

Turnaround Model Prediction with Content Dimension on Financial Distress Firms

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ABSTRACT

This article aims to synthesize and test empirically turnaround model by content dimension that is an integration of the organization change framework into turnaround research to measure some activities done to avoid failure in turnaround. This study on the Indonesian Stock Exchange (BEI) by using Ordinary Least Square technique. The results of the analysis from content dimension show that the CEO expertise variable has a significant relationship to turnaround, since companies in Indonesia are dominated by family companies, so maintaining the incumbent CEO is more appropriate, because it is a family member. In addition, free assets show a significant relationship with turnaround, while leverage and growth of sales do not have a significant relationship with turnaround.

Keywords: Financial Distress, Turnaround Model, CEO Expertise, Free Assets, Leverage and Growth of Sales,