JAM
Jurnal Aplikasi Manajemen
Journal of Applied Management
Volume 21 Issue 4
December 2023

21 | 4 | 2023

Received February '23
Revised July '23
November '23
Accepted November '23

THE ROLE OF FOREIGN OWNERSHIP, INSTITUTIONAL OWNERSHIP, INCOME-EARNING ABILITY, AND PROFITABILITY ON COMPANY CAPITAL STRUCTURE DYNAMICS

Himmiyatul Amanah Jiwa Juwita
Faculty of Economy and Business Brawijaya University, Indonesia

Abstract: Capital structure is an essential decision for the company. Capital structure is related to the composition and contribution of the company's funding in operational activities. This study aims to identify and describe the variables that affect the company's capital structure. This study uses a quantitative approach with explanatory research. The analysis technique used in this study is to use descriptive analysis and statistical inferential analysis with multiple regression techniques. The population used is a manufacturing company listed on the Indonesia Stock Exchange. The sampling method used is purposive sampling. In this study, the purposive sampling criteria used included Companies that have conducted an IPO (Initial Public Offering) before 2016 and are listed on the Indonesia Stock Exchange and Companies that have published annual financial reports on the IDX from 2016 to 2020. The research variables used are capital structure, company size, profitability, foreign investor ownership, government ownership, and institutional ownership. The research results show that the variables of company income and ownership investors have no significant influence on the dynamics of the company's capital structure. Meanwhile, domestic institutional ownership and company profitability have an influence which is significant to the company's capital structure. There are differences in power, the influence of variables on the company's ability to generate income, investor ownership, and foreign and domestic institutional ownership between companies with share ownership by foreign investors and companies that only have domestic institutions.

Keywords: Capital Structure, Investment Ratio, Financial Distress, Ownership Structure, Business Risk, Managerial Experience

INDEXED IN

DOAJ - Directory of Open Access Journals
SINTA - Science and Technology Index
Dimensions
Google Scholar
ReseachGate
Garuda
IPI - Indonesian Publication Index
Indonesian ONESearch

CORRESPONDING AUTHOR

Himmiyatul Amanah Jiwa Juwita
Faculty of Economy and Business Brawijaya University, Indonesia

EMAIL
himmi@ub.ac.id

OPEN ACCESS
e ISSN 2302-6332
p ISSN 1693-5241

Copyright (c) 2023 Jurnal Aplikasi Manajemen

CITATION
Juwita, Himmiyatul Amanah Jiwa. 2023. The Role of Foreign Ownership, Institutional Ownership, Income-Earning Ability, and Profitability on Company Capital Structure Dynamics. *Jurnal Aplikasi Manajemen*, Volume 21, Issue 4, Pages 991-1000. Malang: Universitas Brawijaya. DOI: http://dx.doi.org/10.21776/ub.jam.2023.021.04.10.

INTRODUCTION

Capital structure policy plays a vital role in a company because the type and proportion of capital structure will significantly determine the capital cost burden borne by the company, which will then have an impact on health and company survival. The capital structure reflects the company's policy in funding its business activities. Capital structure can help the company to ensure that available funds can be used effectively and can produce optimal profits. Next, with the acquisition, High profits are expected to provide a high rate of return on capital for the company's shareholders, which is then expected to lead to higher valuation in the market.

Capital structure decisions are the result of managers' policies to optimize the optimal proportion of equity to the debt structure that the company maintains to achieve its goals. A systematic approach to funding activities business through a combination of equity and debt is a capital structure theory that considers the components of company capital such as retained earnings, corporate debt, preferred shares, and common shares (Antill and Grenadier, 2019; Dhankar, 2019; Fama and French, 2002; Myers and Majluf, 1984). A company that uses more debt than equity capital following the capital structure aggressive behaviour that carries additional financial risks to investors. Apart from that, between debt and equity, equity financing has greater costs than debt financing, especially when there are temporarily lower interest rates, while debt financing has the advantage of being called a tax shield (Dhankar, 2019; Vy and Nguyet, 2017).

Several theories related to the determinants of capital structure have been studied extensively, such as the pecking order theory, which stated that companies are more likely to choose funding policies originating from internal company sources. This theory implies that the company will try to increase its income so that the internal funding sources are sufficient for the company's needs. Myers and Majluf's findings (1984) have proven that company profitability shows a strong negative relationship with the amount of company debt. Several other findings strengthen the negative relationship between company profitability and capital structure policy (Bevan and Danbolt, 2002; Mazur, 2007; (Ezeonha, 2008). Companies that have the capability to generate profits tend to use internal funds rather than external funding sources. Other theories, such as the trade-off theory (Ooi, 1999), explain that companies with profit potential tend to use greater debt to reduce the burden of high-income taxes. Based on this theoretical approach, it can be concluded that the company's foremost consideration in determining its Capital structure policy is the company's ability to generate profits.

Previous research has shown quite varied results regarding the role of foreign ownership in company capital structure policies. Previous researchers found differences in capital structure policies between companies that have foreign shares and domestic companies that only have domestic capital. On the other hand, the results of previous research show positive results contradictory. Doukas and Pantzalis's (2003) research proves that the structure ratio of Multinational companies' capital is lower than that of owner companies whose shares are domestic, while Mittoo and Zhang (2008) found that the structure of Multinational companies' capital is higher than owner companies the shares come from domestic shareholders. Other findings also show that the speed of capital structure adjustment by multinational companies is relatively low (McMillan and Camara, 2012). Based on the results of this research, it is known that Shareholders from foreign countries have significant influence in influencing company managers and share owners from domestic countries.

The difference between this study and previous studies is that this study combines the theory of capital structure with agency theory to examine the important role of share ownership by foreign and institutional investors in determining corporate funding source decisions. The purpose of this research is to find out and analyze the effect of the company's ability to generate income on the dynamics of the company's capital structure, to find out and analyze the influence foreign investor ownership has on the dynamics of the company's capital structure, to identify and analyze the effect of domestic institutional ownership on the dynamics of the company's capital structure, to find out and analyze the influence of company profitability on the dynamics of the company's capital structure, to find out and analyze the difference in the strength of the influence of the company's ability to generate income, foreign investor ownership, domestic institutional ownership between companies with share ownership by foreign investors and companies that only have domestic institutions.

LITERATURE REVIEW

Capital Structure

The combination of the various sources of funds used by companies is known as the capital structure (Capital Structure). Funding sources are generally divided into two types, namely debt and equity. Therefore, capital structure can be defined as a combination of debt and equity that can be used to achieve the managerial objectives of a company, and one example is market value. (Market Value) Company (Deepa, 2011). Optimal capital structure is a combination of debt and equity that is able to minimize the value of the Cost of Capital as small as possible and is able to maximize the value of the company as high as possible (de Vries, 2010).

The starting point of the Capital Structure theory was put forward by Modigliani and Miller in 1958. It was stated that when an investment is made in a perfect capital market, the capital structure has no relevance to firm value, and the optimal capital structure also becomes irrelevant (Bhattacharyya and Morrill, 2015). However, sometime later, DeAngelo, in 2006, tested the relevance of Modligliani and Miller's theory. Over time and science continued, not only DeAngelo but several academics began to develop capital structure theory, Agency Theory, Signaling Theory, Trade-Off Theory and Pecking Order Theory (Serrasqueiro and Caetano, 2015).

Ownership Structure

Sun et al. (2016) stated that corporate governance ownership structure is an essential instrument in reducing agency problems. In their research, Sun et al. (2016) used two different measures to capture ownership structure, namely, managerial share ownership (MSO) and institutional ownership. Margaritis and Psilakki (2010) measure the effect of concentration on ownership by introducing a dummy variable that is defined at three different ranges of ownership: low or no owners owning more than 25 percent of the shares, medium-sized or with the largest owner holding between 25 and 50 percent; and high or represent equity ownership of more than 50 percent. Meanwhile, Chen and Strange (2005) divide ownership structure into four variables: Percentage of shares held by all institutional shareholders, Percentage of shares held by state asset management agencies, Percentage of shares held by state-controlled institutions, and Percentage of shares held by domestic institutions. Fama and Jensen (1983) predicted the opposite relationship: increased performance decreased ownership due to increased firm cost of capital because of decreased market liquidity or decreased diversification opportunities. Concentrated ownership can be associated with a negative effect (entrenchment) on firm performance, where the overall effect on firm value may be positive at low concentrations but negative at high concentration levels (Margaritis and Psilakki, 2010).

METHOD

This research uses a quantitative approach with explanatory research. The analysis technique used in this study is to use the Multiple Regression and Mediation Analysis methods. All stages of data analysis were carried out using the help of the SPSS statistical data processing software program. The object of this study uses industrial sub-sector manufacturing companies that have been listed on the Indonesia Stock Exchange with an observation period of 2016 – 2020.

The population used in this study is a manufacturing company listed on the Indonesia Stock Exchange. The sampling method used is purposive sampling. In this study, the criteria for purposive sampling used include 1) Companies that have carried out an IPO (Initial Public Offering) since before in 2016 and listed on the Indonesian Stock Exchange, 2) Companies that have published annual financial reports on the IDX since 2016 to 2020. This study uses secondary data sources. This secondary data was obtained from publications made by the Indonesian Stock Exchange (IDX) through the website www.idx.co.id. The type of data obtained is quantitative data in the form of financial reports of building construction companies listed on the IDX in the 2016-2020 period.

There are five variables used in this study, four of which are independent, and one of them is the dependent variable. The dependent variable in this study is capital structure, which is represented by leverage with the measurements below:

Table 1. Dependent Variable Measurements

No.	Variable	Measurement
1.	Capital Structure *(Leverage)*	*Total Debt / Total Assets*

Furthermore, the five independent variables in this study are Growth of Sales, Profitability, government ownership structure, and institutional ownership structure. With each measurement as follows:

Table 2. Independent Variable Measurements

No.	Variable	Measurement
1.	Ability to generate income	Sales growth
2.	Profitability	*Operating profit*/sales
3.	Foreign Investor Ownership Structure	Foreign investor total stock/*Total Equity*
4.	Institution Ownership Structure	Institution-owned total stock /*Total Equity*

The data analysis method used in this study is a quantitative analysis method with the help of the SPSS 25 software analysis tool. The basic equation form of multiple linear regression used in this study is:

$$LEV = a + b_1SG + b_2FO + b_3DO + b_5P + e$$

Where LEV is Capital Structure (Leverage), a is the regression constant, b is the coefficient of the regression direction, SG is the company's ability to generate income as measured by sales growth, FO is foreign institutional ownership, DO is domestic institutional ownership, and P is profitability.

Capital structure (Leverage) is a ratio that measures the extent to which a company uses funding through debt (financial leverage) so that we can see the company's ability to optimize debt. Based on the above understanding, it can be concluded that the leverage ratio is a financial ratio that measures a company's ability to meet its long-term obligations (long-term loans). This leverage ratio compares a company's overall debt burden to its equity, so the leverage calculation formula is formulated as follows:

Leverage = Total Debt / Total Assets

The leverage ratio shows how much the company's assets are owned and compared to the total equity or assets owned by the company. This ratio really helps companies and investors to understand the risk level of the capital structure in the company.

The second variable, namely the ability to generate income, can be seen in the company's sales growth (growth of sales). Sales growth is the increase in the number of sales from year to year or from time to time. In this study, the observed sales data is the increase in data for five years. One of the factors that influence sales growth in a company is company size, amount of investment and sources of funding in a company. The bigger the company, the wider the scope of market share so that it has an impact on increasing the number of sales to the company. In order for the company to have an increase in sales from year to year, the company must always innovate and develop the company so that good growth of sales occurs.

Foreign investor ownership structure is the amount of foreign investment invested in the company. Investment in companies has two sources, namely domestic or domestic investment and investment from foreign institutions and individuals. Sources of funding that come from foreign investors certainly add to the company's funding source options. In other words, foreign investment benefits the company because more and more funding will help the company create good corporate finance. Companies that have good funding have an impact on how easy it is for companies to develop and innovate in the products they produce and in all aspects of the company. Calculation of the foreign investor ownership structure formula in this study is formulated as follows:

Foreign Investor Ownership = Number of Shares of Foreign Investors / Total Equity

Based on the formula above, the number of foreign investors is divided or compared to the total equity of the company, which means that this research wants to see how big the percentage of the number of foreign investors is to the total equity in the company.

The ownership structure of domestic agencies is ownership whose shares are owned or controlled by domestic companies, namely Indonesian citizen companies or Indonesian legal entities. The domestic share ownership ratio can be formulated as follows:

Institutional Ownership = Number of shares owned by foreign institutions / Total Equity

It has the same function and role as the foreign share ownership structure, and the difference is if the foreign investment comes from institutions that are not Indonesian citizens. In contrast, the ownership structure of domestic agencies is shares owned by Indonesian citizens.

The last variable, namely the variable profitability, is the result of a number of policies and decisions made by the company. In general, profitability is the company's ability to generate profits by using existing sources of funds within the company. While financial ratios are ratios that show the combined effects of liquidity, asset management, and debt on operating results, the profitability equation is expressed as follows:

Profitability = Operating profit / Sales

Profitability ratios also include the profit margin on sales, the basic ability to generate profit ratio, the rate of return on total assets, and the return on equity on common stock.

RESULTS

For descriptive analysis, the discussion is carried out for five variables consisting of Capital Structure as the dependent variable and four other variables as independent variables of this study, namely Foreign Ownership, Domestic Institution Ownership, Income Generating Ability, and Profitability. There are quite a lot of companies included in the industrial sector category. This study uses data for the period 2016 – 2020. The data for each period will be re-identified to suit the specified research sample. The list of sample company names is shown in Table 3 as follows.

Table 3. Sample of Manufacturing Companies Listed on BEI 2016-2020

No.	Code	Company Name	No.	Code	Company Name
1	ABMM	ABM Investama Tbk.	18	JTPE	Jasuindo Tiga Perkasa Tbk.
2	AMFG	Asahimas Flat Glass Tbk.	19	KBLI	KMI Wire and Cable Tbk.
3	AMIN	Ateliers Mecaniques D Indonesi	20	KBLM	Kabelindo Murni Tbk.
4	APII	Arita Prima Indonesia Tbk.	21	KIAS	Keramika Indonesia Assosiasi Tbk
5	ARNA	Arwana Citramulia Tbk.	22	KOBX	Kobexindo Tractors Tbk.
6	ASGR	Astra Graphia Tbk.	23	KOIN	Kokoh Inti Arebama Tbk
7	ASII	Astra International Tbk.	24	LION	Lion Metal Works Tbk.
8	BHIT	MNC Investama Tbk.	25	MDRN	Modern Internasional Tbk.
9	BMTR	Global Mediacom Tbk.	26	MFMI	Multifiling Mitra Indonesia Tbk
10	BNBR	Bakrie and Brothers Tbk	27	MLIA	Mulia Industrindo Tbk
11	CTTH	Citatah Tbk.	28	MLPL	Multipolar Tbk.
12	DYAN	Dyandra Media International Tbk	29	SCCO	Supreme Cable Manufacturing
13	ICON	Island Concepts Indonesia Tbk.	30	TIRA	Tira Austenite Tbk
14	IMPC	Impack Pratama Industri Tbk.	31	TOTO	Surya Toto Indonesia Tbk.
15	INDX	Tanah Laut Tbk	32	UNTR	United Tractors Tbk.
16	INTA	Intraco Penta Tbk.	33	VOKS	Voksel Electric Tbk.
17	JECC	Jembo Cable Company Tbk.	34	ZBRA	Dosni Roha Indonesia Tbk.

Source: Processed data (2022)

Table 4. Standardized Beta Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.066	.047		1.391	.167
	Foreign Ownership	.000	.000	.047	.523	.602
	Institution Ownership	.002	.001	.233	2.720	.008
	Income	-2,38E-15	.000	-.001	-.008	.993
	Profitability	-.010	.002	-.366	-4.396	.000

a. Dependent Variable: Capital Structure

Regression Test Result

Multiple linear regression analysis in this study was used to measure the effect of four independent variables, namely foreign ownership, institutional ownership, income, and profitability, on capital structure variables. The following table 4 are the results of multiple linear regression analysis. Based on the results of linear regression analysis, as in the table above, it can be seen that the coefficient of each variable can be used to form a model or regression equation. The regression equation model obtained based on the results of the multiple linear regression analysis is as follows.

LEV = 0.047b1 + 0.233b2 – 0.001b3 – 0.366b4 + e

Based on this equation model, it is known that the coefficient value for foreign ownership variable (b1) is 0.047, institutional ownership variable (b2) is 0.233, income variable (b3) is -0.001, and profitability variable (b4) is -0.366. It shows the following interpretation. The foreign ownership regression coefficient (b1) is 0.047, indicating that when the foreign ownership variable increases by 1%, assuming the values of the other independent variables and constant values are fixed or constant, the level of capital structure will increase by 0.047. The value of the regression coefficient of institutional ownership (b2) of 0.233 indicates that when the institutional ownership variable increases by 1%, assuming the values of the other independent variables and constant values are fixed or constant, the level of capital structure will increase by 0.233. The value of the income regression coefficient (b3) is -0.001, indicating that when the income variable increases by 1%, assuming the values of the other independent variables and constant values are fixed or constant, the level of capital structure will decrease by 0.001. The value of the profitability regression coefficient (b4) is -0.366, indicating that when the profitability variable increases by 1%, assuming the values of the other independent variables and constant values are fixed or constant, the level of capital structure will decrease by 0.366.

Hypothesis Test Result

This study used a purposive sampling technique by only taking positive data from the total data in the research sample. The results of the research hypothesis test used 123 positive data from a total of 170 research sample data. Based on the table above, the results can be interpreted as follows. The significance value for the effect of income on capital structure is 0.993 > 0.05, so it can be concluded that the company's ability to generate income does not significantly affect the company's capital structure. So hypothesis 1 (H1), which states that income has a significant and significant effect on the company's capital structure, is rejected, and H0 is accepted. The significance value for the effect of foreign investor ownership on capital structure is 0.602> 0.05, so the results are not significant. H2 is rejected, and H0 is accepted. Then, the results of the significance value mean that there is no significant effect on foreign investor ownership of the dynamics of the company's capital structure.

Table 5. Coefficient of Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.440[a]	.194	.166	.11918

a. Predictors: (Constant), Profitability, Institution Ownership, Foreign Ownership, Income

The significance value for the effect of domestic institutional ownership on capital structure is 0.008 < 0.05, so it can be concluded that the company's ability to generate domestic institutional ownership has a significant effect on the company's capital structure. So hypothesis 3 (H3), which states that domestic institutional ownership has a significant and significant effect on the company's capital structure, is accepted, and H0 is rejected. The results of the significance value for the influence of company profitability on capital structure is 0.000 <0.05, so the results are significant, and H4 is accepted, and H0 is rejected. Then, the results of the significance value mean that there is a significant influence on profitability on the dynamics of the company's capital structure. Analyze the difference in the strength of the influence of the company's ability to generate income, foreign investor ownership, and domestic institutional ownership between companies with share ownership by foreign investors and companies that only have domestic institutions. The results of the test for the coefficient of determination show that the R square value is 0.194, so it can be argued that the independent variable (X) in this study can affect the dependent variable (Y) by 19.4%. Other variables outside the research regression model influence the remaining 80.6%.

DISCUSSION

Company's Income and Company's Capital Structure

The results of this study showed that there is no significant effect on the company's income to the company's capital structure. Pecking Order Theory (Myers and Majluf, 1984) stated that companies have not yet determined the exact capital structure. In this context, the capital structure of the company is the result of evolving and hierarchical financing decisions adapt over time. The research results show that there is no influence of income on the company's capital structure. It is because the company has determined its capital structure based on its profit and sacrifices (cost of capital) due to the use of debt to support business operations. This result is not in line with Mahapsari and Taman (2013), Sawitri and Lestari (2015), and Dewiningrat and Mustanda (2018), who stated that the company income has a significant effect on its capital structure.

Foreign Investor Ownership and Dynamics of the Company's Capital Structure

The results also showed that there was no significant effect of foreign investor ownership on the dynamics of the company's capital structure. This result is in line with Doukas and Pantzalis (2003), McMillan and Camara (2012), and Thai (2017) research, which proves that foreign investor ownership has no significant effect on capital structure. However, this result was not in line with Do et al.'s result, which revealed that foreign ownership has a significant result on capital structure (Do et al., 2020). It is based on agency theory, which shows how conflict can arise in two ways: on the one hand, between managers and owners. The way to overcome this conflict, according to Crutchley and Jensen (1996), can be done with institutional investors as monitoring agents. Increasing foreign institutional ownership can eliminate debt and reduce agency conflicts. So, the results of this study indicate that foreign investor ownership has not been able to monitor company management, so it does not yet tend to influence debt levels in reducing agency conflicts.

Domestic Institutional Ownership and Company's Capital Structure

The result of this study also shows that domestic institutional ownership has a significant effect on the company's capital structure. It is in line with Li et al. (2009), Nhung and Okuda (2015), and Shen and Yin (2015) studies. Based on agency theory, ownership by institutions will encourage there will be more optimal supervision because institutional ownership will be representative of a source of power that can be used in support of or against management actions to avoid behavior that is detrimental to the principal. Increased institutional ownership will reduce the costs of agency conflict and the use of debt by management. The research results show that domestic institutional ownership influences the capital structure, which means it is in line with agency theory, which states that with tight control, management will use debt at a low level.

Company's Profitability and Company's Capital Structure

The result of this study also shows that there is a significant influence on the company's profitability on the company's capital structure. This research shows that the profitability of the company has a significant effect on capital structure. This result is in line with Kanita (2014), Deweiningrat and Mustanda (2018), and Nabila and Rahmawati (2023). However, this result was not in line with Oino and Ukaegbu (2015) and Zulkarnain (2020) study result. They found that profitability has no significant effect on capital structure. Judging from Theory agency, there is a positive relationship between profitability and capital structure, indicating that companies that have high profitability avoid bankruptcy and are expected to have better investment opportunities. It makes investors or creditors more confident in providing debt to the company so that the relationship between profitability and structure capital is positive. According to the pecking order theory, companies with levels large profits have greater internal funding sources and have a need to finance investments through funding smaller external. Companies that have high profitability tend to use internal funding and could take on high debt to fund company operations. So, it is in line with this research's result, which explains that profitability influences structure capital.

IMPLICATIONS

This study has several contributions to the development of the literature. First, developed agency theory, which states that foreign investors own significant power in determining company policy. Second, this research enriches insight into the role of foreign ownership in the country's capital market development. Foreign investors should have an essential role in decision-making managerial decisions, especially in financing decisions that can maximize shareholder wealth. Third, this research develops a theory agency related to the role of institutional ownership in capital structure policy companies.

RECOMMENDATIONS

The foreign-owned companies should pay more attention to how they manage their capital structure to increase the company's performance. Since foreign investor has a barrier to domestic debt funding, the company has a limited source of funding, and they must be careful and smart about it. And for the next researcher, hopefully, they can broaden the dimension of the research by adding different variables and using a different sector as the-ir sample.

CONCLUSIONS

This study concludes that the company's capability to generate income has an influence on the dynamics of the company's capital structure, the company's foreign investor ownership has no influence on the dynamics of the company's capital structure, the domestic institutional ownership has an influence on the dynamics of the company's capital structure, company profitability influences the dynamics of the company's capital structure. There are differences in the strength of the influence of the company's ability to produce variables income, foreign investor ownership, and domestic institutional ownership among other companies with share ownership by foreign investors with companies that only have domestic institutions.

REFERENCES

Antill, S. and Grenadier, S. R. 2019. Optimal Capital Structure and Bankruptcy Choice: Dynamic Bargaining versus Liquidation. *Journal of Financial Economics*.

Bevan, A. A. and Danbolt, J. 2002. Capital Structure and its Determinants in the United Kingdom - A Decompositional Analysis. *Applied Financial Economics*, pp. 159-170.

Bhattacharyya, N. and Morrill, C. K. J. 2015. Capital Structure: Theory and Evidence. So*cial*

Science Research Network, May. DOI: 10.13140/RG.2.1.3670.4160.

Chen, J. and Strange, R. 2005. The Determinants of Capital Structure: Evidence from Chinese Listed Companies. *Economic Change and Restructuring*, 38(1 SPEC. ISS), pp. 11–35. DOI: 10.1007/s10644-005-4521-7.

Crutchley, C. E. and Jensen, M. R. 1996. Changes in Corporate Debt Policy: Information Asymmetry and Agency Factors. *Managerial Finance*, pp. 1-15.

Deepa, R. 2011. A Study on the Determinants of Capital Structure and Profitability. *UGC*.

De Vries, A. 2010. *The Effect of Firm Characteristics and Economic Factors on the Capital Structure of South*. Stellenbosch University.

Dewiningrat, A. I. and Mustanda, I. K. 2018. Pengaruh Likuiditas, Profitabilitas, Pertumbuhan Penjualan, dan Struktur Aset Terhadap Struktur Modal. *Jurnal Manajemen Unud*.

Dhankar, R. S. 2019. *Capital Markets and Investment Decision Making*. New Delhi: Springer.

Do, T. K., Lai, T. N., and Tran, T. T. 2020. Foreign Ownership and Capital Structure Dynamics. *Finance Research Letters*.

Doukas, J. A. and Pantzalis, C. 2003. Geographic Diversification and Agency Costs of Debt of Multinational Firms. *Journal of Corporate Finance*, pp. 59-92.

Ezeonha, A. E. 2008. Firm Size and Corporate Financial-Leverage Choice in a Developing Economy: Evidence from Nigeria. *The Journal of Risk Finance*, pp. 351-364.

Fama, E. F. and French, K. R. 2002. Testing Trade-Off and Pecking Order Predictions about Dividends and Debt. *The Review of Financial Studies*, pp. 1-33.

Fama, E. F. and Jensen, M. C. 1983. Separation of Ownership and Control. *Journal of Law and Economics*.

Kanita, G. G. 2014. Pengaruh Struktur Aktiva dan Profitabilitas terhadap Struktur Modal Perusahaan Makanan dan Minuman. *Trikonomika*.

Li, K., Yue, H., and Zhao, L. 2009. Ownership, Institutions, and Capital Structure: Evidence from China. *Journal of Comparative Economics*.

Mahapsari, N. R. and Taman, A. 2013. Pengaruh Profitabilitas, Struktur Aktiva, dan Pertumbuhan Penjualan terhadap Harga Saham dengan Struktur Modal sebagai Variabel Intervining pada Perusahaan Manufaktur di Bursa Efek Indonesia. *Jurnal Nomial*.

Margaritis, D. and Psilakki, M. 2010. Capital Structure, Equity Ownership and Firm Performance. *Journal of Banking and Finance*, 34 (3), pp. 621–632. DOI: 10.2139/ssrn.2016420.

Mazur, K. 2007. The Determinants of Capital Structure Choice: Evidence from Polish Companies. *International Advances in Economic Research*, pp. 495-514.

McMillan, D. G. and Camara, O. 2012. Dynamic Capital Structure Adjustment: US MNCs and DCs. *Journal of Multinational Financial Management*, pp. 278-301.

Mittoo, U. R. and Zhang, Z. 2008. The Capital Structure of Multinational Corporations: Canadian versus U.S. Evidence. *Journal of Corporate Finance*, pp. 706-720.

Myers, Stewart C. and Majluf, N. 1984. Corporate Financing and Investment Decisions When Firms Have Information that Investor Do Not Have. *Journal of Financial Economics*, 13(2), pp. 187-222.

Nabila, D. T. and Rahmawati, M. I. 2023. Pengaruh Profitabilitas, Struktur Aktiva, dan Ukuran Perusahaan terhadap Struktur Modal. *Jurnal Ilmu dan Riset Akuntansi*.

Nhung, L. T. and Okuda, H. 2015. Effects of State Ownership on Companies' Capital Structure and Profitability: Estimation Analysis Before and After the Lehman Shock. *Journal of Asian Economics*.

Oino, I. and Ukaegbu, B. 2015. The Impact of Profitability on Capital Structure and Speed of Adjustment: An Empirical Examination of Selected Firms in Nigerian Stock Exchange. *Research in International Business and Finance*.

Ooi, J. 1999. The Determinants of Capital Structure Evidence on UK Property Companies. *Journal of Property Investment and Finance*, pp. 464-480.

Sawitri, N. P. and Lestari, P. V. 2015. Pengaruh Risiko Bisnis, Ukuran Perusahaan dan Pertumbuhan Penjualan terhadap Struktur Modal. *Jurnal Manajemen Unud*.

Shen, J. and Yin, X. 2015. Credit Expansion, State Ownership, and Capital Structure of Chinese Real Estate Companies. *Journal of Property Investment and Finance*.

Serrasqueiro, Z. and Caetano, A. 2015. Trade-Off Theory versus Pecking Order Theory: Capital Structure Decisions in a Peripheral Region of Portugal. *Journal of Business Economics and Management*, Volume 16, Issue 2, pp. 445–466. DOI: 10.3846/16111699.2012.744344.

Sun, J., Ding, L., Guo, J. M., and Li, Y. 2016. Ownership, Capital Structure and Financing Decision: Evidence from the UK. *The British Accounting Review*, pp. 448-463.

Thai, A. 2017. The Effect of Foreign Ownership on Capital. *Review of Integrative Business and Economics Research*.

Vy, L. T. and Nguyet, P. T. 2017. Capital Structure and Firm Performance: Empirical Evidence from a Small Transition Country. *Research in International Business and Finance*, pp. 710-726.

Zulkarnain, M. 2020. Pengaruh Likuiditas dan Profitabilitas terhadap Struktur Modal. *Forum Ekonomi*.