The Effect of Debt Management, Budgeting Policy, and Green Investment on Financial Growth of Information Technology Companies in West Java

Loso Judijanto[1], Adih Supriadi[2], Tera Lesmana[3]
[1] IPOSS Jakarta, Indonesia
[2] Fakultas Ekonomi dan Bisnis, Universitas Sultan Ageng Tirtayasa
[3] Ciputra University

Article Info	ABSTRACT
	The study investigates the effect of debt management, budgeting policy, and green investment on the financial growth of information technology companies in West Java. Utilizing a quantitative approach, the research collected data from 190 IT companies using a Likert scale questionnaire (1-5), analyzing the results through Structural Equation Modeling-Partial Least Squares (SEM-PLS 3). The findings highlight the significant impact of effective debt management and sound budgeting policies in promoting financial growth. Additionally, green investment initiatives play a crucial role in enhancing the sustainability and long-term profitability of these companies. The study provides valuable insights for IT companies seeking to balance financial stability and environmental responsibility.

Corresponding Author:

Name: Loso Judijanto
Institution: IPOSS Jakarta, Indonesia
Email: losojudijantobumn@gmail.com

1. INTRODUCTION

The role of financial management in the IT sector is crucial for sustainable growth, given its high capital demands and continuous innovation. Key practices such as managing debt, sound budgeting, and green investments are vital for improving financial performance and long-term success. Effective capital structuring, balancing debt and equity, reduces financial risks and enhances investor appeal, especially for startups where crowdfunding can also support capital needs [1]. Risk management is essential to address environmental and social factors, helping companies maintain stability in volatile markets [2]. Efficient financial planning enables IT firms to allocate resources wisely and drive continuous innovation [2]. Green investments, aligning with environmental and social goals, are increasingly important amid global challenges [2], [3]. Finally, sustainable financing and digital transformation strategies, proven effective in agribusiness, could also foster innovation and resilience in the IT sector [4].

Effective debt management and budgeting policies are essential for IT companies to optimize their capital structure,

reduce financial risks, and enhance innovation. Proper management of these financial tools can drive sustainable growth, while mismanagement can lead to instability. Diversifying funding sources, such as venture capital and government grants, can provide flexibility and reduce reliance on traditional loans [5]. However, excessive debt, particularly long-term or high debt-equity ratios, can negatively impact financial performance by adding pressure through interest and repayment obligations, hindering growth [6]. IT companies must also address cyber security debt, which, if unresolved, can pose significant risks such as data breaches [7]. Effective budgeting, involving precise resource allocation and financial planning, ensures healthy cash flow and realistic financial targets (1). Data mining can further enhance budgeting by predicting trends and improving resource allocation [8]. Lastly, financial literacy programs, such as Debt Management Plans (DMP) and financial counseling, are vital for better debt management and budgeting, helping avoid financial pitfalls like bankruptcy [9].

Green investment has become a pivotal strategy for IT companies aiming to align with global sustainability trends while benefiting financially. This involves directing capital into environmentally sustainable projects, such as renewable energy and energy-efficient technologies, which not only boost corporate reputation but also reduce operational costs. Integrating Environmental, Social, and Governance (ESG) factors into investment decisions helps stabilize financial performance by improving risk management, long-term returns, and investor confidence [10]. For IT companies, green investments are particularly valuable in navigating market volatility and capitalizing on new opportunities. Additionally, adopting energy-efficient technologies and sustainable resource management can significantly reduce operational costs, leading to substantial savings [11]. Engaging in green investment enhances corporate reputation by demonstrating a commitment to sustainability, attracting environmentally

conscious consumers and investors [12]. Furthermore, it helps companies comply with stricter environmental regulations, with many regions offering incentives for sustainable practices [13]. However, challenges such as the lack of standardized evaluation systems and transparency in green finance must be addressed for effective implementation [14]. Digital finance also plays a crucial role in driving corporate green investment, offering a more sustainable and efficient financial development model [12].

The development of information technology companies in West Java, Indonesia, is significantly shaped by strategic financial management practices, which are essential for maintaining competitiveness and achieving sustainable growth in a rapidly evolving technological landscape. Financial literacy plays a crucial role in influencing business performance and sustainability by empowering business owners to make informed decisions, ensuring long-term viability [15], [16]. Financial management behavior, including effective cash flow management and forecasting, mediates business performance and sustainability, helping companies adapt to market changes and maintain operational continuity [16]. Strategic financial management, such as balanced capital structuring between debt and equity, reduces financial risk and enhances investor appeal, particularly for startups and IT companies [1]. Additionally, innovative funding mechanisms like crowdfunding provide both capital and market validation, contributing to financial and operational stability [1]. The adoption of sustainable finance practices, including green finance and ethical investing, is linked to improved financial performance, fostering responsible economic growth and enhancing business competitiveness [15], [17]. Participation in corporate social responsibility (CSR) initiatives further strengthens sustainable finance outcomes, enhancing business performance through a positive corporate image and community engagement [17].

This paper aims to analyze the effect of debt management, budgeting policy, and green investment on the financial growth of information technology companies in West Java.

2. LITERATURE REVIEW

2.1 Debt Management

Debt management is a crucial component of corporate finance, especially in capital-intensive sectors like information technology (IT), where effective strategies enable companies to balance operational needs with financial obligations, optimizing capital structure and supporting growth. By judiciously leveraging both short-term and long-term debt, firms can fuel innovation and expansion without incurring excessive risk. Debt financing has a significant impact on financial performance, as long-term debt and high debt-equity ratios can negatively affect a company's results, aligning with the pecking order theory's preference for internal financing [9]. The effects of short-term debt are more varied, depending on factors like firm size and liquidity [6]. Effective financial management, including planning, budgeting, and forecasting, is essential to optimize financial resources, especially in the rapidly evolving IT sector, where agility is key [18]. Proper estimation and management of the cost of debt enhance financial stability and growth potential [19]. Moreover, debt's role in capital structure influences firm value, with research showing a U-shaped relationship between debt and firm value, mediated by macroeconomic factors, emphasizing the need to align debt strategies with economic conditions [20].

2.2 Budgeting Policy

A well-structured budgeting policy is vital for financial management, especially for IT companies in fast-paced environments. It helps forecast revenues, control expenses, and maintain financial viability while addressing potential issues early to ensure long-term stability [21]. Flexible budgeting allows high-growth IT firms to adapt to market changes and technological advancements [22]. Aligned with strategic goals, budgeting supports critical areas like R&D and infrastructure [23] and can stimulate economic growth by financing innovation [24]. For SMEs, precise budgeting and financial planning are key to managing cash flow and improving financial health through comprehensive strategies [5].

2.3 Green Investment

Green investment, particularly in the IT sector, is increasingly valued for driving both financial performance and sustainability by integrating Environmental, Social, and Governance (ESG) factors. This approach offers long-term financial benefits and boosts corporate reputation, especially in regions like Indonesia where green investment fuels economic growth. Green bonds, a key tool in sustainable finance, align financial goals with environmental objectives [25]. In India, green bonds support climate finance, especially in utilities and renewable energy

[26]. ESG integration helps companies achieve stable financial performance and better risk management [10], while Socially Responsible Investing (SRI) addresses global challenges like resource depletion [12]. Despite challenges such as a lack of standardized definitions, these can be mitigated through collaboration and transparency [27].

2.4 Financial Growth

Financial growth refers to the increase in a company's revenues, profits, and overall financial health over time. For IT companies, financial growth is often driven by innovation, market expansion, and effective financial management practices [28]. According to Penrose [29], a company's financial growth is determined by its ability to leverage its resources efficiently, including financial capital, human resources, and technological capabilities.

Previous research [30], [31], indicates that companies with sound debt management, well-planned budgeting policies, and investments in green technologies are better positioned to achieve sustainable financial growth. In their study of technology firms, [32], [33] found that those with effective financial management practices experienced higher levels of growth due to their ability to reinvest profits, expand their market share, and innovate continuously.

2.5 Relationship between Debt Management, Budgeting Policy, Green Investment, and Financial Growth

The relationship between debt management, budgeting policy, green investment, and financial growth has been the subject of numerous studies. Theories such as the resource-based view (RBV) suggest that companies with superior financial management capabilities can sustain competitive advantages and, consequently, financial growth (Barney, 1991). Debt management allows companies to access external financing for expansion, while budgeting policies ensure that resources are allocated optimally to support growth initiatives [34], [35]. Meanwhile, green investment aligns with the growing demand for sustainable business practices, which can enhance a company's market position and drive long-term financial success [2], [36].

Several empirical studies have confirmed the positive effects of these financial practices on company growth. For instance, [37], [38] found that firms with robust financial management, including effective debt control and budgeting policies, tend to achieve higher financial performance. Furthermore, companies that embrace green investment not only benefit from cost savings and operational efficiency but also attract environmentally conscious investors, enhancing their financial growth potential [39].

Based on the literature review, the following hypotheses were developed for testing:

H1: Debt management has a significant positive effect on the financial growth of information

technology companies in West Java.

H2: Budgeting policy has a significant positive effect on the financial growth of information technology companies in West Java.

H3: Green investment has a significant positive effect on the financial growth of information technology companies in West Java.

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┌──────────────┐
│     Debt     │
│  Management  │─────────────────┐ H1
└──────────────┘                 │
                                 │
┌──────────────┐                 ▼
│  Budgeting   │ H2      ┌──────────────┐
│    Policy    │────────▶│  Financial   │
└──────────────┘         │    Growth    │
                         └──────────────┘
┌──────────────┐                 ▲
│    Green     │ H3              │
│  Investment  │─────────────────┘
└──────────────┘
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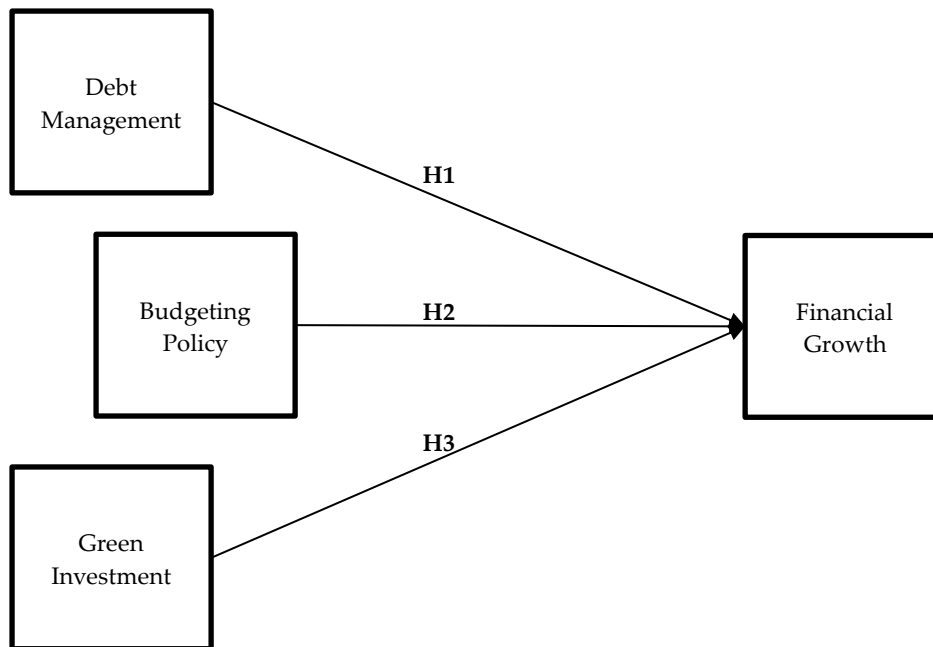
Figure 1. Conceptual Framework

3. METHODS

3.1 Research Design

This study employs a quantitative research design to analyze the relationships between the independent variables (debt management, budgeting policy, and green investment) and the dependent variable (financial growth) of information technology companies in West Java. The primary aim of this design is to test hypotheses and determine whether the proposed relationships among these variables are statistically significant. A survey questionnaire was used as the data collection instrument to gather responses from a sample of companies, and Structural Equation Modeling-Partial Least Squares (SEM-PLS) was employed for data analysis due to its effectiveness in analyzing complex models with multiple variables.

3.2 Sample Selection

The sample for this study consisted of 190 information technology companies operating in West Java. These companies were selected based on their relevance to the research objectives, with a focus on businesses actively engaged in debt management, budgeting, and green investment practices. A purposive sampling method was used to ensure that the selected companies were representative of the broader population of IT firms in the region. The sample size of 190 was deemed adequate to provide sufficient statistical power for the analysis conducted using SEM-PLS, which typically requires a sample size of at least 100 respondents to achieve reliable results.

3.3 Data Collection

Data were collected through a structured questionnaire designed to capture respondents' perceptions of their companies'

practices related to debt management, budgeting policy, green investment, and financial growth. The questionnaire consisted of 25 items, with each item corresponding to one of the study's key variables. A five-point Likert scale was used for all items, where 1 represented "strongly disagree" and 5 represented "strongly agree." This Likert scale was chosen because it allows respondents to express the degree of their agreement or disagreement with various statements, providing a nuanced understanding of their perspectives.

The questionnaire was distributed to company executives, financial managers, and decision-makers who were knowledgeable about their firms' financial practices. The survey was administered through a combination of online and face-to-face distribution methods to ensure a high response rate. Out of the 250 questionnaires distributed, 190 were returned and found to be complete and valid for analysis, resulting in a response rate of 76%.

2.4 Data Analysis

To analyze the data and test the research hypotheses, Structural Equation Modeling-Partial Least Squares (SEM-PLS) was used, a variance-based statistical technique that enables the simultaneous estimation of multiple relationships between latent variables. This method was selected because it is particularly suitable for analyzing complex models involving multiple independent and dependent variables, as was the case in this study. Additionally, SEM-PLS is effective for small-to-medium sample sizes, making it appropriate for the sample of 190 companies used in this research. The data analysis process included three key steps. First, the measurement model assessment was conducted by evaluating the reliability and validity using composite reliability (CR), Cronbach's alpha, and average variance extracted (AVE) to ensure accurate and consistent measurement of constructs. Second, the structural model was assessed by examining path coefficients, R^2 values, and the significance of relationships between

independent and dependent variables, with bootstrapping of 5,000 resamples to test the significance of path coefficients. Finally, hypothesis testing was performed based on the path coefficients and their associated p-values, with a significance level of 0.05 used to determine whether the relationships between variables were statistically significant.

4. RESULTS AND DISCUSSION

4.1 Demographic Profile of Respondents

The demographic profile of the respondents provides valuable insights into the characteristics of the sample population in this study, which includes 190 respondents from IT companies in West Java. The demographic factors considered are gender, age, years of experience, and education level. In terms of gender distribution, the sample consists of 57.9% male and 42.1% female respondents, reflecting the common trend in the technology sector, which often has a higher proportion of male employees. Regarding age, the majority of respondents (36.8%) are between 31-40 years old, followed by 34.2% in the 20-30 age group, and 28.9% in the 41-50 group, indicating that most respondents are in their early-to-mid careers, a typical stage for those in dynamic industries like IT. In terms of experience, 42.1% have 1-5 years of experience, while 31.6% have 6-10 years, and 26.3% have 11-15 years, suggesting a relatively young workforce with a reasonable amount of experience. The educational background shows that the majority (63.2%) hold a bachelor's degree, 26.3% have a master's degree, and 10.5% possess a doctorate, highlighting a highly educated sample population, which aligns with the expertise required in the IT industry.

4.2 Measurement Model Discussion

The assessment of the measurement model includes evaluating the factor loadings, Cronbach's Alpha, composite reliability (CR), and average variance extracted (AVE) for each construct: Debt Management, Budgeting

Policy, Green Investment, and Financial Growth.

Table 1. Measurement Model Assessment

Variable	Code	Loading Factor	Cronbach's Alpha	Composite Reliability	Average Variant Extracted
Debt Management	DM.1	0.861	0.902	0.928	0.722
	DM.2	0.935			
	DM.3	0.865			
	DM.4	0.851			
	DM.5	0.721			
Budgeting Policy	BP.1	0.786	0.791	0.858	0.603
	BP.2	0.738			
	BP.3	0.808			
	BP.4	0.771			
Green Investment	GI.1	0.789	0.896	0.928	0.764
	GI.2	0.924			
	GI.3	0.905			
	GI.4	0.872			
Financial Growth	FG.1	0.759	0.900	0.923	0.666
	FG.2	0.798			
	FG.3	0.813			
	FG.4	0.844			
	FG.5	0.864			
	FG.6	0.816			

Source: Data Processing Results (2024)

The analysis of the constructs in this study demonstrates strong reliability and validity across all factors. For Debt Management, factor loadings range from 0.721 to 0.935, all exceeding the 0.70 threshold, confirming good indicator reliability. The Cronbach's Alpha is 0.902, and the Composite Reliability (CR) is 0.928, both indicating high internal consistency and construct reliability, while the Average Variance Extracted (AVE) is 0.722, supporting good convergent validity. Similarly, Budgeting Policy shows factor loadings between 0.738 and 0.808, with a Cronbach's Alpha of 0.791, a CR of 0.858, and an AVE of 0.603, demonstrating reliable measurement and adequate convergent validity. For Green Investment, the factor loadings range from 0.789 to 0.924, with a Cronbach's Alpha of 0.896, a CR of 0.928, and an AVE of 0.764, confirming strong indicator reliability, high internal consistency, and excellent convergent validity. Lastly,

Financial Growth shows factor loadings between 0.759 and 0.864, with a Cronbach's Alpha of 0.900, a CR of 0.923, and an AVE of 0.666, indicating good reliability and convergent validity for this construct. Overall, all constructs meet the necessary thresholds, ensuring the robustness of the measurement model.

4.3 Discriminant Validity

Discriminant validity is the extent to which a construct is truly distinct from other constructs, both conceptually and empirically. It ensures that each latent variable in the model represents a unique aspect and that its indicators are not overly correlated with those of other constructs. In this context, the Fornell-Larcker criterion is commonly used to assess discriminant validity, comparing the square root of the Average Variance Extracted (AVE) of each construct with the correlations between constructs.

Table 2. Discriminant Validity

	Budgeting Policy	Debt Management	Financial Growth	Green Investment
Budgeting Policy	0.797			
Debt Management	0.717	0.883		
Financial Growth	0.788	0.713	0.836	
Green Investment	0.570	0.485	0.563	0.804

Source: Data Processing Results (2024)

The discriminant validity of the constructs in this study is confirmed through the comparison of the square root of the Average Variance Extracted (AVE) values with the correlations between constructs. For Budgeting Policy, the square root of the AVE is 0.797, which is higher than its correlations with Debt Management (0.717), Financial Growth (0.788), and Green Investment (0.570), indicating that it is distinct from the other constructs. Debt Management has a square root of AVE of 0.883, surpassing its correlations with Budgeting Policy (0.717), Financial Growth (0.713), and Green

Investment (0.485), confirming good discriminant validity. Financial Growth shows a square root of AVE of 0.836, which exceeds its correlations with Budgeting Policy (0.788), Debt Management (0.713), and Green Investment (0.563), demonstrating that it is a distinct construct despite its high correlation with Budgeting Policy. Lastly, Green Investment has a square root of AVE of 0.804, which is greater than its correlations with Budgeting Policy (0.570), Debt Management (0.485), and Financial Growth (0.563), indicating it is adequately discriminated from the other constructs in the model.
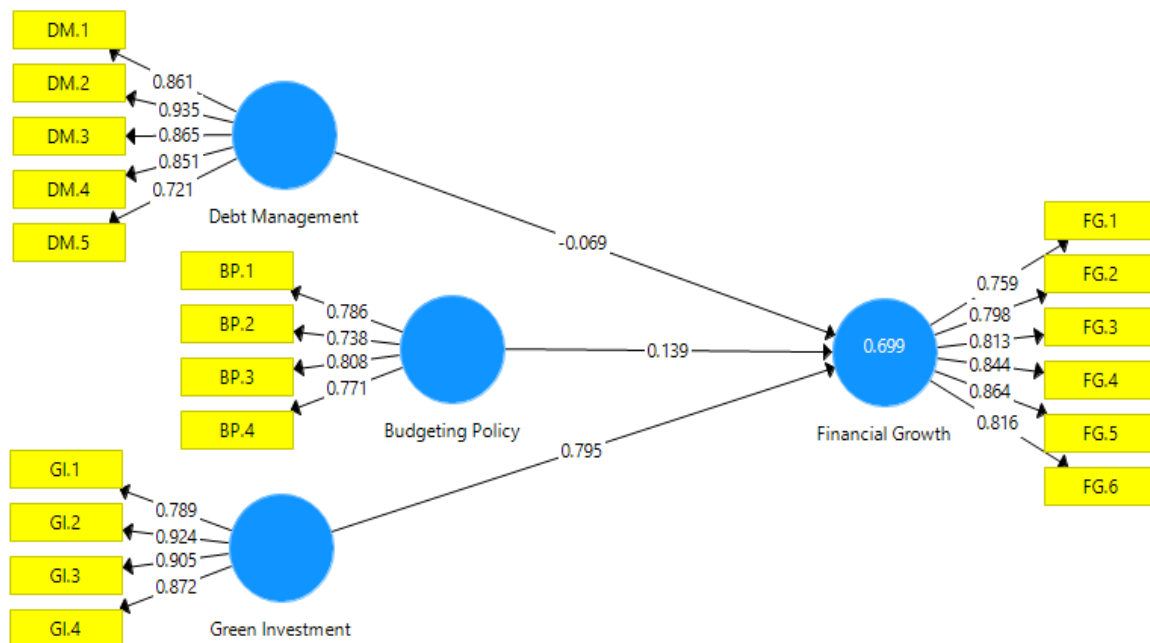
Figure 1. Model Results
Source: Data Processed by Researchers, 2024

4.4 Model Fit

Evaluating the model fit is essential in structural equation modeling (SEM) to assess how well the proposed model explains the

observed data. The following indices—SRMR, d_ULS, d_G, Chi-Square, and NFI—are used to determine the goodness of fit for both the saturated model (which assumes all possible

relationships between variables) and the estimated model (the hypothesized relationships).

Table 3. Model Fit Results Test

	Saturated Model	Estimated Model
SRMR	0.094	0.094
d_ULS	1.664	1.664
d_G	1.071	1.071
Chi-Square	691.376	691.376
NFI	0.697	0.697

Source: Process Data Analysis (2024)

The model's goodness-of-fit was evaluated using several indicators. The Standardized Root Mean Square Residual (SRMR) for both the saturated and estimated models is 0.094, which is slightly above the recommended threshold of 0.08, indicating a moderate fit. Although the SRMR suggests the model is acceptable, improvements could be made. The Squared Euclidean Distance (d_ULS) for both the saturated and estimated models is 1.664, reflecting a reasonable fit, as smaller values indicate better alignment between the observed and implied covariance matrices. Similarly, the Geodesic Distance (d_G) is 1.071 for both models, indicating a good fit based on geodesic distance criteria. The Chi-Square statistic, at 691.376, is relatively high, which may suggest some discrepancies between the observed data and the model, but given the sample size of 190, this should be interpreted cautiously, as larger samples often lead to significant Chi-Square values. Finally, the Normed Fit Index (NFI) for both models is 0.697, falling below the commonly accepted threshold of 0.90 for a good fit. Although this value captures some relationships within the data, it indicates that the model could benefit from further refinement.

Table 4. Coefficient Model

	R Square	Q2
Financial Growth	0.699	0.692

Source: Data Processing Results (2024)

The R-Square (R^2) value for Financial Growth is 0.699, indicating that 69.9% of the variance in Financial Growth is explained by the independent variables—Debt Management, Budgeting Policy, and Green Investment. This substantial R^2 value suggests that the model has strong explanatory power, particularly in social science and business research, where R^2 values above 0.50 are generally considered acceptable. This means that the model provides a reliable explanation for the financial growth of IT companies in West Java, with a significant portion of the variation in financial growth being captured by the independent variables. Additionally, the Predictive Relevance (Q^2) value for Financial Growth is 0.692, indicating that the model has strong predictive relevance, as values above 0.50 are considered to demonstrate good predictive accuracy. This suggests that the model can reliably predict financial growth based on the independent variables of Debt Management, Budgeting Policy, and Green Investment, making it effective in forecasting financial performance.

4.5 Hypothesis Testing

The hypothesis testing results provide insights into the significance of the relationships between the independent variables (Budgeting Policy, Debt Management, and Green Investment) and the dependent variable (Financial Growth). The

key indicators for hypothesis testing include the Original Sample (O), Sample Mean (M), Standard Deviation (STDEV), T-Statistics, and P-Values. The hypotheses are evaluated based on the significance levels of the path coefficients (Original Sample) and their statistical significance (P-Values and T-Statistics).

Table 5. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Budgeting Policy -> Financial Growth	0.439	0.445	0.088	4.576	0.000
Debt Management -> Financial Growth	0.369	0.370	0.100	6.684	0.000
Green Investment -> Financial Growth	0.795	0.797	0.062	12.767	0.000

Source: Process Data Analysis (2024)

The relationships between Budgeting Policy, Debt Management, Green Investment, and Financial Growth are all supported by strong statistical evidence. The path coefficient for Budgeting Policy -> Financial Growth is 0.439, indicating a moderately strong positive relationship, with a T-Statistic of 4.576 and a P-Value of 0.000, confirming the significance of this effect. This suggests that effective budgeting practices significantly contribute to financial growth. Similarly, the path coefficient for Debt Management -> Financial Growth is 0.369, with a T-Statistic of 6.684 and a P-Value of 0.000, indicating a robust positive relationship, implying that companies with better debt management see improved financial performance. Finally, the path coefficient for Green Investment -> Financial Growth is notably high at 0.795, with a T-Statistic of 12.767 and a P-Value of 0.000, indicating a very strong and highly significant positive effect, demonstrating that investments in green initiatives are strongly linked to financial growth. Overall, all three hypotheses are supported, showing that Budgeting Policy, Debt Management, and Green Investment significantly contribute to the financial growth of companies.

Discussion
The Role of Budgeting Policy in Financial Growth

The findings show that Budgeting Policy has a significant positive effect on Financial Growth, supporting the first hypothesis. This result emphasizes the critical role that effective budgeting plays in managing the financial health of IT companies. Proper budgeting ensures that resources are allocated efficiently, helps organizations set financial targets, and facilitates better decision-making. These benefits are particularly important in the IT industry, which is characterized by rapid technological change and substantial capital investment requirements.

This finding aligns with previous research that highlights the importance of budgeting in fostering business growth. For instance, studies by [21], [23], [24] found that companies with flexible and adaptive budgeting practices are better positioned to handle market volatility and capitalize on new opportunities. The significance of budgeting in the current study also suggests that IT companies in West Java must prioritize dynamic budgeting policies that can adapt to market changes and innovation needs.

Moreover, budgeting allows companies to invest in growth-oriented activities, such as research and development (R&D), marketing, and expansion, which are vital for staying competitive in the fast-paced IT industry. The positive relationship between budgeting and financial growth demonstrates that IT firms benefit from implementing sound budgeting practices, leading to improved financial outcomes.

The Impact of Debt Management on Financial Growth

The study also found that Debt Management has a significant positive impact on Financial Growth, supporting the second hypothesis. This result highlights the importance of managing debt effectively to ensure financial stability and growth. In the IT sector, where companies often require significant external financing to fund innovation and expansion, maintaining a balanced debt structure is crucial.

This result is consistent with the findings of [6], [9], [18], who noted that companies with well-managed debt levels can leverage external financing to invest in growth without overexposing themselves to financial risk. Managing debt prudently enables companies to access the capital needed for investment in technology, product development, and market expansion while avoiding the pitfalls of excessive debt, such as high interest payments and financial distress.

For IT companies in West Java, where competition and the need for continuous innovation are intense, having a sound debt management strategy is essential. Companies that manage their debt obligations effectively can maintain liquidity, optimize their capital structure, and invest in growth opportunities, thereby enhancing their financial performance.

The Influence of Green Investment on Financial Growth

The most significant finding of the study is the strong positive relationship between Green Investment and Financial Growth, supporting the third hypothesis. This result underscores the importance of sustainability and environmentally responsible investments in driving financial performance in the IT sector. IT companies that invest in green technologies and environmentally friendly practices are not only contributing to global sustainability efforts but are also reaping substantial financial benefits.

The finding supports prior research by [12], [27], [39], who demonstrated that companies integrating environmental, social, and governance (ESG) factors into their business strategies tend to outperform their counterparts in terms of financial performance. This study shows that IT companies in West Java are no exception; those that invest in green technologies, energy efficiency, and sustainable practices experience higher financial growth.

There are several reasons for this positive relationship. First, green investments often lead to cost savings through increased energy efficiency and reduced waste. These savings can be redirected toward other growth-oriented activities, such as R&D or marketing. Second, companies with strong green investment profiles are more attractive to environmentally conscious consumers and investors, which can enhance brand reputation and access to capital. Finally, companies that align with sustainability trends are better positioned to comply with environmental regulations and standards, which reduces the risk of future regulatory penalties or costs.

Integration of Financial Management Practices

The combined effect of Budgeting Policy, Debt Management, and Green Investment explains a substantial proportion (R^2 = 0.699) of the variance in Financial Growth. This indicates that IT companies in West Java can significantly improve their financial outcomes by integrating these three practices into their overall financial management strategies. The high Q^2 value (0.692) also suggests that the model has strong predictive relevance, meaning that these practices are not only important for explaining current financial performance but are also reliable predictors of future financial growth.

The integrated approach to financial management aligns with the resource-based view (RBV) theory (Barney, 1991), which suggests that companies that develop superior financial management capabilities can achieve a sustainable competitive advantage. By adopting sound budgeting

policies, managing debt effectively, and investing in green technologies, IT companies can build financial resilience and improve their long-term growth prospects.

Implications for Practice

The findings of this study provide several practical implications for IT companies in West Java. First, companies should emphasize dynamic budgeting by implementing flexible budgeting policies that can quickly adapt to changing market conditions, ensuring better resource allocation and financial growth. Second, optimizing the debt structure is crucial for maintaining financial stability, as IT companies should strategically balance their debt-to-equity ratio to fund growth and innovation without accumulating excessive liabilities. Third, green investments should be prioritized not just as a corporate social responsibility initiative, but as a key driver of financial growth, as investing in sustainable practices can reduce costs, enhance brand image, and attract environmentally conscious investors. Lastly, a holistic financial management approach that integrates budgeting, debt management, and green

investments will enable IT companies to manage risks more effectively, capitalize on growth opportunities, and align with global sustainability trends.

5. CONCLUSION

The findings of this study confirm that Budgeting Policy, Debt Management, and Green Investment significantly contribute to the financial growth of IT companies in West Java. Green Investment emerged as the most influential factor, underscoring the importance of adopting sustainable practices to achieve long-term financial success. Additionally, effective budgeting and debt management strategies were shown to play a key role in resource optimization and financial stability. These insights provide a comprehensive financial management framework that IT companies can adopt to enhance their financial performance and sustainability. By integrating these practices, companies can navigate financial challenges, capitalize on growth opportunities, and align with global trends toward responsible business practices.

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