

Company Size Asset Structure and Share Ownership Affect Capital Structure in the Property Sector Listed on the Indonesia Stock Exchange for the Period 2017-2021

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ABSTRACT

This study aims to determine the effect of company size, asset structure and share ownership on capital structure in the property sector listed on the IDX for the 2017 –2021 period. The method used is a quantitative approach analysis as well as descriptive and verification methods with the sample used, namely the 2017-2021 financial reports with 6 companies, a total of 30 samples. The results showed that the t-test of firm size had a significant negative effect on capital structure, asset structure had no significant positive effect on capital structure, and share ownership had no significant negative effect on capital structure. The results of the F test show the influence of company size, asset structure and share ownership on capital structure. If the three variables experience an increase or decrease, it will have an impact on the Capital Structure which will experience a similar increase or decrease as the three variables.

Keywords : *Company Size; Assets Structure; Share Ownership; Capital Structure; Property Sector*

ABSTRACT

Penelitian ini bertujuan untuk mengetahui Ukuran Perusahaan, Struktur Aset dan Kepemilikan Saham berpengaruh terhadap Struktur Modal pada Sektor Properti yang terdaftar di BEI Periode 2017–2021. Metode yang digunakan analisis pendekatan kuantitatif serta metode deskriptif dan verifikatif dengan sampel yang digunakan yakni laporan keuangan periode 2017-2021 dengan 6 perusahaan adalah sebanyak 30 sampel. Hasil penelitian menunjukkan bahwa uji t Ukuran Perusahaan berpengaruh negatif signifikan terhadap struktur modal, Struktur Aset berpengaruh positif tidak signifikan terhadap Struktur Modal, Kepemilikan Saham berpengaruh negatif tidak signifikan terhadap Struktur Modal. Hasil Uji F terdapat pengaruh Ukuran Perusahaan, Struktur Aset dan Kepemilikan saham terhadap Struktur Modal. Apabila ketiga variabel mengalami peningkatan ataupun penurunan akan berdampak pada Struktur Modal yang akan mengalami kenaikan maupun penurunan serupa seperti ketiga variabel tersebut.

Kata Kunci : **Ukuran Perusahaan; Struktur Aset; Kepemilikan Saham; Struktur Modal; Sektor Properti**

INTRODUCTION

The global economy that continues to develop at this time has brought many changes to the national economy, marked by increasingly fierce competition in the business world of one company with another, both in the industrial sector and service companies, in the face of such competition companies are required to have the ability to compete well in all respects. When a company makes its business plan, one important thing that must be done by a businessman is to choose a funding source that will be used to fund his company's business whether it is possible or not in the business he is in, to run a business, of course, requires capital to develop his business, the company must be. will use sources of financing outside the company and within the company. It is important for companies to properly combine the financing sources available for their operations to create a good corporate capital structure.

Capital Structure is a decision in finance related to the optimal funding of a business, Capital Structure is very important because the Capital Structure of a Company is a description of the financial condition of each company, capital structure can also affect investor capital invested in companies and shares, receive information about company reports in the form of financial reports submitted annually. Some affect the capital structure, namely company size, asset structure and share ownership. Company size is a description of the company that reflects the success of a company, which can be seen from the total assets of the company, company size is an important factor in the use of company capital structure. According to (Suwardika & Mustanda, 2017) states that company size is the size of a company that can be seen through the amount of equity, sales and total assets of a company.

Previous research said that company size had a positive and insignificant effect on capital structure (Lianto, Sinaga, Susanti, Yaputra, & Veronica, 2020), whereas according to (Andika & Fitria, 2016) those who stated that company size had a positive effect on capital structure. Asset structure is the resources or wealth owned by the company that will be used in one company's operations. The asset structure is used to compare the total fixed assets to the total assets of the company. Which describes the total amount of assets that can be used as collateral. The asset structure is also used to determine how many long-term loans are taken, this will later have an impact on determining the size of the capital structure.

According to (Septiani & Suryana, 2018) disclose the Asset Structure is used to determine how much debt is available in the long term concerning the amount of collateral owned, which will later affect the determination of the company's capital structure. Previous research stated that asset structure has a positive effect on capital structure, which means that the greater the company's asset structure, the greater the company's capital structure (Dharmadi & Dwija Putri, 2018). Meanwhile, according to (Andika & Fitria, 2016) which states that the asset structure harms the capital structure. Institutional Share Ownership has more power than other shareholders in the group who choose a risky project with the expectation of high returns. Institutional shareholders prefer high debt levels because it reduces corporate taxes, if the amount of capital invested by institutional shareholders is small, management will try to find more sources of debt because shareholders control the company's cash flow. According to (Cahyani & Handayani, 2017) stated Institutional Ownership reflects the level of public trust in the company, if managers are well managed by institutional shareholders then managers make

considerations in smarter investment decisions. According to previous studies (Thesarani, 2017), institutional ownership has a negative and insignificant effect on capital structure.

Based on the explanation above, there are hypotheses or temporary answers to research: (H₁) = Company Size Affects Capital Structure in Property Sector Companies Listed on the IDX 2017-2021, (H₂) = asset structure affects the Capital Structure of Property Sector Companies Listed on the IDX 2017-2021, (H₃) = Share Ownership affects the Capital Structure of Property Sector Companies Listed on the IDX 2017-2021, (H₄) = Company size, asset structure and share ownership affect the Capital Structure of Property Sector Companies Listed on the IDX 2017-2021. Researchers used descriptive and verification methods, and data collection used secondary data. In this presentation, the authors conducted a study entitled "Company Size Asset Structure and Share Ownership Affect Capital Structure in the Property Sector Listed on the Indonesia Stock Exchange for the 2017-2021 Period".

RESEARCH METHODS

This research has a type of descriptive analysis method and verification method, descriptive is done to understand the development between independent and dependent. Then verification is used to find out how much impact the independent variable has on the dependent variable. Data collection is done secondary data through studying, collecting data and recording the company's financial information. The population used is information from the annual annual report on the property sector for the 2017-2021 period. purposive sampling method to take the sample used according to Table 1.

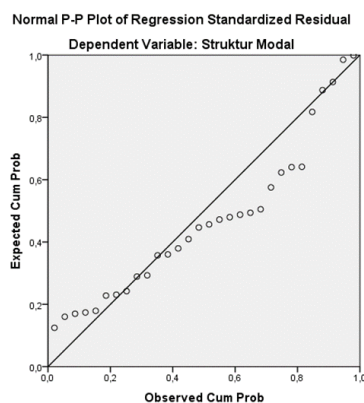
Table 1. Indicator

No.	Variable	Indicator	Source
1.	Company Size	Company Size = Ln (total Assets)	(Denziana & Yunggo, 2017)
2.	Asset Structure	Asset Structure = Fixed assets / total assets	(Nasar & Krisnando, 2020)
3.	Shareholding	KI = Number of institutional shares / number of outstanding shares	(Laksana & Widyawati, 2016)
4.	Capital Structure	DER = total debt / total equity	(Ariyanto, 2020)

Source: Processed data, 2022

RESEARCH RESULTS AND DISCUSSION

In Figure 1. It can be stated from the data points that spread and follow the line so that the data obtained in this study is normal.



Source: Processed, 2022

Figure 1. Normality Test

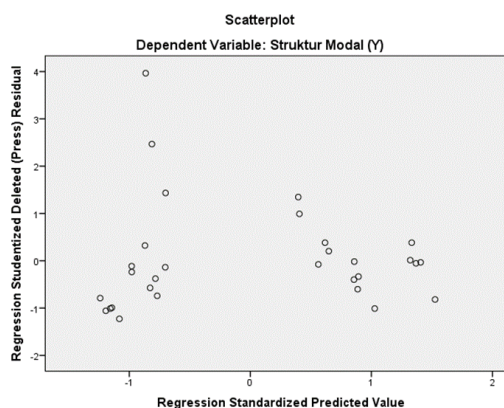
Multicollinearity is used to calculate between variables, based on the results that have been tested on three independent variables having a tolerance of more than 0.10 and a VIP value of <10.

Table 1. Multicollinearity Test

Model	Collinearity Statistics	
	tolerance	VIF
Company Size (X_1)	0.782	1,279
1 Asset Structure (X_2)	0.749	1,336
Share Ownership (X_3)	0.627	1.595

Source: Processed, 2022

It can be seen in Table 1., the three variables used have a tolerance value of more than 0.10 and a VIP value of less than 10, so in the multicollinearity test in this test the data is not problematic. In Figure 2., it can be seen from the points obtained that they form an erratic and scattered pattern. So it can be said that there is no heteroscedasticity.



Source: Processed, 2022

Figure 2. Heteroscedasticity Test

Autocorrelation test that has a Durbin-Watson value is 1.650 and has a lower limit of 1.2138 and an upper limit of 1.6498, so the results obtained do not have autocorrelation

in the research conducted. From the estimates of the SPSS *software*, the comparison obtained is linear regression.

$$Y = 354.337 - 7.522 + 0.258 - 73.763 \quad (1)$$

The constant value (*a*) of 354.337 has a positive value, this positive sign means that the independent variable that is size company, structure assets and ownership share show direct influence _ with variable bound that is capital structure, then If all variable free to have value 0%, mark capital structure is of 354,337. The coefficient Company Size is - 7.522 and marked negative. When variable other independent values are fixed and Company Size experienced a 1% increase, then Capital Structure (DER) will experience a decline of -7.522. Coefficient worth negative It means happen connection negative between Company Size with Capital Structure (DER), the company size increases The Capital Structure (DER) is getting better down.

Coefficient Structure Asset equal to 0.258 and signed positive. If variables other independent values Fixed and Structure Asset experience a 1% increase, then The Capital Structure (DER) will increase by 0.258. Coefficient worth positive It means happen connection is positive between Structure Asset and with Capital Structure (DER), the higher the Structure Asset so The Capital Structure (DER) is increasing. Coefficient Share Ownership of -73,763 and marked negative. If variable other independent values property and ownership share experience a 1% increase, then The Capital Structure (DER) will experience a decline of -73.763. Coefficient worth negative It means happen connection is negative between Ownership Share and with Capital Structure (DER), the higher the share ownership The Capital Structure (DER) is getting better down.

Based on the analysis of the correlation coefficient, the results of the correlation (R) between Company Size, Asset Structure and Share Ownership with a Capital Structure of 0.620 according to Astuti (2017) the value of 0.620 is in the vulnerable between 0.60 - 0.799 is one of the very strong types.

If you look at Table 2., the R Square results are 0.384 or 38.4%, indicating that together the Capital Structure is influenced by Company Size, Asset Structure and Share Ownership by 38.4%, while the rest is determined by other variables.

Table 2. Determination Coefficient Analysis

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.620 ^a	.384	.313	44.40337

a. Predictors: (constant) , Share Ownership (X3), Company Size (X1), Structure Assets (X2)

Source: *Processed, 2022*

The size of the company with the capital structure obtained from the SPSS calculation tcount is -2.832 and the p- value (Sig) is 0.009 because $t_{count} = -2.832 < 2.056$ then a significance of $0.009 < 0.05$ so that Ho is rejected which indicates that partially company size has a significant effect with a positive sign on capital structure. Asset Structure with Capital Structure in SPSS calculations can be tcount of 0.534 and a value

(Sig) of 0.598 because $t_{count} = 0.534 < 2.056$ then significance $0.598 > 0.05$ so that H_0 is accepted which proves that partially Asset Structure has no significant effect on Capital Structure. Share ownership with a Capital Structure is obtained by the SPSS calculation value of -1.301 and the value (Sig) of 0.205 because $t_{count} = -1.301 < 2.056$ then a significance of $0.205 > 0.05$ which is in the area of acceptance of H_0 which shows Share Ownership has no significant negative impact on Capital Structure. The results of simultaneous hypothesis testing (Test F) is displayed in Table 3.

Table 3. Hypothesis Testing (Test F)

Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	31986,484	3	10662,161	5,408	,005 ^b
	residual	51263,144	26	1971,659		
	Total	83249,628	29			

Data Source: processed, 2022

Table 3. shows that the results of the SPSS calculation values can be concluded that the calculated F value is worth 5.408 retrieval decision after counted so the F_{table} obtained 2.98. The results of the acquisition of the F test simultaneous between variables X_1, X_2, X_3 to variable Y is as follows: $F_{count} = 5.408 > 2.98 F_{table}$ which identifies H_0 is rejected which means Firm Size, Asset Structure and Share Ownership which have a significant influence on Capital Structure.

Discussion

Company size has a significant negative effect on Capital Structure, Company Size has an influence on Capital Structure but with a negative sign. This is appropriate research conducted by _ (Mariani, 2021) who stated that Firm size matters negatively and is significant to Capital Structure, meaning that Firm size matters to Capital Structure but the direction is negative. Where Company size increased Capital Structure will be decreased.

Furthermore, Asset Structure has no significant positive effect on Capital Structure, Asset Structure has no effect on Capital Structure but an increase in Asset Structure will only slightly affect Capital Structure. This result follows research conducted by (Santika & Sudiyatno, 2011) who found that asset structure has an insignificant positive impact on capital structure. This suggests that there is a similar tendency to shift between asset structure and capital structure, although the impact of this movement is negligible. should not focus too much on asset structure when deciding whether to use or increase debt. Even so, management still pays attention to the asset structure because it will affect how liquid the company is. Although the beneficial effect is small, it is sufficient to show that management is still paying attention to the asset structure.

Moreover, share ownership has no significant negative effect on capital structure. because Share Ownership does not affect Capital Structure. The number of institutional shareholdings does not affect the capital structure. Result of the study the following research conducted (Thesarani, 2017) who stated states that institutional ownership has

a negative and insignificant effect on Capital structure which means that share ownership does not influence capital structure.

The results also show that Company Size, Asset Structure and Share Ownership have a positive influence on Capital Structure. Thus, Capital Structure's improvement is in line with the improvement of Company Size, Asset Structure and Share Ownership.

CONCLUSION

Per Company Size Development in Sector Properties listed on the IDX for the period 2017 to 2021 in size company tends to rise however, from 2019–2021 it will occur a decline in Company size, which is caused happen Because entered the early days of the COVID-19 pandemic, so cause request experience decline and society Still withhold level consumption and investment.

Per Structure Development Assets in Sector Properties listed on the IDX for the 2017–2021 period are likely to experience a decline. Seen that the Structure Asset company experience a decline in 2018 and 2019, the decline was mentioned in because right Because the descent of receivables effort, and decline in balance supply material standard and cause structure asset experience decline.

Development Sector Share Ownership Properties listed on the IDX for the period 2017–2021 have experienced rising and stability. Company Share Ownership experienced an increase in the year 2020 which is 2020 a pandemic, but interest public still owns interest For do investments in the company property.

Development Sector Capital Structure Properties listed on the IDX for the period 2017–2021. The increase in 2021 shows that there is still a positive movement in property prices amid the pandemic, and indicates an increase in demand for property.

RECOMMENDATION

It is expected that company managers in making every company decision in determining where the capital requirements are met, it is necessary to consider several things, including how big the need for funds is, in what form the source of the funds is and how long the funds are used will affect the company's capital structure which shows composition comparison of permanent funding sources used by the company.

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