The Influence of Profitability and Company Size on Earnings Quality with Capital Structure as an Intervening Variable

Anwar Arifin Pinem[1*], Siti Rahmayuni[2], Ekki Satria Jaya[3], Ekko Edy Susanto[4], Bintang Chairunnisa Azizah[5]

[1,2,3,4,5] Faculty of Economics and Business, Mulia University

Abstract

The aim of this research is to determine the effect of profitability and company size on earnings quality by using capital structure as an intervening variable. The data used comes from the company's financial reports for 2011-2023. Profitability is measured by ROA and company size is measured by Ln (total assets), while earnings quality is calculated using the DACC formula acting as an intervening variable along with capital structure. The data analysis model used is multiple linear regression and path analysis. The findings show that profitability and company size have no influence on capital structure. Furthermore, the variables profitability, company size and capital structure have no effect on earnings quality, and capital structure does not act as a mediating variable between profitability and company size on earnings quality.

Keywords: Profitability, Company Size, Capital Structure, Earnings Quality

Abstrak

Tujuan penelitian ini adalah untuk mengetahui pengaruh profitabilitas dan ukuran perusahaan terhadap kualitas laba dengan menggunakan struktur modal sebagai variabel intervening. Data yang digunakan berasal dari laporan keuangan perusahaan tahun 2011-2023. Profitabilitas diukur dengan ROA dan ukuran perusahaan diukur dengan Ln (total aset), sedangkan Kualitas laba dihitung menggunakan rumus DACC bertindak sebagai variabel intervening bersama dengan struktur modal. Model analisis data yang digunakan adalah regresi linier berganda dan analisis jalur. Temuan menunjukkan bahwa profitabilitas dan ukuran perusahaan tidak memiliki pengaruh terhadap struktur modal. Selanjutnya variabel profitabilitas, ukuran perusahaan, dan struktur modal tidak berpengaruh terhadap kualitas laba, dan struktur modal tidak berperan sebagai variabel mediasi antara profitabilitas dan ukuran perusahaan terhadap kualitas laba.

Kata Kunci: Profitabilitas, Ukuran Perusahaan, Struktur Modal, Kualitas laba

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Corresponding Author: Anwar Arifin Pinem (anwararifin@universitasmulia.ac.id)

1. Introduction

Saputri et al., (2023).Today, the need for information conveyed through mass media has become an undeniable reality. This is related to the communication function where information and mass media are important components. Mass media has now become an integral part and main reference for society in carrying out their daily lives. The influence of mass media, both positive and negative, has become something that cannot be avoided and influences society. Even though the digital world continues to develop, television media is still one of the main media in various countries, especially in Indonesia. Starting with the presence of TVRI around 1962, several private national television stations took part in developing the television industry in the country. To date, there are more than 20 private television stations in Indonesia.

Anwar, (2019)In the increasing competition between private television stations, as well as competition from the digital world which is enlivening the development of the world of entertainment and information in Indonesia, PT. Surya Citra Mandiri, Tbk (SCMA) as a company in the electronic media industry has taken the initiative to expand into the digital world through online portals and video streaming services. To support this expansion, the company needs additional funding, including from investors. Therefore, conveying quality financial information is necessary in order to attract the interest of investors. In carrying out transformation and innovation, PT. Surya Citra Media Tbk needs to make the right strategic decisions so that it can continue to develop in this global era. The role of company managers is very important in supporting production, marketing and company strategy activities to maximize profits amidst intense global economic competition. Several indicators used by financial managers in decision making involve earnings quality, capital structure, profitability, and company size.

Irawati, (2012)Profit is the result of a calculation that includes all income received and costs incurred in a certain period, taking into account the accrual principle where transactions are recognized when they occur, not when cash is received or paid. Earnings quality includes the completeness of all profits reported by the company. Good earnings quality is obtained when the profits presented are in accordance with the actual situation, so that they can be relied on in decision making. Earnings quality also includes impartiality or distortion of perceptions, so that it can reflect the company's actual performance.

PT. Surya Citra Media, Tbk as one of the mass media that still survives today must keep up with the times. In this phenomenon we can see how the financial condition of PT. Surya Citra Media tbk in the last 10 years as follows:
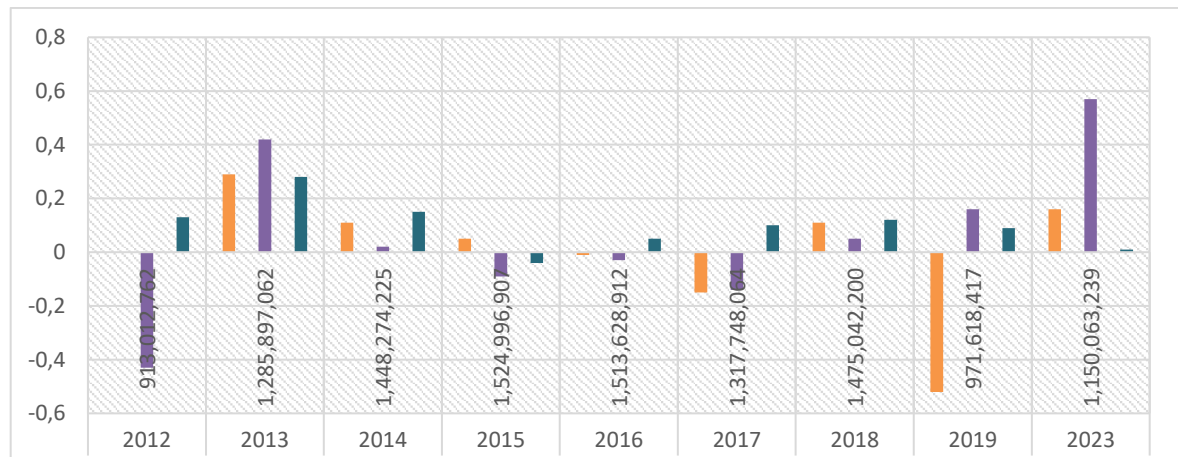
Table 1. Financial Data of PT. Surya Citra Media Tbk Period 2012 – 2021
(in thousands of rupiah)

YEAR	Net profit	*Difference (%)*	Total Liabilities	*Difference (%)*	Total Assets	*Difference (%)*
2012	912,587,591	-	1,006,950,419	-	2,511,221,855	-
2013	913,012,762	0.05%	704,733,125	-43%	2,893,172,402	13%
2014	1,285,897,062	29%	1,220,709,138	42%	4,010,166,376	28%
2015	1,448,274,225	11%	1,250,247,643	2%	4,728,435,671	15%
2016	1,524,996,907	5%	1,152,287,864	-9%	4,565,963,576	-4%
2017	1,513,628,912	-1%	1,115,203,785	-3%	4,820,611,941	5%
2018	1,317,748,064	-15%	980,414,618	-14%	5,385,807,878	10%

2019	1,475,042,200	11%	1,035,274,069	5%	6,138,226,584	12%
2020	971,618,417	-52%	1,228,125,546	16%	6,716,724,073	9%
2021	1,150,063,239	16%	2,870,316,946	57%	6,766,903,494	1%

Source: Data processed in 2023

The data above can be illustrated with the following graph:

Source: Data processed 2023

**Figure 1. PT Financial Data Graph. Surya Citra Media Tbk Period 2012 – 2021
(in thousands of rupiah)**

From the data in Table 1.1 above, information can be seen regarding net profit, total liabilities and total assets of PT. Surya Citra Media Tbk from 2012 to 2021. The highest net profit was recorded in 2016 amounting to IDR 1,524,996,907,000. The most significant increase in net profit occurred in 2014, where net profit increased by 29% compared to the previous year, namely from IDR 913,012,762,000 (2013) to IDR 1,285,897,062,000. Meanwhile, the biggest decline in net profit occurred in 2020, reaching 52% compared to 2019.

From this table it can also be seen that the total liabilities of PT. Surya Citra Media Tbk experienced an increase from 2019 to 2021. The highest increase was achieved in 2021, namely 57% compared to 2020. This is in contrast to total assets which have decreased in the last three years. The highest increase in total assets occurred in 2014, amounting to 28% compared to 2012, while the decrease in total assets occurred in 2016, amounting to 4%.

Based on the data above, we can calculate the influence of earnings quality, capital structure, profitability and company size over 10 years using path analysis, so that companies can find out and evaluate their financial reports.

In the context of digital media development, this transformation indirectly forces PT. Surya Citra Media Tbk to innovate into the digital media realm. This innovation requires careful financial decisions, both from an internal and external perspective. In making financial decisions, there are several indicators that can be used, including earnings quality, capital structure, profitability, and company size. This research has a significant contribution in the context of financial analysis and company management. contribution of each variable:
1. **Profitability (Profitability):** This factor can provide insight into how efficient a company is in generating profits from its operations. In this research, analysis of the correlation between profitability and earnings quality can provide a deeper

understanding of how a company's profitability is related to the reliability of the financial information produced.

2. **Company Size (Firm Size):** Company size can be a significant indicator of resources, operational scope, and potential influence on the quality of financial reports. Through this research, the contribution can provide an overview of how company size affects the quality of financial reports.

3. **Capital Structure (Capital Structure):** As an intervening variable, capital structure plays a role in conveying the impact of profitability and company size on earnings quality. In this research, identifying the role of capital structure as an intermediate variable can provide a more detailed understanding of the mechanisms of how these factors are interconnected.

The contributions of this research are beneficial in several ways:

Provides Deeper Understanding: This research can provide a more comprehensive understanding of what factors influence earnings quality in a particular context, which can then help companies make more informed decisions.

Relevance in Managerial Decision Making: The results of this research can provide insight to company managers about which factors need further attention to improve the quality of the financial information produced.

Contribution to Academic Literature: This research can also contribute to the academic literature in finance and management by developing a better understanding of the factors that influence earnings quality and their role in corporate structure.

2. Study of Theories and Hypotheses
Financial management
Anwar (2019:5)Financial management is a field of science that focuses on company financial management, including aspects of finding sources of funds, allocation of funds, and distribution of company profits.

Quality of Earnings
Lee & Zhang, (2012:34)Profit plays a central role as information displayed in financial reports, because the numbers contained in these reports reflect the accounting policies and methods implemented by the company. The main function of profit is as an indicator that provides an overview of the company's operational performance, and the results can influence company value. In the preparation process, integrity is a key aspect because the financial reports presented must be honest and reliable as a source of information used in decision making.

Ardhianto, (2019;100)The definition of profit according to the current accounting structure is the difference between measuring income and costs on an accrual basis. Earnings quality in the accounting context includes the completeness of all profits reported by the company. Earnings quality is considered low when a company conveys earnings information that is not in accordance with actual conditions, so that the data provided becomes biased and has the potential to mislead creditors and investors in the decision-making process. Profits are said to be quality if accounting profits correctly and accurately reflect the company's operational profitability. Accounting profits originating from the accrual accounting process also create issues around earnings quality, because profits from this method can become a potential object of earnings management practices.

Earnings quality is also measured as the difference between the net profit reported in the income statement and the actual profit. Profits are said to be of good quality when accounting profits are minimal or do not even contain any perceptual distortions in them, so they are able to accurately reflect the company's performance.

According to Warianto and Rusiti (2014), DACC (Discretionary Accruals) can be measured using the following formula:

$$DACCit = TAit/Ait\text{-}1 - NDA\ it \tag{1}$$

Where:
DACCit = Discreationary accrual of company i period t
NDAit = Nondiscreationary accruals for company i period t
TAit = Total accruals of company i period t

Capital Structure (Z)
Based on Sudana (2011) and Pangesti et al. (2020), this theory is prepared with several assumptions, including the assumption that there is no optimal capital structure for a company because company value is influenced by the performance of the company itself. In other words, changes in capital structure do not have a positive impact on increasing company value. This assumption is based on the view that the use of debt will not change the weighted average cost of capital, which means that the use of debt as a source of funding will not increase the value of the company because the benefits of the cost of debt are considered smaller compared to the increase in costs. owner's equity

$$DAR = \frac{Total\ Debt}{Total\ Asset} x 100\% \tag{2}$$

Profitability
According to Pirmatua Sirait (2017:139) as quoted by Adillah (2020), it can be defined as the ability of a company to earn overall profits, convert sales into profits, and generate cash flow. Irham Fahmi (2014:81) as mentioned by Fathoni and Swandari (2020) provides a definition of profitability as a measure of overall management effectiveness, which is reflected in the level of profit obtained in relation to sales and investment.

A company's ability to generate profits is often referred to as profitability. According to Sujoko & Soebiantoro (2011:41-48) as quoted by Adillah (2020), profitability refers to a company's ability to create profits or profits during a certain year. A high level of profitability reflects the level of effectiveness in company management.

The profitability formula using Return on Assets (ROA) can be calculated as follows:

$$ROA = \frac{Net\ Income}{Total\ Asset} x 100\% \tag{3}$$

Company Size
According to Anisa and Siswanti (2019), it can be defined as a metric that reflects the dimensions of a company's size or size, which is assessed based on total sales, average sales level, and total assets. Another definition of Company Size, according to Ida Ayu and I Wayan Putra (2016) as quoted by Dewiningrat and Mustanda (2018), describes Company Size as a representation of the large or small scale of a company by considering the total value of assets listed in the balance sheet at the end year.

Jogiyanto Hartono (2022:282) explains that company size acts as a sign or guide to assess the dimensions of a company's size or size. If the number of assets of a company is high, which reflects the wealth it has, it can be considered that the company has a large scale. Conversely, if total assets are low, the company can be classified as a small company.

The Company Size Formula uses the natural logarithm (ln) and total assets can be calculated as follows:

$$Size = \ln(Total\ Asset) \tag{4}$$

Research Hypothesis
The influence of profitability on capital structure
Marshal, (2014)And(Muhammad, 2020)Profitability has a significant negative effect on capital structure, in researchSumardi (2018)states that profitability has a significant negative effect on capital structure. The higher the profitability of a company, the larger the company's own capital is used, and the lower the capital structure. So the first hypothesis in this research is
H1: Profitability influences the capital structure of PT. Surya Citra Media Tbk

The influence of company size on capital structure
In researchAbidin et al., (2022)AndRico Andika & Sedana, (2019)states that company size influences capital structure. These results show that the larger the company size, the higher the capital structure and vice versa. So the second hypothesis in this research is
H2: Company size influences the capital structure of PT. Surya Citra Media Tbk

The influence of profitability on earnings quality
In ResearchRisdawaty and Subowo (2015)states that profitability influences earnings quality. For investors, companies that have a high level of profit are considered capable of generating maximum profits so that the third hypothesis in this research is that the level of profitability has an impact or influence on the quality of profits.
H3: Profitability influences the quality of profits at PT. Surya Citra Media Tbk

The influence of company size on earnings quality
In ResearchWarianto and Rusiti (2014)AndKarim et al., (2019)Company size has an influence on earnings quality. This means that the larger the company, the more controlled its earnings management tends to be, so that relatively large companies have higher earnings quality than small companies. Therefore, the fourth hypothesis can be formulated in this research.
H4: Company size influences the quality of profits at PT. Surya Citra Media Tbk

The influence of capital structure on earnings quality
In researchAbidin et al., (2022) Warianto and Rusiti (2014)Capital structure has an influence on earnings quality. The profits of companies that have a high level of leverage tend to have a lower response from investors. This means that profit information from companies with high levels of debt does not receive a positive response from investors. Therefore, if the level of leverage is high, the company tends to carry out earnings management so that the quality of earnings decreases. So the fourth hypothesis in this research is
H5: Capital structure influences the quality of profits at PT. Surya Citra Media Tbk.

The influence of capital structure as an intervening variable between profitability and earnings quality
H6: Capital structure is an intervening variable between profitability and earnings quality at PT. Surya Citra Media Tbk.

The influence of capital structure as an intervening variable between company size and earnings quality
H7: Capital structure is an intervening variable between profitability and earnings quality at PT. Surya Citra Media Tbk.

Research Framework
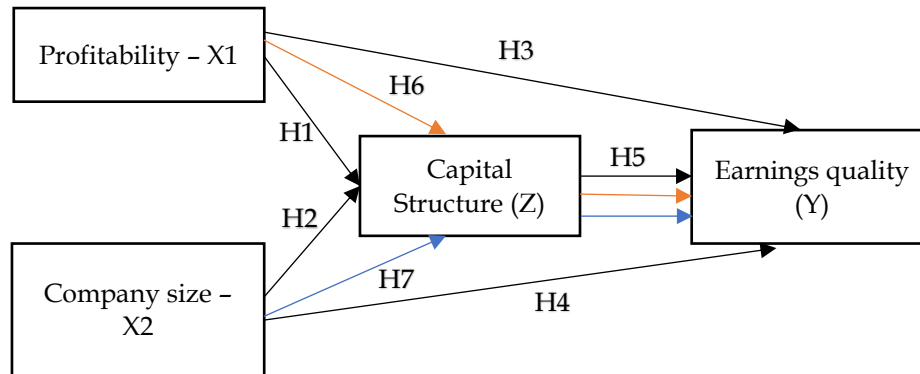
Figure 2. Research Framework

3. Research Methods

In this research, a quantitative method was used with a secondary data approach. Sugiyono (2017:8) defines quantitative research as a method based on the philosophy of positivism, used to investigate certain populations or samples, collect data through research instruments, analyze data quantitatively, with the aim of testing predetermined hypotheses. Furthermore, Sugiyono (2017:137) explains that secondary data is a data source that is not provided directly to researchers and comes from books, literature and reading that are relevant and support this research.

The type of research used is associative, in accordance with Sugiyono's (2019:23) view in the context of quantitative research. In the associative method, the researcher does not interact directly with the data source, thereby avoiding values that could influence the research. By maintaining distance from the data source, researchers aim to ensure that the data obtained is objective.

Meanwhile, Sugiyono (2017:80) explains that population is a generalized area consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions drawn. In this research, the population used was PT. Surya Citra Media Tbk.

Hypothesis test

In this research, hypothesis testing regarding the influence of profitability and company size on earnings quality, with capital structure as an intervening variable, uses the method:

a. Path Analysis

Ghozali (2013:249) explains that path analysis is a development of multiple linear analysis. Path analysis refers to the use of regression analysis to evaluate cause-and-effect relationships between variables that have been previously identified based on theory. The path diagram in this analysis consists of two structural equations, where X1 and X2 are exogenous variables, while Z and Y are endogenous variables. By using path analysis, this research aims to understand the relationship and impact between these variables.

b. Analysis using SPSS 25 consists of two stages, namely analysis for substructure 1 and substructure 2. In the structural equation analysis, it can be formulated as follows:

$$Z = PZX1 + PZX2 + e1 \tag{5}$$

Where:
P : Regression Coefficient
Z : Capital Structure
X1 : Profitability
X2 : Company Size
e1 : error

1. Interpretation of substructure results 1
2. Interpretation of substructure results 2
3. Regression analysis
4. Influence Calculation

4. Results and Discussion

Descriptive statistics

This test is used to determine the description of the research data, namely the calculated average (mean), standard deviation, minimum and maximum values obtained using SPSS 25. The results of the descriptive statistical analysis that has been carried out are as follows:

Table 4. Results of descriptive statistical tests

Descriptive Statistics					
	N	Min	Max	Mean	Std. Dev
DACC	10	-.0033	.0002	-.001130	.0010231
DAR	10	,1700	,4200	.263000	.0875658
ROA	10	,1400	,3600	.274000	.0733636
SIZE	10	28.5500	29.5400	29.163000	.3349975
Valid N (listwise)	10				

Source: SPSS 25 processed data (2023)

Substructure Analysis 1

Substructure analysis 1 is used to answer hypotheses 1 and 2 regarding the influence of profitability and the influence of company size on capital structure can be found in

Table 5. Substructure Analysis 1

Coefficientsa					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	4,892	4,992		,980	,360
ROA	-.360	,754	-.302	-.478	,647
SIZE	-.155	,165	-.594	-.940	,378

Source: SPSS 25 processed data (2023)

From the results of substructure analysis 1 in Table 4.2, an explanation can be given regarding the influence of profitability (ROA) and company size (Size) on capital structure (DAR). In testing significance, tcount is compared with ttable. For the effect of profitability on capital structure, the t value is -0.478 with a significance level (sig.) of 0.647, while the t table value with 7 degrees of freedom and a significance level (α) of 0.025 is 2.365. Thus, the tcount value (-0.478) is smaller than ttable (2.365), indicating that profitability does not have a significant influence on capital structure. Therefore, it can be concluded that Hypothesis 1 (H1) which

states that profitability has an effect on capital structure is not proven to be significant in this research is rejected.

The effect of company size on capital structure from the results of the significance test is carried out by comparing tcount with ttable. The tcount value = -0.940 and sig. = 0.378 while ttable = 2.365 (df = 7, α = 0.025), then the value of tcount < ttable or -0.940 < 2.365 which means company size has no effect on capital structure. Hypothesis 2 (H2) which states that company size influences capital structure is rejected.

Substructure Analysis 2
Substructure analysis 2 is used to answer hypotheses 3, 4 and 5 regarding the influence of profitability, the influence of company size and the influence of capital structure on earnings quality.

Table 6. Substructure analysis 2

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	,005	,069		,079	,940
ROA	-.004	,010	-.311	-.436	,678
SIZE	,000	,002	-.056	-.075	,943
DAR	-.002	,005	-.133	-.317	,762

Source: Data processed by SPSS 2023

From Table 4.3, the following is an explanation of the results of substructure 2 testing of the influence of profitability (ROA) on earnings quality (DACC), company size (Size) on earnings quality (DACC) and capital structure (DAR) on earnings quality (DAC). From the results of the significance test, it was carried out by comparing tcount with ttable.

The effect of profitability (ROA) on earnings quality (DACC) from the results of the significance test carried out by comparing tcount with ttable is as follows tcount = -0.436 and sig. = 0.678 while ttable = 2.446 (df = 6, α = 0.025), then the value of tcount < ttable or -0.436 < 2.446 which means that profitability has no effect on earnings quality. Hypothesis 3 (H3) which states that profitability influences earnings quality is rejected.

The effect of company size (size) on earnings quality (DACC) from the results of the significance test carried out by comparing tcount with ttable is as follows tcount = -0.075 and sig. 0.943 while ttable = 2.446 (df = 6, α = 0.025), then the value of t < ttable or -0.075 < 2.446 which means company size has no effect on earnings quality. Hypothesis 4 (H4) which states that company size influences earnings quality is rejected.

The effect of capital structure (DAR) on earnings quality (DACC) from the results of the significance test carried out by comparing tcount with ttable is as follows tcount = -0.317 and sig. 0.762 while ttable = 2.446 (df = 6, α = 0.025), then the value of t < ttable or -0.317 < 2.446 which means that capital structure has no effect on earnings quality. Hypothesis 5 (H5) which states that capital structure influences earnings quality is rejected

Discussion
The Effect of Profitability on Capital Structure
In the significance evaluation process, a comparison is made between the tcount value, namely -0.478, and the significance value (sig.) of 0.647. Meanwhile, ttable = 2.365 (df = 7, α

= 0.025), then the value of tcount < ttable or -0.478 < 2.365, which means that profitability has no significant effect on capital structure. Hypothesis 1 (H1) which states that profitability influences earnings quality is rejected. The results of this research are in line with the research results of Wicaksono and Mispiyanti (2020) and research by Rico Andika and Sedana (2019) which state that profitability has no effect on capital structure. This shows that the size of the rate of return on assets or the percentage of company profits does not affect the use of debt as a component in the capital structure. According to trade-off theory, companies that achieve a high level of profitability tend to choose to use debt as a source of company funding. This is due to the benefits of using debt, where the interest paid can be deducted from the company's income when calculating taxes, thereby providing a fiscal advantage to the company.

The influence of company size on capital structure
In the significance evaluation, the resulting t value was -0.940 with a significance value (sig.) of 0.378. The ttable value used is 2.365 with degrees of freedom (df) 7 and a significance level (α) of 0.025, so the tcount < ttable or -0.940 < 2.365, which means company size has no effect on capital structure. Hypothesis 2 (H2) which states that company size influences capital structure is rejected. The results of this research are in line with research by Anisa and Siswanti (2019) as well as a study conducted by Liang and Natsir (2019) concluding that company size does not have a significant influence on capital structure. This conclusion shows that the dimensions of a company's size or size cannot be used as a guarantee for the sustainability of the company's operations, and does not determine the attractiveness for investors in making capital investments in the company.

The influence of profitability on earnings quality
Evaluated with the results of the significance test, where tcount is -0.436 and significance (sig.) is 0.678. By using a ttable value of 2.446 (df = 6, α = 0.025), it was concluded that the tcount value (-0.436) was smaller than ttable (2.446). Therefore, it can be concluded that profitability does not have a significant influence on earnings quality. Hypothesis 3 (H3) which states that profitability influences earnings quality is rejected. This finding is in line with research by Ginting (2017), which also shows that profitability is unable to stimulate market responses to profit information. The implication is that profitability does not make a significant contribution to investors in assessing market conditions.

Company size on earnings quality
The results of the significance test carried out by comparing tcount with ttable are as follows, tcount = -0.075 and sig. 0.943 while ttable = 2.446 (df = 6, α = 0.025), then the value of t < ttable or -0.075 < 2.446 which means company size has no effect on earnings quality. Hypothesis 4 (H4) which states that company size influences earnings quality is rejected. The results of this research are in line with research by Risdawaty and Subowo (2015) and research from Irawati (2012), company size is only used to classify companies into large, medium or small companies.

The Influence of Capital Structure on Earnings Quality
In the results of the significance test, a comparison between the tcount and ttable values produces a tcount value of -0.075 with a significance level (sig.) of 0.943. By using the ttable value of 2.446 (df = 6, α = 0.025), it can be concluded that the tcount value (-0.075) is smaller than ttable (2.446). Therefore, it can be concluded that company size does not have a significant influence on earnings quality. Hypothesis 4 (H4) which states that company size influences earnings quality is rejected. This finding is in line with research by Risdawaty and Subowo (2015) and research by Irawati (2012), which states that company size is only used as a classification to differentiate between large, medium or small companies.

Capital Structure is a mediating variable between profitability and earnings quality

Based on the results of the Sobel test and bootstrapping on the profitability, capital structure and earnings quality variables, a t value of -0.0210 was obtained with a significance level (sig.) of 0.9164. By comparing the tcount value with ttable (2.3646), it was found that the tcount value (-0.0210) was smaller than ttable (2.3646). Therefore, hypothesis 6 (H6) which states that capital structure acts as an intervening variable between profitability and earnings quality is rejected. These findings indicate that a high level of profitability has no effect on a company's decision to use debt, and profitability is not able to stimulate a market response to earnings information. This is because investors assess the health of the company by considering other aspects besides profitability, so that capital structure does not act as a link between profitability and earnings quality.

The influence of capital structure as a mediating variable between company size and earnings quality

Sobel and bootstrapping test results on company size, capital structure and earnings quality variables. The tcount value is 0.0263 and sig. 0.9066. The value of tcount < ttable or 0.0263 < 2.3646. So hypothesis 7 (H7) which states that capital structure is an intervening variable between company size and earnings quality is rejected. This is because the amount of funding from debt does not depend on the size of a company.

5. Conclusions and Suggestions

Based on the results of research regarding the influence of profitability and company size on quality, with capital structure as an intervening variable at PT. Surya Citra Media Tbk for the 2011-2022 period using SPSS 25, it can be concluded that Profitability (ROA) does not have a significant influence on the capital structure (DAR) at PT. Surya Citra Media Tbk. Company size (size) has no effect on earnings quality (DACC) at PT. Surya Citra Media Tbk. Capital structure (DAR) on earnings quality (DACC) PT. Surya Citra Media tbk. Capital structure is not an intervening variable between profitability and earnings quality. Capital structure is not an intervening variable between company size and earnings quality.

Recommendation

This information can be a basis for the management of PT. Surya Citra Media Tbk to develop more accurate financial policies and management strategies. In addition, these findings can make a significant contribution to academic understanding of the relationship between profitability, company size, capital structure and earnings quality in the context of media companies such as PT. Surya Citra Media Tbk

Limitations and Future Research Directions

This research only focuses on 1 company. It is best for future research to take several similar companies.

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