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The Impact of Empiris Profitability, Growth, Size Firm, Tangibility On Capital Structure on Hotel Industry

Siti Awaliyah[a], Dimas Angga Negara[b], Tantri Yanuar Rahmat Syah[c], Eka Bertuah[d]

[a] Faculty of Economics and Business, Esa Unggul University – Jakarta, bandata783@gmail.com
[b] Faculty of Economics and Business, Esa Unggul University – Jakarta, dhimas.negara@mahagatra.com
[c] Faculty of Economics and Business, Esa Unggul University – Jakarta, tantri.Yanuar@esaunggul.ac.id
[d] Faculty of Economics and Business, Esa Unggul University – Jakarta, eka.bertuah@esaunggul.ac.id

ABSTRACT

The current state of the tourism industry is being hit by the Covid pandemic which has caused the industry to collapse so that the performance of this industry must begin to tighten its operations in the face of the covid-19 pandemic crisis. In assessing the financial performance of the hospitality business, investors learn a lot about the factors shown by the financial statements of each hospitality institution such as profitability, firm size and growth and its tangibility so that investors can determine how profitable this business is. The purpose of this study is to analyze Influence of Return on asset (ROA), Growth, Size Firm, Tangibility on Debt To Equity Ratio as well as influence between Return On Assets (ROA) and Firm Size against debt To Equity (DER). Sample research on 19 hospitality companies in Indonesia shows that Return of assets has an positive effect on Debt to Equity, for Growth has a negative effect on Debt to Equity. Firm Size and Tangibility has a positive effect on Debt to Equity. From this result, investors are expected to obtain information and references in investing in the Hospitality industry so that investors will benefit.

ABSTRAK

Keadaan industri pariwisata saat ini sedang dilanda pandemi Covid yang telah menyebabkan industri tersebut terpuruk sehingga kinerja industri ini harus mulai memperketat operasinya dalam menghadapi krisis pandemi Covid-19. Dalam menilai kinerja keuangan bisnis perhotelan, investor banyak belajar tentang faktor-faktor yang ditunjukkan oleh laporan keuangan masing-masing lembaga perhotelan seperti profitabilitas, ukuran dan pertumbuhan perusahaan serta tangibility-nya sehingga

investor dapat menentukan seberapa menguntungkan bisnis ini. Tujuan dari penelitian ini adalah untuk menganalisis Pengaruh Return On Asset (ROA), Pertumbuhan, Size Firm, Tangibility terhadap Debt To Equity Ratio serta pengaruh Return On Assets (ROA) dan Firm Size terhadap debt To liquity (DER). Sampel penelitian pada 15 perusahaan perhotelan di Indonesia menunjukkan bahwa Return of Assets tidak berpengaruh positif terhadap Debt to Equity, untuk Growth berpengaruh negatif terhadap Debt to Equity, Firm Size dan Tangibility berpengaruh positif terhadap Debt to Equity. Dari hasil ini diharapkan investor mendapatkan informasi dan referensi dalam berinvestasi di industri Perhotelan sehingga investor mendapatkan keuntungan.

INTRODUCTION

Capital structure is one of the most important things in financial decision making, because it is related to other financial decision variables (Gitman & Zutter, 2012). It is therefore important for enterprises to know how to use optimal capital structure (F. Brigham & Joel, 2011). It is the responsibility of the management of the company to determine the proper capital structure and ensure that their business continues to run smoothly. Most economies in developing countries are uncertain, so capital decision decisions are very important because of macroeconomic factors such as high interest rates and souring inflation, volatility in economic and political situations, and epidemics are important factors that determine corporate capital structure (Ajao, Ema, & Sunday, 2012). The combination of capital structure is either determined by the company's ability to generate profit or called profitability from the business activities performed.

Some research andacademics beforehas long been interested in problems examine the relationship of profitability, Growth, Firm Size and tangibility to capital structure such as research conducted by Thippayana (2014) which examined the capital structure determinants of 144 firms on the Thai stock exchange with a period of 12 years from 2000 to 2011 with dependent capital structure variables and firm firm size variables, Profitability, Tangibility, Growth Opportunity, and volatility. Alipour, Mohammadi, & Derakshan (2015) in his empirical study related to the determinants of the capital structure of manufacturing companies listed on the Iranian Tehran stock exchange during the period 2003 to 2007 with dependent variables of capital structure and independent variables of effective tax rates, firm size, liquidity, financial flexibility, stock price performance, asset structure, growth opportunities, risk, profitability, asset utilization ratios, and ownership structure. Detthamrong, Chancharat, & Vithessonthi (2017) in his research on the size of companies affecting the capital structure measured by the Debt To equity ratio in private companies in Thailand. Baloch et al (2015) in a study of the impact of company size, Tangibility of assets affecting Debt To Equity Ratio in 22 companies in the automotive sector of Pakistan. Sakr & Bedeir (2019)In his journal he explained about the factors that determine the level of companies from the capital structure of 62 Egyptian companies

from 2003-2016. With dependent variables of capital structure and independent variables of profitability, size, manifestations, liquidity, growth, business risk and financial flexibility.Kartikasari & Merianti (2016) conducted a study on the impact of profitability on capital structure in 100 manufacturing companies in Indonesia period 2009-2014. Fajrida & Br.Purba (2020) do research simultaneous between the variables of profitability, size, growth of corporate assets against the capital structure of manufacturing companies in Indonesia period 2007-2014. Baloch et al (2015), at the end of his research stated the need for future studies to include other variables related to Capital Structure as well as research in other sectors. Kartikasari & Merianti (2016) also questions what other variables affect the capital structure of the company, thus strengthening further research. From previous research has been extensively examined the influence of profitability variables, Growth, Size firm on capital structure, however there is no comprehensive research that examines the factors of profitability, Growth, Size firm, Tangibility and macroeconomic mediation variables we conducted comprehensive research with the hospitality industry sector in Indonesia with a research period of 2014-2019.

The purpose of this study was to determine the empirical relationship of influence of Profitability, Growth, Firm Size, tangibility to Capital Structure and how the influence of inflation moderation variables affect Profitability on Capital Structure, and firm size on Capital Structure. By understanding this research is expected to investors to be able to choose the right and profitable place of investment, while for the government this research information is expected to be used to know the conditions of the hospitality sector to conduct oversight and issue appropriate policies to improve and give new colors to the economic climate tourism sector.

LITERATURE REVIEW AND HYPOTHESIS

A. Capital Structure

The capital structure of a company is "the funding decision made by the financial manager in relation to how to finance the investment decision that the company will make" (Wiagustini, 2014). According to Ambarwati (2010)capital structure is "a combination or balance between debt and equity capital used by the company to plan over the debt". "Assets owned by the company can be used as collateral for the company to get additional capital. High-value assets as collateral, then the amount of additional capital that will be obtained by the company will also be large "(Sitanggang, 2013: 75). One of the ratios used in measuring the comparison of the proportion of debt and own capital in a company is Debt to Equity Ratio (Sawir, 2004) whereThe debt-to-equity ratio (DER) reflects the firm's ability to meet all of its obligations, as evidenced by the proportion of capital used to pay its equity debt, in other words, this ratio is used to determine the share of capital as collateral assess the

amount of debt used by the company(Malikussaleh, Khaddafi, & Malikussaleh, 2014). Azmal, Negoro, & Syah (2019) states that the ratio of debt to equity (DER) is a ratio that reflects the company's ability to meet all its obligations, as indicated by some portion of its own capital used to pay off the Company's debt. Companies with large Debt To Equity Ratio ratios must pay a smaller dividend, as the profits earned are used to pay off their obligations in advance (Fitri, Hosen, & Muhari, 2016). While according toAlzomaia & Al-Khadhiri (2013) also says that companies with high financial Debt To Equity tend to have low dividend payments.

B. Trade off Theory

The theory of capital structure was first pioneered by Modigliani and Miller in 1958. One of the assumptions in a perfect market is that there is no tax. The proportion of MM is "if there is no tax, the capital structure does not affect the value of the company". In other words, if there is no tax, then the capital structure is irrelevance. This proportion is evidenced by the use of arbitration. In its development, Modigliani-Miller included an element of taxation, so that the capital structure became relevant, as interest paid as a result of using debt could reduce taxable income (tax deductible). The value of the company will be maximum, if the company uses 100% debt and the more debt the better, this phenomenon is called the corner optimum leverage decision. In practice the use of 100% debt is difficult to find and this is opposed by trade-off theory. In fact, the greater the debt the higher the burden that the company must bear, due to agency costs, bankruptcy costs, refusal of creditors to give large debts, and so on. Trade-off theory, states that the optimal capital structure is achieved when there is a balance between benefits and sacrifices arising from the use of debt. The benefits of using debt in the form of tax shield. The cost of using debt is the burden of debt interest, bankruptcy costs, and agency costs. The first implication of trade-off theory according to Brealey and Myers (1991) is that companies with large business risks should use less debt than companies with low business risk, because the greater the business risk. The increased use of debt will increase the interest burden, which will further complicate the company's finances, the second is that the company that is taxed high to a certain extent should use a lot of debt due to the tax shield, while the third is the target debt ratio will differ between one company and other companies. Companies that are profitable, and tangible assets have higher debt ratio targets. Unprofitable companies with high risk and intangible assets have lower debt ratios and are more dependent on equity, while the third is Target debt ratio will differ between one company and another. Companies that are profitable, and tangible assets have higher debt ratio targets. Unprofitable companies with high risk and intangible assets have lower debt ratios and are more dependent on equity, while the third is Target debt ratio will differ between one company and another. Companies that are profitable, and tangible assets have higher debt ratio targets. Unprofitable companies with high risk

and intangible assets have lower debt ratios and are more dependent on equity.

C. Pecking Order Theory

The pecking order hypothesis describes a hierarchy in corporate fundraising where firms prefer to use internal equity to pay dividends and implement them as growth opportunities. If a company needs external funds, it will prefer debt over external equity (Donaldson, 1961; Myers, 1984; Myers and Majluf, 1984). Internal equity is derived from retained earnings and depression. Debt is obtained from lender loans, while external equity is obtained because the company issues new shares. Myers introduced the pecking order theory based on asymmetric information, if the stock price in the market is too expensive (over value) then the company must refuse to issue new shares. Because the stock price will go down as a correction / valuation process. In short, the order of funding according to pecking order theory is (Brealey and Myers, 1991), first Companies prefer internal financing, Second Companies adjust the target dividend payout ratio to their investment opportunities, while they avoid drastic dividend changes, third dividend policies that "Sticky" plus unpredictable fluctuations in profitability and investment opportunities, meaning that sometimes internal cash flow exceeds investment needs but sometimes less than investment needs, fourth If external funding is needed, companies will first issue the safest securities, which starts with issuance of bonds (debt), convertible bonds, the last alternative is securities.

D. Profitability

Profitability is the relationship between income and expenditure generated from the use of corporate assets (smoothly and permanently) in productive activities(Gitman & Zutter, 2012). Companies with high profitability tend to use some of the profits earned for investment and funding operations. Return on assets indicates the measure of a company's effectiveness in generating profits by exploiting its assets, this ratio can be an indication that management is good or bad in implementing cost control or property management. This ratio is also often used as a tool to measure the total return on assets after interest or tax(Heikal, Khaddafi, & Ummah, 2014).*Asset return (ROA)* Reflects the ability of corporate management to generate profits from corporate assets (Chen, 2010) .

E. Growth

The level of leverage is influenced by the growth rate in accordance with Trade off Theory, companies that have a high growth rate tend to finance their investments by issuing shares, because the share price is relatively high. Another reason is that high-growth companies tend to bear large costs of financial distress, as they have a high risk of bankruptcy. Thus, growth rate is

negatively related to leverage level. In contrast, according to Pecking Order Theory, the growth rate has a positive relationship with the level of leverage, because it temporarily has an investment that is still too low, so it temporarily has a low level of leverage.

Growth opportunities defined as the total book value of assets minus the value of equity books plus the market value of equity divided by the total book value of assets (Deesomsak, Paudyal, & Pescetto, 2004). Pcompany growthcan be characterized by an increase in market share and Market share which has experienced a significant increase, so that companies have the opportunity to increase sales in order to generate maximum profits for the company and influence the increase in profitability. High sales growth indicates that the company has good growth prospects, thus providing greater profits related to providing good returns in the future to investors. This leads to a positive investor perception, and has an impact on increasing the value of the company(Chariton, Clubb, & Andreou, 2001).

F. Company size (Firm Size)

Gitman & Zutter (2012) explains that sizeCompany (Size Firm) is the size of the assets owned by the company including the number of assets owned by the company, it can be seen from the total assets owned by the company or the total assets of the company listed in the company's financial statements at the end of the audit period. Company size can also be measuredreith total sales, total asset book value, total assets, and number of jobs (Ayuningtias & Kurnia, 2013). According to Brigham & Houston (2010) Firm Size (Firm Size) is a large size of a company that is represented or assessed with total assets, total sales, amount of profits, tax burden and other factors.

G. Tangibility

Tangibility is the amount of assets that can be used as collateral or the value of the asset's security (Sudiyatno & Sari, 2013). Guaranteed assets are assets requested by creditors as collateral for loans. Growth assets basically describe how a company invests its own funds for operating and investment activities. Increased total assets, both smooth assets and long-term assets in need of funds, with alternatives to internal or external funding(Sudiyatno & Sari, 2013).Tangibility defined as the ratio of total fixed assets to total assets (Memon, Pervaiz Ahmed, et al, 2020). The greater the tangibility of a company's assets means the more collateral assets can be used as collateral in acquiring external funding in the form of debt or equity.

HYPOTHESIS
A. Profitability (ROA) Against Capital Structure (DER)

The higher the firm's profits measured using Return On Asset, the greater the

firm's ability to pay its equity debt.(Margaretha, 2014). Companies that have high profits, will use debt in low amounts, and vice versa. Companies that can generate greater earnings tend to use retained earning to meet their funding needs.Research results Alipour et al (2015) Kartikasari & Merianti (2016),). Fajrida & Br.Purba (2020),Margaretha, (2014), Ramadhan et al (2016), that there is a positive relationship between profitability and debt to equity ratio. that large-profit companies have good access to alternative sources of funding. This is because these profitable companies have superior information. Based on analysis and research findings Alipour et al (2015), Margaretha, (2014), Ramadhan et al (2016), Fajrida & Br.Purba (2020), Kartikasari & Merianti (2016), then the research hypothesis is formulated as follows:

H₁: Return on Assets (ROA) is positively related against Debt to equity

B. Company Growth (Growth) Towards Capital Structure (DER)

The larger the firm, the smaller the capital structure of the debt. Because the larger the company, the more it finances its finances using its own capital or using retained earnings or equity. So the size of the company is exactly the opposite of company leverage. In accordance with the theory of Pecking Order Theory (POT) the size of the company is negatively related to the level of leverage of the companyDeesomsak et al., (2004),Alter & Elekdag (2020),Moradi & Paulet (2019), Sakr & Bedeir (2019). Based on research results Alter & Elekdag (2020), Deesomsak et al (2004); Moradi & Paulet (2019), Sakr & Bedeir (2019), then this research hypothesis is formulated as follows:

H₂: Growth companies (growth) are negatively relatedagainst Debt to equity

C. Company size (Firm Size) Against Capital Structure (DER)

In the development of the company, the size of the company is very decisive in the need for capital to increase business so that capital is taken through debt and equity, as a result the larger the size of the company, the bigger and higher the need for debt and equity use. Large companies are more diversified (Titman and Wessels, 1988), easier to access capital markets, receive higher credit ratings, and pay lower interest rates (Ferri and Jones, 1979). Small companies are more likely to be liquidated when companies have difficulty repaying their debts (Ozkan, 2001). So that there is a positive relationship between the size of the company and the capital structure (Thippayana, 2014), (Detthamrong et al, 2017), (Baloch et al, 2015), (Sakr & Bedeir, 2019), (Sudiyatno & Sari, 2013), (Teng & Jonnardi, 2019). Based on research resultsThippayana (2014),Deesomsak et al (2004); Moradi & Paulet (2019), Baloch et al (2015),Sakr & Bedeir (2019),Sudiyatno & Sari (2013), Teng & Jonnardi (2019), then this research hypothesis is formulated as follows:

H_5: The size of the firm (size firm) is Positively relatedagainst Debt to equity

D. Tangibility Against Debt to Equity

The company's assets that are used as collateral or as collateral are assets requested by the creditor in providing the loan, this is required by the creditor to provide assurance that the company is able to repay the loan indicated by the form of collateral, so The Company's ability to pay off debts and equity is also high, the impact of Debt to equity is getting smaller. Alipour et al (2015),Baloch et al (2015), Margaretha (2014),Sudiyatno & Sari, (2013), states that tangibility has a positive effect on Debt to equity, and From the results of research conducted by Alipour et al (2015), Baloch et al (2015); Margaretha (2014); Sudiyatno & Sari (2013) above the author submits the following hypothesis:

H_6: Tangibility Positive against Debt to equity

From the results of the hypothesis presented above, then research on the effect of Profitability, Growth, Firm Size, Tangibility on Debt To Equity Ratio is moderated by inflation.

RESEARCH METHODOLOGY

This study aims to determine the effect of profitability, growth, firm size, and tangibility and inflation as moderator variables influence the Debt To Equity ratio in hospitality companies in Indonesia by using objects and research periods in hospitality companies that publish financial reports in the period 2014 to 2019, while research data using emiten from the Jakarta stock exchange and uses financial statements published by hospitality in Indonesia out of a total of 28,230 author accommodation providers using 18 companies that can be sampled, this is because almost all hospitality companies in Indonesia are private ownership so the financial statements are closed very close to the public and limited to stakeholders only, while some hotels only have a limited annual financial report and do not enter the period 2014 -2019 so it is considered not to represent the sample. The design carried out in this study is a quantitative approach because it requires a systematic approach to the relationship between variables that emphasizes hypothesis testing by using statistical tools to conduct the test, to test the impact of profitability, growth, firm size, and tangibility as moderator variables influence the Debt-to-Equity ratio. The method used for this study is to use non-probability sampling technique that is purposive sampling, The object obtained in this study is the sample number of 18 companies that meet the requirements of their financial statements and the period 2014-2019 using Regression and correlation, in addition researchers also use Normality Test, Heterosecurity Test,

Multicolineoline Test, Autocorrelation Test, Determination Coefficient, Simultaneous Test (F-Test), Partial Test (T-Test), Regression Test Multiple to be analyzedusing the help of Spss Ver 25.0 software.

RESULT AND DISCUSSION

In order to obtain the result, we analayze the shape and size of independent variables ROA influence, Growth, Firm Size and Tangibility on variables Dependent Debt To Equity Ratio is to use multiple regression processed with SPSS Version 25. To test the feasibility of the model, several tests were performed before the double regression test was performed in Table 1.

Table 1. Normality Test using one sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			90
Normal Parameters[a,b]	Mean		0.0000000
	Std. Deviation		0.64922995
Most Extreme Differences	Absolute		0.181
	Positive		0.181
	Negative		-0.117
Test Statistic			0.181
Asymp. Sig. (2-tailed)[c]			0.108
Monte Carlo Sig. (2-tailed)[d]	Sig.		0.056
	99% Confidence Interval	Lower	0.000
		Upper	0.000

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 299851575.

In order to achieve the result, we calculate visible p-value > 0.05 and also ploted over scatter graph to obtain the normality assumption data is considered in the heteroskedacity test (see Figure 2).
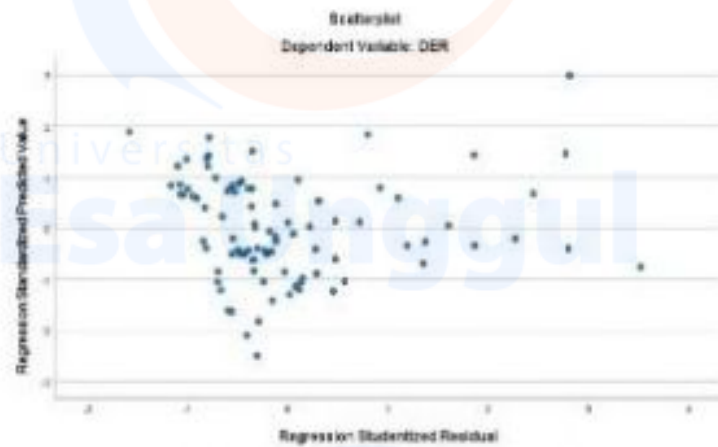
Figure 2. Heteroskedacity Test scatter graph

It can be seen in the Figure 2, the scatterplot graph at the points do not converge into 1 but instead scatter between 1 so that it is considered to meet the assumption of heteroscacity. Thus, we calculate multicolineoline test to obtain the fix model and collinearity value (see Table 1).

Table 1. Multicolineineity Test

Model		Collinearity	
		Tolerance	VIF
1	(Constant)		
	ROA	0.975	1.025
	GROWTH	0.858	1.166
	FIRM SIZE	0.985	1.015
	TANGIBILITY	0.838	1.193

Here, we obtain the tolerance value> 0.05 and the value of VIF (Variance Inflation Factor) <10 so that there is no multicolineineity in the data autocorrelation test (see Table 2).

Table 2. Autocorrelation Test

Model Summary[b]

Model	Durbin-Watson		dL	dU
			1.566	1.751
1	1.902			

where, uncorrelated dU <d <4-dU with d value equal 1.902 or 4-dU is equal 2.249 with a total of 90 samples and 4 independent variables. So the values of dL and dU at n = 90 and k = 4 are 1.566 and 1.751 while the watson durbin value obtained in the research model is 1.902, so there is no autocorrelation on the data. Furthermore, we also calculate the Determination Coefficient Test (DCT) to obtain standard error of estimation the model. Here, we use predictor parameter such as Tangibility, firm size, ROA, and growth with dependent variable is DER (see Table 3).

Table 3. Determination Coefficient Test (DCT)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498[a]	0.249	0.216	0.664330335996643

In the research model, the value of R Square is equal 0.249 that means the variables used in the research model represent 24.9% variables that can affect Debt to Equity Ratio. Here, the rest value is equal 75.1% and affected by other variables (see Table 4).

Table 4. Simultaneous Test (F Test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.648	4	0.912	2.065	.032[a]
	Residual	37.513	85	0.441		
	Total	41.160	89			

It can be seen that the p-value in the anova table is 0.032 or <0.05 so that the independent variables are considered to be able to simultaneously affect the dependent variables over T-Test calculation (see Table 5).

Table 5. Partial Test (T-Test)

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Model		t	Sig.
1	(Constant)	0.197	0.544
	ROA	-0.685	0.493
	GROWTH	-1.155	0.041
	FIRM SIZE	1.197	0.035
	TANGIBILITY	1.680	0.037

It can be seen in the Table, that of the 4 independent variables that affect the dependent variables. Only 1 variable that has an insignificant effect is Return on Asset (ROA). While other variables such as GROWTH, FIRM SIZE and TANGIBILITY can have a significant effect on DER. Furthermore, to obtain the regression equation from several input, we proposed the multiple regression to analyze the dependent variable of Capital Structure (DER) and four independent variables consisting of ROA, Growth, Firm Size and Tangibility produce the intercept and coefficient of regression is listed in the Table 6.

Table 6. Multiple Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.087	0.441		0.197	0.544
	ROA	-0.642	0.938	-0.072	-0.685	0.495
	GROWTH	-0.972	0.661	-0.129	-1.155	0.041
	FIRM SIZE	0.032	0.027	0.125	1.197	0.035
	TANGIBILITY	0.401	0.238	0.190	1.680	0.037

Based on the above research model, we obtain the formula for the above model as follows:

$$DER = 0.087 - 0.642\ ROA - 0.972\ GROWTH + 0.032\ FIRM\ SIZE + 0.401\ TANGIBILITY \tag{1}$$

Finally, we obtain the regression equation to analyze the impact of empiris profitability, growth, size firm, tangibility on capital structure on hotel industry.

DISCUSSION

Hypothesis testing is done by looking at the results of the analysis output in

table 4 where based on the analysis by comparing t Statistics with P value and t table so that the results of the hypothesis are as follows:

Analysis *Return on Assets* (TWO)Against Debt to Equity (DER)

The Profitability variable measured with Return On Assets in this study did not have a positive effect on the capital structure measured with Debt to equity (Alipour et al, 2015), (Margaretha, 2014), (Ramadhan et al, 2016), (Fajrida & Br.Purba, 2020), (Kartikasari & Merianti, 2016). According to the hypothesis developed there is no significant relationship between profitability and leverage; trade-off theory proposes a significant positive relationship while a negative negative relationship is consistent with pecking order theory. The results of this study are not in accordance with Trade off theory which states that the higher the level of profitability of a company, then the company tends to use debt the greater. The inconsistency of research results with this theory is due to the possibility of low profitability, so that companies use more debt and equity to finance most of the funding and investment needs. This research is not in line with the results of research conducted by Alipour et al (2015), Margaretha (2014), Fajrida & Br.Purba (2020), Kartikasari & Merianti (2016), Ramadhan et al (2016), Songul Kakilli Acaravci (2015) that Return On Assets has a positive effect on the capital structure measured by Debt to equity (DER) so that the author's Hypothesis Rejected. While in this study in line with the results of research conducted byMoradi & Paulet (2019); Xin He (2019) who explained that profitability is not positively related to the Capital Structure measured using the ratio of debt to equity.

Corporate Growth Relationship (Growth) Towards Debt to Equity (DER)

Company growth is hypothesized to have a significant negative relationship with short-term debt to total assets. This study is in line with the pecking order theory which proposes a significant negative relationship between leverage. The results show that there is a significant negative relationship between the size of the firm and the capital structure of the debt to equity ratio. These results are in line with the findings of the study(Alter & Elekdag, 2020), (Deesomsak et al, 2004), (Moradi & Paulet, 2019), (Sakr & Bedeir, 2019). This means that when the growth of company sales is high then the company's need for debt will decrease, because the need for funding or capital structure will be met through retained earnings as well as the issuance of bonds and shares if for investment needs (Moradi & Paulet, 2019). This hypothesis is consistent with the pecking order theory that growth is negatively related to capital structure. Because the growth of large companies does not guarantee that the capital structure obtained is also large, so the greater the growth of large companies does not guarantee the higher capital structure. So that this result proves the research that has been done byAlter & Elekdag (2020; Deesomsak et al (2004); Moradi & Paulet (2019) that Company growth (growth) has a negative effect on Debt to Equity (DER) so the

author's Hypothesis is Accepted.

Relationship of Company Size (Firm Size) to Debt to Equity (DER)

Company size is often considered as a measure of the small size of a firm assessed from the total assets, equity or sales of a firm (Brigham and houston, (2001). This study is in line with the Trade off theory which proposes a significant positive relationship between firm sizewith capital structure. Factors considered in determining funding policies in meeting the small size of hospitality company assets are the size of the company. Large hospitality companies will issue fundswhich is also great, both from debt policy and from own capital.The chances of a company's failure to repay the debt are also based on the size of the company, where small companies find it more difficult to get a loan compared to large companies because creditors have more confidence in large companies. It can be said that the size of the firm has an influence on the capital structure based on the larger a company, the greater the loan required.The impact of the ease of obtaining a loan owned by a large Hospitality company makes the use of more loans by the company in fulfilling its investment and capital needs. So it can be concluded that the size of the firm has an influence on the capital structure, thus these results are in line with the research that has been done by Thippayana (2014), Denthamrong et al (2017), Baloch et al (2015),Sakr & Bedeir (2019),Sudiyatno & Sari (2013), Teng & Jonnardi (2019). that firm size has a positive effect on Debt to equity (DER) until the author's Hypothesis is Accepted.

The Relationship of Tangibility to Debt to Equity (DER)

The Tangibility variable in this study has a positive effect on the capital structure measured by Debt to equity, soThis study is in line with the Trade off theory which proposes a significant positive relationship between Tangibilitywith capital structure. The assets of the hospitality company are mostly land and building assets so that the asset can be used as collateral or collateral by the hospitality company. The greater the tangibility proportion of hospitality company assets makes creditors provide high confidence and ease in lending, so that the company's debt level becomes large(Bonfi & Antko, 2012). This research is supported by size effect theory where companies with smooth tangibility to large debts will be easier to get a loan flow compared to companies that do not have collateral on debt(F. Brigham & Joel, 2011). Therefore, the results of this study explain that Tangibility has a positive relationship to the capital structure of the company, and this result is in line with the research conducted by acquire Alipour et al (2015), Baloch et al (2015); Margaretha (2014); Sudiyatno & Sari (2013) that Tangibility has a positive effect on Debt to equity (DER) so that the author's hypothesis is accepted.

CONCLUSION, LIMITATIONS, AND SUGGESTIONS

From the results of research conducted by the author can be explained that variable profitability (ROA) has no effect on Capital Structure (Debt to equity Ratio), while variable Growth, Firm Size, Tangibility has a significant effect on Capital Structure (Debt To equity Ratio) so explains that the capital structure of a hospitality company will be affected by its growth, size and tangibility, while the inflation moderation variable has no influence between the Profitability variable (ROA) and Firm Size on the Capital Structure (Debt To Equity Ratio) so it can be explained that the inflation variable does not affect both this variable.

Limitations

Research on Debt and Equity (Capital Structure) measured with debt to equity in an effort to increase profits is very interesting to study, but there are still many other factors that affect it, it is seen in this study that the variables used in measurement using 1 measuring instrument only although it has used independent and moderation variables but from testing it is known that there are still some limitations because there are still other measuring instruments that also affect the debt to equity ratio, in addition to this study the sample studied is limited to hospitality companies and if done in other industries is expected can produce different hypotheses and analyzes as well.

Suggestions

From the limitations of this study, the researcher gives suggestions to further researchers to add other moderation variables such as currency exchange rates and other measuring instruments as random factors that may affect the capital structure and examine the direct relationship of these variables with debt to equity. In addition, it is also necessary to conduct research for industries other than manufacturing and other than hospitality. Here, hospitality companies should maintain and manage and manage so that the growth of the company and the size of the company in accordance with the Capital Structure (DER), do not let the company grow too fast but use debt (debt) too large for equity so it can not meet its obligations. Companies in order to manage tangible assets well, avoid until there are many tangible assets but not able to generate profit.

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PROFIL

Siti Awaliyah lahir di Tangerang, 28 Oktber 1990 putra dari H.Enjang dan ibunya Hj. Sumiyati (alm) adalah pasangan yang berprofesi sebagai Wirausaha, keseharian lia sapaan akrabnya sehari hari telah membuatnya dekat dengan dunia usaha, sehingga lia banyak belajar dari kedua orangtuanya dalam mengelola usaha, terlihat dengan beberapa usaha yang sedang dirintisnya dan tidak jauh dari bisnis kedua orangtuanya. Saat ini Lia adalah Sarjana Ekonomi Jurusan Manajemen dan sedang melanjutkan program studi S2 yang tercatat sebagai mahasiswa pasca sarjana di Progam Magister Manajemen Universitas Esa Unggul. Sebagai bentuk pengesahan kelulusan saat ini lia sedang menenmpuh tugas akhir (Tesis) yang diambil dengan konsentrasi keuangan dengan Judul thesisnya adalah **"Hubungan Empiris Profitability, Growth,Size Firm,Tangibility terhadap Struktur Modal"**.

Ketertarikan mendalami ilmu manajemen dengan kekhususan dibidang keuangan dilatarbelakangi karirnya saat ini pada pengelolaan data keuangan di Badan Penanggulan Bencana Daerah (BPBD) Banten yang telah membuat lia tertarik untuk mendalami ilmu keuangan, hal ini erat kaitannya dengan keseharian lia dalam mengelola keuangan BPBD untuk bencana alam terutama di wilayah Banten pada khususnya dan Indonesia pada umumnya, telah membuatnya selalu mengandalkan pengetahuan keuangan sebagai tonggak dalam menjaga gawangi bisnis ini. Tesis ini adalah bentuk karya yang

dipersembahkan Lia kepada pembaca dan para pelaku Usaha dalam mengetahui seluk beluk Struktur Modal sebuah Perusahaan dan hubungannya sehingga dapat menjadi salah satu rujukan dan tambahan pengetahuan bagi para Wirausaha. Sebagai penutup semoga Persembahan ini dapat diterima masyarakat terutama sebagai rujukan dan masukan kepada pelaku industry di Indonesia. Amin.