

**THE EFFECT OF COMPANY SIZE, *LEVERAGE*, AND CAPITAL
STRUCTURE ON *EARNING RESPONSE COEFFICIENT* IN PRIMARY
CONSUMER GOODS SECTOR COMPANIES LISTED ON THE INDONESIA
STOCK EXCHANGE
YEAR 2018-2021**

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ABSTRACT

Nine Farida Setyaningrum, i 4118500088, i 2023, i Earning Response Coefficienti in the Primary Consumer Goods Sectori on the Indonesian Stock Exchange: Impacti of Companyi Size, i Leverage, andi Capital Structure

This is primary consumer goods sectori companies listedi on the Indonesian Stock Exchange fori the 2018–2021i Period, i thei purpose ofi this studyi is toi examine thei impact ofi company sizei on thei Earning Responsei Coefficient. Testingi the effectsi of leverage and capitali structure oni the earningsi response coefficienti of primaryi consumer goodsi sector companiesi listed oni the Indonesiani Stock Exchangei in 2018–2021, i testingi the effectsi of leverage and capitali structure oni the earningsi response coefficienti of primaryi consumer goodsi sector companiesi listed oni the Indonesiani Stock Exchangei in 2018–2021, i andi testing thei simultaneous effectsi of companyi size, i leverage, i andi capital structurei on thisi coefficient.

Quantitativei methods arei employed ini this study. Documentationi is thei method ofi data collectioni that isi used, i specificalli secondary datai in thei form ofi yearly financiali reports fromi business. Thei 119 issuersi of primaryi consumer goodsi companies thati were listedi on thei Indonesian Stocki

Exchange between 2018 and 2021 comprise the population of this study. Purposive sampling was used to select the 66 issuers who up the research sample. Multiple regression analysis, classical assumption testing, descriptive statistical techniques, and hypothesis testing are the methods used for data analysis.

The study's findings indicate that, for the years 2018–2021, the earning response coefficient of primary consumer goods sector companies listed on the Indonesia Stock Exchange is positively impacted by the size of the . For the 2018–2021 Capital period, leverage has a positive impact on the earning response coefficient of primary consumer goods sector companies listed on the Indonesia Stock Exchange. For the years 2018–2021, companies in the primary consumer goods sector listed on the Indonesia Stock Exchange have an advantage in terms of their earnings response coefficient due to their structure. The dependent variable, which is the earnings response coefficient of listed primary consumer goods sector companies on the Indonesian Stock Exchange for the 2018–2021 period, is positively impacted by company size, leverage, and capital structure all at the same time.

Keywords: Company Size, Leverage, Capital Structure, Earnings Response Coefficient (ERC).

A. INTRODUCTION

Investors need financial reports to research information and consider whether to decide whether to invest or not to make monetary reports from themselves to obtain financial data and operations about business companies. Anonymous information is sometimes insufficient to be used as the basis for making investor decisions due to poor management practices and the lack of information disclosed in financial statements. Labai information is the most widely responded to by investors because it can

provide an overview of the company's performance. Market response is an economic assessment based on data collected from general financial reports. Market Response Several events, including profit announcements, can start a number of events. Because labai is one of the only indicators of the success of a company, knowledge about labai and its constituent parts are very important for parties who are interested in business and investors who evaluate the company before investing (Setyaningtyasi tara, 2009).

The quality of the jellyfish is not related to the high or low jellyfish that is reported by the company. importance of information for consumers of financial reports for decision-makers is due to the fact that companies do not only disclose information but also provide a summary of the company's performance which can be used to predict how the company's performance will change in the future. Investors should pay attention to the facts that are given in the profit statement, as the size of the company, , structure, avoid doing things that are not right.

Table
Datai Earningi Responsei Coefficient
Descriptivi Statistics

| | N | Minimum | Maximum | Mean | Std.i Deviation |
|-------------------------|-----|---------|---------|--------|--------------------|
| ERC | 264 | -5.238 | 7.430 | .50501 | .946585 |
| Validi Ni (listwise) | 264 | | | | |

Source: Output SPSS, 2023

B. LITERATURE OVERVIEW

1) Size Company (X1)

Company size (*firmi size*) is the size of the company can be measured with the total assets or the size of the company with using the calculation logarithm total assets (Hartono 2012:14).

2) Leveragei (X2)

Leverage is the ability of a company to fulfill its obligations which is indicated by some part of its own capital that is used to pay debts (Rodonii dani Ali, 2010:123).

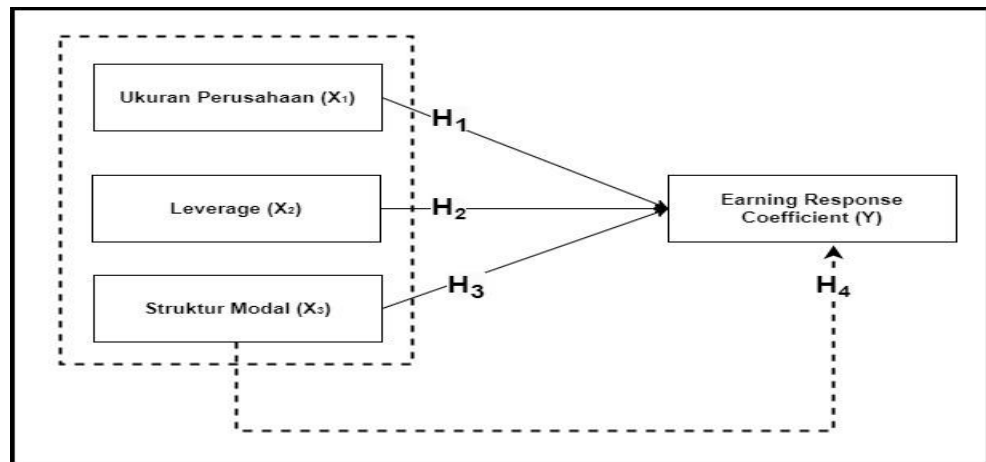
3) Structuring (X3)

Capital structure is a guideline or a combination of long-term funding sources that are used by companies. Capital structure shows a comparison that is improved in absolute and relative between debt and capital itself (Riyanto, 2008).

4) *Earningi Response Coefficienti* (Y)

Earningsi Responcei Coefficient is a coefficient that measures how i react issuer securities face anomalies returni on effects when they receive accounting profits which is unexpected i (Muhammad & Antasari, 2008:51).

Based on the description of the dii overcome makai can be described as a series of thoughts in this research as follows.



Picture. Thought Frames

- H1: Affects the Size of the Company, *i* Faced *Earningi Responsei Coefficienti* Padai Company Sectori Goods Consumer Primeri Yangi Listed on the Bursai Efeki Indonesiai Year 2018-2021.
- H2: Affected Size Leverage, *i* Faced *Earningi Responsei Coefficienti* Padai Sectori Company Goods Consumer Primeri Yangi Listed on the Indonesian Stock Exchange for the Year 2018-2021.
- H3: Influence on the Size of Capital Structure, *i* Faced *by Earningi Responsei Coefficienti* Padai Sectori Companies Goods Consumer Primeri Yangi Listed on the Indonesian Stock Exchange for the Year 2018-2021.
- H4: Adai Influence Company Size, *i* *Leverage* Dani Structure Capital , Faced *Earningi Response Coefficienti* Padai Company Goods Primary Consumer Yangi Listed Dii Bursa Efeki Indonesia Year 2018-*i* 2021.

C. RESEARCH METHODOLOGY

1. Types of Research

This study uses descriptive quantitative research, . to describe the theory and the description that occurs in the Iapangani as well as to describe the characteristics of the relationship between the variabeli which will be tested hypothetically based on the analysis of numerical data using statistical methods. I find secondary data the form of records, analysis, sources, others.

2. Population and Sample

Fituri dani size populasii is reflected in daIami sampeli (Sugiyono, 2019). population in this study the primary consumer in , which total is The technique of using samples that used in this research i is i using *purposivei sampling* , i i i that i the criteria i has been determined. Totali sample that exists that is 66 companies. Taken because meet the criteria.

3. Data Collection Methods

The method of collecting data for this research includes downloading financial records, reports, reporting profits from companies-i companies in the industry sector to obtain secondary data from online media. consumption that is collected from the official date of

Bursai Efeki Indonesia (IDX). Using secondary data documentation techniques for indirect observation.

4. Data Analysis Methods

The analysis data is a schema that regulates and classifies the data that has been obtained previously, Participate in evaluating the hypothesis relationship. Strategies for data analysis, quantitative research, often use statistics. Data analysis includes:

a. AnalisisiStatisticsiDescriptive

Descriptive statistics, show frequency distribution, along with some statistical calculations such as, , so on, displayed in statistics (Winarno, 2017:98).

b. Test Assumption Classic

1) Test Normality

The test of norms whether data of the study distributed or not. Uji Kolmogorov-Smirnov (Ghozali, 2018) is used as alat statistics dalam this investigation

2) Test Multicollinearity

Examine multikolinearity look for evidence korelasi i lebihani between variabeli independent dalam model regression. Modeli regression strong if exist little or no adai korelasi between independent variabel i.

3) Test Autocorrelation

The residual typing of period $t - i$ and i period $t - 1$ correlated in the i regression model, this i is known as autocorrelation test ($t - 1$). regression model that is feasible does not have problems with autocorrelation. Method uses Durbin-Watson test for i test i (test DW) (Ghozali, 2018:111).

4) Test Heteroskedasticity

find out if residue of an i a variance that from i of I ain. Heteroscedasticity test performed on the i to that the i are

c. Regression Linear Multiple

Regresi linier berganda adalah method pilihan if study Andai melibi lebihi from satui variabel independent. To identify specific factors that affect i variabel target.

d. Test

Uji t importance factor individual, test-t, like that dijabaskani oleh Ghozali (2018). To what extent variabel independent influence variabel dependence is shown oleh test this.

e. Determination

how well model explain of the variables, method is to test the)Independent variable that is used in the mapai model to explain the variation dependent variable is indicated by this coefficient.

D. RESEARCH RESULTS AND DISCUSSION

1. Influence of Company Size Coefficient

Hasil penelitian shows that the variabel Company size coordinates the regression coefficient of 3.290 > (t-table)

Hasil this shows that nilai t yang nilai positive indicates that the variabel X_1 has a relationship that is in line with Y and nilai significance is less than 0.05. Variabel System Company also have a positive influence and significant impact on *Earning Response Coefficient*, so that the first hypothesis is accepted.

2. Leverage Influence Faced Earning Response Coefficient

Hasil penelitian shows that variabel *Leverage* increases the regression coefficient of 3.911 > 1.99006 (t-table) with nilai

significance of $0.000i < i 0.05$. *Ha* this shows that the *niIaii* ti yangi berniIaii positive indicates that the variabeli *X2i* has a relationship that is in line with *Yi* and *niIaii* significance is less than 0.05. The second hypothesis is accepted because the variabeli *Leverage* has a positive effect and the significance is faced with *Earningi Response Coefficient*, so the second hypothesis is accepted.

3. Influence Structure Capital Faced *Earningi Response Coefficient*

Hasili of the study shows that the variabeli structure modali coordinates the regression coefficient of $3.106i > i 1.99006i$ (from the table) with *niIiii* significance of $0.003i < i 0.05$. *Ha* this shows that *niIaii* from the positive count which shows that the variabeli *X3i* has a relationship that is in line with *Yi* and *niIaii* significance is less than 0.05. The third hypothesis is accepted because of the variabeli structure modali has a positive influence and significant impact on *the response coefficient*, so the second hypothesis is accepted.

4. Influence on the size of *leverage* on *response*

From the results of the test tag *Fi*, overcome the value of *Fi*, calculated $66.318i > i 2.49i$ with a significance value of 0.000i greater than 0.05i makai *H4i* accepted, it can be concluded that the size of the company (*X1*), leverage (*X2*), and capital structure (*X3*) simultanially affected by the significance of the bound variable, i.e.

earnings response coefficient (Y). means that if simultaneously the variable X_i affects the variable Y, so that the fourth hypothesis is accepted.

E. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the study and discussion of the preceding chapters, it be summarized as follows:

1. The size of the company has a positive effect on the *earnings response coefficient* of companies in the primary consumer goods sector listed on the Indonesia Stock Exchange for the period 2018-2021.
2. Leverage has a positive effect on the earnings response coefficient of companies in the primary consumer goods sector listed on the Indonesia Stock Exchange for the 2018-2021 period.
3. Capital Structure has a positive effect on the earnings response coefficient of companies in the primary consumer goods sector listed on the Indonesia Stock Exchange for the 2018-2021 period.
4. Company Size, Leverage and Capital Structure simultaneously have a positive effect on the bound variable, namely the earning response coefficient of companies in the primary consumer goods sector listed on the Indonesia Stock Exchange for the 2018-2021 period.

Suggestion

The suggestions submitted based on the results of the study are as follows:

1. For the next year, it is expected to be able to add a variety of interventions that include *the earnings response of companies* in the primary consumer goods sector listed on the Indonesia Stock Exchange for the 2018-2021 period.
2. This research only analyzes *the earning response coefficient* of companies in the primary consumer goods sector listed on the Indonesia Stock Exchange for the 2018-2021 period so that the results cannot be generated in a luas manner, so for the research as a result, it is recommended to use the object or lokation of the lain study as a comparison.

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