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THE INFLUENCE OF COMPANY SIZE, ASSET GROWTH, AND SALES GROWTH ON CAPITAL STRUCTURE IN THE AUTOMOTIVE SUB-SECTOR AND AUTOMOTIVE COMPONENTS IN THE INDONESIA STOCK EXCHANGE FOR THE 2016-2021 PERIOD

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Abstract

This study aims to determine and analyze the effect of company size, asset growth, and sales growth on capital structure in the automotive and automotive components sub-sector on the Indonesia Stock Exchange for the 2016-2021 period.

This study uses secondary data with associative quantitative research methods. The total population used in this study were 7 companies. The sampling technique in this study uses the technique*purposive sampling* which determines the criteria to be applied to a sample of 11 companies.

The results showed that company size has a positive but not significant effect on capital structure, asset growth has a positive and significant effect on capital structure, and sales growth has a negative but not significant effect on capital structure.

Keywords: **Company Size, Asset Growth, Sales Growth, and Capital Structure**

1. INTRODUCTION

The development of the automotive industry is currently running so rapidly that it creates increasingly fierce competition. This makes business people required to be more creative and have a competitive advantage compared to their competitors. Automotive itself is an industry engaged in producing people's needs in the form of vehicles that will be used as a means of transportation by the community.

The Ministry of Industry noted that the performance of the automotive industry was able to accelerate amid the impact of Covid-19. This can be seen from the growth of the transportation equipment industry which reached 27.84% in the third quarter of 2021. The current potential for the automotive industry is supported by 21 companies in the four-wheeled or more motorized vehicle industry with a total investment value of Rp. 71.35 trillion. The Indonesian automotive industry has been recognized for its competitiveness on the global stage. The export market share for four-wheeled or more motorized vehicles including their components has reached more than 80 countries.

Company size is one of the factors that must be considered in capital structure decisions. Large companies have a large need for funds to finance company activities and one alternative fulfillment

The need for these funds is to use debt. In other words, the size of a company directly affects the company's capital structure policy.

Asset growth is a variable to consider in debt decisions. Companies with higher growth rates tend to use more debt, so there is a positive relationship between*growth* with*debt equity ratio*. Companies that have high growth rates tend to use external funding sources. Companies with fast growth rates must rely more on external capital than companies with slow growth.

Increasing a sales or income of a company, it can be said that the company is experiencing positive growth. With this growth, companies will need funds or capital to carry out their operations or Islamic commercial banks will need a lot of additional capital to expand market share because the higher the sales growth rate, the greater the capital handling. So with sales growth, the composition of the company's capital structure will have an effect

According to data from the Indonesia Stock Exchange (IDX) in 2022, there are 11 companies in the automotive and automotive components sub-sector that are listed on the Indonesia Stock Exchange (IDX). The average capital structure owned by the company is measured by*Debt to Equity Ratio* (DER). DER is a measure of a company's capital structure as a ratio of debt to equity. This means that Indonesian automotive companies have a capital structure where debt is higher than equity. This causes the company's high risk to be added from the operational position of industrial types which are very dependent on the company in the future, because the company must be able to determine the optimal capital structure and cannot reduce company risk but can increase company value in the future.

1.1 RESEARCH PROBLEM FORMULATION

Based on this description, the problems to be discussed in this study are as follows:

1. Does company size affect the capital structure in the automotive and automotive component sub-sectors?
2. Does asset growth affect the capital structure in the automotive and automotive component sub-sectors?
3. Does sales growth affect the capital structure in the automotive and automotive component sub-sectors?
4. Do company size, asset growth and sales growth have a joint effect on the capital structure in the automotive and automotive components sub-sectors?

1.2 RESEARCH PURPOSES

Based on the formulation of the research problem, the objectives of this study are as follows:

1. To identify and analyze the effect of company size on capital structure in the automotive and automotive component sub-sectors. 2. To identify and analyze the effect of asset growth on capital structure in the automotive and automotive component sub-sectors. 3. To identify and analyze the effect of sales growth on capital structure in the automotive and automotive component sub-sectors. 4. To find out and analyze the effect of company size, asset growth and sales growth have a significant joint effect on capital structure in the automotive and automotive component sub-sectors.

2. LITERATURE REVIEW

1. Signal Theory (*Signalling Theory*)

Signal theory according to Arifin (2017, p. 83) is there*asymmetric information* that takes place between managers of a company and shareholders. Because of*asymmetric information* This means that managers must signal to shareholders in a form that is reliable and difficult or expensive to imitate. In the capital structure, this signal is in the form of the use of large amounts of debt by the company. It's usually the big companies that dare to make this risky decision. Even so, the signal given by this manager is in the form of reliable company performance, so that it can get through conditions when the company is in a high debt condition.

According to Sofiatin (2020) signal theory explains why companies have the urge to provide financial report information to external parties. The reason is because there is an

asymmetry between the company and external parties. The company has more knowledge than outsiders (investors & creditors) about the company or the company's prospects in the future. To reduce this information asymmetry, this can be done by providing signals to external parties, in the form of reliable financial reports and can reduce uncertainty about the company's prospects in the future.

2. Capital Structure

According to Subaramanyam & Wild (2017, p. 363) capital structure is equity and debt funding in a company which is often calculated based on the amount*relative* as a source of funding. According to Mustafa (2017, p. 85) capital structure is a comparison between own capital and debt or foreign capital.

The capital structure itself if in the opinion of Subaramanyam & Wild (2017, p. 270) "The capital structure ratio is another solvency analysis tool". The most commonly used ratios are:

a. Total debt to total capital (*total debt to total ratio*) or often also called the total debt ratio (*total debt ratio*) with the formula:

$$\text{Total Debt Ratio} = \frac{Total\ Capital}{Total\ Debt}$$

b. Total debt to equity capital (*total debt to equity capital*) with the formula:

$$\text{Total Debt to Equity} = \frac{Total\ Debt}{Shareholder\ Equity}$$

c. Long-term debt to equity capital (*long-term debt to equity capital ratio*) with the formula:

$$\text{Long Term Debt} = \frac{Long\ Term\ Debt}{Shareholder\ Equity}$$

3. Company Size

According to Simanjuntak (2016, p. 52) one of the factors considered by investors in making investment decisions is to look at the size of the company or*firm size* as an indicator of the magnitude of the company's development since it was founded where this will affect

the company's flexibility and accessibility to obtain funding sources both externally and internally. According to Sianturi & Pangestuti (2015) states that the size of a company is directly proportional to the risks faced by increased operational activities. The larger the size of a company, the greater the risks that will arise from the increase in the company's operational activities. The size of the company can be known through the total assets managed by the company which can show the company's growth since its establishment.

Company size is a benchmark used as a reference for assessing whether a company can be said to be growing or not from the beginning of its establishment based on the total assets listed in the statement of financial position. Dewi & Wirajaya (2013) stated that the size of the company is a fact of condition which is reflected in the market capitalization value, book value, and profit earned in a period. In a company, if the total assets owned are of great value, management will find it easier and more flexible to use the existing assets. This management discretion will be commensurate with the concern over what the owner will do with his assets. The size of the company's assets will reduce the value of the company itself when assessed from the side of the company owner, but when viewed from the management side, the ease with which it controls the company will increase the value of the company.

Firm Size = Ln Aset

4. Asset Growth

According to Mulyasari & Subowo (2020) company growth is the company's ability to increase company size which can be seen from an increase in assets. Company growth is one of the factors that influence capital structure. If the company wants to develop its business, the company will tend to increase the number of assets to support business development so that it requires funds to achieve this goal

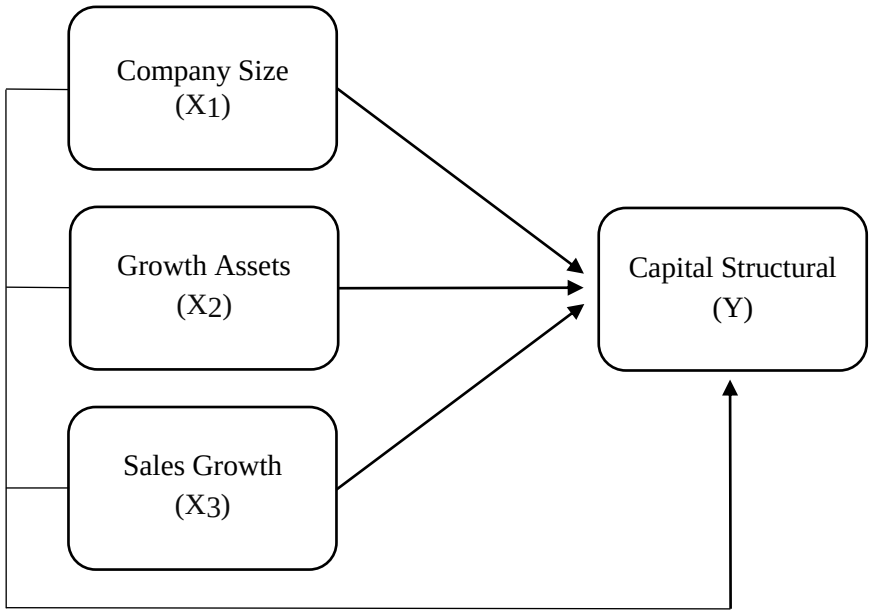
Asset growth is the annual change (growth rate) of total assets which is calculated from the change in assets of a certain year with the previous year. This variable can also be defined as the annual change of fixed assets, which is formulated as follows:

$$\text{Asset Growth} = \frac{Total\ Aset\ t - Total\ Aset\ t-1}{Total\ Aset\ t-1}$$

2. Framework of Mind

According to Sugiyono (2017, p. 60) a framework is a conceptual model of how theory relates to various factors that have been identified as an important problem. The variables used in this study are company size, asset growth, and sales growth as independent variables (independent variables) and capital structure as the dependent variable (dependent variable).

Figure 2.1
Framework of thinking



3. Hypothesis

Based on the research that has been described previously, the authors set temporary conjectures or hypotheses as follows: a. Company size influences the capital structure in the automotive and automotive component sub-sectors.

b. Asset growth affects the capital structure in the automotive and automotive component sub-sectors.

c. Sales growth affected the capital structure in the automotive and automotive

component sub-sectors.

d. Company size, asset growth, and sales growth have a joint effect on the capital structure in the automotive and automotive component sub-sectors.

3. RESEARCH METHODOLOGY

1. Population

According to Sugiyono (2017, p. 80), population is a generalized area consisting of objects and subjects that have certain qualities and characteristics set by researchers to be studied and then conclusions drawn. The population in the automotive and automotive component sub-sectors listed on the Indonesia Stock Exchange (IDX) for the 2016-2021 period is 11 companies.

Table 1
Population of Automotive and Automotive Components Sub Sector Companies

No	Issuer Code	Company name
1	AUTO	Astra Otoparts Tbk
2	BOLT	Garuda Metalindo Tbk
3	INDS	Indospring Tbk
4	LPIN	Multi Prima Sejahtera Tbk
5	NIPS	Nipress Tbk
6	PRAS	Prima Alloy Steel Universitas Tbk
7	SMSM	Happy Perfect Tbk
8	BRAM	Indo Kordsa Tbk
9	GOD	Goodyear Indonesia Tbk
10	GJTL	Gajah Tunggal Tbk
11	TIME	Multistrada Arah Sarana Tbk

Source: www.idx.co.id

2. Samples

Understanding and according. The samples used in this study were 7 companies. The method taken in this study namely*purposive sampling* because it is based on certain characteristics, namely in table 3.3 below:

Table 2

Characteristics of Sampling of Automotive and Automotive Components Sub Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2016-2021 Period

No	Characteristics	Amount
1	Automotive Sub Sector Companies and Automotive Components Listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 Period	(11 Companies)
2	Suspended and delisted companies in Indonesia Stock Exchange (IDX) Period 2017-2021	(1 Company)
3	Automotive Sub Sector Companies and Automotive Components that publish their financial reports in USD	(3 Companies)
4	Companies that enter the criteria and will be the research sample	7 Companies

Based on these characteristics, the sample that can be used in this study consists of 7 companies that meet the criteria

4. DATA ANALYSIS METHOD

In this study, the analysis used refers to linear regression analysis where this technique is used to identify the magnitude of the relationship between each independent or independent variable and the dependent or dependent variable. In conducting linear regression analysis, it is necessary to test the classical assumptions first.

1. Classical Assumption Test

The basis of the regression analysis is to use the classic assumption test which can be done by testing a regression model that already has a relationship with a regression model test that already has a significant and representative relationship and avoids bias in decision making. Here are some types of classical assumption tests:

a. Normality test

According to Ghozali (2016, p. 154) the purpose of the normality test is to test the regression model on the dependent and independent variables with normally distributed conditions or not. There are 3 ways to test for normality, namely; the use of statistical analysis by observing the value of skewness and kurtosis followed by the application of the Kolmogorov-Smirnov test. In this study, the Kolmogorov-Smirnov test was used by making a comparison between the observed data of the relative cumulative distribution and the cumulative distribution theory. The initial step taken to start the normality test via the Kolmogorov-Smirnov is to make the test hypothesis first: alternative hypothesis (Ha) for normally distributed data, null hypothesis (H0) for non-normally distributed data. If the significance is less than 0.05 (<0.05) then the distribution is normal, but if the significance is more than 0.05 (>0.05) then the distribution is not normal.

b. Multicollinearity Test

According to Ghozali and Ratmono (2017, p. 71), the multicollinearity test aims to test whether the regression model finds a high or perfect correlation between the independent variables.The absence of a correlation between the independent variables is a criterion for a good regression model, if the opposite occurs there will be interference with the relationship between the dependent variables and it is referred to as a multicollinearity problem.

Mark*Tolerance* (TOLL) and Variants*Inflation Factor* (VIF) can indicate the value of multicollinearity measurements. Mark*tolerance* ≤ 0.10 or the same as VIF ≥ 10 is a value*cut-off* which is usually used to indicate the presence of multicollinearity. Multicollinearity testing can be done with the following hypotheses; when the VIF value ≥ 10, then a multicollinearity problem has occurred, but if VIF ≤ 10, then a multicollinearity problem does not occur.

c. Autocorrelation Test

The function of the autocorrelation test is to test whether or not there is a correlation between usage errors in a certain period with usage errors in the previous period contained in the linear regression model. Usually in the autocorrelation test the data used is data*time series*, because in these data there are often autocorrelation problems that can influence each other between data.

d. Heteroscedasticity Test

According to Ghozali (2017, p. 121) the regression model test used to determine the dissimilarity of the variance of the residual one observation with other observations is a function of the heteroscedasticity test. If the results of the test are constant, it is called homoscedasticity, and if the results are different, it is called heteroscedasticity. In the heteroscedasticity test can be known by doing the Glejser test. The Glejser test can be carried out by regressing the residual absolute value on the independent variable. To assess whether there is or does not occur a heteroscedasticity can be seen by using the significance coefficient. If the independent variable significantly occurs, then statistically it will affect the dependent variable, here it can be indicated that there is heteroscedasticity. The value that can indicate the absence of heteroscedasticity is when the significance level of profitability is above the confidence level at a value of 5% or 0.05.

2. Multiple Linear Regression Analysis

According to Sugiyono (2017, p. 275) multiple linear regression analysis will be used by researchers if the researcher can predict how the condition of the dependent variable increases and decreases, when two independent variables as predictor factors are manipulated or increase and decrease in value. In this study, the form of the model to be tested in this study is by using the following equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where :

Y : Capital Structure

α : Konstanta

$\beta_{1,2,3}$: Estimation of the regression coefficient

X_1 : Company Size

X_2 : Asset Growth
X_3 : Sales Growth
e : Variabel residual

3. The coefficient of determination (R^2)

According to Ghozali and Ratmono (2017, p. 55) the coefficient of determination measures how far the model's ability to explain variations in the dependent variable. The value of the coefficient of determination is between zero and one.The essence of the coefficient of determination (R^2) is a measure of the model's ability to explain variations in the dependent variable. The use of the coefficient of determination has a fundamental drawback, namely there is a bias towards the number of independent variables included in the model. The value of the coefficient of determination is a value between 0 (zero) and 1 (one), if the value is shown to be less than 1 then it can be interpreted that the ability of the independent variable to provide almost all the information needed to predict the variation of the dependent variable.

4. Hypothesis Test

a. t test (Partial test)

According to Ghozali and Ratmono, (2017, p. 57), the t statistical test basically shows how far the influence of one independent variable has on the dependent variable by assuming other independent variables are constant.The t test can be carried out with a significance level of 5% or 0.05 with
degrees of freedom df = (n-k-1), where n = number of observations and k = number of variables.

b. F test (simultaneous test)

According to Ghozali and Ratmono (2017, p. 56), the F statistical test shows whether all the independent variables included in the model have a joint or simultaneous effect on the dependent variable. The significance level used is 5% or 0.05 with
degrees of freedom (dfl = k-1) and (df2 = n-k) where n = number of observations and k – number of variables.

5. RESEARCH RESULT

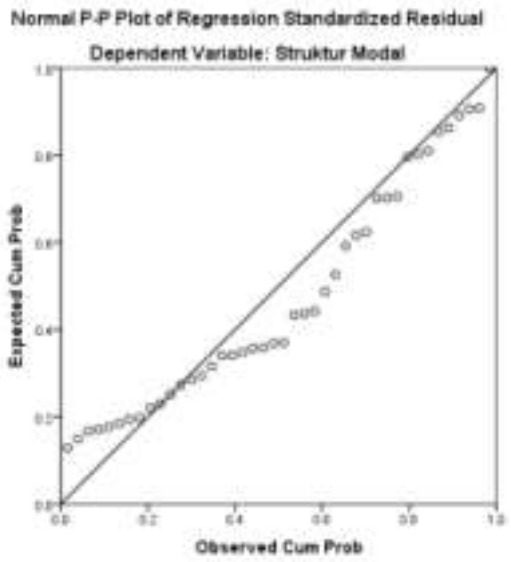
1. Statistical Test Results

a. Classic assumption test

1) Normality Test

The normality test is carried out to test whether in the regression model, the confounding variables or residuals have a normal distribution, to detect whether the residuals are normally distributed or not. In this study, the normality test used the normal probability plot graphical analysis and the Kolmogrorov-Smirnov test in the IBM SPSS Statistics V.20 program. The normality test results can be seen in the normal p-plot graphic analysis as follows:

Figure 2
Normal P-Plot of Regression Standardized Residual



Source: SPSS V.20 Output Results (processed)

Based on Figure 4.1, the dots are spread around the diagonal line and their distribution follows the flow of the diagonal line. Shows in this case the regression model meets the assumption of normality, which means that the residual values are normally distributed. The results of the p-plot normal image analysis are supported by the results of the normality test analysis with*Kolmogrov Smirnov*as follows :

Table 3
Results of the One-Sample Kolmogrov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		42
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	1.22191077
Most Extreme Differences	Absolute	.158
	Positive	.158
	Negative	-.119
Kolmogorov-Smirnov Z		1.025
Asymp. Sig. (2-tailed)		.244

a. Test distribution is Normal.
b. Calculated from data.

Source: SPSS V.20 Output Results (processed)

Based on table 4.20, the results of the Kolmogrov-Smirnov normality test obtained a value of 1.025 with a significance of 0.244. It is said that the residual data is abnormal if the significance value is less than 0.05 or 5% and the residual data is declared normal if the significance value is greater than 0.05 or the significance is greater than 0.05 or 5%. Based on the results of calculations from this study, the significance value shows a number of 0.244 > 0.05, meaning that the data used in this study is normally distributed.

2) Multicollinearity Test

This multicollinearity test was conducted to test whether the regression model found a correlation between the independent variables. The guideline for a regression model that is free from multicollinearity problems is if it has a VIF (Variance Inflation Factor) value of less than 10, a tolerance value of more than 0.10. The following is a presentation of the results of the multicollinearity test as follows:

Table 4
Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Company Size	.972	1.029
Asset Growth	.674	1.483
Sales Growth	.665	1.503

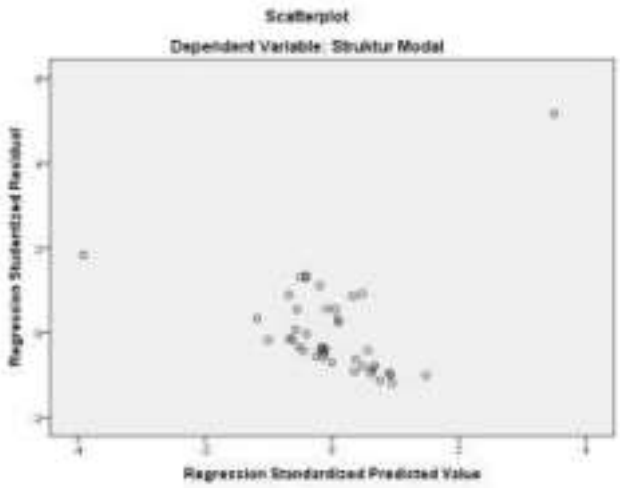
Source: SPSS V.20 Output Results (processed)

Based on table 4.21 it can be seen that in this study there was no multicollinearity or no relationship between the independent variables and the dependent variable. This can be seen in the tolerance value of the company size variable of 0.972. the tolerance value of the asset growth variable is 0.674. then for the tolerance value of the sales growth variable of 0.665.

Of the three independent variables, it can be seen that the Variance Inflation Factor (VIF) value is below 10, namely 1,029 for the company size variable, then 1,483 for the asset growth variable, and 1,503 for the sales growth variable. This means that all independent variables do not have a strong relationship where it can be concluded that the variables used in the regression model of this study are free from multicollinearity.

3) Heteroscedasticity Test

Figure 3
Heteroscedasticity Test Results



Source: SPSS V.20 Output Results (processed)

Based on Figure 4.2, it can be seen that the scatterplots in the figure show that the points spread randomly and are scattered both above and below the number 0 on the Y axis. It can be concluded that there is no heteroscedasticity in the regression model. So that the regression model is feasible to use in conducting this test.

4) Autocorrelation Test

Autocorrelation test aims to test whether in a linear regression model there is a correlation between confounding errors in period t
with confounding errors in period t-1. To detect the presence or absence of autocorrelation, a Durbin Watson test (DW test) is performed. The following are the results of the Autocorrelation test as follows:

Table 5
Autocorrelation Test Table

Model Summary[b]

Model	Durbin-Watson
1	1.295

a. Predictors: (Constant), Sales Growth, Size Company, Asset Growth
b. Dependent Variable: Capital Structure

Source: SPSS V.20 Output Results (processed)

Based on table 4.22 it can be seen that the autocorrelation test on the Durbin Watson value in the table shows a value of 1,295, where the number is between -4 to +4. So it can be concluded that the data in this study are free from autocorrelation problems.

b. Multiple Linear Regression Analysis

Multiple linear regression aims to determine the effect of two or more independent variables on the dependent variable. To determine the effect of independent variables, namely company size, asset growth, and sales growth. Regarding the dependent variable, namely capital structure, data processing is carried out using the SPSS V application software. 20 The following presents the results of multiple linear regression analysis as follows:

Table 6
Results of Multiple Linear Regression Analysis
Coefficients[a]

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	.466	4.316
Company Size	.011	.150
Asset Growth	5.275	1.951
Sales Growth	-.129	.822

Dependent Variable: Capital Structure
Source: SPSS V.20 Output Results (processed)

Based on table 4.23 the results of calculating data processing using the SPSS V.20 application software, the regression equation can be obtained as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$
$$Y = 0.466 + 0.011 X_1 + 5.275 X_2 - 0.129 X_3$$

The coefficients of the multiple linear regression equation can be interpreted as follows:

a) β_1= 0.011 This shows that the variable coefficient of firm size has a positive direction, where for every 1% increase in firm size, Y (capital structure) will increase by 0.011 points.

b) β_2= 5,275 this shows that the variable coefficient of asset growth has a positive direction, where for every 1% increase in asset growth, Y (capital structure) will increase by 5,275 points.

c) β_3= -0.129 this shows that the variable coefficient of sales growth has a negative direction, where for every 1% increase in sales growth, Y (capital structure) will decrease by -0.129 points.

c. Hypothesis testing

1) t test (partially)

The t test aims to test whether or not there is a partial significant effect of each independent variable (X) with the dependent variable (Y), namely the significant influence of company size (X1), asset growth (X2), and sales growth (X3) respectively. significant to capital structure (Y).

To find out the t table statistical value is determined with a significance level of 5% or 0.05 and degrees of freedom df = (n-k-1) where n = number of observations and k = number of variables. Information t (df = 38, α = 0.05) with the results of the t table is 2.024. The following is a presentation of the results of the partial test (t test) as follows:

Table 7
t Test Results (Partial)
Coefficients[a]

Model	T	Sig.
(Constant)	.108	.915
Company Size	.072	.943
Asset Growth	2.703	.010
Sales Growth	-.157	.876

a. Dependent Variable: Capital Structure
Source: SPSS V.20 Output Results (processed)

Based on table 4.24 it can be seen that the output results of SPSS V.20 can be drawn the following conclusions:

a) The effect of company size on capital structure

From the results of the calculation of the t test in table 4.24, it can be seen that tcount < ttable (0.072 < 2.024) with a significance value of 0.943 greater than 0.05 or 5%. So it can be concluded that Ho is accepted and Ha is rejected, meaning that the firm size variable has a positive but not significant effect on capital structure.

b) Effect of asset growth on capital structure

From the results of the t test calculations in table 4.24, it can be seen that tcount > ttable (2.703 > 2.024) with a significance value of 0.010 which is less than 0.05 or 5%. So it can be concluded that Ho is rejected and accepts Ha, meaning that the asset growth variable has a positive and significant effect on capital structure.

c) Effect of sales growth on capital structure From the results of the calculation of the t test in table 4.24, it can be seen that tcount < ttable (-0.157 <2.024) with a significance value of 0.876 greater than 0.05 or 5%. So it can be concluded that Ho is accepted and Ha is rejected, meaning that the sales growth variable has a negative but not significant effect on capital structure.

2) F test (simultaneously)

The F statistic test is used to determine whether all the independent variables used in the study have a joint or simultaneous effect on the dependent variable. To find out whether company size (X1), asset growth (X2), and sales growth (X3) simultaneously have a significant effect on capital structure (Y). Where the significance level used is 0.05 or 5% with degrees of freedom df = (n-k-1) where n = number of observations and k = number of variables (free + bound). Description of the F table (df = 41, α = 0.05) with an F table result of 2.85. The following are the results of the F test using SPSS V.20 as follows:

Table 8
F Test Results (Simultaneous)

ANOVA[a]

Model	F	Sig.
Regression	3.395	.028[b]
Residual		
Total		

a. Dependent Variable: Capital Structure
b. Predictors: (Constant), Sales Growth, Company Size, Asset Growth

Source: SPSS V.20 Output Results (processed)

Based on table 4.25 the F test shows that Fcount > Ftable (3.395 > 2.85) with a significance value of 0.028 which is less than 0.05 or 5%. So it can be concluded that Ho is rejected and Ha is accepted, meaning that the variable firm size (X1), asset growth (X2), and sales growth (X3) simultaneously have a significant effect on the capital structure variable (Y).

3) The coefficient of determination (R^2)

The coefficient of determination (R^2) is performed to determine the extent to which the ability of the model in the study to explain variations in the dependent variable. The following is a presentation of the results of the analysis of the coefficient of determination (R^2) as follows:

Table 9
Test Results for the Coefficient of Determination (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.460[a]	.211	.149	1.26923

a. Predictors: (Constant), Pertumbuhan Penjualan, Ukuran Perusahaan, Pertumbuhan Aset
b. Dependent Variable: Struktur Modal

Source: SPSS V.20 Output Results (processed)

Based on table 4.26 it can be seen that the value of R Square or R^2 produces a number of 0.211. With these results, it means that the capital

structure variable is influenced by the company size variable, asset growth, and sales growth of 0.211 or 21.1% while the remaining 78.9% is influenced by other variables such as profitability, liquidity, asset structure, and company value.

6. CONCLUSION

1. The variable company size has a positive but not significant effect on the capital structure in the automotive and automotive component sub-sectors listed on the Indonesia Stock Exchange for the 2016-2021 period.
2. The asset growth variable has a positive and significant effect on the capital structure in the automotive and automotive component sub-sectors listed on the Indonesia Stock Exchange for the 2016-2021 period.
3. The sales growth variable has a negative but not significant effect on the capital structure in the automotive and automotive component sub-sectors listed on the Indonesia Stock Exchange for the 2016-2021 period.
4. The variables company size, asset growth, and sales growth together have a significant effect on the capital structure in the automotive and automotive component sub-sectors listed on the Indonesia Stock Exchange for the 2016-2021 period.

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