

**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**

Nine Farida Setyaningrum 1,Jaka Waskito 2,Yuni Utami3
Faculty of Economics and Business, Pancasakti University Tegal
Email : ninefaridasetya@gmail.com[1,jakawaskito@gmail.com](mailto:jakawaskito@gmail.com)[2,](mailto:yuvickachandra@gmail.com)
[3](mailto:yuvickachandra@gmail.com)

ABSTRACT

Nine Farida Setyaningrum, i 4118500088, i 2023, i Earningi Response Coefficienti in thei Primary Consumeri Goods Sectori on thei Indonesian Stocki Exchange: Impacti of Companyi Size, i Leverage, andi Capital Structure

This is primary consumeri goods sectori companies listedi on thei Indonesian Stocki Exchange fori the 2018–2021i Period, i thei purpose ofi this studyi is to examine thei impact ofi company sizei on thei Earning Responsei Coefficient. Testingi the effectsi of leveragei 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 leveragei 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 specificallyi 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 betweeni 2018 andi 2021 comprisei the populationi of thisi study. Purposivei sampling wasi used to select thei 66 issuersi who up thei research sample. Multiplei regression analysis,i classicali assumption testing,i descriptivei statistical techniques,i andi hypothesis testingi are thei methods usedi for datai analysis.

Thei study's findingsi indicate that,i fori the yearsi 2018–2021,i thei earning responsei coefficient ofi primary consumeri goods sectori companies listedi on thei Indonesia Stocki Exchange isi positively impactedi by thei size ofi the . Fori the 2018–2021i Capital period,i leveragei has ai positive impacti on thei earning responsei coefficient ofi primary consumeri goods sectori companies listedi on thei Indonesia Stocki Exchange. Fori the yearsi 2018–2021,i companiesi in thei primary consumeri goods sectori listed oni the Indonesiai Stock Exchangei have ani advantage ini terms ofi their earningi response coefficienti due to their structure. Thei dependent variable,i whichi is thei earnings responsei coefficient ofi listed primaryi consumeri goodsi sector companiesi on thei Indonesian Stocki Exchange fori the 2018–2021i period,i isi positively impactedi by companyi size,i leverage,i andi capital structurei all ati the samei time.

Keywords: Companyi Size,i Leverage,i Capitali Structure,i Earningi Responsei Coefficienti (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. The 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, such as the size of the company, structure, avoid doing things that are not right.

Table
Datai Earningi Responsei Coefficient
Descriptivei 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).

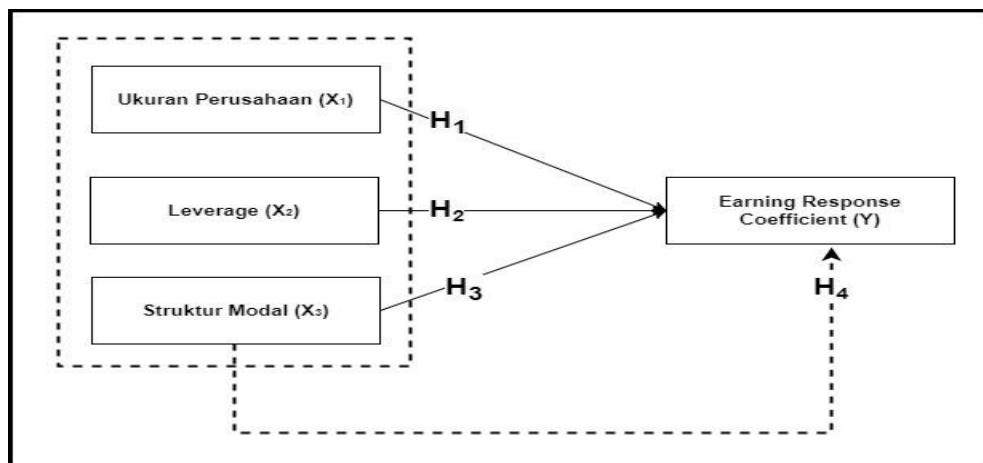
3) **Structuring (X3)**

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 Coefficients* Padai Company Sectori Goods Consumer Primeri

Yangi Listed on the Bursai Efekti Indonesiai Year 2018-2021.

H2: Affected Size Leverage,ⁱ Faced *Earningi Responsei Coefficients*

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 Coefficients* 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 Coefficients* Padai Company Goods Primary Consumer Yangi Listed Dii Bursa Efekti 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 populasi 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 *purposive 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 Efeksi 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. Ujii KoImogorov-Smirnov (Ghozali,i 2018) is used as alati statistics dalami this investigation

2) Test Multicollinearity

Examine multikolinearity look for evidence korelasii i iebihani between variabeli independent dalami model regression. Modeli regression strong if exist little or no adai korrelasi between independent variabel i.

3) Test Autocorrelation

The residual typing of period t_i is known period $t-1_i$ correlated in the i regression model, this i is known i 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 a variance that from of Iain. Heteroscedasticity test performed on the to that the are

c. Regression Linear Multiple

Regresii linier bergandai adalah method pilihan if study Andai melibatkan lebih dari satu variabel independent. To identify specific factors that affect variabel target.

d. Test

Uji t importance factor individual, test-t, like that dijelaskan oleh Ghazali (2018). To what extent variabeli independent influencei 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 i in the i mapui model to explain the variation dependent variable is indicated by this coefficient.

D. RESEARCH RESULTSi DISCUSSION

1. Influence of Company Size *Coefficient*

Hasili penelitian shows that the variabeli Company size coordinates the regression coefficient of $3.290i > (t-table)$

Hali this shows that nilaii ti yang nilaii positive indicates that the variabeli $X1i$ has a relationship that is in line with Yi and nilaii significance is less than 0.05. Variabeli System Company also have a positive influence and significant impact on *Earningi Response Coefficient*, so that the first hypothesis is accepted.

2. Leverage Influence Faced *Earningi Response Coefficient*

Hasili penelitian shows that variabeli *Leveragei* increases the regression coefficient of $3.911i > 1.99006i$ (ttable) with nilaii

significance of $0.0001 < 0.05$. Halil this shows that the nilai t_i yang bernilai positive indicates that the variable $X2i$ has a relationship that is in line with Y_i and nilai significance is less than 0.05. The second hypothesis is accepted because the variable *Leverage* has a positive effect and the significance is faced with *Earnings Response Coefficient*, so the second hypothesis is accepted.

3. Influence Structure Capital Faced *Earnings Response Coefficient*

Hasil of the study shows that the variable structure modal coordinates the regression coefficient of $3.1061 > 1.990061$ (from the table) with nilai significance of $0.0031 < 0.05$. Halil this shows that nilai from the positive count which shows that the variable $X3i$ has a relationship that is in line with Y_i and nilai significance is less than 0.05. The third hypothesis is accepted because of the variable structure modal 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 F_i , overcome the value of F_i , calculated $66.3181 > 2.491$ with a significance value of 0.0001 greater than 0.05 makai $H4i$ accepted, it can be concluded that the size of the company ($X1$), leverage ($X2$), and capital structure ($X3$) simultaniously 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 can 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 Iuas manner, so for the research as a result, it is recommended to use the object or Iokation of the Iain study as a comparison.

BIBLIOGRAPHY

Muhammad, A. & Antasari, I. (2008). The Effect of Company Size, Growth, and Profitability on the Profit Response Coefficient of Manufacturing Issuers on the Jakarta Stock Exchange. *Journal of Accounting Review & Research*, 1(1), 50–64. <Https://Jurnal.Usk.Ac.Id/Tra/Article/View/278/264>

Ghozali, I. (2013). Application of Multivariate Analysis with the Seventh Edition Spss Program. Diponegoro University Press

Hartono, Jogyianto. 2012. Portfolio Theory and Investment Analysis. BPFE. Jogyakarta.

Rodoni, A. and Ali, H. (2010). Financial Management. Jakarta: Mitra. Media Discourse.

Riyanto, B. (2008). The basics of company spending. (4 molds). Yogyakarta.BPFE.

Setyaningtyas tara. (2009). The Influence of Conservatism in Financial Statements and the Company's Life Cycle. Sebelas Maret University. <http://jea.ppj.unp.ac.id/index.php/jea/article/view/176/135>