Document details

International Journal of Economics and Management
Volume 11, Issue SpecialIssue1, 2017, Pages 155-167

A survival analysis of indonesian distressed company using cox hazard model (Article)

Kristanti, F.T.[a], Effendi, N.[b]

[a]Department of Accounting, Faculty of Economics and Business, Telkom University, Bandung, West Java, Indonesia
[b]Department of Economics and Development Studies, Faculty of Economics and Business, Universitas Padjadjaran, Bandung, West Java, Indonesia

Abstract

The aim of this study is to see if the control of corruption and financial ratios affect the survival likelihood of financially distressed companies. Of the public listed companies noted on the Indonesian Stock Exchange between 2002-2014, sixty one (61) financially distressed companies were identified as samples via the purposive random sampling approach. The result of Cox proportional hazards regressions showed that the control of corruption had a negative impact on the survival likelihood of the distressed companies, which means the better control of corruption will make the company's financial distress decreased. Size also has a negative influence to the financial distress, the higher the size of the company will decrease the company's financial distress. But this study proved that the higher the liquidity of the company, the higher the company's financial distress. This study proves that agency problems exist in such companies and that corruption is an obstacle that impedes the economic growth.

SciVal Topic Prominence

Topic: Industry | Small business | Entrepreneurs

Prominence percentile: 58.9

Author keywords

Cox hazard model | Distressed company | Survival analysis

ISSN: 1823836X
Source Type: Journal
Original language: English

Document Type: Article
Publisher: Universita Putra Malaysia

Documents

Export Date: 27 Sep 2018

Search:

1) Kristanti, F.T., Effendi, N.

A survival analysis of indonesian distressed company using cox hazard model

(2017) International Journal of Economics and Management, 11 (SpecialIssue1), pp. 155-167.

Document Type: Article

Source: Scopus

also developed by scimago: SCIMAGO INSTITUTIONS RANKINGS

SJR Scimago Journal & Country Rank

Enter Journal Title, ISSN or Publisher Name

Home | Journal Rankings | Country Rankings | Viz Tools | Help | About Us

International Journal of Economics and Management

Country	Malaysia - SIR Ranking of Malaysia
Subject Area and Category	Business, Management and Accounting Business and International Management Strategy and Management Economics, Econometrics and Finance Economics, Econometrics and Finance (miscellaneous)
Publisher	Universiti Putra Malaysia
Publication type	Journals
ISSN	1823836X
Coverage	2006-ongoing
	How to publish in this journal

13

H Index

International Journal of Economics and...

Q3 Business and International Management

best quartile

SJR 2017

0.17

powered by scimagojr.com

← Show this widget in your own website

Just copy the code below and paste within your html code:

```
<a href="https://www.scima
```

Int. Journal of Economics and Management 11 (S1) : 155 – 167 (2017)

IJEM
International Journal of Economics and Management
Journal homepage: http://www.econ.upm.edu.my/ijem

A Survival Analysis of Indonesian Distressed Company Using Cox Hazard Model

KRISTANTI, F. T.[a*] AND EFFENDI, N.[b]

[a]*Department of Accounting, Faculty of Economics & Business, Telkom University, Bandung, West Java, Indonesia.*
[b]*Department of Economics & Development Studies, Faculty of Economics & Business, Universitas Padjadjaran, Bandung, West Java, Indonesia.*

ABSTRACT

The aim of this study is to see if the control of corruption and financial ratios affect the survival likelihood of financially distressed companies. Of the public listed companies noted on the Indonesian Stock Exchange between 2002-2014, sixty one (61) financially distressed companies were identified as samples via the purposive random sampling approach. The result of Cox proportional hazards regressions showed that the control of corruption had a negative impact on the survival likelihood of the distressed companies, which means the better control of corruption will make the company's financial distress decreased. Size also has a negative influence to the financial distress, the higher the size of the company will decrease the company's financial distress. But this study proved that the higher the liquidity of the company, the higher the company's financial distress. This study proves that agency problems exist in such companies and that corruption is an obstacle that impedes the economic growth.

Keywords: cox hazard model, distressed company, survival analysis.

JEL Classification: G33, G3

*Corresponding author: Email : faridatk@telkomuniversity.ac.id, farida_titik@yahoo.com