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Research Article

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The Influence of Audit Company Size, Asset Structure, Sales Growth, Profitability, On Capital Structure in the Tecnology Sector Listed on The Indonesian Stock Exchange (BEI)

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Abstract: *This research aims to determine the influence of company size, asset structure, sales growth, profitability, on capital structure in the technology sector listed on the IDX. The population used in this research in technology sector companies listed on the IDX in 2020-2022. The method used in this research is a quantitave method. Samples taken using purposive sampling. The analysis technique used is classical assumption testing, hypothesis, multiple linear regression. This research uses data in the form of annual financial reports from each sample company which are published on the website www.idx.co.id. So, the number of samples in this study was 33 research samples. The results of this research show that company size, asset structure, sales growth, profitability have no effect and are not significant of capital structure.*

Keywords: *company size, asset structure, sales growth, profitability, capital structure.*

Introduction

Intense competition in the era of globalization places demands on the manufacturing industry to become more competitive and continue to innovate in making high quality, competitive products and able to meet consumer demand for products that continue to develop. In the era of globalization, companies currently need funds or funding for investment activities. In financial management, finance is one of the elements. What you need to focus on is how much capital needs the company can meet to use to run and develop the business (Sutandi, 2018).

Capital structure can be said to be a source of company financing. Permanent debt includes long-term debt, preferred shares and shareholder equity (Gunadhi and Putra, 2019).

The variables used in this research are company size, asset structure, sales growth and profitability based on previous research. Regarding the implications of this research, this research confirms the following theories: Past research. Company size is a value that shows the size of a company (Halim 2015:93)

According to Kasmir (2018:107) the sales growth rate is a description of the company's ability to maintain its position in the middle economic and business sectors. Riyanto believes that profitability is the ability of a company. When a company makes a profit or gain during a certain period, people who have the ability to make good profits can show that the company is performing well. Because profitability is often used as a metric when evaluating company performance.

Literature Review

Capital Structure

Capital structure is a balance between the amount of short-term debt and long-term debt, preferred shares and common shares. Capital structure is the ratio between the amount of foreign capital or debt to the capital owned. The capital structure policy is risk maintenance and risk taking expect. Mustafa (2017:85).

The ratio between debt and equity is called leverage. Leverage comparison is assessed using the debt-to-equity ratio formula. The formula is as follows:

DER = Total obligations/obligations

Total equity of shareholders

Impact of company size on capital structure

Company size can be used as a proxy for the company's financial characteristics. Large companies that are stable will have easier access to the capital market compared to small companies. Because this easy access means greater flexibility for large companies.

According to Nurdiana (2018), company size refers to the size of the company. The size of a company depends on several Filing factors such as total asset value, total sales, number of employees and ETC. conditions or characteristics of something that can be used to determine the size of a company (large/small), for example the number of employees. Equity and the amount used by the company to carry out business activities. Assets owned by the company and total annual sales achieved by the company. Period, and the number of shares outstanding.

Impact of asset structure on capital structure

If a company faces financial difficulties and needs financing for company activities, company managers can overcome one of the following things by obtaining a loan using the fixed assets they own as collateral for funding from external parties. The higher the asset structure, the higher the liabilities. Used by more and more large companies. So, if the company's fixed assets increase, the use of debt will also increase. In addition to higher collateral, the greater the amount of debt given by the company to creditors, it can be given to the company by creditors.

Suherman & Mardiyati (2019), Nisfianti & Handayani (2017) and Riyantina & Ardiansari (2017) studied the impact of asset structure on capital structure and obtained the result that the asset structure was replaced by total fixed assets divided by total assets.

Impact of Sales Growth on Capital Structure

The sales growth rate shows the rate of change in annual sales. the higher the company's growth rate, the more it relies on external models. Increasing sales can increase the company's ability to obtain company income and profits, with increased sales the company can cover the company's operational costs and improve the company's capital structure because the company can pay debts and increase its own capital.

Impact of Profitability on Capital Structure

Profitability is a ratio that measures the profitability of a company relative to sales, assets, profits and own capital (Kasmir 2015). Companies with high profitability tend to use relatively little debt. The high rate of return allows the company to meet most of its funding needs using internally generated funds. The higher the level of profit, the higher the company's profit. (Andayani & Suardana 2018) shows that profitability influences capital structure.

Proposal Framework

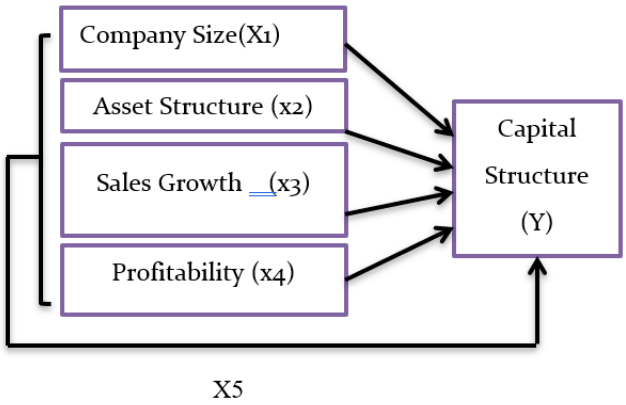


Figure 1. Conceptual Framework

Hypothesis

Based on the description of the conceptual framework in Figure 1.1, it can be concluded that the hypothesis of this research is:

1. Company size has a positive effect on the capital structure of technology sector companies listed on the Indonesian Stock Exchange for the 2020-2022 period.
2. Asset structure has a positive effect on the capital structure of technology sector companies listed on the Indonesian Stock Exchange for the 2020-2022 period.
3. Sales growth has a positive effect on the capital structure of technology sector companies listed on the Indonesian Stock Exchange for the 2020-2022 period.
4. Profitability has a positive effect on the capital structure of technology sector companies listed on the Indonesian Stock Exchange for the 2020-2022 period.
5. Company size, asset structure, sales growth, profitability have a positive effect on the capital structure of technology sector companies listed on the Indonesian Stock Exchange for the 2020-2022 period.

Method

This research is quantitative descriptive in nature, according to Sugiyono (2017), the quantitative descriptive research method aims to describe phenomena, events and occurrences that occur systematically and accurately. This research method is applied to certain populations and samples, using research tools to test predetermined hypotheses.

The research forum was conducted at technology sector companies listed on the IDX. The data used is secondary data, namely the annual report for the period 2020-2022 which was downloaded from the website (www.idx.coid)

Research subjects in general which have several characteristics to be studied are the importance of population and sample. In this study the population is Technology Sector manufacturing companies listed on the BEI in 2020-2022.

According to Sugiyono (2017:81), a sample is a portion of the population that is a source of internal data, where the population is part of a number of characteristics possessed by that population. This research uses purposive sampling. Below is an explanation of the sampling criteria for this research:

Sampling criteria:

No	Criteria	Amount
Number of Technology Sector Companies		34
1	Technology Sector Companies that publish share price lists on the IDX 2020 -2022	19
2	Technology Sector Companies that publish financial reports on the IDX for 2020-2022	17
3	Technology Sector Companies that publish share price lists on the IDX 2020 -2022	11
The amount of data in a certain period		**11**
The amount of data during the period 11 x 3		**33**

The data analysis technique used in this research is multiple linear regression analysis. The following analysis plays a role in assessing the linear relationship or influence between the independent variables on the dependent variable. Use the formula below:

$$Y= a + b1X1 + b2X2 + b3X3 + b4X4 + e$$

Y: dependent variable (Capital structure)
a : Constant
b1, b2, b3, b4: regression coefficients for each dependent variable
X1, X2, X3, X4: Independent Variable (Company Size (X1) Asset Structure (X2) Sales Growth (X3) Profitability (X4)
e: error rate

Research Model Testing

1. Normality Test

The normality test is to test whether the independent variable and dependent variable or both in the regression model are normally distributed. Gozali (-2018;145). Normality was tested using the Jarque-bere test in the Economic Views program. Check that data is attributed correctly.

- If the Jarque-Bera profitability value is > a significant value of 0.05 then the data is normally distributed
- If the jarque-bera profitability value is < 0.05 significant value then the data is not normally distributed.

2. Multicollinearity Test

The multicollinearity test is designed to test whether the regression model finds a correlation between independent variables. Gozali (2018;71)

3. Heteroscedasticity Test

The heteroscedasticity test is designed to test whether there is an inequality of variance from the residuals of other observations in a regression model. (Gozali, 2018) the basis of the analysis is as follows:

- If there is a pattern like the dots will form a kind of regular pattern (wavy, first widening then narrowing) it will be seen that heteroscedasticity is occurring.
- Heteroscedasticity does not occur if there is no clear pattern and the points are spread above and below zero on the Y axis

Hypothesis Testing

Coefficient of Determination Test (R2)

The Determination Coefficient (R2) is used to determine the extent to which a dependent variable can follow the explanation of the independent variable model and cannot explain some of the variations in other variables that are not included in the dependent variable variation model. Variable Coefficient of determination R2 has a value between 0 and 1. An R2 value that is close to 1 means that the independent variable provides almost all the information needed to test changes in the dependent variable, and vice versa. If the R2 value is close to 0 then the independent variable has very limited ability to test changes in the independent variable to an infinite variable.

Simultaneous Significance Test (F Statistical Test)

Carrying out an F statistical test to show whether all independent variables are included in the capital develops criteria that correspond to the level of significance of the general influence on the dependent variable. Hypothesis F to test the hypothesis statement H0: β1, β2, β3 = 0, the hypothesis is as follows:

- H0: if the Ftable value > Fcount and the significance value of the F test > 0.05, then all independent variables simultaneously do not influence the dependent variable
- H1: if the Ftable value < Fcount and the significance value of the F test < 0.05, then all independent variables together have a significant effect on the dependent variable

Partial Significance Test (T Statistical Test)

The T test is carried out to determine how much the independent variable's ability to partially influence the dependent variable. For the most part assume submission is carried out using the t-test

- H01: ≥ 0 indicates that the independent variable has a negative influence on the dependent variable
- Ha1: b1 < 0 means the independent variable does not have a negative influence on the dependent variable
- H02: b2 ≤ 0 means the independent variable does not have a positive influence on the dependent variable
- Ha2 : b1 > means the independent variable has a positive effect on the dependent variable

Results and Discussion

Research Result in

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Company Size	33	243652767.00	2908936572.00	2366559324.7879	643206965.76910
Asset Structure	33	10545408.00	667156356.00	181579855.6667	189760595.83641
Sales Growth	33	-2568083741.00	9377664908.00	1770275643.1212	2562271260.22985
Profitability	33	-133706351.00	9722091444.00	848896638.2123	2439010633.55120
Capital Structrure	33	19864859.00	7860890044.00	835252197.3333	1441999459.05811
Valid N (listwise)	33				

1. Capital Structure is used as the Y variable, the number of samples is 33, the minimum value is 19864859.00, the maximum value is 7860890044.00, the average value is 835252197.3333, and the standard deviation is 1441999459.05811
2. Sales Size as variable X1, the number of samples size is 33, the minimum value is 243652767,00 the maximum value is 2908936572.00, the average value is 2366559324.7879, and the standard deviation is 643206965.76910

3. Asset structure as variable X2, the number of samples size is 33, the minimum value is 10545408,00, the minimum value is 667156356,00, the average value is 181579855,6667, and the standard deviation is 189760595.83641
4. Sales growth as variable X3, the number of samples is 33, the minimum value is -2568083741,00 the maximum value is 9722091444,00, the average value is 848896636,2123, and the standard deviation is 25662271260,22985
5. Profitability as variable X4 the number of samples is 33 the minimum value is -133706351,00 the maximum value is 9722091444,00, the average value is 848896638.2123, and the standard deviation is 2439010633, 55120

Multiple Linear Regression Analysis Model

Evaluate the linear relationship between independent and dependent variables using the following equation

$Y= a + b1X1 + b2X2 + b3X3 + b4X4 + e$

The use of a regression model produces:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-791301885.526	1391581517.654		-.569	.574		
	Company Size	.510	.479	.227	1.063	.297	.690	1.448
	Asset Structure	.152	1.465	.020	.104	.918	.849	1.178
	Sales Growth	.217	.118	.385	1.831	.078	.712	1.404
	Profitability	.010	.114	.017	.090	.929	.846	1.181

a. Dependent Variable : Capital Structure

Source: Processed by SPSS version 25

The description of the regression results is processed from the table above:

1. As can be seen from the table above, the coefficient of positive influence of company size on capital structure is 0,51
2. As can be seen from the table above, the coefficient of positive influence of asset structure on capital structure is 0,152
3. As can be seen from the table above, the coefficient of positive influence of sales growth on capital structure is 0,217
4. As can be seen from the table above, the coefficient of positive influence of profitability on capital structure is 0,10

Classic Assumption Test

Normality Test

To assess whether the regression model of confounding variables or residuals is normally distributed, a normality test is used. In the table below you can see the results of the normality test:

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			33
Normal Parameters[a,b]	Mean		.0000001
	Std. Deviation		1355582203.21752020
Most Extreme Differences	Absolute		.225
	Positive		.225
	Negative		-.177
Test Statistic			.225
Asymp. Sig. (2-tailed)			.000[c]
Monte Carlo Sig. (2-tailed)	Sig.		.062[d]
	99% Confidence Interval	Lower Bound	.056
		Upper Bound	.068

a. Test distribution is Normal.
b. Calculated from data.

Source: Processed by SPSS version 25

It can be seen from the table above, that the data has a normal distribution, and the value is Asymp.Sig.0.62>0.05.

Table 3. Test Multicollinearity

Coefficients[a]

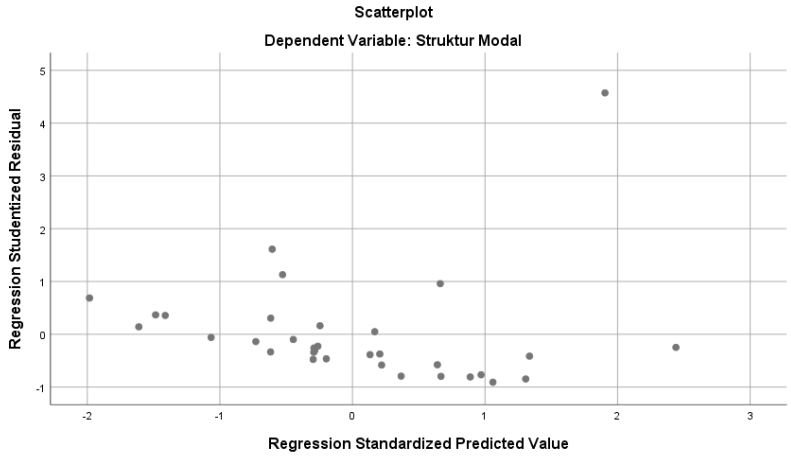
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-791301885.526	1391581517.654		-.569	.574		
	Size Company	.510	.479	.227	1.063	.297	.690	1.448
	Asset Structure	.152	1.465	.020	.104	.918	.849	1.178
	Growth Sales	.217	.118	.385	1.831	.078	.712	1.404
	Profitability	.010	.114	.017	.090	.929	.846	1.181

Source: Processed by SPSS version 25

From table 3.1.3.2 multicollinearity can be detected through tolerance value and variance inflation factor (VIF)

1. The company size tolerance value is ii0.690>0.10. VIF is 1.448<10.00 so does not form multicollinearity.
2. The tolerance value of the asset structure is 0.849>0.10 VIF is 1.178<10.00 so it does not form multicollinearity.
3. The tolerance value of growth and sales is 0.78 >0.10 VIF is 1.404<10.00 so that does not form multicollinearity.
4. The value of tolerance Profitability is 0.846>0.10 VIF is 1.181<10.00 so does not form multicollinearity.

Heteroscedasticity Test



Source: Processed by SPSS version 25

The test can be seen from the plot above, if not found, a particular pattern on the graph, between the independent variables (ZPRED) and the residue (SRESID) and the data can be said to be random. Under this, heteroscedasticity does not occur.

Test Hypothesis

Test Coefficient Determination (R2)

The coefficient of determination in this research is used to reflect the strength of each variable in explaining the variance of the dependent variable. In this iiresearch ideterminant coefficient is seen from customized R-squared values

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.341[a]	.116	-.010	1449178332.58518

Source: Processed by SPSS version 25

From table 3.1.4.1, it shows that the adjusted R-squared in the table is equal to -0.010, it can be concluded that the four variables have an influence on the capital structure simultaneously.

Test Partial (Test T)

Test the significance of each field variable against the dependent variables. iiIndependent variables will be tested partially with it test. This test is carried out by comparing the calculated test with the table which is greater than the table on the significance level of 2(α) 5% so that it can be concluded that the variable has a significant influence.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-791301885.526	1391581517.654		-.569	.574
	Size Company	.510	.479	.227	1.063	.297
	Asset Structure	.152	1.465	.020	.104	.918
	Growth Sales	.217	.118	.385	1.831	.078
	Profitability	.010	.114	.017	.090	.929

a. Dependent Variable: Structure Modal
Source: diprocessed by spss version 25

It can be concluded:

- X1: t-count < t-table, namely 1.063 < 1.693, sig value 0.297 > 0,05 which means company size has no effect and has no sig on capital structure.
- X2: t-count < t-table, namely 0.104 >1,063, sig value 0,918 > 0,05 which means Asset Structure
- which means Asset Structure has no effect and has no sig on capital structure?
- X3: t-count < t-table, namely 1,831>1,063 sig value 0,78 >0,05 which means Growth Sales has no effect and has no sig on capital structure.
- X4: t-count < t-table, namely 0,090<1,063 sig value 0,929>0,05 which means Profitability has no effect and has no sig on capital structure.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7736298567801651200.000	4	1934074641950412800.000	.921	.466[b]
	Residuals	58803299509762080000.000	28	2100117839634360060.000		
	Total	66539598077563730000.000	32			

a. Dependent Variable: Structure Modal
b. processed data SPSS version 25

in the table above Fcount 0.921 on sig 0.466 . The value of icoefficient Ftable at df (1) = 5-1= 4 and df (2) 33-5=28 is is equal to 2.71 at sig 0.05. It is concluded that company size, asset structure, sales growth and Profitability have significant influence 0.466>2.71.

Discussion

1. The calculated value of icompany size (X1) shows it-calculated <t-table 1.063 <1.693, and the sig value of 0.297>0.05 indicates that company size has no effect and is not significant on capital structure
2. The calculated value of the asset structure (X2) shows that the calculated value of 104<1.063, and the sig value of 0.918>0.05, indicates that asset structure has no effect and is not significant on the structure. Modal
3. The calculated value of sales growth (X3) shows it-calculated>t-table is of 1.831>1.063, and the sig value 0.78 >0.05,indicates that the growth of sales has no effect and is not significant ion structure modal
4. The value of it-calculated ion profitability (X4) shows it-calculated>t-table is of 0.090>1.063, and sig value 0.929>0.05 shows that Profitability has no effect and is not insignificant ion capital structure

Closing

Conclusion

This study aimed to use purposive sampling to analyze the influence of company size, asset structure, sales growth, and profitability on capital structure in technology industry companies listed on the Indonesia Stock Exchange (IDX). Eleven companies were selected as samples for the years 2020-2022, resulting in a total of 33 observations. The analysis of this study concluded that company size, asset structure, sales growth, and profitability have a positive effect on capital structure.

Suggestion

1. It is crucial for companies to adhere to capital structure regulations due to their connection with corporate resilience. Therefore, in determining the capital structure, careful consideration of financing decisions, whether using external or internal sources, is necessary. This decision will determine how a company can withstand and continue to grow in the future.
2. Investors should pay attention to factors other than company size, asset structure, sales growth, and profitability that impact capital structure. Companies need to conduct comprehensive risk analysis to identify the business risks they face, allowing them to formulate better risk management strategies.
3. For Prima Indonesia University, this research can serve as a reference for future students in the Economics Department, Accounting Program, to enhance their understanding and knowledge.

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