

The Effect Of Capital Structure, Liquidity, Company Size And Leverage On Financial Performance In The Property And Real Estate Sector Listed On The IDX For The Period 2018-2021

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ABSTRACT

This study aims to examine the effect of Capital Structure, Liquidity, Company Size and Leverage on Financial Performance in Property and Real Estate companies Listed on the IDX for the 2018-2021 period. The sample in this study was taken using a purposive sampling technique, namely determining the sample with certain criteria. The type in this research is explanatory research, which is a type of research that examines the relationship between the independent variables and the dependent variable with a quantitative approach. The data collection technique is documentation. The results of this study are that partially Capital Structure and Firm Size do not significantly influence financial performance while Liquidity and Leverage have a significant effect on financial performance. Simultaneously Capital Structure, Liquidity, Firm Size and Leverage have a significant effect on Financial Performance.

Keywords : Capital Structure, Liquidity, Company Size, Leverage, Financial Performance

INTRODUCTION

A. Background

A good economic outlook can help increase a company's profitability. However, the economy in Indonesia is constantly changing. This has led to increased competition in the business world to maintain its existence. So that companies have to be diligent in improving the performance of their respective companies.

Repetition performance is the repetition condition of the company at the end of the period used to see how far the company has carried out its performance in relation to good and sound repetition management. The return performance of the company is very important for investors in considering the flexibility of investing in the company's business (Aziz and Hartono, 2017).

The optimal capital structure involves balancing the investment of own capital with the investment of long-term loans, meaning how much own capital and how much long-term debt will be utilised so that it can be optimal.

Liquidity refers to the ability of a company to meet its overdue liabilities where the company's liabilities are questioned as to its ability to raise funds to pay its creditors when the liabilities are overdue.

The size of the company represents the condition of the entire company which is described by the size of the total assets, the number of sales, the average total sales and the average total assets.

Leverage represents the financing used to cover the company's financing costs, which are derived from long-term debt and the company's liquidity.

The companies analysed are those in the property and real estate sectors of the 2018-2021 model. The property and real estate sector is one of the most important sectors in the country. This can be used as an indicator to analyse the economic health of the state. The more companies that operate in the property and real estate sector indicates the more developed the economy in Indonesia.

Investment in the property and real estate sector is generally long-term in nature and will grow in line with economic growth and is believed to be one of the most promising investment sectors. According to GDP, in 2018 the GDP growth value in the property and real estate sector was 3.48% with a GDP at current prices of Rp. 406,013.7 trillion. Then in 2019 the GDP growth value reached 5.76% with a GDP at current prices of Rp. 439,455.9 trillion. Next, in 2020 the GDP growth rate experienced a slowdown, reaching a level of 2.32% with a GDP at current prices of 450,780.9 trillion, then in 2021 the GDP growth rate began to increase, reaching 2.78% with a GDP at current prices of 468,221.7 trillion. The achievement was better than the previous year in 2020 which only increased by 2.32%, the real estate sector continued its upward trend and recorded the highest growth of 7.68% in 2011. While the lowest one occurred in 2020 due to the impact of the Covid-19 pandemic.

A. Problem Formulation

1. Are the partial effects of capital structure, liquidity, corporate leverage and leverage on the performance of the repetition?

2. What are the simultaneous effects of capital structure, liquidity, corporate governance and profitability on the performance of the company?

B. Tujuan Penelitian

1. To investigate whether the partial effects of capital structure, liquidity, company's ulcerarity and lelvelragel on repetition performance.
2. To investigate whether the simultaneous effects of capital structure, liquidity, corporate governance and elasticity on recurrence performance are significant.

THEORETICAL STUDIES

A. Repeatability Performance

According to Fahmi (2018) in (Yayuk Indah Wahyuning Tyas, 2020) repeatability performance is an analytical module that is carried out to see how far the company's implementation process has been carried out by implementing the repeatability implementation atulans in a good and transparent manner. Good corporate performance is the implementation of the atulans that have been carried out in a good and transparent manner. It can be concluded that repeatability performance is an assessment that is carried out in order to know how far the condition of the company is by using benchmarking and rules that are already in place.

B. Capital Structure

Company's capital structure is the proportion of the company's long-term funding represented in the form of liabilities, preferred stock, and common stock (Van Hornel & Wachowicz jr., 2005). Capital structure is utilised to reflect the sustainable performance of the company. A company's capital structure is a combination of common and preferred shares or a mixture of long-term financing strategies (equity and debt). The optimal capital structure is the company's capital structure that maximises its share price. Excessive debt can hinder the development of the company, which will cause stock investors to think twice about investing in the company (Sari, 2017). (Alfian Fakhri Fauzi and Elen Puspitasari, 2021)

H1: Partially, capital structure affects repeatability performance

A. Likulidity

Liquidity is a ratio that describes the company's ability to fulfil its long-term obligations. This means that if the company is collected, the company will be able to fulfil its overdue obligations.

Culrrelnt Ratio

According to (Cashmere 2019: 134) the current ratio is the ratio of the company's ability to pay long-term obligations or debt that is due when collected in a timely manner. The higher the result of comparing current assets with current liabilities, the higher the company's ability to fulfil its current liabilities.*H2: Secara Parsial Likuiditas berpengaruh Terhadap Kinerja Keuangan*

B. Company Size

Firm Size is the scale of a company's size that can be proxied in several ways, including total assets (Total Assets) and total sales (Total Salels) (Wufron, 2017). According to Murhadi (2013), the company's turnover can be calculated by transforming the total assets owned by the company into a logarithmic number. The size of the company is projected by transforming the Natulral Log of Total Assets with a header to prevent further fluctuation of the data. By using log natulral, the number of asserts with a value of billions or even trillions will be eliminated,

without changing the proportion of the total number of asserts. (Dwi Puji Rahayu, 2019)

H3: Partial effect of company size on repeatability performance

C. Leverage

Leverage Ratio is a ratio used to measure how far the company's assets are financed by debt. This means how much the company's debt is compared to its assets. (Cashmere 2019: 153)

Debt to Asselts Ratio

Debt Ratio is a debt ratio that is used to calculate the ratio between total debt and total assets. if the ratio is high, it means that the debt funding is getting more and more, then it is increasingly difficult for the company to apply for additional loans because it is feared that the company will not be able to cover its debt with its assets. Thus, if the ratio is low, the smaller the company is financed by debt. (Cashmere, 2019)

H4: Partial Leverage has an impact on Repetition Performance

RESEARCH METHODS

Research Design

This research is designed to carry out quantitative research with the research type of elxplanatory research. The data used in this research is cellular data without annual reports and reports on the recurrence of property and real estate companies listed on the BEII in the 2018-2021 model, while the data was collected through the website www.idx.co.id and the relevant company's website.

B. Population and Sample

This research was conducted to investigate the effect of capital structure, liquidity, corporate ulcers, and debt on the recurrence performance of propelrty and relal elstatel companies listed on the BEII for the 2018-2021 model. The population in the study was 73 companies with a sample of 15 companies using a purposive sampling model so that the total number of objections was 60 companies.

Operational Definition of Variables

Table 1 Operationalisation of research variables

Variables	indicator	Measurement Tools	Scale
Capital Structure (X ₁)	Capital	$DER = \frac{(Debt)}{(Equity)}$	Ratio
Liquidity (X ₂)	Assets Debt	$Current\ Ratio = \frac{Current\ Assets}{Current\ Debt}$	Ratio
Company size (X ₃)	Total Assets	$Size = Ln\ (total\ Aset)$	Ratio
Leverage (X ₄)	Debt Assets	$Leverage = \frac{Total\ debt}{Total\ Aset}$	Ratio
Performance Repeatability (Y)	Total Assets Adjusted Profit Tax	$ROA = \frac{Profit\ After\ Tax}{Total\ Aset}$	Ratio

Data Analysis Technique

This research uses the multiple linear regression analysis model and is processed using SPSS. Data analysis models include: multiple linear regression analysis, classic assumption test. The classical assumption tests carried out include: normality test, multicollinearity test and heteroscedasticity test. After applying the classic assumption test, the hypothesis test is applied. The hypothesis tests used in this research are multiple linear analysis test, coefficient of determination test (R^2), statistical test (t test) and model feasibility test (F test). The multiple linear analysis equation is usually expressed in the formulae as follows: $Y : a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$

RESULTS AND DISCUSSION

Overview

The samples used in this research are property and real estate companies listed on the IDX in 2018-2021. In this research, sampling is using the purposive sampling model. There are selected in this research, namely:

Table 3 Selected samples

	Criterion	Result
	Property and real estate companies listed on the IDX in 2018-2021	
	Property and real estate sector companies that did not consistently publish complete annual audited reports for the 2018-2021 financial year.	
	Companies in the property and real estate sector that did not report their annual results for the 2018-2021 reporting period	
	Property and real estate sector companies that did not receive approval during the 2018-2021 period	
	Initial sample size of the company	
	Number of samples multiplied by 4 years of modelling	

DATA ANALYSIS RESULTS

a. Normality Test

The results of the normality test show that in the Asymptotic Sig. (2-tailed) Kolmogorov-Smirnov significance value is 0.057. Where the significance value of the test results is greater than the significance level of 0.05, then the data in this research is normally distributed, so the research can be continued for the next research.

b. Multicollinearity Test

The results of the multicollinearity test show that the results of the Tolerance value for each variable are more than 0.10 and the VIF value is less than 10, so it can be said that this relationship model does not occur multicollinearity. And this research can be continued to the next stage.

c. Heteroxedasticity Test

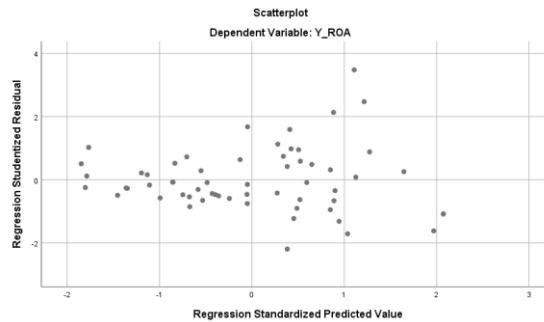


Figure 1 Heteroxedasticity Test Results

The results show that the heteroscedasticity test that on the scatterplot graph between SRESID and ZPRED shows a distribution pattern, where the points on the scattelrplot graph are randomly distributed either above or below the number 0 on the Y table. It can be concluded that there is no heteroscedasticity in this correlation model, so the data is suitable for further testing.

d. Test of Multiple Linear Regression Analysis

The multiple linear regression test was conducted to analyse the effect of the independent variables, namely capital structure, liquidity, corporate accountability and profitability, on the independent variable, namely repeatability performance. The results of the multiple linear regression test can be seen in the table below:

Table 3 Multiple Linear Regression Test

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.591	3.534		5.261	.000
	X1_DER	.018	.015	.320	1.187	.240
	X2_CR	-.007	.002	-.381	-2.768	.008
	X3_SIZE	-.001	.001	-.135	-1.243	.219
	X4_DAR	-.250	.068	-1.106	-3.655	.001

a. Dependent Variable: Y_ROA

e. Coefficient of Determination (R2) Analysis

The results of the coefficient of determination (R2) test show that the Adjusted R Square value of the relationship model is used to determine the extent of the ability of the independent variable to explain the dependent variable. From these results shows R2 as large as 0.384. This means that 38.4% of the repeatability performance is influenced by the structure 61.6% is influenced by other variables that are not examined in this study.

f. Test t (Partial)

Based on the results of partial tests processed through SPSS 25. The impact of independent variables on the dependent can be explained as follows: The capital structure variable has a t-test of 1.187 and a significance of 0.240, the liquidity variable has a t-test of -2.768 and a significance of 0.008, the corporate governance variable has a t-test of -1243 and a significance of 0.219, the leverage variable has a t-test of -3.655 and a significance of 0.001 <0.05.

g. Test F (Simultaneous)

The test results show that the F count is 10.207 with a significance level of 0.000. Where the significance level is $0.000 < 0.05$, it can be said that the variables of capital structure, liquidity, corporate debt and leverage together (simultaneous) have a significant impact on the variable of recurrence performance on the property and real estate sector companies listed on the IDX for the 2018-2021 model. It can be concluded that H5 is accepted.

DISCUSSION

Capital structure has a positive but insignificant effect on the performance of the property and real estate companies listed on the IDX in 2018-2021, it can be seen that the t count is 1.187 where $t_{hitung} 1.187 < t_{table} 2.004$ and the significance level is $0.240 > 0.05$. It can be understood that even if the company increases or extends its debt for its operational activities, it will not affect the performance of the company or the profit it earns, this is because the company chooses to use intellectual funding rather than funding from the lunar (debt). The results of this research are in line with the research conducted by (Alda Nur Amalia and Khuzaini, 2021) which states that the results of the capital structure do not significantly affect the performance of the repeaters.

Liquidity has a negative and significant impact on the performance of the property and real estate companies listed on the IDX in 2018-2021, it can be seen that t count is -2.768 where $t_{hitung} 2.768 > t_{table} 2.004$ and the significance level is $0.008 < 0.05$. The significant negative correlation implies that the higher the current ratio, the higher the ability of the company to fulfil its long-term obligations. The company will invest more funds on the current asset side. The results of this research are in line with the research conducted by (Anjela, Eli Hasmin, Herman Sjahrudin, 2020) which states that the results of liquidity have a significant impact on the performance of the company.

The size of the company does not have a negative and insignificant impact on the performance of the companies and real estate listed on the IDX in 2018-2021, it can be seen that t count is -1.243 where $t_{hitung} 1.243 < t_{table} 2.004$ and significance $0.219 > 0.05$.

Companies that have a large size are more careful in running their business because companies with large ulcers are more quickly noticed by the public, the more the ulcers of the company's ulcers, the more the agelnsi problems faced will pulla so that it will increase the costs that will be incurred by the company's operations. The results of this research are in line with the research conducted by (Teguh Erawati and Fitri Wahyuni, 2019) which states that there is no significant impact and insignificant.

Leverage has a negative and significant effect on the performance of the property and real estate companies listed on the IDX in 2018-2021, it can be seen that the t count is seen that the t count is as large as -3.655 where $3.655 > t_{table}$

2.004 and significance $0.001 < 0.05$. The higher the Leverage value in the ratio of the return report, the greater the risk faced by investors. High debt repayment will have an impact on the sustainability of the company's operations and can be a significant burden in carrying out its operations. The results of this research are in line with the research conducted by (Erfina Fitriani and Zamzami, 2018) which states that leverage has a negative and significant impact.

CONCLUSIONS

A. Conclusion

From the results of the research carried out, it can be concluded that partially the Capital Struktulr does not affect the repetitive performance, the size of the company also does not significantly affect the repetitive performance while the liquidity and leverage have a significant effect on the repetitive performance. Simultaneously, Capital Structure, Liquidity, Corporate Ulcularity and Leverage have a significant effect on Repetitive Performance in Propelrty and Real Estate companies listed on the IDX in 2018-2021.

B. Advice

1. For companies to pay more attention to liquidity and elasticity in order to carry out repeatability performance. seen from the results of this research, liquidity and elasticity have a significant impact in the negative direction on repeatability performance. where the higher the liquidity and elasticity, the lower the repeatability performance that will be carried out.
2. For the next researcher, who will conduct a research with the variable of the repeatability variable, it can add or change other variables that are not available in this research, and can include or change other indulstry sectors, so that the resulting sample is more comprehensive in companies listed on the IDX.

C. Limitations

1. In this study, researchers used the variables of Capital Structure, Liquidity, Corporate Ulcularity and Leverage in explaining the impact on the return performance. There are other factors that can influence the return performance such as Corporatel Govelrnancel, Intellectulal Capital, and others.
2. This research only covers property and real estate companies listed on the IDX for the 2018-2021 model, so this research only reflects the impact on the sustainability performance of property and real estate companies listed on the IDX for the 2018-2021 model.

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