

Consequences of New IFRS 16 on Firm's Managerial Decision Making and Firm's Value: A Mixed-Methods Study of Indonesia's Transportation and Logistics Sector

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Abstract

Combining panel-data regression with an embedded qualitative case study, this study examines how the mandatory adoption of IFRS 16/PSAK 116 Leases affects financial ratios, lease liabilities, firm value, and managerial decision-making among Indonesian transport-logistics firms. The quantitative strand analyzes a four-year panel (2018–2021, 88 firm-year observations) drawn from 22 IDXTRANS-listed issuers, while the qualitative strand draws on semi-structured interviews and internal documentation at PT XYZ, a Japanese-invested forwarding company. Wilcoxon Signed-Rank tests show no statistically significant pre- to post-adoption change in the Current Ratio, Debt-to-Equity Ratio, Debt-to-Asset Ratio, ROA, or ROE (all $p > 0.05$). Panel regression confirms that IFRS 16 adoption significantly increases recognized lease liabilities ($\beta = 0.9769$; $p < 0.001$) and is associated with a modest but significant rise in Tobin's Q ($\beta = 0.2128$; $p = 0.0011$), suggesting investors reward the transparency gain rather than penalizing the higher recognized debt. The PT XYZ case study explains this apparent stability: management responded to the balance-sheet impact with a Rp 35 billion warehouse purchase (substituting ownership for leasing), tightened internal controls after a Rp 2.56 billion double-counting misstatement, and restructured accounting duties — actions consistent with both agency and stewardship motives. Integrating the two strands indicates that the sector-wide “zero effect” on financial ratios is not passive: it is the aggregate outcome of active, firm-level strategic adjustment. The study extends signaling-theory and agency/stewardship-theory explanations of accounting-standard adoption to an emerging-market, lease-intensive industry and offers practical guidance for management, auditors, and DSAK IAI on lease-transition governance.

Keywords

IFRS 16; PSAK 116; Financial Ratios; Lease Liabilities; Mixed Methods; Tobin's Q; Transport-Logistics

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1. INTRODUCTION

The International Accounting Standards Board issued IFRS 16 Leases in January 2016, effective globally from 2019. Indonesia adopted the standard one year later, in January 2020, as PSAK 73; a subsequent renumbering by the Ikatan Akuntan Indonesia (IAI) redesignated it PSAK 116 (IAI, 2024).



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To avoid ambiguity, this article uses “IFRS 16” when referring to the international standard and its principles, and “PSAK 116” only when referring to specific Indonesian regulatory citations; the two labels refer to the same requirement throughout. Under the predecessor standard (IAS 17/PSAK 30), operating leases were expensed off-balance-sheet; IFRS 16 instead requires lessees to recognize right-of-use (ROU) assets and corresponding lease liabilities for nearly all contracts exceeding one year, except short-term and low-value-asset leases. The reporting consequences can be dramatic: Garuda Indonesia's total liabilities rose 229% to USD 12.73 billion in 2021 following adoption.

International evidence confirms the magnitude and industry-specificity of this shift. A single-industry European tourism study found post-adoption asset increases of 7.5% and liability increases of 9.6%, alongside a 16.9% EBITDA gain (Lopes & Penela, 2025). EU retail and wholesale firms recorded average asset and liability growth of 37% and 55%, with equity declining 4.5% (Bohusová et al., 2022). Australian airlines Qantas and Virgin saw 16–17% asset growth and 20–21% liability growth, sharply elevating leverage (Parle, 2018). South African mining firms experienced roughly 35% liability growth and significantly higher debt-to-equity ratios (Van Wyk & Enslin, 2025), while maritime firms in extreme cases saw debt-to-equity ratios rise over 600%, pushing liquidity ratios below 100% (Belesis et al., 2021). The transport-logistics sector appears particularly exposed: a 2024 European Institute of Management and Finance report documented a 34% asset increase following adoption, reflecting the sector's heavy reliance on leased vehicles, equipment, and warehouses.

Despite this body of evidence on balance-sheet effects, three gaps remain. First, while studies across tourism, retail, aviation, and mining consistently document significant asset and liability growth with industry-specific variation (Lopes & Penela, 2025; Bohusová et al., 2022; Parle, 2018; Van Wyk & Enslin, 2025), the broader consequences for financial ratios, firm value, and real-world implementation challenges remain underexplored in transport-logistics specifically. Second, cross-country evidence on firm value is mixed: some studies report declines in Tobin's Q for lease-intensive firms, others find no significant change or even value increases in resilient sectors (Chung, 2022). Third, almost all of the studies above rely solely on archival financial-statement data; none explain the internal, firm-level mechanisms — operational, managerial, and control-related — through which companies absorb the standard's impact. This is a meaningful omission: a ratio that appears statistically “unchanged” at the sector level may conceal active managerial adjustment at the firm level, and archival data alone cannot detect this.

This gap motivates a mixed-methods design. A macro-level quantitative analysis is necessary to test whether IFRS 16 produces an aggregate, generalizable effect on financial ratios, lease liabilities, and firm value across the population of listed transport-logistics issuers. A micro-level qualitative case study is equally necessary because only direct engagement with a firm's finance function can reveal why

aggregate ratios move the way they do — for instance, whether an apparently “insignificant” ratio change reflects genuine immateriality or reflects offsetting managerial responses invisible in panel-data averages. Neither strand alone can answer the full research problem; the two are complementary rather than confirmatory.

Indonesia's IDXTRANS index comprised 37 transport-logistics issuers as of March 2024, spanning airlines, shipping, land transport, and integrated logistics. This study combines quantitative analysis of financial ratios, lease liabilities, and Tobin's Q for IDXTRANS firms (2018–2021) with a qualitative case study of PT XYZ, a Japanese-invested forwarding company operating in Indonesia whose fiscal year (April 1–March 31) aligns with its Japanese parent. With extensive leased vehicles, warehouses, and customs-clearance facilities, PT XYZ's core operations made it a materially exposed and information-rich case for examining implementation in practice.

1.1 Theoretical Framework

Two complementary theoretical lenses motivate the hypotheses. Signaling theory (Spence, 1973) holds that under information asymmetry, credible disclosure functions as a signal of underlying quality; applied to accounting, enhanced transparency from on-balance-sheet lease recognition can be read by investors as a positive signal, independent of the accompanying rise in reported debt (Komara et al., 2020). Agency theory (Jensen & Meckling, 1976) frames the manager–shareholder relationship as one requiring monitoring to align incentives, implying that a sudden, mandatory increase in visible liabilities pressures management toward actions that protect reported leverage and stakeholder confidence. Stewardship theory (Donaldson & Davis, 1991) offers a complementary, non-adversarial account of the same behavior: rather than acting defensively, managers may respond to the same disclosure event as stewards protecting organizational and operational integrity — for example, by tightening internal controls or reconsidering asset-financing strategy on its underlying economic merits rather than purely to manage optics. Together, these three theories anticipate that IFRS 16 adoption should (a) carry a signaling effect on firm value distinct from the leverage effect, and (b) provoke identifiable managerial responses in lease-intensive firms — both of which this study is designed to test quantitatively and qualitatively, respectively.

1.2 Hypothesis Development

The recognition of nearly all lease contracts as ROU assets and lease liabilities is expected to reduce the current ratio (higher short-term liabilities without a proportional rise in current assets), raise the debt-to-equity (DER) and debt-to-asset (DAR) ratios through capitalization, and lower ROA/ROE via higher depreciation and interest expense (Amrie et al., 2023; Mardani et al., 2023). Prior evidence is mixed on magnitude — Bohusová et al. (2022) found declining current ratio and ROA in European

retail, while Parle (2018) found sharply rising leverage for Australian airlines — motivating an empirical test in the Indonesian transport-logistics context:

H1: The implementation of IFRS 16 causes a significant change in the Current Ratio, DER, DAR, ROA, and ROE between the 2018–2019 and 2020–2021 periods.

Capitalization converts previously off-balance-sheet operating-lease commitments into recognized debt; the scale of the increase depends both on the standard itself and on a firm's historical reliance on operating leases — Ooi et al. (2023) documented lease capitalization adding up to RM 78 billion in liabilities for AirAsia. Firms with historically higher operating-lease expense relative to income are, by construction, converting a larger off-balance-sheet obligation into an on-balance-sheet one; this logic — rather than any additional behavioral assumption — is the basis for H3:

H2: The adoption of IFRS 16 has a positive effect on the magnitude of lease liabilities recognized post-adoption.

H3: The intensity of operating lease expenses before adoption has a positive effect on the magnitude of lease liabilities recognized post-adoption.

Finally, lease capitalization may affect firm value through two opposing channels: it can lower valuation via higher recognized debt, or raise it via the signaling benefit of greater transparency (Chung, 2022; Nugroho & Gantyowati, 2023; Spence, 1973). Chung (2022) found capitalization reduced Tobin's Q for high-lease-intensity Korean firms, while Nugroho and Gantyowati (2023) found IFRS 16 increased firm value among pandemic-resilient Indonesian sectors — a divergence this study tests directly for transport-logistics:

H4: IFRS 16 adoption affects firm value (Tobin's Q).

H5: Lease liabilities affect firm value (Tobin's Q).

Accordingly, this study (1) evaluates PT XYZ's implementation experience and compliance challenges in its first year of IFRS 16 adoption, and (2) tests how the transition from IAS 17/PSAK 30 to IFRS 16/PSAK 116 affected transport-logistics firms' key financial ratios, lease liabilities, and market valuation in Indonesia.

2. METHODS

2.1 Research Design

This study employs an explanatory sequential mixed-methods design (Creswell & Plano Clark, 2018): a quantitative panel-data phase is conducted first to identify aggregate patterns and test H1–H5, and an embedded qualitative case study of PT XYZ (Yin, 2018) follows to explain the mechanisms underlying those patterns — particularly why statistically insignificant ratio changes coexist with a significant increase in lease liabilities and a modest rise in firm value. This sequencing, rather than an

exploratory qualitative-first design, matches the actual conduct of the research: quantitative results defined which findings required qualitative explanation, and the qualitative phase was purposively scoped around PT XYZ's representativeness of the sector's leasing profile.

2.2 Population, Sample, and Sampling Technique

Following Sugiyono (2023), the population is defined as a generalization area of objects/subjects possessing characteristics defined by the researcher for study. The quantitative population comprises all transport-logistics companies listed under IDXTRANS as of March 2024 (37 issuers spanning airlines, shipping, land transport, and integrated logistics). The qualitative population consists of foreign-invested transport-logistics firms operating in Indonesia. Both samples were drawn using purposive sampling (Sugiyono, 2023): quantitative firms were selected on data availability and sector relevance across 2018–2021; PT XYZ was selected for the qualitative case for its representative leasing profile, willingness of management to participate in detailed interviews, and illustrative first-year implementation experience.

Table 1. Sample Selection Criteria

No.	Criteria	Firms
1	Transport-logistics companies listed on the IDX (IDXTRANS)	37
2	Excluded: data not accessible for the full 2018–2021 period	(16)
3	Quantitative sample (listed issuers)	21
4	PT XYZ, included as the qualitative case study	1
	Total firms (quantitative + qualitative)	22
	Final firm-year observations (22 firms × 4 years)	88

Source: Author's compilation, IDX (2024).

2.3 Data Collection

Quantitative data were collected as secondary panel data from 22 transport-logistics firms (21 listed issuers plus PT XYZ) over 2018–2021, capturing pre-adoption (2018–2019) and post-adoption (2020–2021) periods, sourced from annual reports and financial statements on the Indonesia Stock Exchange. Three indicator groups were examined: (1) five financial ratios (Current Ratio, DER, DAR, ROA, ROE); (2) lease liabilities (logged); and (3) firm value proxied by Tobin's Q.

Qualitative data were collected through semi-structured interviews with PT XYZ's finance director and accounting personnel, reinforced by internal documents (lease contracts, financial statements, audit working papers). Interviews were directed at seven thematic areas: (1) rationale for lease-term decisions; (2) structure and critical clauses of lease contracts; (3) the technical process of transitioning from operating to finance-lease-equivalent treatment; (4) accounting treatments beyond ROU assets and

lease liabilities; (5) volume and materiality of low-value/short-term leases; (6) influence on managerial decision-making; and (7) broader strategic consequences for the firm.

2.4 Model Specification

Two panel-regression models were estimated to test H2–H5:

$$\text{Model 1 (Lease Liability): } \ln(\text{LeaseLiabilities})_{it} = \alpha + \beta_1 \text{PSAK116_Dummy}_{it} + \beta_2 (\text{OperatingLease/NetIncome})_{it} + \beta_3 \text{ROA}_{it} + \beta_4 \text{DER}_{it} + \varepsilon_{it}$$

$$\text{Model 2 (Firm Value): } \text{Tobin'sQ}_{it} = \alpha + \beta_1 \text{PSAK116_Dummy}_{it} + \beta_2 \text{LeaseLiabilities}_{it} + \beta_3 \text{ROA}_{it} + \beta_4 \text{DER}_{it} + \beta_5 \text{TotalAssets}_{it} + \varepsilon_{it}$$

Table 2. Operationalization of Variables

Variable	Definition	Indicator
PSAK116_Dummy	Pre-/post-adoption period flag	0 = 2018–2019; 1 = 2020–2021
OperatingLease/NetIncome	Operating lease expense relative to net income	Op. Lease Expense ÷ Net Income
ROA	Efficiency generating profit from assets	Net Income ÷ Total Assets
DER	Financial leverage	Total Debt ÷ Shareholders' Equity
Ln(Lease Liabilities)	Natural log of recognized lease liabilities	ln(Total Lease Liabilities)
Ln(Total Assets)	Natural log of total assets	ln(Total Assets)
Current Ratio	Short-term obligation coverage	Current Assets ÷ Current Liabilities
DAR	Total debt relative to total assets	Total Debt ÷ Total Assets
ROE	Efficiency generating profit from equity	Net Income ÷ Shareholders' Equity
Tobin's Q	Market valuation relative to book value	(Market Value of Equity + Book Value of Debt) ÷ Book Value of Total Assets

2.5 Data Analysis Techniques

Quantitative analysis was performed in EViews 12. Normality of each paired ratio series (2018–2019 vs. 2020–2021) was assessed with the Jarque–Bera test; because normality was rejected, the non-parametric Wilcoxon Signed-Rank test was used to test H1. For H2–H5, panel-data regression models were estimated, with specification (pooled OLS, fixed effects, or random effects) selected via the Chow, Hausman, and Breusch–Pagan Lagrange Multiplier tests (Baltagi, 2021). Multicollinearity was assessed via Variance Inflation Factors and heteroscedasticity via the Breusch-Pagan-Godfrey test. Consistent with guidance on outlier treatment in empirical finance and accounting research (Adams et al., 2019), descriptive statistics were screened for extreme values prior to interpretation.

Qualitative data were analyzed following Miles and Huberman's (1994) iterative cycle of data reduction, data display, and conclusion drawing/verification. Interview transcripts and internal documents were condensed into matrices organized around the study's seven thematic areas, pattern-matching logic (Yin, 2018) compared emergent patterns against theoretical expectations, and conclusions were refined through source triangulation across interviews, documents, and the quantitative results — the point of integration characteristic of an explanatory sequential design (Creswell & Plano Clark, 2018).

3. FINDINGS AND DISCUSSION

3.1 Quantitative Results

3.1.1 Pre- and Post-Adoption Financial Ratio Differences (H1)

Table 3. Wilcoxon Signed-Rank Test Results

Variable Pair	Probability	Result
Current Ratio	1.0000	Not significant
Debt-to-Equity Ratio (DER)	0.6285	Not significant
Debt-to-Asset Ratio (DAR)	0.7291	Not significant
Return on Assets (ROA)	0.3970	Not significant
Return on Equity (ROE)	0.3970	Not significant

Source: Output EViews 12.

All five ratios show p-values above 0.05, indicating no statistically significant difference between pre- and post-adoption periods; H1 is therefore not supported at the sector-average level. Taken alone, this could suggest that on-balance-sheet recognition left liquidity, leverage, and profitability materially unchanged. Section 3.3 revisits this finding in light of the qualitative evidence, since a sector-average “no effect” is consistent with either genuine immateriality or offsetting firm-level responses that cancel out in aggregate — a distinction only the case study can resolve.

3.1.2 Model Selection and Diagnostics

Model-selection tests indicate a Random Effects Model (REM) for the Lease Liability model (Chow $p = 0.0000$; Hausman $p = 0.5267$; LM $p = 0.0000$) and a Fixed Effects Model (FEM) for the Tobin's Q model (Chow $p = 0.0000$; Hausman $p = 0.0000$; LM $p = 0.0000$, with the Hausman result overriding the LM indication in favor of FEM). Variance Inflation Factors for all explanatory variables ranged from 1.001 to 3.325 — well below the conventional threshold of 10 — indicating no problematic multicollinearity. Descriptive statistics for the Tobin's Q model showed extreme dispersion in the raw variable (mean $\approx 38,166$; SD $\approx 145,550$), consistent with guidance that such multivariate outliers can materially distort regression estimates if untreated (Adams et al., 2019); the logarithmic transformation of Tobin's Q used in the regression addresses this.

3.1.3 Regression Results – Lease Liabilities (H2, H3)

Table 4. Panel Regression Results – Lease Liability Model (REM)

Variable	Coefficient	Prob.
Constant	8.9722	0.0000
PSAK116_Dummy	0.9769	0.0000 **
OperatingLease/NetIncome	0.026	0.4190
ROA	1.88E-06	0.9996
DER	-0.000881	0.6205

Source: Output EViews 12. *F*-statistic = 13.209, $p < 0.001$.

The IFRS 16 adoption dummy has a strong, positive, and highly significant effect on recognized lease liabilities ($\beta = 0.9769$; $p < 0.001$), supporting H2. The operating lease expense ratio, ROA, and DER are all insignificant at the 5% level, so H3 is not supported in this specification. A plausible explanation, consistent with the qualitative findings in Section 3.4, is that the 2018–2021 window overlaps the COVID-19 disruption to net income for several sample firms, making an income-denominated lease-intensity ratio a noisy predictor of subsequent capitalization — the capitalized amount was driven primarily by contractual lease terms rather than by the historical income-relative expense ratio.

3.1.4 Regression Results – Firm Value / Tobin's Q (H4, H5)

Table 5. Panel Regression Results – Tobin's Q Model (FEM)

Variable	Coefficient	Prob.
Constant	3.461869	0.0000
PSAK116_Dummy (IFRS 16)	0.212827	0.0011 **
Ln(Lease Liabilities)	6.28E-14	0.2132
ROA	0.006227	0.0276 *
DER	-0.001701	0.1610
Total Assets	-3.30E-14	0.3378

Source: Output EViews 12. Adjusted $R^2 = 0.9861$; *F*-statistic = 237.00, $p < 0.001$.

The IFRS 16 dummy has a positive and statistically significant effect on Tobin's Q ($\beta = 0.2128$; $p = 0.0011$), supporting H4; ROA is also significant. Ln(Lease Liabilities), DER, and Total Assets are not significant, so H5 is not supported — the magnitude of recognized lease liabilities itself does not move firm value, but the fact of adoption does. This pattern is consistent with signaling theory (Spence, 1973): investors appear to respond to the transparency signal embedded in the adoption event — and to underlying profitability — rather than to the nominal size of newly recognized debt, echoing Nugroho and Gantyowati's (2023) finding that the market positively priced the informational benefit of the standard in resilient Indonesian sectors.

3.2 Qualitative Findings: The PT XYZ Case

3.2.1 Financial-Statement Consequences

PT XYZ's mandatory adoption on 1 April 2020 required recognition of all leases exceeding twelve months as ROU assets and lease liabilities. Initial recognition totaled Rp 13.63 billion under the modified retrospective approach, declining through amortization and repayment to Rp 3.72 billion (ROU assets) and Rp 2.53 billion (lease liabilities) by 31 March 2022. On the income statement, the former Rp 5.10 billion operating lease expense was replaced by depreciation (Rp 4.96 billion) and interest expense (Rp 0.24 billion) in the first year — raising EBITDA despite unchanged underlying cash flows — while principal lease payments were reclassified from operating to financing activities in the cash flow statement. Management characterized the change to stakeholders as a reporting reclassification rather than an operational decline, and enhanced internal disclosures and management reporting formats accordingly.

3.2.2 Technical and Operational Challenges

Two implementation hurdles dominated: determining an appropriate discount rate for contracts without an explicit interest rate, and resource constraints in a three-person accounting team that relied on Microsoft Excel to track only a few dozen lease contracts. The discount-rate challenge was resolved with external-auditor assistance, using an incremental borrowing rate documented in the audit working papers. The manual-tracking risk materialized in 2021–2022, when warehouse leases were double-posted under both the old and new standards, overstating costs by Rp 2.56 billion — representing 29.3% and 37.5% of reported losses in those two years respectively. Corrective measures included monthly lease-to-general-ledger reconciliations, standardized Excel templates, and promotion of a supervisor to Assistant Manager for added oversight.

3.2.3 Managerial Decision-Making and Strategic Re-Orientation

IFRS 16 adoption prompted PT XYZ to cancel vehicle leases and negotiate the purchase of a Rp 35 billion warehouse after analysis indicated long-term ownership savings over leasing — a decision reflecting both agency considerations (addressing stakeholder concern over higher recognized liabilities) and stewardship goals (securing operational control). The double-counting error reinforced this shift, since reducing lease volume also reduced processing complexity and error risk. Duties were reorganized to separate accounting, tax, and cash-management functions, and the new Assistant Manager role was created explicitly to strengthen intermediate-level control and reinforce individual accountability.

3.3 Integration: Reconciling Quantitative Stability with Qualitative Change

Read in isolation, Sections 3.1 and 3.2 could appear to tell different stories — aggregate financial ratios statistically unchanged (Section 3.1.1) alongside a firm actively restructuring its operations, controls, and asset-financing strategy (Section 3.2). Triangulating the two strands resolves this: the quantitative “no effect” on ratios is not evidence of passivity but the aggregate signature of active firm-level management. At PT XYZ, the cancellation of vehicle leases and the shift to warehouse ownership directly reduced the growth trajectory of recognized lease liabilities and associated leverage ratios, while the promotion to Assistant Manager and revised reconciliation procedures contained the profitability impact of the double-counting error. If firms across the IDXTRANS sample undertook comparable adjustments — renegotiating lease terms, substituting ownership for leasing, or tightening controls — in response to the same standard, the sector-level Wilcoxon results in Table 3 would show exactly the pattern observed: liabilities rise sharply and significantly (Table 4), while liquidity, leverage, and profitability ratios remain statistically stable, because firms actively managed those ratios rather than merely absorbing the shock. This interpretation is consistent with a stewardship reading of the response (Donaldson & Davis, 1991) as much as an agency-driven one (Jensen & Meckling, 1976): the same visibility that could motivate defensive earnings or leverage management also motivated a defensible, economically grounded lease-versus-buy analysis. Firm value, meanwhile, responded positively and significantly to the adoption event itself (Table 5) rather than to the liability magnitude — the clearest quantitative signature of the signaling channel (Spence, 1973) operating alongside, rather than instead of, the leverage channel.

4. CONCLUSION

This study confirms that IFRS 16 has fundamentally reshaped lease accounting in Indonesia's transport-logistics sector, with distinct impacts at the market and firm levels. The standard significantly increased recognized lease liabilities but did not, on average, cause statistically significant changes to liquidity, leverage, or profitability ratios — a “zero-effect” result consistent with prior sector-level findings elsewhere. Adoption was associated with a positive and significant increase in firm value (Tobin's Q), indicating that investors rewarded the enhanced transparency and reporting quality rather than penalizing the recognized debt, aligning with Nugroho and Gantyowati (2023).

The PT XYZ case study supplies the explanatory layer the quantitative results alone cannot: it documents a material Rp 2.56 billion double-counting misstatement arising from manual, Excel-based lease tracking — a concrete implementation risk for any lease-intensive Indonesian firm still transitioning — and shows that the heightened visibility of lease liabilities acted as a direct catalyst for shifting asset-financing strategy from leasing toward ownership and for overhauling internal controls.

Firms were not passive recipients of the standard; they actively managed their financial structures, which is the most credible explanation for why aggregate ratios remained stable even as recognized liabilities rose sharply.

Theoretically, the findings extend signaling theory (Spence, 1973) and agency/stewardship theory (Jensen & Meckling, 1976; Donaldson & Davis, 1991) to accounting-standard adoption in an emerging-market, lease-intensive sector, showing that the two channels — transparency signal and liability magnitude — can be empirically separated and can move firm value in opposite directions simultaneously.

For company management, the findings underscore the importance of migrating lease record-keeping from manual spreadsheets to ERP-based systems to prevent double-counting errors of the kind observed at PT XYZ, and of revisiting lease-versus-buy decisions using the post-adoption capitalized cost as the basis for comparison rather than the pre-adoption expensed treatment. For regulators and standard-setters (DSAK IAI), the findings point to a need for additional technical guidance on determining the incremental borrowing rate for closely held or joint-venture entities that lack an observable market rate — the exact gap PT XYZ resolved only through external audit assistance.

This study has three limitations that also indicate directions for future research. First, the 2018–2021 observation window overlaps the COVID-19 disruption to the transport-logistics sector (2020–2021), which may confound the isolation of a pure IFRS 16 effect from a pandemic effect on the same ratios; future work could extend the panel to post-pandemic years to disentangle the two. Second, the qualitative strand relies on a single embedded case (PT XYZ); while purposively selected for its representative leasing profile, this limits generalization of the qualitative mechanisms to the full population of transport-logistics firms, and multiple-case replication would strengthen external validity. Third, this study did not include technical or social factors such as staff training or the active participation of partner institutions in lease-transition governance, which future research could incorporate as moderating or mediating variables.

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