023) found that company manufacturing that has working capital excessive tend allocate these funds For investment term length that can increase mark company.

This result relevant for company manufacturing in Indonesia that is facing challenge similar in guard balance between working capital and investment. As sectors that play a role important in Indonesian economy, proper working capital management in companies manufacturing No only impact on performance individual company, but also towards growth economy in a way overall.

A number of the study also identified that There is nonlinear relationship between working capital investment and performance company, with the optimal working capital level that can be achieved maximize mark company.

Research conducted by Aktas et al. (2015) and Baños-Caballero et al. (2014) showed that successful company reach this optimal level can increase market performance and operations, while companies that invest working capital too Lots or too A little experience decline performance and improvement risk. Research by Gupta et al. (2023) also strengthens findings this, where the company manages working capital in a way efficient get profit significant competitiveness.

In Indonesia, the role sector manufacturing in push growth economy add urgency study This. With a Compound Annual Growth Rate (CAGR) of 5% during 2016-2020 period, sector This give substantial contribution to Product Indonesia's Gross Domestic Product (GDP) (Seth et al., 2020).

Effective working capital management in company manufacturing can own effect double, good in matter improvement mark company and also as catalyst For sustainable capital formation. Competitive market conditions and demands For maintain liquidity make working capital management become issue strategic for company manufacturing in Indonesia (Afrifa et al., 2014; Akbar et al., 2022).

However, research about influence working capital investment to mark companies and decisions investment term long in Indonesia still limited. The majority existing studies more focused on developed countries with structure different economies, so that the result Not yet Of course in accordance with Indonesian context.

Therefore that, research This aiming For fill in gap the with explore How working capital investment influence mark companies and decisions investment term long in sector Indonesian manufacturing, as well as offer outlook practical for taking decision finance in a dynamic and full environment challenge.

In context globalization and increasing market competition, companies manufacturing in Indonesia is necessary understand and apply optimal working capital practices for maintain superiority competitive they. Studies previously show that excess working capital allocated For asset term long can produce mark plus for company, while lack of working capital can trigger loss in operational everyday (Deloof, 2003; Aktas et al., 2015).

With Thus, research This No only aiming For analyze influence working capital investment to mark company, but also for answer question fundamental about how much big the role of working capital in support investment term length and creation mark for holder stocks in Indonesia.

Study This expected can contribute to the existing literature with give better understanding in about influence of working capital on decisions strategic investment in the sector manufacturing. In addition, the results study This expected can give recommendation for manager finance in develop a better working capital management strategy effective and appropriate with market conditions in Indonesia, so that capable increase Power competition company in a way sustainable (Ben-Nasr, 2016; Akbar et al., 2022).

THEORETICAL FRAMEWORK AND EMPIRICAL STUDIES

Trade-Off Theory

Trade-Off Theory explains that companies try balancing between benefits and costs associated with capital structure, in particular in use of debt. This theory to argue that use of debt can give benefit tax but also improve risk bankruptcy company. In the context of working capital management, theory This very relevant Because show importance find balance between risk liquidity and profitability term short company. According to Aktas, Croci, and Petmezas (2015), optimization of working capital can reduce risk bankruptcy and stabilization operation company.

In terms of working capital management, Trade-Off Theory show that there is the optimal level at which working capital investment can maximize mark company without add risk finances that are not necessary. A recent study by Gupta, Jatav, and Prakash (2023) stated that optimal working capital provides flexibility important finances for company, allowing company For minimize cost financial and optimize liquidity without sacrifice mark company. This is become the more significant in sector manufacturing in developing countries like Indonesia, where market volatility is high increase importance efficient working capital management (Roshan & Chatnani, 2023).

Trade-Off Theory support view that optimal working capital can increase mark companies, especially with guard balance between risk and return. According to Baños-Caballero et al. (2014), companies with managed working capital with Good own more value tall compared to companies that experience excess or lack of working capital. Excessive working capital can cause expenditure that is not productive, while working capital is not sufficient increase risk bankruptcy, which ultimately impact negative on value company.

Study latest show that working capital is efficient allow company For allocate more funds to investment term long. According to Roshan and Chatnani (2023), the surplus working capital invested return in asset term long capable increase Power competitiveness and value company in term length. Efficiency in working capital management This support view Trade-Off Theory that long term capital decisions short must consider impact strategic to investment and growth companies in the future.

Recent studies by Akbar et al. (2022) and Afrifa (2023) show that optimal working capital management contributes positive on performance finance companie especially in markets that have volatility high. In emerging markets, such as Indonesia, where stability liquidity often become challenges, successful companies reach working capital balance can increase stability operational and power its competitors. With Thus, research This will use Trade-Off Theory as runway main For analyze influence working capital investment at value companies and decisions investment term long in sector manufacturing.

Use Trade-Off Theory as foundation, research This aiming For analyze impact from working capital investment to mark companies and investments term long in sector Indonesian manufacturing. Deep understanding about how is working capital can managed will be optimal give guide important for manager finance For make decision more investment strategic. Optimization of working capital No only reduce risk bankruptcy but also open opportunity for company For invest in assets that can increase mark companies in the future.

Agency Theory

Agency Theory, introduced by Jensen and Meckling (1976), discusses dynamics between manager (agent) who runs companies and shareholders shares (principal) as owner company. This theory focus on the existence potential conflict interests that arise Because manager often have incentive For take profitable decision they in a way personal, even If decision the can harm holder share or reduce mark company. In the context of

working capital, the allocation of company funds that are not efficient or decision investment term impulsive short can become indicator from problem agency that occurs (Aktas et al., 2015). Conflict agency This become important, especially in company big in the sector manufacturing, where decisions related to working capital involving significant and potential allocation of funds bother performance term long company.

Agency Theory very relevant in understand working capital management, because theory This explain How difference interest between managers and shareholders share can result in detrimental decision company. In practice, managers Possible choose For maintain higher level of working capital tall than necessary For create comfort liquidity or avoid risk bankruptcy term short potential influence position them (Roshan & Chatnani, 2023).

This decision Possible beneficial for manager but No efficient for holder shares, due to excessive working capital Can hindering the funds that should be allocated For activity investment productive others. Research by Aktas et al. (2015) shows that manager often ignore principle optimal working capital management, so that expenditure No efficient this is the end impact on the decline mark company.

Conflict agency in working capital management can influence mark company with various way. According to Agency Theory, holder share expect manager For managing working capital in a way efficient use maximize mark company.

However, the practice suboptimal working capital management, which arises from interest manager personal, in fact result in loss for holder shares and lower mark companies (Baños-Caballero et al., 2014). Akbar et al. (2022) found that successful company apply consistent working capital policy with interest holder share show performance more finances good and higher market value high. This is because of manager in company the tend allocating working capital For activities that produce mark add, like investment term length that has potential profitability more tall.

Agency Theory also has implications for the allocation of working capital. to investment term long. Excess working capital, if managed in a way wise, able allocated For investment term profitable length company. A study by Afrifa (2023) emphasized that use of working capital in a way efficient allow company For own flexibility finance, which in turn increase ability they For invest in projects strategic term long.

Gupta et al. (2023) also confirmed that company with optimal working capital level is more tend own source Power For fund investment term long, which then increase Power competitiveness and value company. Efficient working capital allocation become an important strategy in build foundation solid and possible financial growth sustainable for company.

A number of studies latest support idea that good working capital management can reduce conflict interest between holder shares and management, which ultimately strengthen performance companies. For example, research by Akbar et al. (2022) found that when company set consistent working capital policy with principle Agency Theory, conflict agency decreased, which is reflected from increasing efficiency operational and

stability finance. In addition, Afrifa (2023) emphasized that the working capital is managed optimally potential increase mark company because of the funds more productive and focused on investment strategic. Findings This give runway empirical for study about How principles Agency Theory influence on working capital decisions in the sector Indonesian manufacturing.

Agency Theory offer very insightful useful for manager finance in the sector manufacturing. Suggested principles in theory This can help manager balancing interest term short, like liquidity, with interest term long For maintain growth mark company. With follow principles Agency Theory, manager expected can optimizing working capital that is not only ensure continuity liquidity term short but also contributes to the taking decision investment strategic that improves mark company in term long (Gupta et al., 2023). In context industry Indonesian manufacturing, where the challenges liquidity and needs investment strategic become focus main, application of Agency Theory in working capital management can support stability and power competition companies in a competitive market.

Resource-Based View (RBV)

Resource-Based View (RBV) theory was first introduced by Wernerfelt (1984) and Barney (1991) who emphasized that superiority competitive a company rooted in the source Power internally. RBV states that source power that has the characteristics of valuable, rare, inimitable, and non-substitutable (VRIN) are key For reach superiority sustainable competitiveness (Barney, 1991).

In context working capital management, RBV provides framework theoretical For understand How company can utilise source Power liquidity For maintain efficient operations as well as support objective strategic term length. The study by Gupta, Jatav, and Prakash (2023) shows that effective working capital management, if done with right, can give contribution significant to sustainability and value company in sector manufacturing, which is increasingly relevant in condition dynamic economy as in Indonesia.

RBV in working capital context underline How company can utilise source Power financial term short For strengthen Power competitiveness and power stand operational. Working capital, which includes cash, receivables, and inventory, is vital components in management asset liquidity that allows continuity operational as well as flexibility finance (Roshan & Chatnani, 2023).

Based on RBV, working capital can become source Power strategic when managed with Good For support efficient operation at a time maintain adequate liquidity. Gupta et al. (2023) added that capable company optimizing working capital No only maintain liquidity but also improve profitability, which ultimately give superiority real competitive in a very market competitive like sector manufacturing in Indonesia.

RBV argues that source internal power, when managed with ok, can increase mark company with minimize risk finance and support stability operation term long. Working capital as part from source strategic internal power play role important in support operation everyday and fulfill obligation finance term short, all of which contribute to stability and sustainability business. Aktas et al. (2015) found that company that manages working capital optimally tend to own risk more bankruptcy low and lower capital costs efficient, all of which impact positive to mark company.

In context sector manufacturing, excess working capital can allocated For project investment that supports growth and profitability term long, which in the end increase mark company (Afrifa, 2023). In the environment Indonesia's economy is full challenges, optimal working capital management becomes an important strategy For maintain mark company and power compete in the market.

RBV also explains how working capital is managed in a way efficient give company flexibility finance For fund investment term length of value add. Adequate working capital allocation allow company For respond opportunity investment without dependence high on source funding external, which is generally more expensive and risky (Akbar et al., 2022).

In the RBV framework, decisions For allocate working capital to investment term long reflects usage strategy source power that is not only fulfil need operational, but also creates mark plus through investment that supports sustainability and growth company. A study by Roshan and Chatnani (2023) found that company that manages working capital with efficient more tend do investment that increases mark company and support growth term long.

Study latest give support empirical to application of RBV in context working capital management and its impact on performance companies, especially in the sector manufacturing. A study by Akbar et al. (2022) shows that optimal working capital management allows company maintain balance between liquidity and profitability, which serve as source Power strategic For face market uncertainty and fluctuations.

A study by Gupta et al. (2023) also found that capable company using working capital with efficient own more flexibility big in allocate source Power For investment strategic, which in turn increase mark company. Empirical evidence This supports RBV with show that the working capital is managed play an optimal role important in increase Power competitiveness and profitability term long company.

Application of RBV in working capital management give implications significant practical for sector manufacturing in Indonesia. With understanding working capital as source Power strategic, company manufacturing can optimize liquidity For support operational and investment worth add, and build Power stand financial to market risk.

Manager finance that implements RBV principles in working capital management will more capable face competition, increase performance finances, and maintain

sustainable growth (Gupta et al., 2023). In addition, companies that utilize working capital optimally tend to more capable face fluctuation environment business and have more capacity big for fund projects term profitable length, which is important in maintain superiority competitive in a very competitive sector like manufacturing.

Working Capital Investment

Working capital investment refers to the placement of company funds in asset fluent such as cash, receivables, and necessary supplies for support activity operational everyday life (Gupta, Jatav, & Prakash, 2023). In perspective finance, working capital functioning as support main liquidity company, because ensure availability of funds for fulfil obligation term short and keep smoothness operational without disruption. For companies manufacturing, optimal working capital investment has role crucial Because industry This need stable supply For maintain productivity. Needs will efficient working capital management become more important in condition economy that is not uncertain, where dependence on financing external can cause risk addition (Roshan & Chatnani, 2023).

In the sector manufacturing, working capital investment give base for sustainability of the production process. Considering manufacturing very subject to availability inventory and management effective receivables, working capital management play a role in guard balance between profitability and liquidity.

Afrifa (2023) emphasizes that optimal working capital management allows company For cover cost production in a way efficient and reduce pressure liquidity that can bother cycle operational. According to Akbar et al. (2022), companies that manage working capital in a way efficient can minimize cost excessive operational, which ultimately increase flexibility finance For respond market changes and demand.

Working capital net (Net Working Capital, NWC) often used For measure working capital investment. NWC is defined as difference between asset smooth and obligation smooth, which is stated as :

$$\text{NWC} = \text{Asset Lancar} - \text{Kewajiban Lancar}$$

In addition, in context of working capital efficiency, some studies use NWC ratio to sales (NWC-to-Sales Ratio) for evaluating how much large working capital required in relation to income sales. This formula can formulated as following :

$$\text{NWC} - \text{to} - \text{Sales Ratio} = \frac{\text{Persediaan} + \text{Piutang} - \text{Hutang Dagang}}{\text{Penjualan Bersih}}$$

Where:

- Supply covers mark available items For for sale or used in production,
- Receivables is the amount to be accepted from customer,
- Debt Trade is obligation company to supplier,
- Sale Clean is total income after reduced returns and discounts sale.

Ratio This helps companies understand levels required working capital investment for producing sales, allowing management to evaluate what working capital is used. It is efficient in support activity business.

Excessive working capital investment can reduce mark company Because the existence of opportunity costs, namely cost chance from the funds held in working capital. This fund should Can allocated to more investments productive (Deloof, 2003).

Research by Roshan and Chatnani (2023) shows that excess working capital increase capital cost without give return adequate results, which can result in decline mark company. On the other hand, effective working capital management can increase mark company with ensure smoothness operational, reduce dependence on financing external, and improve efficiency cost.

Managed working capital in a way efficient give company flexibility For support projects investment term length. Based on Resource-Based View (RBV) theory, optimal working capital allows company For own source Power sufficient financial For invest in project strategic that can increase Power competition term length (Afrifa, 2023).

For example, a company with healthy working capital can allocate funds for development technology new or expansion capacity production. Akbar et al. (2022) showed that companies that have flexibility finance from sufficient working capital more Ready in face market changes and executing opportunity investment term long without must depends entirely on loan external.

Study latest show that efficient working capital management correlated positive with mark company. A study by Gupta et al. (2023) found that company that manages working capital with optimal can reduce dependence on long-term debt short and increase profitability margins. Another study by Roshan and Chatnani (2023) supports that working capital is efficient give company ability For maintain sufficient liquidity while utilise opportunity investment term long. Studies This underline importance working capital investment in increase performance finance and power competition companies in an increasingly global market competitive.

Implications practical from efficient working capital management very important for manager finance in the sector Indonesian manufacturing. With utilize working capital optimally, the company can increase efficiency cost, maintain stability operational, and improve capacity For fund investment strategic term length (Gupta et al., 2023).

Effective working capital management allow company For minimize risk liquidity, reducing dependence on debt, and maintaining flexibility financial needs required For adapt to market fluctuations and changes request. This is become key for company

manufacturing For guard sustainability operational and improve Power competition in a dynamic market.

Based on review literature and evidence empirical, can concluded that working capital investment play role central in support mark company and allows growth through investment term long.

Effective working capital management No only increase liquidity, but also provides flexibility operational that allows company For respond market changes and take advantage of opportunity growth with more good. Research This supports hypothesis that optimal working capital investment contributes in a way significantly to mark companies, especially in sector vulnerable manufacturing to change condition economy.

Company Values

Company values are indicators that reflect market perception of performance and the potential growth of the company. In the literature finance, one of the frequent size used For evaluate mark company is Tobin's Q, which measures ratio between company market value to mark replacement its assets (Tobin, 1969). Tobin's Q formula can stated as following :

$$Q = \frac{\text{Market Value of Equity} + \text{Total Liabilities}}{\text{Book Value of Total Assets}}$$

Where:

- Qis the Tobin's Q value, which is used to measure the value of a company.
- Market Value of Equity is equity market value company.
- Total Liabilities represents total liabilities company.
- Book Value of Total Assets is mark book total assets of the company.

A study by Roshan and Chatnani (2023) shows that excessive working capital can lowers Tobin's Q, because the funds held No productive. This is show that optimal working capital management is important For maintain mark stable company, especially in the sector manufacturing that has characteristics of intensive working capital.

Working capital management play a role important in create stability operational and flexibility financial that contributes to value company. Gupta, Jatav, and Prakash (2023) stated that capable company guard balance between liquidity and profitability through efficient working capital management will own risk more financial low, which ultimately increase market perception of mark company.

In context sector Indonesian manufacturing, optimal working capital management helps company maintain sufficient liquidity for need operational, so that reduce dependence on financing external that can add burden cost.

Excessive working capital investment or below optimal level can influence mark company. Excessive working capital investment tend increase cost operational because of

the capital that is not productive tied to inventory or uncollectible receivables produce profit direct.

A study by Akbar et al. (2022) showed existence connection negative between excess working capital with mark company, because increased cost of capital without return comparable results. On the other hand, efficient working capital management can balancing need liquidity and profitability, enabling company For use the funds For more activities productive, which supports improvement mark company.

Optimal working capital is not only guard liquidity term short but also possible company For invest in project term potential length increase mark company. Based on theory Resource-Based View (RBV), managed working capital with efficient can become source Power strategic support investment term length of value add (Afrifa, 2023).

Sufficient working capital provide flexibility financial for company, allowing they For respond opportunity investment without dependence high on financing external. This is very relevant in context manufacturing, where good working capital management allow allocation of funds for project term increasing length Power competitiveness and profitability.

Empirical study latest strengthen role good working capital management in support mark company. Roshan and Chatnani (2023) found that successful company managing working capital they in a way efficient show improvement significant in Tobin's Q. In addition, Gupta et al. (2023) identified that reduction of working capital excess and its allocation For investment productive influential positive to mark company. Research This relevant in Indonesian context, where companies manufacturing often face limitations access financing external and market volatility, so that working capital efficiency become solution important For overcome challenge This.

For the sector manufacturing in Indonesia, efficient working capital management own impact significant to Power competitiveness and stability mark company. With utilize working capital optimally, the company can guard sufficient liquidity For need operational at a time support investment term supporting length growth. According to Gupta et al. (2023), companies with effective working capital tend own capacity more financial Good For adapt to fluctuation economy. Manager finance in sector manufacturing can adopt principles This For optimizing existing working capital, increasing profitability, and ultimately maintain or even increase mark companies in the market.

Long- Term Results

Investment decisions long term covers strategic processes company in allocate source Power to expected projects produce benefit financial or future operations. Investment related with asset still like machines, buildings, or technology that aims For strengthen capacity production and increase efficiency.

According to Gupta, Jatav, and Prakash (2023), investment term long very important in support growth sustainable, especially in the sector very manufacturing depend on assets physique For maintain capacity production. Allocation of funds in investment This also

reflects the company's strategy. For build superiority competitive through development infrastructure and control more technology proceed.

In the manufacturing sector, the decision to invest in facility production or technology new aiming to increase productivity and pressure cost operational in term long. Afrifa (2023) highlights that improvement in the process of automation and use technology advanced is an integral part of investment term possible length company for more responsive to market dynamics and reduce dependence on power manual work.

Development capacity production through investment in assets still allow company manufacturing to optimize efficiency operational and improve scale production, which ultimately pushes growth mark company. Research by Roshan and Chatnani (2023) strengthens argument This with show that investment strategic in asset physique can expand the market and improve Power compete.

Investment decisions term long often measured with ratio Capital Expenditure (CapEx) to total assets at the beginning period. CapEx reflects the funds allocated For procurement or maintenance asset fixed and considered as size important from decision investment company. Formula measurement ratio CapEx is as following :

$$\text{CapEx Ratio} = \frac{\text{Capital Expenditure}}{\text{Total Assets}}$$

Where:

- Capital Expenditure (CapEx) is amount of funds used For purchase, repair, or rejuvenation asset still.
- Total Assets is total assets companies measured at the beginning period.

Ratio CapEx This shows proportion investments made in assets still compared to with total assets owned company. More investment big in asset still indicates commitment company to growth term length and development capacity operational (Aktas et al., 2015). Good understanding about ratio This assist investors in assess expansion and stability strategies finance company in face competition.

Efficient working capital management play role important in support decision investment term long. Excess working capital can diverted to investment in nature strategic, which allows company For utilize funds that are not used on occasion promising investment.

Akbar et al. (2022) stated that excessive working capital, if managed optimally, allowing company For reduce dependence on loans external and improve capacity For investment term long. In the sector Indonesian manufacturing, working capital efficiency that supports decision investment strategic in asset still give impact positive on profitability term length, which increases mark company in a way overall.

Investment in asset still bring impact positive on profitability and value company through improvement capacity and productivity operational. A study by Roshan and Chatnani (2023) revealed that investments supported by efficient working capital No only

help guard liquidity but also open opportunity for company For develop more modern infrastructure.

In addition, Gupta et al. (2023) showed that capable company balancing between working capital and investment term long tend more stable in a way financial, with greater risk low to fluctuation liquidity. The decision to invest in asset remain in developing countries as Indonesia often does become challenge, because limited access to funding external. Therefore that, ability company For optimizing working capital become factor determinant in support growth term long.

Study latest show that decision investment term effective length own correlation positive with improvement mark companies, especially in the sector manufacturing. Gupta, Jatav, and Prakash (2023) found that successful company optimizing working capital and diverting part the amount of the fund to investment strategic in asset still experience improvement performance finance.

Roshan and Chatnani (2023) also emphasized that decision investments supported by optimal working capital are not only give savings cost but also creates mark more companies tall through improvement efficiency operational. In the Indonesian context, research This relevant remember importance working capital efficiency For increase Power competition company manufacturing in an increasingly global market competitive.

Investment decisions term long term supported by effective working capital management give benefit practical for company manufacturing in Indonesia. With efficient working capital, the company can reduce dependence on loans external and strengthening required liquidity For fund projects strategic. Gupta et al. (2023) indicated that ability company For guard balance between working capital requirements and allocation For investment term long help company in increase stability financial. With Thus, the company can more Ready face market uncertainty and respond increasing demand without need sacrifice liquidity or take risk loan excessively.

Based on description above so withdrawn hypothesis as follows:
H1. It is suspected to have Influenced Capital Investment Against Company Value.

Influence on Working Capital Investment in Company Value

According to theory Trade-Off, efficient working capital creates a balance between risk liquidity and cost of capital. Aktas et al. (2015) found that companies that can minimize working capital excessively will own lots of funds for supporting activity strategies, which ultimately increases mark company

Based on description above so withdrawn hypothesis as follows:
H2. It is suspected that the company value has an influence On Investment Long- term

The Influence of Company Values on Investment Long- term

Companies with high market value more Possible own access to source financing external and more believe self in do investment term long. This is also supported by the theory Agency, where the company with effective management in allocating working capital will can do investment term long without face conflict interest with holder share.

RESEARCH METHODS

Research methods used in study This is descriptive statistical methods with approach quantitative that is results research which is then processed and analyzed For taken in conclusion.

According to Saleh, (2018) explains that study statistics descriptive emphasize analysis of numeric data (numbers), with use method study This will known significant relationship between variables studied so that will produce a clear conclusion description about the object to be researched.

Econometric model in study This aiming For analyze connection between working capital investment excess (Excess Net Working Capital) or Excess NWC) on Company Value and Investment Long term in the company manufacturing in Indonesia. This model use panel regression with effect Fixed Effects, which takes into account variation between companies (cross-section) and variations in time (time-series).

Research sample taken from company manufacturing listed on the IDX and has report finance complete during period research. Companies that meet the condition chosen based on criteria following :

1. Companies listed on the IDX in sector manufacturing For period 2014–2023.
2. Availability report finance adequate and consistent annual during period research, for ensure data accuracy.
3. Companies that do not experience delisting or termination trading during period research, to avoid distortion in analysis.
4. Companies with comprehensive data related to working capital, investment term length, and value company, so that required variables can counted in a way accurately.

Filtering method This ensures that samples obtained represent characteristics sector manufacturing and relevant with objective research. Gupta, Jatav, and Prakash (2023) emphasized importance strict criteria in election sample For avoid bias that can influence results analysis.

Based on above criteria, size sample used covers around 100 to 150 companies manufacturing every year, depending on the completeness of the available data. With using panel data, research This can evaluate change in working capital and its impact to mark company as well as investment term long in a way more Details from time to time. According to Akbar et al. (2022), panel data provides superiority in identify temporal patterns as well control variables that are not observed at the level company, so that results analysis become more robust.

Econometric model in study This aiming For analyze connection between working capital investment excess (Excess Net Working Capital) or Excess NWC) on Company Value and Investment Long term in the company manufacturing in Indonesia. This model uses panel regression with effect Fixed Effects, which considers variation between companies (cross-section) and variations in time (time-series).

Model for Hypothesis 1: Influence Working Capital Investment on Company Value

Variables dependent in equality This is Tobin's Q, which is used as a proxy for mark company. Tobin's Q is calculated as ratio between market value of assets company to mark book asset The Tobin's Q value is higher. tall show mark more companies good in the eyes of investors. This model use effect fixed (Fixed Effects) for control difference specific between companies that do not changed from time to time, such as internal company factors that are not measurable but can influence mark company.

Equality regression For analyze working capital influence excessive to mark company is :

$$\text{Tobin's } Q_{it} = \beta_0 + \beta_1 NWC/TA_{it} + \beta_2\ SIZE_{it} + \beta_3\ LEV_{it} + \beta_4\ ROA_{it} + \beta_5\ ROE_{it} + \beta_6\ CR_{it} + \beta_7\ SG_{it} + \epsilon_{it}$$

Where:

Tobin's Q:Company value at time tfor company i.

a: Intercept or constant in equality regression.

β_1 NWC: Measuring working capital excess. Positive value from Excess NWC shows that companies have working capital investment exceeding the optimal level, which can influence mark company.

β_2 Ukuran Perusahaan:Measured as the logarithm of the firm's total assets. Size more companies big tend own more value tall Because own scale more operations bigger.

β_3 Leverage:The ratio of total debt to total equity of a company. Leverage can affect the risk and value of a company. company.

Control: Variable other possible controls relevant, such as profitability (e.g., ROA or ROE), cash reserves, and growth sales, which is used for stabilizing results estimate.

ϵ_{it}: Error term, which indicates variations that are not can explained by the model.

Model for Hypothesis 2: Influence Working Capital Investment to Investment Long-term

Equality is second used for analyzing working capital influence excessive to investment term long company, which is measured as capital expenditure or Capital Expenditure (Capex) per total assets.

Equality regression for measure connection This is:

$$\mathbf{CAPEX/TA_{it} = \beta_0 + \beta_1\ Excess\ NWC/TA_{it} + \beta_2\ SIZE_{it} + \beta_3\ LEV_{it} + \beta_4\ ROA_{it} + \beta_5\ ROE_{it} + \beta_6\ CR_{it} + \beta_7\ SG_{it} + \epsilon_{it}}$$

Where:

Capex/Total Assets: Describe ratio capital expenditure to total assets company, which shows level investment term long on assets still company.

a:Constants in regression models.

β_1 Excess NWC: Shows working capital excessive company. Expectations is if working capital excessive reduced, then the funds are can allocated For investment term longer length productive.

β_2 Cadangan Kas: Shows the cash reserves held by the company. High cash reserves allow the company to make long-term investments without the need for external financing.

Control : Variables control other like size companies, leverage, and growth sales that can influence decision investment term long company.

ϵ_{it}: The error term in a regression model that reflects unexplained variation.

Model for Hypothesis 3: Working Capital Relationship on Company Value and Investment Long- term

$$Y_{it} = \beta_0 + \beta_1 \text{Excess NWC}_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 ROA_{it} + \beta_5 ROE_{it} + \beta_6 CR_{it} + \beta_7 SG_{it} + \epsilon_{it}$$

Where:

Y_{it}:Tobin's Q or CAPEX/Total Assets

RESULTS AND DISCUSSION

Statistical Results Descriptive Variables

Study This using data from 34 companies in range 2014 – 2023. Table 4.1 contains results statistics descriptive in the form of average, standard deviation, minimum and maximum values of 9 variables with 340 observations. The following This classification industry company the in accordance with IDX Industrial Classification (IDXIC) version 1.0:

Table 1
Classification Industry by Indonesia Stock Exchange

Classification	Code IDXIC	Amount
Energy	A	11
Basic Materials	B	0
Industries	C	19
Consumer Goods (Consumer Discretionary)	D	12
Consumer Goods (Consumer Staples)	E	24
Health (Health Care)	F	4
Finances	G	0
Properties and Real Estate	H	0
Technology	I	0
Infrastructure	J	0
Transportation & Logistics	K	0
Product Investment Listed (Listed Investment Product)	L	0
Materials	M	26

Total Company	34

Source : Researcher, (2024)

Of the 34 companies, there are two tens six companies classified Material sector (M), type This most between type others. Followed with Primary Consumer Goods sector (E) as much as two tens four company. As many as nine 12 Industrial Companies (C). Non-Primary Consumer Goods Sector (D) as many as two twelve company. Energy Company (A) as many as eleven company, and company with the least amount is Health company (F) is available as much as four companies. Raw Materials (B), Finance (G), Property and Real Estate (H), Technology (I), Infrastructure (J), Transportation and Logistics (K), and Products Investment Noted (L) no including as a Company under observation in study This.

Model A – Tobin's Q

Model A uses 340 counts observation. In the whole Model A, the highest average value is Firm Size (8.68) and the lowest is Corporate Investment (0.04). Maximum value highest is Tobin's Q (7.14) and the lowest is Corporate Investment (0.17). Highest minimum value is Firm Size (7.45) and the lowest is Sales Growth (-0.37). Meanwhile that, standard deviation highest is Tobin's Q (1.01) and the lowest is Corporate Investment (0.03).

For variable independent, value maximum highest is NWC (scale) (1) and the lowest is ROA (0.24). The highest minimum value is Firm Size (7.45) and the lowest minimum value is Sales Growth (-0.37). Standard deviation highest is Tobin's Q (1.01) and the lowest is Corporate Investment (0.03).

Table 2
Statistics Descriptive Variables

Variables	Obs	Mean	St. Deviation	Min	Max
Tobin's Q	340	1.50	1.01	0.34	7.14
Corporate Investment	340	0.04	0.03	0.01	0.17
ROA	340	0.06	0.05	0.01	0.24
ROE	340	0,12	0,07	0,01	0,37
NWC (skala)	340	0,27	0,25	0	1
Firm Size	340	8,68	0,58	7,45	9,91
Cash Reserve	340	0,08	0,06	0,01	0,32
Leverage	340	0,24	0,14	0,01	0,61
Sales Growth	340	0,05	0.17	-0.37	0.82

Source: Researcher, (2022).

In variables control, value maximum highest is Firm Size (9.91) and the lowest is Cash Reserve (0.32). Highest minimum value is Firm Size (7.45) and the lowest minimum value is Sales Growth (-0.37). Standard deviation highest is Firm Size (0.58) and the lowest is Cash Reserve (0.06).

Chow Test

Chow test is performed to determine whether Common Effect Model (CEM) or Fixed Effect Model (FEM) is more in accordance used in analysis regression This.

Table 3
Chow Test Results On Tobin's Q

Tobin's Q	Coefficient	Std. Error	t	P> | t |	95% conf. interval	
NWC (skala)	0,44	0,20	2,23	0,02	0,05	0,84
ROA	10,60	2,09	5,06	0,01	6,47	14,73
ROE	-0,99	1,10	-0,90	0,37	-3,16	1,18
Firm Size	-0,95	0,21	-4,37	0,01	-1,38	-0,52
Cash Reserve	-0,74	0,51	-1,46	0,14	-1,75	0,26
Leverage	0,49	0,37	1,33	0,18	-0,23	1,22
Sales Growth	-0,16	0,13	-1,23	0,22	-0,44	0,10
Cons	9,08	1,88	4,81	0,00	5,36	12,80
Sigma u	1,00					
Sigma e	0.39					
Rho	0.86					

Prob > F = 0.0000

Source: Researcher, 2024.

Based on test results, F- statistic value of 18.47 with probability (p-value) of 0.0000. A higher p-value small from level significance 0.05 (p-value < 0.05) indicates that hypothesis zero (H0: Common Effect Model more suitable than Fixed Effect Model) is rejected. With Thus, a more advanced model in accordance is Fixed Effect Model (FEM), because this model capable catch difference significant between company in the analyzed panel data.

Chow test is performed For choose between Common Effect Model (CEM) and Fixed Effect Model (FEM) in panel data analysis. Hypothesis tested is H_0 (Null Hypothesis), which states that CEM is more suitable Because No There is difference intercept between company, and H_1 (Hypothesis Alternative), which states that FEM is more suitable Because There is difference significant intercept between company.

Table 4
Chow Test Results On Corporate Investment

Corporate Investment	Coefficient	Std. Error	t	P> | t |	95% conf. interval	
NWC (scale)	-0.01	0.01	-1.03	0.30	-0.03	0.01
ROA	0.81	0.12	6.32	0.01	0.56	1.06
ROE	-0.26	0.06	-3.86	0.01	-0,39	-0,12
Firm Size	-0,05	0,01	-4,26	0,01	-0,08	-0,03
Cash Reserve	0,01	0,03	0,02	0,98	-0,06	0,06
Leverage	0,10	0,02	4,83	0,01	0,06	0,15
Sales Growth	-0,01	0,01	-0,11	0,91	-0,01	0,01
Cons	0,49	0.11	4.29	0.00	0.26	0.72
Sigma u	0.04					
Sigma e	0.02					

Rho	0.78

Source : Researcher, (2024)

Regression Test

Regression results Random Effects Model (REM) shows an influence on several variables against Tobin's Q, which is used as size mark company.

Table 5
REM Regression Results on Tobin's Q

Tobin's Q	Coefficient	Std. Error	z	P> | z |	95% conf. interval	
NWC (skala)	0,89	0,18	4,91	0,00	0,53	1,25
ROA	10,42	1,99	5,22	0,00	6,50	14,34
ROE	-0,25	1,05	-0,24	0,81	-2,32	1,82
Firm Size	-0,10	0,13	-0,76	0,44	-0,36	0,16
Cash Reserve	-1,34	0,50	-2,66	0,00	-2,33	-0,35
Leverage	0,02	0,35	0,08	0,93	-0,66	0,71
Sales Growth	-0,29	0,14	-2,08	0,03	-0,56	-0,01
Cons	1,62	1,15	1,41	0,15	-0,63	3,89
Sigma u	0,53					
Sigma e	0,39					
Rho	0.63					

Source : Researcher (2024).

$$\text{Tobin's Q} = 9{,}08 + 0{,}44\ (\text{NWC (skala)}) + 10{,}68\ (\text{ROA}) - 0{,}99\ (\text{ROE}) - 0{,}95\ (\text{Firm Size}) - 0{,}74\ (\text{Cash Reserve}) + 0{,}49\ (\text{Leverage} - 0{,}16(\text{Sales Growth})$$

In general overall, regression model show R-squared of 0.2161, which means this model can explain about 21.61% variation in Tobin's Q, which is relatively low. However, the Wald Test with p-value 0.000 indicates that the regression model in a way overall significant. Based on results this, can concluded that NWC (scale), ROA, and Firm Size own influence significant against Tobin's Q, with ROA having a very close relationship strong and positive. While that, variable others, such as ROE, Cash Reserve, Leverage, and Sales Growth, are not give significant influence to mark company. The company needs focusing strategy on working capital efficiency, performance assets, and size company For increase their market value.

Based on results regression Random Effects Model (REM), exists a number of variables that influence Tobin's Q significantly significant.

Table 6
REM Regression Results on Corporate Investment

Corporate Investment	Coefficient	Std. Error	z	P> | z |	95% conf. interval	
NWC (skala)	0,01	0,01	0,03	0,97	-0,01	0,02
ROA	0,58	0,11	5,29	0,01	0,36	0,80
ROE	-0,15	0,05	-2,53	0,01	-0,26	-0,03
Firm Size	-0,01	0,01	-0,42	0,67	-0,01	0,01
Cash Reserve	-0,02	0,02	-0,83	0,40	-0,08	0,03
Leverage	0,06	0,01	3,51	0,01	0,03	0,10
Sales Growth	-0,01	0,01	-0,55	0,58	-0,02	0,01
Cons	0,31	0,05	0,61	0,54	-0,07	0,13
Sigma u	0,01					

Sigma e	0,02
Rho	0,38

Source : Researcher, (2024)

$$\text{CI} = 0{,}49 - 0{,}01\ (\text{NWC (skala)}) + 0{,}81\ (\text{ROA}) - 0{,}26\ (\text{ROE}) - 0{,}05\ (\text{Firm Size}) + 0{,}00\ (\text{Cash Reserve}) + 0{,}19\ (\text{Leverage}) - 0{,}00\ (\text{Sales Growth})$$

In general overall, regression model This own R-squared of 0.4325, which shows that this model can explain about 43.25% variation in Tobin's Q. The Wald test with a p-value of 0.000 shows that the regression model in a way overall significant.

Based on results this, can concluded that NWC (scale), ROA, Firm Size, and Leverage have influence significant against Tobin's Q, with ROA and NWC (scale) providing influence positive, while Firm Size show influence negative. Variable others, such as ROE, Cash Reserve, and Sales Growth, are not influential significant to mark company. This result show that efficiency company in produce profit from assets and debt usage play a role role important in increase investment corporation.

Hausman Test

Based on the results of the Hausman Test are displayed, with a p-value < 0.05, we can conclude that Fixed Effect Model (FEM) is more appropriate used compared to Random Effects Model (REM). The Hausman test examines whether difference estimate between FEM and REM is significant. If the p-value < 0.05, then hypothesis zero which states that REM is more efficient than FEM is rejected, and FEM is selected as a more model in accordance

Table 7
Hausman Test Results On Tobin's Q

	Coefficients			
	FE	RE	Difference	Std. Error
NWC (scale)	0.44	0.89	-0.44	0.08
ROA	10.60	10.42	0.18	0.63
ROE	-0.99	-0.25	-0.74	0.31
Firm Size	-0.95	-0.19	-0.85	0.17
Cash Reserve	-0.74	-1.34	0.59	0.09
Leverage	0.49	0.02	0.46	0.11
Sales Growth	-0.16	-0.29	0.12	

Source : Researcher (2024)

With very high p-value small this, we reject hypothesis zero (H_0) and choose FEM because the result show that difference between individuals (companies) in panel data need considered, which is Better explained with the Fixed Effects model.

Based on the results of the Hausman Test are displayed, with p-value < 0.05, we can conclude that Fixed Effect Model (FEM) is more appropriate used compared to Random Effects Model (REM). The Hausman test examines whether estimates obtained with different FEM significant with REM estimation. When the p-value more small from 0.05, then hypothesis zero (which states that REM is more efficient) is rejected, and FEM is selected. as a more model appropriate.

Table 8
Hausman Test Results on Corporate Investment

	Coefficients			
	FE	RE	Difference	Std. Error
NWC (scale)	-0.01	0.01	-0.01	0.01
ROA	0.81	0.58	0.22	0.06
ROE	-0.26	-0.15	-0.11	0.03
Firm Size	-0.05	-0.01	-0.05	0.01
Cash Reserve	0,01	-0,02	0,02	0,01
Leverage	0,10	0,06	0,04	0,01
Sales Growth	-0,01	-0,01	0,01	

Sumber: Researcher, (2024)

With Thus, because the p-value < 0.05, the difference is significant. between individual (company) in this panel data need approach Fixed Effect Model (FEM) to give more accurate and calculated heterogeneity between company.

Robustness Test

Based on Robustness Test results displayed, regression with effect Robustness used for avoiding bias that can arise consequence existence heteroscedasticity or autocorrelation in the data. Heteroscedasticity happen when residual variance no constant throughout observation, while autocorrelation happen when the residual is on one period relate with residuals in the period previously. Second problem This can cause estimates that are not efficient and not consistent.

Table 9.
Robustness Test Results On Tobin's Q

		Robust				
Tobin's Q	Coefficient	Std. Error	t	P> | t |	95% conf. interval	
NWC (scale)	0.44	0.23	1.91	0.06	-0.02	0.92
ROA	10.60	3.43	3.09	0.01	3.62	17.58
ROE	-0.99	1.64	-0.60	0,55	-4,34	2,35
Firm Size	-0,95	0,51	-1,87	0,07	-1,99	0,08
Cash Reserve	-0,74	0,97	-0,76	0,45	-2,73	1,24
Leverage	0,49	0,66	0,74	0,46	-0,86	1,84
Sales Growth	-0,16	0,15	-1,07	0,29	-0,49	0,15
Cons	9.08	4.41	2.06	0.04	0.10	18.06
Sigma u	1.00					
Sigma e	0.39					
Rho	0.86					

Source : Researcher, (2024)

With use approach robust regression, this model can correcting potential problem said, ensuring that estimate coefficient remains valid even though there is heteroscedasticity or autocorrelation. This increases reliability results analysis and enable more conclusions accurate and can reliable from the data used.

Based on Robustness Test results displayed, regression with robust standard errors used For overcome problem heteroscedasticity or autocorrelation in the data. This is

important Because without adjustments, problems the can cause estimate biased and unbiased coefficients efficient.

Table 10.
Robustness Test Results on Corporate Investment

Corporate Investment	Coefficient	Robust Std. Error	t	P> | t |	95% conf. interval	
NWC (scale)	-0.01	0.01	-0.84	0.40	-0.04	0.01
ROA	0.81	0.16	5.02	0.01	0.48	1.14
ROE	-0.26	0.06	-4,17	0,01	-0,39	-0,13
Firm Size	-0,05	0,01	-3,01	0,01	-0,09	-0,01
Cash Reserve	0,01	0,03	0,02	0,98	-0,07	0,07
Leverage	0,10	0,03	3,62	0,01	0,04	0,17
Sales Growth	-0,01	0,01	-0,11	0,91	-0,01	0,01
Cons	0.49	0.16	3.07	0.00	0.16	0.82
Sigma u	0.04					
Sigma e	0.02					
Rho	0.78					

Source : Researcher, (2024)

From the results this, can seen that coefficients regression still significant after done adjustment with robust standard errors, which shows that results estimate remains valid even though There is potential problem with residual variance or correlation between residuals. In overall, approach This ensure that the model remains give more results accurate and can reliable, avoiding possible bias arise Because irregularity in data.

Discussion

Regression results show that ROA has positive significant coefficient at the 1% level (0.8139), which means that every improvement in ROA will increase Corporate Investment (CI). This is in line with the theory put forward by Fazzari et al. (1988) which states that greater profitability tall tend give company more Lots source internal power for invested back. As example, company with ROA tall show that company the more efficient in use asset For produce profit, which allows company the For own capacity more big in do investment.

Leverage own influence significant positive against CI (coefficient = 0.1998, $p < 0.01$). The pecking order hypothesis theory by Myers and Majluf (1984) states that company tend use debt to to finance investment they If they No own source sufficient internal power. In case This company has leverage more tall tend own access to financing more external many, which allows they For improve CI. This result confirm that company with higher debt levels tall more capable invest in expansion and development.

Although in a way ROE theory is expected own connection positive with CI, results regression show that ROE has influence negative against CI (coefficient = -0.2621), although No significant in a way statistics. The agency cost theory by Jensen and Meckling (1976) suggests that company with level return high equity Possible No feel need For do investment big, because they Already get high yield from use equity. Therefore that, companies that have high ROE Possible more choose For maintain profit or do distribution dividend than increase investment, although results This No significant in analysis.

Regression results show that Company Size (Firm Size) has negative influence against CI (coefficient = -0.0572, $p < 0.05$). This is show that more companies big tend own higher CI level low.

Based on governance theory company and scale economy, company big often have more cash flow stable and possible feel more comfortable with a conservative strategy, leading to a reduction investment. This is also consistent with findings in literature that shows that company big tend more Be careful in make decision investment large (Brealey et al., 2011).

Regression results show that Cash Reserve No significant in affects CI (coefficient = 0.0006, $p > 0.05$). Although theory finance as pecking order theory suggests that company with more cash reserves tall can invest more Lots without depends on the source external, internal matter This its influence No proven significant. This is Possible due to the fact that company Possible more choose For guard cash reserves for need operational or in face uncertainty economy, rather than allocate it For investment expansion.

Variables Sales Growth No show influence significant against CI (coefficient = -0.0009, $p > 0.05$). Signaling theory state that growth high sales can give signal positive to the market and increase investor confidence. However, in case this is the result show that Sales Growth No Enough strong For influence decision investment company.

This matter Can So Because companies that experience growth sale tall Possible more focus on strengthening market position and improvement efficiency operational, instead increase expenditure For capital investment.

Based on results analysis regression and its relationship with existing theories in the Literature Review, it can be concluded that ROA and Leverage own influence significant to Corporate Investment (CI). The more tall profitability company and more big use of debt, increasingly big company too the do investment. On the other hand, ROE, Firm Size, Cash Reserve, and Sales Growth No show influence significant against CI. This result recommends that decision investment be more influenced by efficiency in use assets and capital structure of the company, while variable others, although relevant, not always influence decision investment in a significant way.

CONCLUSION

Working capital investment own influence significant to mark companies in the sector Indonesian manufacturing. Optimization of working capital, as explained in theory Trade-Off and Agency, proven can increase mark company with method reduce capital costs and increase efficiency operational. Companies that are able to managing working capital with Good show performance more financial stable and improving positive market value.

Efficient working capital management proven contribute significant to decision investment term long in the company manufacturing. Concept Resource Based View explain that good working capital management can become source Power strategic support

Power competition company, allowing they For more flexible in take decision profitable investment in the future.

Research result show existence nonlinear relationship between working capital level and value company, with supporting evidence existence inverted U- curve in the sector Indonesian manufacturing. This is show that there is the optimal working capital point where the value company can reach peak, and excessive use of working capital low or too tall can harm performance company.

Excess working capital investment can increase risk financial company. The use of working capital that is not efficient, such as waste in management supply or receivables, can leading to improvement cost financial and lower liquidity company. Implications from findings This is importance careful management of working capital so as not to add risks that can occur influence decision managerial and health finance company.

REFERENCE

Afrifa, G. A. (2016). Net working capital, cash flow and performance of UK SMEs. Review of Accounting and Finance, 15(1), 21-44.

Akbar, A., Jiang, X., & Akbar, M. (2022). Do working capital management practices influence investment and financing patterns of firms? Journal of Economic and Administrative Sciences, 38(1), 91-109.

Aktas, N., Croci, E., & Petmezas, D. (2015). Is working capital management value-enhancing? Evidence from firm performance and investments. Journal of Corporate Finance, 30, 98-113.

Anderson, D. R., Sweeney, D. J., & Williams, T. A. (2014). Statistics for Business and Economics (12th ed.). Cengage Learning.

Baltagi, B. H. (2005). Econometric Analysis of Panel Data. Wiley.

Banos-Caballero, S., Garcia-Teruel, P. J., & Martinez-Solano, P. (2014). Working capital management, corporate performance, and financial constraints. Journal of Business Research, 67(3), 332-338.

Baños-Caballero, S., García-Teruel, P. J., & Martínez-Solano, P. (2014). Working capital management, corporate performance, and financial constraints. Journal of Business Research, 67(3), 332-338.

Ben-Nasr, H. (2016). State and foreign ownership and the value of working capital management. Journal of Corporate Finance, 41, 217-240.

Brealey, R. A., Myers, S. C., & Allen, F. (2011). Principles of corporate finance (10th ed.). McGraw-Hill.

Creswell, J. W. (2014). Research design: Qualitative, quantitative, and mixed methods approaches (4th ed.). SAGE Publications.

Deloof, M. (2003). Does working capital management affect profitability of Belgian firms? Journal of Business Finance and Accounting, 30(3-4), 573-588.

Fazzari, S. M., & Petersen, B. C. (1993). Working capital and fixed investment: New evidence on financing constraints. The RAND Journal of Economics, 24(3), 328-342.

Fazzari, S. M., Hubbard, R. G., & Petersen, B. C. (1988). Financing constraints and corporate investment. Brookings Papers on Economic Activity, 1988 (1), 141-195. https://doi.org/10.2307/2534426

Fraenkel, J. R., & Wallen, N. E. (2009). How to design and evaluate research in education. McGraw-Hill.

Greene, W. H. (2012). Econometric Analysis (7th ed.). Pearson.

Gupta, R., Jatav, S., & Prakash, G. (2023). Does management of working capital enhance firm value? Empirical analysis of manufacturing enterprises in India. International Journal of Managerial Finance, 19(3), 345-360.

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/10.1016/0304-405X(76)90026-X

Kerlinger, F. N., & Lee, H. B. (2000). Foundations of behavioral research (4th ed.). Wadsworth.

Modigliani, F., & Miller, M. H. (1958). The cost of capital, corporation finance, and the theory of investment. American Economic Review, 48(3), 261-297.

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)90065-1

Roshan, R., & Chatnani, N. N. (2023). The effect of working capital investment on firm value and long-term investment: evidence from Indian manufacturing sector. South Asian Journal of Business Studies, 12(1), 85-100.

Ross, S. A. (1977). The determination of financial structure: The incentive-signaling approach. The Bell Journal of Economics, 8(1), 23-40. https://doi.org/10.2307/3003485

Saleh, Dean Subhan. (2018). Influence Operating Capacity, Operating Cash Flow and Costs Variables To Financial Distress in Manufacturing Companies Subsector

Textile and Garment Companies Listed on the Indonesia Stock Exchange (IDX) 2009 – 2016. Journal Economics & Business. Vol8(1). 34 – 49.

Sekaran, U., & Bougie, R. (2016). Research methods for business: A skill-building approach (7th ed.). Wiley.

Seth, R., et al. (2020). Financial management in emerging economies: Issues and insights. Emerging Markets Finance & Trade, 56(3), 101-125.

Smith, C. W., & Watts, R. L. (1992). The investment opportunity set and corporate financing, dividend, and compensation policies. Journal of Financial Economics, 32(3), 263-292. https://doi.org/10.1016/0304-405X(92)90029-3

Stulz, R. M. (1990). Managerial discretion and optimal financing policies. Journal of Financial Economics, 26(1), 3-27.https://doi.org/10.1016/0304-405X(90)90016-V

Sugiyono. (2017). Metode penelitian kuantitatif, kualitatif, dan R&D. Alfabeta.

Van Horne, J. C., & Wachowicz, J. M. (2008). Fundamentals of financial management (13th ed.). Pearson Prentice Hall.

Williamson, O. E. (1988). The economic institutions of capitalism: Firms, markets, relational contracting. Free Press.

Wooldridge, J. M. (2010). Econometric Analysis of Cross Section and Panel Data. MIT Press.