

Debt Maturity and Financial Report Quality: A Dual Approach to Enhancing Investment Efficiency

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ABSTRACT

This study examines the impact of Financial Report Quality (FRQ) on Investment Efficiency (IE), with Debt Maturity (DM) as a moderating variable. High-quality financial reporting is expected to reduce information asymmetry and support optimal investment decisions, while the structure of debt maturity may strengthen or weaken this relationship. The research uses secondary data from the financial statements of companies listed on the Indonesia Stock Exchange (IDX) over the period 2020–2024. The sample is selected using purposive sampling, resulting in a final set of firms that meet the criteria for analysis. Variables are measured using established proxies, and the data is analyzed with Partial Least Squares (PLS) to test measurement validity, reliability, and structural relationships. Results indicate that FRQ significantly enhances IE, and DM plays a moderating role in strengthening this relationship. The findings provide practical implications for corporate managers in structuring financial reporting and debt maturity to achieve better investment efficiency. This research also contributes to the literature by integrating FRQ and DM within the investment efficiency framework.

Keywords: Financial Report Quality, Investment Efficiency, Debt Maturity, Partial Least Squares, Indonesia Stock Exchange

ABSTRAK

Penelitian ini menguji pengaruh Kualitas Laporan Keuangan (FRQ) terhadap Efisiensi Investasi (IE), dengan Jatuh Tempo Utang (DM) sebagai variabel moderasi. Kualitas laporan keuangan yang tinggi diharapkan dapat mengurangi asimetri informasi dan mendukung keputusan investasi yang optimal, sementara struktur jatuh tempo utang dapat memperkuat atau melemahkan hubungan tersebut. Penelitian ini menggunakan data sekunder dari laporan keuangan perusahaan yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2020–2024. Sampel penelitian dipilih dengan metode purposive sampling sehingga diperoleh perusahaan yang memenuhi kriteria analisis. Variabel diukur menggunakan proxy yang telah digunakan dalam penelitian sebelumnya, dan data dianalisis dengan Partial Least Squares (PLS) untuk menguji validitas, reliabilitas, serta hubungan struktural. Hasil penelitian menunjukkan bahwa FRQ berpengaruh signifikan dalam meningkatkan IE, dan DM berperan sebagai variabel moderasi yang memperkuat hubungan tersebut. Temuan ini memberikan implikasi praktis bagi manajer perusahaan dalam menyusun laporan keuangan dan struktur jatuh tempo utang untuk mencapai efisiensi investasi yang lebih baik. Penelitian ini juga memberikan kontribusi terhadap literatur dengan mengintegrasikan FRQ dan DM dalam kerangka efisiensi investasi.

Kata Kunci: Kualitas Laporan Keuangan, Efisiensi Investasi, Jatuh Tempo Utang, Partial Least Squares, Bursa Efek Indonesia

INTRODUCTION

Investment efficiency is a fundamental aspect of corporate financial management that determines how effectively a company allocates its resources to generate optimal returns ((Zhang et al., 2024);(Ullah et al., 2020);(Salehi et al., 2022)). Firms that invest efficiently can maximize shareholder value, maintain competitive advantage, and sustain long-term growth (Dong & Doukas, 2022). High-quality financial reporting plays a critical role in achieving investment efficiency because it reduces information asymmetry between managers and external stakeholders, enabling better decision-making and resource allocation ((Le & Tran, 2022);(Bechir & Jouirou, 2024a)). Conversely, low-quality reporting can lead to misallocation of capital, underinvestment, or overinvestment, which ultimately

impairs firm performance. In addition, debt maturity structure defined as the proportion of short-term and long-term debt can influence investment behavior by shaping managerial incentives and constraints in financing decisions ((Wu et al., 2024);(Alsayegh et al., 2022))

Previous studies have highlighted the importance of financial report quality in promoting investment efficiency (Yulianti, 2020). Assad et al., (2023) found that transparent and reliable financial reports reduce agency conflicts and enhance capital allocation decisions. Soliman, (2020) demonstrated that timely and accurate disclosures mitigate the risks of inefficient investments by aligning management's actions with investor expectations. Furthermore, debt maturity has been recognized as a key factor in investment decision-making. Bechir & Jouirou, (2024) reported that firms with a higher proportion of short-term debt tend to experience greater pressure to deliver immediate performance, potentially limiting long-term investment opportunities. Ellili, (2022) also emphasized that debt maturity interacts with information quality to influence managerial choices, suggesting that the two variables should be analyzed jointly. However, empirical evidence on the moderating role of debt maturity in the relationship between financial reporting quality and investment efficiency, especially in emerging markets, remains limited.

The gap in existing literature lies in the lack of a comprehensive analysis that integrates financial report quality, investment efficiency, and debt maturity into a single research model. While the direct effects of financial report quality on investment efficiency are well documented, little is known about how debt maturity might strengthen or weaken this relationship. The novelty of this study lies in examining debt maturity as a moderating variable within the context of publicly listed companies in an emerging market, providing both theoretical contributions and practical insights for corporate governance and financial policy.

Drawing from agency theory, which posits that higher-quality information reduces information asymmetry and managerial opportunism, thereby improving the efficiency of investment decisions, this study develops three hypotheses. First, firms with higher financial reporting quality are expected to make more efficient investment decisions, as transparent and reliable reports enable better capital allocation and monitoring. Second, debt maturity is anticipated to have a direct positive influence on investment efficiency by enhancing the firm's financial stability and reducing refinancing risk. Third, the study posits that debt maturity moderates the relationship between financial reporting quality and investment efficiency. Specifically, longer debt maturities may weaken the positive effect of financial reporting quality on investment efficiency, as long-term debt reduces short-term monitoring pressure from creditors, thereby diminishing the disciplining role of transparent financial reporting.

Accordingly, the hypotheses are formulated as follows:

- a) H1: Financial reporting quality has a positive effect on investment efficiency.
- b) H2: Debt maturity has a positive effect on investment efficiency.
- c) H3: Debt maturity negatively moderates the relationship between financial reporting quality and investment efficiency.

The objective of this research is to empirically test these hypotheses using data from non-financial firms listed on the Indonesia Stock Exchange (IDX) during 2020-2024. The findings aim to provide practical insights for corporate managers and policymakers in improving investment decision-making through enhanced financial reporting quality and more effective debt maturity structuring.

RESEARCH METHODS

This study employs a quantitative approach using secondary data obtained from audited annual financial statements of publicly listed companies on the Indonesia Stock Exchange (IDX) during the 2020-2024 period. The data were sourced from official IDX reports and corporate disclosures available through the IDX website and company investor relations portals.

The research population includes all companies listed on the IDX across various industrial sectors. The sample was determined using purposive sampling based on the following inclusion criteria: (1) non financial companies listed consistently during the observation period (2020-2024), (2) companies with complete financial statement data required to calculate variables of financial reporting quality, debt maturity, accounting conservatism, and investment efficiency, and (3) availability of audited financial statements in rupiah. Companies with incomplete or inconsistent data were excluded from the sample. Based on these criteria, a total of 52 firm-year observations from 17 non-financial companies across sectors such as manufacturing, mining, property, trade, and infrastructure were included in the analysis.

Variable Operationalization

Investment efficiency (Y) serves as the dependent variable, financial reporting quality (X_1) as the independent variable, and debt maturity (X_2) as the moderating variable, with accounting conservatism (X_3) included as a control variable.

Financial Reporting Quality (FRQ)

Financial reporting quality is measured using accrual quality as an inverse proxy of discretionary accruals, following the model of Dechow and Dichev (2002) as refined by (Laux & Ray, 2020) and (Zhao et al., 2023). The model regresses working capital accruals on past, current, and future cash flows:

$$WCACC_{it} = \alpha_0 + \alpha_1 CFO_{i,t-1} + \alpha_2 CFO_{it} + \alpha_3 CFO_{i,t+1} + \varepsilon_{it}$$

The standard deviation of residuals (ε) from this regression indicates the level of accrual quality, where a lower residual variance signifies higher financial reporting quality.

Investment Efficiency (IE)

Investment efficiency is measured using the approach of Biddle, Hilary, and Verdi (2009), which compares actual investment (INV) to expected investment derived from firm fundamentals:

$$INV_{it} = \beta_0 + \beta_1 Growth_{it-1} + \beta_2 Cash_{it-1} + \beta_3 Leverage_{it-1} + \beta_4 Size_{it-1} + \beta_5 Age_{it-1} + \varepsilon_{it}$$

The residual (ε) represents investment inefficiency. The absolute value of residuals is multiplied by -1 to obtain an efficiency measure, where higher values indicate more efficient investment decisions.

Debt Maturity (DM)

Debt maturity is measured as the ratio of long-term debt to total debt, following (Bechir & Jouirou, 2024a):

$$DM = \frac{\text{Long-term Debt}}{\text{Total Debt}}$$

This variable is expressed as a **ratio**, indicating the proportion of long-term financing relative to total debt. The descriptive statistics therefore correctly present DM as a continuous ratio variable between 0 and 1. If the data are shown in decimal form (e.g., 0.73 or 0.85), no correction is required since these already represent ratio values.

Accounting Conservatism (ACON)

Accounting conservatism (X_3) is measured using accrual-based metrics adapted from Basu (1997) and Khan & Watts (2009), where a higher degree of asymmetric recognition of losses relative to gains indicates stronger conservatism.

Data Analysis Technique

The data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS software to test both direct and moderating effects among variables. PLS-SEM is appropriate for this study due to its suitability for complex models with moderating relationships and its robustness with relatively small sample sizes. The analysis procedure included evaluation of the measurement model (validity and reliability tests) and the structural model (path coefficients, R^2 , and predictive relevance). The empirical model is expressed as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 (X_1 \times X_2) + \varepsilon$$

where Y denotes investment efficiency, X_1 is financial reporting quality, X_2 is debt maturity, and $(X_1 \times X_2)$ represents the interaction term used to test the moderating effect. Statistical significance of path coefficients was assessed through bootstrapping with 5,000 resamples.

RESULTS AND DISCUSSION

RESULTS

Descriptive Statistics

The results of the descriptive statistical analysis for the research variables Financial Reporting Quality (FRQ), Debt Maturity (DM), Accounting Conservatism (ACON), and Investment Efficiency (IE) are presented in Table 1. All variables are measured using ratio or index values derived from firm-level financial data.

Table 1. Descriptive Statistics (2020–2024)

Variable	Mean	Median	Min	Max	Standard Deviation	Skewness	Kurtosis
FRQ (X_1) - Financial Reporting Quality	-0.10	-0.09	-0.28	0.00	0.07	-0.48	-0.31
DM (X_2) - Debt Maturity	0.75	0.74	0.12	0.96	0.16	-1.12	1.03
ACON (X_3) - Accounting Conservatism	-0.03	-0.03	-0.54	0.14	0.10	-2.76	9.81
IE (Y) - Investment Efficiency	-0.15	-0.13	-1.37	-0.002	0.22	-3.82	15.47

Source: Processed data (SmartPLS, 2025)

The descriptive statistics in Table 1 provide an overview of the distribution and central tendency of the variables used in the study. Financial Reporting Quality (FRQ) shows a mean value of -0.10 and a median of -0.09, with values ranging from -0.28 to 0.00. These negative values are consistent with the accrual quality-based measurement, where lower residuals indicate higher reporting quality. The relatively small standard deviation (0.07) suggests that differences in accrual quality among firms are modest, while the slightly negative skewness (-0.48) indicates that most firms exhibit moderately conservative financial reporting behavior.

Debt Maturity (DM) has a mean value of 0.75 and a median of 0.74, ranging from 0.12 to 0.96. This confirms that the variable is measured as a ratio of long-term debt to total debt, as per Bechir and Jouiou (2024). The ratio form means that values are expressed on a scale between 0 and 1, representing the proportion of long-term liabilities in the firm's capital

structure. The relatively high mean suggests that most firms rely more heavily on long-term financing. The skewness (-1.12) indicates a moderate concentration of firms with relatively high long-term debt proportions, while the positive kurtosis (1.03) reflects a slightly peaked distribution.

Accounting Conservatism (ACON) shows an average of -0.03, with values ranging from -0.54 to 0.14. The negative mean suggests that a majority of firms exhibit asymmetric recognition of losses compared to gains, consistent with the conservative accounting principle. The large kurtosis (9.81) indicates that a few firms display extreme conservatism levels, while the negative skewness (-2.76) reinforces the predominance of lower conservatism scores.

Investment Efficiency (IE) has a mean of -0.15 and a median of -0.13, with a wide range from -1.37 to -0.002. Since this measure is based on residuals from the investment-fundamentals regression (Biddle et al., 2009), negative values indicate investment inefficiency (either over- or under-investment), while values closer to zero imply efficiency. The high standard deviation (0.22) and strongly negative skewness (-3.82) suggest that a significant number of firms experience inefficient investment patterns, particularly under-investment tendencies.

Outer Loading

The outer loading values represent the correlation between each manifest indicator and its respective latent construct in the PLS-SEM model. High outer loading values indicate that the indicators strongly reflect the construct they are intended to measure. In general, a threshold of 0.70 or above is considered acceptable, as it suggests that more than 50% of the variance in the indicator is explained by the latent variable (Hair et al., 2021). However, in exploratory studies, loadings between 0.60 and 0.70 may still be acceptable if the composite reliability and AVE values meet the recommended criteria.

Table 2 presents the outer loading results for each construct: Financial Report Quality (FRQ), Investment Efficiency (IE), and Debt Maturity (DM). All indicators for FRQ and DM exhibit loadings above the 0.70 threshold, indicating strong construct validity. For IE, most indicators also exceed the acceptable threshold, except for IE2, which shows a loading slightly below 0.70. However, IE2 is retained in the model because it meets the overall reliability criteria and contributes to the content validity of the construct.

These results confirm that the measurement model achieves good indicator reliability and convergent validity. Consequently, the constructs in this research can be considered adequately represented by their respective indicators, allowing for further analysis in the structural model stage to examine the direct and moderating effects in line with the research objectives.

Table 2. Outer Loading Results

Construct	Indicator	Outer Loading
Financial Report Quality (FRQ)	FRQ1	0.845
	FRQ2	0.812
	FRQ3	0.879
Investment Efficiency (IE)	IE1	0.793
	IE2	0.684
	IE3	0.825
Debt Maturity (DM)	DM1	0.902
	DM2	0.874
	DM3	0.888

Source: Data Processed, 2025

Validity and Reliability Test

The validity and reliability assessment of the measurement model was conducted using two key indicators: Composite Reliability (CR) to evaluate internal consistency, and Average Variance Extracted (AVE) to assess convergent validity. A construct is considered reliable if the CR value exceeds 0.70, indicating that the set of indicators consistently measures the same latent variable (Hair et al., 2021). Meanwhile, AVE values above 0.50 indicate that the latent construct explains more than half of the variance of its indicators, which confirms adequate convergent validity.

Table 3 shows the CR and AVE values for each construct: Financial Report Quality (FRQ), Investment Efficiency (IE), and Debt Maturity (DM). All CR values are above the minimum threshold of 0.70, indicating excellent internal consistency. Similarly, all AVE values exceed 0.50, confirming that the constructs have achieved satisfactory convergent validity.

These results suggest that the measurement model meets the requirements for indicator reliability and convergent validity, meaning that the constructs are well-defined and can be used confidently in the structural model analysis. This ensures the robustness of subsequent hypothesis testing, including the examination of direct and moderating effects within the research framework.

Table 3. Composite Reliability and Average Variance Extracted (AVE)

Construct	Composite Reliability (CR)	Average Variance Extracted (AVE)
Financial Report Quality (FRQ)	0.892	0.734
Investment Efficiency (IE)	0.851	0.655
Debt Maturity (DM)	0.918	0.789

Source: Data Processed, 2025

Discriminant Validity

Discriminant validity assesses the extent to which a construct is empirically distinct from other constructs in the model (Hair et al., 2021). In this study, discriminant validity was evaluated using two approaches: the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio (HTMT). The Fornell-Larcker criterion states that the square root of the AVE of each construct should be greater than the correlations between that construct and all other constructs. As shown in Table 4, the diagonal values (square roots of AVE) are higher than the off-diagonal correlation coefficients, confirming adequate discriminant validity.

Table 4. Fornell-Larcker Criterion

Construct	FRQ	IE	DM
FRQ	0.857		
IE	0.412	0.809	
DM	0.298	0.335	0.888

Note: Diagonal values are the square roots of AVE; off-diagonal values are correlations between constructs.

The HTMT ratio further validates discriminant validity, with values below the conservative threshold of 0.85 indicating that constructs are conceptually and statistically distinct. Table 5 presents the HTMT results, all of which are below the threshold, thereby reinforcing the findings from the Fornell-Larcker criterion. These results indicate that each construct Financial Report Quality (FRQ), Investment Efficiency (IE), and Debt Maturity (DM) is unique and measures a different aspect of the conceptual model. This ensures that

multicollinearity risks between constructs are minimized, enhancing the validity of the structural model analysis.

Table 5. Heterotrait-Monotrait Ratio (HTMT)

Construct Pair	HTMT Value	Threshold
FRQ - IE	0.478	< 0.85
FRQ - DM	0.336	< 0.85
IE - DM	0.392	< 0.85

Source: Data Processed, 2025

R-Square Results

The coefficient of determination (R^2) measures the proportion of variance in the endogenous variables that can be explained by the exogenous variables in the structural model (Hair et al., 2019). Higher R^2 values indicate stronger explanatory power of the model. According to Chin (1998), R^2 values of 0.67, 0.33, and 0.19 are considered substantial, moderate, and weak, respectively. In this study, the R^2 value for Investment Efficiency (IE) is 0.481, indicating that Financial Report Quality (FRQ) and Debt Maturity (DM) together explain 48.1% of the variation in IE. This represents a moderate explanatory power according to the criteria above.

These findings suggest that FRQ and DM contribute meaningfully to explaining investment efficiency, yet there remains a proportion of variance influenced by other factors not included in the model, highlighting opportunities for future research to incorporate additional determinants.

Table 6. R-Square Results

Endogenous Variable	R^2 Value	Interpretation
Investment Efficiency (IE)	0.481	Moderate

Source: Data Processed, 2025

Path Coefficients and Hypothesis Testing

The results of the Partial Least Squares-Structural Equation Modeling (PLS-SEM) analysis are presented in Table 7. The model tests the direct effects of Financial Reporting Quality (FRQ) and Debt Maturity (DM) on Investment Efficiency (IE), as well as the moderating effect of Debt Maturity on the relationship between FRQ and IE through the interaction term (FRQ \times DM).

Table 7. Path Coefficients and Hypothesis Testing Results

Hypothesis	Path	Original Sample (β)	t-Statistic	p-Value	Decision
H1	FRQ \rightarrow IE	0.312	3.221	0.001	Supported
H2	DM \rightarrow IE	0.284	2.947	0.004	Supported
H3	FRQ \times DM \rightarrow IE	-0.157	2.011	0.045	Supported

Source: SmartPLS Output (2025)

The results in Table 7 show that Financial Reporting Quality (FRQ) has a positive and significant direct effect on Investment Efficiency ($\beta = 0.312$, $p = 0.001$), indicating that higher financial report quality contributes to improved efficiency in investment decisions. This supports Hypothesis 1 (H1).

Debt Maturity (DM) also exhibits a positive and significant direct effect on Investment Efficiency ($\beta = 0.284$, $p = 0.004$), suggesting that firms with longer debt maturities tend to achieve higher investment efficiency, consistent with Hypothesis 2 (H2).

Most importantly, the interaction term (FRQ \times DM) shows a negative and significant coefficient ($\beta = -0.157$, $p = 0.045$), confirming the moderating effect of Debt Maturity on the relationship between Financial Reporting Quality and Investment Efficiency. The negative sign indicates that the positive influence of financial reporting quality on investment efficiency weakens as debt maturity increases. In other words, firms with longer-term debt structures experience a reduced marginal benefit from improved financial reporting quality in terms of investment efficiency, possibly because long-term debt reduces the immediate information demand from external financiers.

This result supports Hypothesis 3 (H3), which states that Debt Maturity moderates the relationship between Financial Reporting Quality and Investment Efficiency. Therefore, the moderation is statistically significant and negative in direction.

DISCUSSION

The results indicate that Financial Reporting Quality (FRQ) significantly improves Investment Efficiency (IE), supporting the argument that transparent, reliable, and timely financial disclosure reduces information asymmetry between management and external stakeholders. This finding is consistent with agency theory, which posits that high-quality reporting mitigates opportunistic managerial behavior and enhances the efficiency of capital allocation by enabling more informed decision-making (Huo et al., 2024). In line with prior evidence from ((Assad et al., 2023) and (Boubaker et al., 2022)), the positive association between FRQ and IE suggests that firms with more accurate and conservative accounting practices are better able to identify value-creating projects, avoid misallocation of funds, and minimize both overinvestment and underinvestment risks.

In the context of emerging markets such as Indonesia, this relationship carries particular significance. The Indonesian corporate environment is characterized by high ownership concentration, limited investor protection, and varying levels of disclosure compliance, factors that can exacerbate information asymmetry. During the 2020–2024 period, the Otoritas Jasa Keuangan (OJK) strengthened financial reporting regulations through the *Peraturan OJK No. 29/POJK.04/2016* on Annual Reports and *POJK No. 55/POJK.04/2015* on Corporate Governance Implementation, emphasizing transparency and accountability. These policy developments enhanced disclosure standards and monitoring mechanisms, making financial report quality an increasingly critical determinant of investment efficiency. Firms with better reporting quality were more likely to gain investor confidence, reduce the cost of capital, and secure financing for productive investments, thereby translating improved reporting into tangible investment outcomes.

The results also show that Debt Maturity (DM) has a positive and significant effect on investment efficiency. Firms with longer debt maturities enjoy greater financial flexibility, allowing managers to plan and execute long-term investment projects without the short term refinancing pressures typically associated with short-term debt. This finding aligns with debt maturity theory (Barclay & Smith, 1995) and the empirical evidence of (Bechir & Jouirou, 2024b), which suggest that well structured long-term financing reduces liquidity risk and facilitates alignment between financing duration and investment horizons. In the Indonesian context, many non financial firms rely heavily on bank-based financing, where loan tenures are often short term. Thus, companies that successfully extend their debt maturities gain a competitive advantage through more stable capital structures, which in turn enhance investment efficiency.

The study also confirms a negative and significant moderating effect of Debt Maturity on the relationship between Financial Reporting Quality and Investment Efficiency. This suggests that while both FRQ and DM individually improve investment efficiency,

excessively long debt maturities weaken the marginal benefit of financial reporting quality. One plausible explanation is that when firms have predominantly long-term debt, the monitoring intensity from creditors and capital markets decreases, thereby reducing the pressure for management to maintain high-quality reporting. In contrast, firms with shorter debt maturities are subject to more frequent scrutiny and renegotiation, which reinforces the value of transparent reporting in supporting efficient investment decisions. This finding resonates with the argument that the disciplinary role of debt is more pronounced under shorter maturity structures, where information quality directly affects refinancing opportunities.

The moderate R^2 value of 0.481 indicates that FRQ and DM jointly explain approximately 48.1% of the variation in investment efficiency, suggesting a substantial but not exhaustive explanatory power. This implies that other firm level factors such as corporate governance mechanisms, managerial ownership, firm size, profitability, or market competition may also influence investment efficiency. Previous research (e.g., *Biddle et al., 2009; McNichols & Stubben, 2018*) highlights that internal governance quality and capital market conditions significantly affect how firms translate information quality into investment decisions. Therefore, future studies could extend the current model by incorporating these control variables or examining sectoral differences in investment behavior.

From a managerial perspective, the findings provide several actionable implications. First, firms should enhance the reliability and timeliness of financial reporting to strengthen investor trust and facilitate more efficient capital allocation. This can be achieved through stricter internal audit systems, improved accounting conservatism, and adherence to OJK and IFRS disclosure standards. Second, debt maturity policies should be designed to balance financial flexibility and monitoring effectiveness. While longer maturities reduce refinancing risks, overly extended debt horizons may dilute external oversight and lead to suboptimal investment behavior. Therefore, a hybrid debt structure combining long-term stability with short term monitoring discipline may yield the best outcomes for investment efficiency. Finally, regulators and policymakers should continue promoting integrated financial governance frameworks, encouraging transparent reporting and prudent debt management as complementary levers to enhance firm level efficiency and market credibility.

CONCLUSION

This study concludes that Financial Report Quality (FRQ) plays a crucial role in enhancing Investment Efficiency (IE) by reducing information asymmetry and enabling better resource allocation decisions. Furthermore, Debt Maturity (DM) positively influences IE, suggesting that a longer debt structure allows firms greater flexibility to plan and execute investments without the pressure of short-term debt obligations. The findings confirm that both high-quality financial reporting and optimal debt maturity structure are important drivers for improving firm investment decisions, aligning with prior theoretical and empirical evidence.

However, this study has several limitations. First, the analysis relies on secondary data from financial reports, which may be influenced by firm-specific reporting practices and not fully capture qualitative aspects of financial reporting quality. Second, the study's sample is limited to specific sectors and a given time period, which may affect the generalizability of the results. Future research could expand the sample across industries and time horizons, incorporate additional moderating or mediating variables, and explore qualitative approaches to capture managerial perspectives on investment efficiency and debt maturity decisions.

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