The influence of profitability, size, and growth on the capital structure in consumer goods companies

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A B S T R A C T

Capital structure is a very important element needed by companies to conduct the companies' operational activities. Companies must determine whether to use internal funds first or external funds to finance investment in getting an optimal capital structure. The purpose of this study is to examine the influence of the variables of profitability, size and growth on the capital structure in consumer goods companies. Multiple regression analysis is used to analyze the data in this study. Data analysis is conducted on consumer goods companies listed on the Indonesia Stock Exchange period 2012-2016. Based on the analysis, it is found that profitability, size, and growth have an effect on capital structure in consumer goods companies listed on the Indonesia Stock Exchange 2012-2016.

A B S T R A K

Struktur modal adalah elemen yang sangat penting yang dibutuhkan oleh perusahaan untuk melakukan kegiatan operasional perusahaan. Perusahaan harus menentukan apakah akan menggunakan dana internal terlebih dahulu atau dana eksternal untuk membiayai investasi dalam mendapatkan struktur modal yang optimal. Tujuan dari penelitian ini adalah untuk menguji pengaruh variabel profitabil-ity, ukuran dan pertumbuhan pada struktur modal pada perusahaan barang konsumsi. Analisis regresi berganda digunakan untuk menganalisis data dalam penelitian ini. analisis data adalah con-menyalurkan pada perusahaan barang konsumsi yang terdaftar di periode Bursa Efek Indonesia 2012-2016. Berdasarkan analisis, ditemukan bahwa profitabilitas, ukuran, dan pertumbuhan memiliki efek pada struktur modal pada perusahaan barang konsumsi yang terdaftar di Bursa Efek Indonesia 2012-2016.

1. INTRODUCTION

The current economic development of developing countries, such as Indonesia, is experiencing rapid growth. Indonesia has entered the new world with the entry of the ASEAN Economic Community. This shows the increasingly tight business competition among countries so that every company must strive to maintain its survival. A company should be managed well so that the survival of the company could last a long time. It is expected that the company pay attention to all forms of its activities, one of which is the management of corporate finance. Financial management is influenced by financial decisions such as funding or financing decisions (Dwi Ema and I Ketut 2014).

Funding is a very important part of the company because it relates to many parties, such as credi-

tors, shareholders, and company management. Funding can come from internal companies and external companies (Joni and Lina 2010). Sources of funds from within the company are the funds obtained by the company from its operations in the form of retained earnings, while sources of funds from outside the company are the funds provided by creditors or investors so that these funds can be said to be company debt or funds originating from foreign capital (Mardinawati in Ni Putu 2015). The greater the funding that comes from retained earnings, the stronger the financial position of the company in the face of financial difficulties in the future. The company's operational activities require the availability of sufficient funds. Therefore, financial managers are required to be able to make decisions to look for sources of funds that will be used for the

company's operational activities in developing its business so that the funds obtained can provide benefits to the company.

In January 2015 there was a case that occurred at PT. Davomas Abadi Tbk, a food and beverage company, in which the company's shares were removed from the Indonesia Stock Exchange because PT. Davomas Abadi Tbk. failed to repay the debt to PT. Heradi Utama and PT. Aneka Surya Agro totaling IDR 2.93 trillion and also failed to pay debts to shareholders totaling IDR 319.11 billion and other debts totaling 1.26 billion (www.marketbisnis.com) dated December 23 2014.

The shares of PT. Davomas Abadi Tbk. were excluded from the Indonesia Stock Exchange due to not having a business continuity. Financial statement of PT. Davomas Abadi Tbk. for the 2013 financial year was considered unnatural by the IDX. The stock authority issued a warning over this, but PT. Davomas Abadi Tbk. was again late to report its financial performance, as a result the IDX gave a sanction in the form of fines (www.finance.detik.com).

The average capital structure of the consumer goods industry increased from 2011 to 2012. In 2011 the average capital structure was 1.076 and increased to 1.468 in 2012. This means that the average capital structure was not in a good condition because the composition of debt is greater than available equity.

This is not in accordance with the optimal capital structure, where the amount of debt should not be greater than the amount of capital. A good value of capital structure is less than one. Value of capital structure that is greater than one indicates that the company has the amount of debt, which is greater than the amount of its own capital (Putri, I & Mulia, S 2016), therefore funding decisions are very important for a company to carry out its operations.

The factors that can influence the capital structure are profitability, company size and sales growth. Based on the phenomenon, this study is given a title "The Influence of Profitability, Company Size, and Sales Growth on Capital Structure in Consumer Goods Companies."

2. THEORETICAL FRAMEWORK AND HYPOTHESIS
Pecking Order Theory
Pecking order theory was put forward by Myers and Majluf in 1984. According to Suad and Enny (2011: 276), pecking order theory is a capital structure theory that explains the determination of the hierarchy of sources of funds that are most preferred by companies. This theory is based on asymmetric in-

formation, which shows that management has more information (about prospects, risks and company values) than investors do. This asymmetric information affects the choice between internal and external funding sources, or between the issuance of new debt and new equity. In accordance with this theory, the investment will be funded by internal funding sources, in which retained earnings are first used to finance company investments which are then followed by external funding sources, that is, issuance of debt and issuance of new shares (Suad and Enny 2011: 276).

Capital Structure
In carrying out its operational activities, a company requires a capital to fulfill funding. Capital can be sourced from internal and external companies. Sources of internal capital can be in the form of retained earnings, while sources of external capital can be in the form of debt (Joni and Lina 2010). According to Dwi and I Ketut (2014), capital structure is a balance or comparison between the amount of debt and the amount of own capital. A good value of capital structure is less than one. The value of capital structure that is greater than one means that the company has the amount of debt which is greater than the amount of its own capital. This is not in accordance with the optimal capital structure, where the amount of debt should not be greater than the amount of capital (Putri I & Mulia S 2016).

Profitability
Company's good or bad performance can be measured by the extent to which the company can get higher profitability than other similar companies. The variable of profitability in this study is proxied by net profit margin (NPM) because the NPM reflects management efficiency resulting in net income achieved at a certain level of sales (Dwi and I Ketut 2014).

Company Size
According to Joni and Lina (2010), company size is a description of a company's financial ability in a given period. The large company size is considered as an indicator that describes the level of risk for investors to make investments, because if the company has good financial ability, the company is considered able to fulfill all its obligations and provide an adequate rate of return for investors (Joni and Lina 2010).

Sales Growth
Sales growth is an increase in sales from year to year
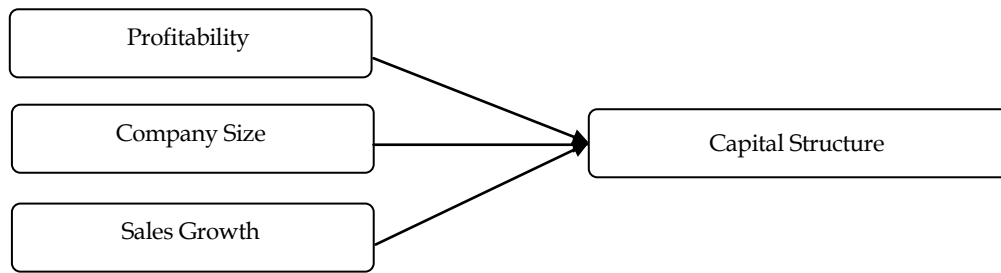
Figure 1
Thought Framework

or from time to time. According to Putri and Mulia (2016), a company that has a high sales growth rate will need additional assets to support the sales growth, thus requiring greater funding. A company that has a high sales growth in relatively fast periods of time will be worth more in the eyes of creditors and investors, because with good sales growth, the profits obtained by the company will also be good, which in turn it can guarantee the existence and sustainability of the company's activities.

The Influence of Profitability on Capital Structure
The profitability which is proxied by NPM is a ratio that measures the company's ability to generate profits from sales made (Dwi Ema and I Ketut 2014). When a company is able to increase sales, it is likely that the profits earned by the company are also high. The high level of profitability allows the company to fund most of its investment using internal financing. A company that has high profitability will tend to use a relatively small proportion of debt so that its capital structure is lower (Dwi Ema and I Ketut 2014).

This is evidenced from the results of the research conducted by Putri and Mulia (2016) and I Putu and I Made (2014) that profitability affects the capital structure.

The Effect of Company Size on Capital Structure
According to Joni and Lina (2010), company size is a description of a company's financial ability in a period of time. The bigger the company, the easier it will be to obtain debt, because large companies have easy access to the capital market. The creditor or debt provider would prefer to give credit to large companies so that large companies have wide and easy opportunities to obtain loans (Meidera 2012). It is the ease of access that makes the company have a high level of debt, so that a large company size can improve the company's capital structure.

This is evidenced from the results of the research conducted by Putri and Mulia (2016) that company size affects the capital structure. This is in line with the results of research conducted by Moch

Wahyu et al. (2014) that company size influences capital structure.

The Effect of Sales Growth on Capital Structure
Sales growth is an increase in sales from year to year or from time to time. According to Putri and Mulia (2016), a company that has a high sales growth rate will need additional assets to support the sales growth. So, a company that has a large sales growth will use more debt. Creditors will see the company's sales growth as the factor that is considered in providing loans. The higher the level of sales growth, the more funds needed to finance the company's operational activities, which results in an increased capital structure (Ni Putu and Putu Vivi 2015).

This is evidenced from the results of research conducted by Ni Putu and Putu Vivi (2015) that sales growth has a positive and significant effect on the capital structure. The results of other studies conducted by Mohammad Nur and Suhadak (2015) state that sales growth has a significant effect on the capital structure.

The theoretical framework is summarized in Figure 1. The hypotheses of this study are:
H1: Profitability has an influence on capital structure
H2: Company size has an influence on capital structure.
H3: Sales growth has influence on capital structure.

3. RESEARCH METHOD
Research Design
This research is included in the category of quantitative research. This type of research leads to testing hypotheses. The measurement of research variables is done using data analysis and statistical procedures (Sujoko Efferin 2008: 47). Based on its classification, this research is classified as causal research that aims to identify the influence of independent variables on the dependent variable. Based on data collection methods, this research is a research that uses secondary data.

Research Limitation
This research only discusses the effect of indepen-

Table1
Sample Criteria

No.	Sample Criteria	Total
1.	Consumer goods industry sector companies listed on the Indonesia Stock Exchange from 2012 to 2016	170
2.	Companies that do not issue financial statements	(1)
3.	Companies that do not issue financial statements in Indonesian rupiah	(0)
4.	Companies that do not report financial statements that end on December 31	(5)
	Total Sample	164
	Outlier data during 2012-2016	(24)
	Total Final Samples Used	140

Table 2
Descriptive Statistics of Research Samples

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std Deviation
DER	140	.1502	2.6049	.795566	.5081023
PROFIT	140	-.0807	.1772	.067319	.0522383
SIZE	140	94955970131	85938885000000	8784217549829.91	16994506782746.172
GROWTH	140	-.2550	.7203	.111237	.1381059
VALID N (listwise)	140				

dent variables, consisting of profitability, company size and sales growth, on the dependent variable, namely capital structure. This research only uses financial statement data of consumer goods industry companies listed on the Indonesia Stock Exchange within the study period from 2012 to 2016.

Variable Identification
Based on the theoretical basis and research hypothesis described earlier, the dependent variable used is capital structure and the independent variables are profitability, company size and sales growth.

Operational Definition and Variable Measurement
Capital Structure
Capital structure is used to show a comparison between debt and equity of the company (Murhadi in Mohammad Nur Fauzi and Suhadak 2015).

$$Capital\ Structure = \frac{Total\ Debt}{Total\ Equity}. \tag{1}$$

Profitability
Profitability which is proxied by Net Profit Margin (NPM) is a profitability ratio that measures the ability of a company to generate profits from the sales made (Dwi Ema dan I Ketut 2014).

$$NPM = \frac{Net\ Profit\ after\ Tax}{Sales} \tag{2}$$

Company Size
Company size describes the size of a company which can be assessed from the total assets owned. Company size can be proxied through total assets (Meidera Elsa 2012).

Company Size = Ln Total Aset. (3)

Sales Growth
Sales growth is an increase in the number of sales from year to year or from time to time (Kennedy in I Putu 2014). Sales growth in this study is calculated using the formula (Ni Putu and Putu Vivi 2015).

$$\frac{Total\ Sales\ t - Total\ Sales\ t-1}{Total\ Sales\ t-1}. \tag{4}$$

Population, Sample, and Sampling Technique
The population in this study is consumer goods industry sector companies listed on the Indonesia Stock Exchange. The research period used is from 2012-2016. The sampling technique used purposive sampling, a sampling technique that uses certain considerations and limitations so that the selected samples are relevant to the research objectives.

The criteria used in determining the sample are: Consumer goods industry sector companies listed on the Indonesia Stock Exchange from 2012 to 2016. The consumer goods industry sector companies publish financial statements in Indonesian rupiah (IDR) from 2012 to 2016. The financial statements presented are financial statements that ended on December 31.

Data and Data Collection Method
The data used in this study are quantitative data

Table 3
Initial Normality Test Results

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	164
Normal Parameters[a,b] Mean	.0000000
Std Deviation	6.44294569
Absolute	.375
Most Extreme Differences Positive	.375
Negative	-.350
Kolmogorov-Smirnov Z	4.798
Asymp. Sig. (2-tailed)	.000

Table 4
Normality Test Results (Data after Outlier)

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
N	140
Mean	.0000000
Normal Parameters[a,b] Std Deviation	.47569397
Most Extreme Differences Absolute	.098
Positive	.095
Negative	-.098
Kolmogorov-Smirnov Z	1.162
Asymp. Sig. (2-tailed)	.134

sourced from secondary data. Secondary data are the data obtained in the fixed form which are collected and processed by other parties, usually in the form of publications. Other data, which are relevant to this research, are obtained from the website of the Indonesia Stock Exchange (IDX) www.idx.co.id and the company's official website.

4. DATA ANALYSIS AND DISCUSSION

Based on the results of the sample selection in Table 1, the number of consumer goods industry companies listed on the Stock Exchange in 2012-2016 is 34 companies. The number of data of consumer goods industry companies that met the sample criteria in this study is 140 data.

Descriptive Analysis
Capital Structure

Based on Table 2, the lowest value of the DER variable is 0.1502 owned by PT. Mandom Indonesia Tbk. in 2012. This shows that the company has a good composition of capital structure. This is evidenced by the total equity of PT. Mandom Indonesia Tbk., which experiences an increase of 7.5% from 1.02 trillion in 2011 to 1.10 trillion in 2012 with a total debt of 164,751,376,547 in 2012. So, the company has a fairly high capability in paying corporate debt.

The highest value is 2.6049 owned by PT. Ben-

toel International Investama Tbk. in 2012. The total debt of 5,011,668,000,000 is greater than the total equity of 1,923,933,000,000 resulting in a not-so-good composition of the company's capital structure. This is because the company's total equity in 2012 has decreased. This decrease in total equity is due to the impact of losses incurred in 2012, due to the impact of clove price increases.

The standard deviation of capital structure is 0.5081023 smaller than the mean value of capital structure of 0.795566. It shows that the capital structure data are not too varied or homogeneous.

Profitability

In Table 2, it can be seen that the lowest value of the profitability variable is -0.0807 owned by PT. Tri Banyan Tirta Tbk. in 2015. This shows that the company is said to be unable to generate profits from sales, because in 2015 the company suffered a loss of 24 billion. The decline in profit performance was due to a decrease in sales turnover from 332,402,373,397 in 2014 to 301,781,831,914 in 2015.

The highest value of the profitability variable is 0.1772 owned by PT. Unilever Indonesia Tbk. in 2012. This shows that the company is able to generate profits from sales. PT. Unilever Indonesia Tbk. in 2012 earned a profit of 4.8 trillion and experienced an increase of 16.2% from the previous year of 4.2

Table 5
Heteroscedasticity Test

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.510	.336		-1.518	.131
PROFIT	.721	.399	.175	1.809	.073
SIZE	.024	.012	.183	1.959	.052
GROWTH	-.199	.132	-.128	-1.504	.135

Table 6
Multicollinearity Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Std. Coefficients	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1.759	.780		-2.256	.026		
PROFIT	-3.177	.925	-.327	-3.434	.001	.712	1.404
SIZE	.094	.028	.306	3.330	.001	.762	1.313
GROWTH	.778	.307	.212	2.532	.012	.924	1.083

Table 7
Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.351a	.123	.104	.4809120	1.951

trillion. The increase in corporate profits was due to the company's succeeding in increasing net sales by 27.3 trillion, which was higher than the previous year amounted to 23.5 trillion. This increase in sales was due to increased product sales through domestic distributors and increased export sales.

The standard deviation value of profitability of 0.0522383 is smaller than the mean value of profitability of 0.067319, thus indicating that the profitability data are not too varied or homogeneous.

Company Size
Based on Table 2, the lowest value of the company size variable is IDR 94,955,970,131 owned by PT. Kedaung Indah Can Tbk. in 2012. This shows that the company has limited assets compared to other consumer goods industry sector companies, so it cannot attract the attention of investors or creditors to provide loans to the company.

The highest value is IDR 85,938,885,000,000 owned by PT. Indofood Sukses Makmur Tbk. in 2014, with total assets of 85.94 trillion. Total assets increased by 10.7% from 77.61 trillion in 2013. This was driven by increases in net fixed assets and plantation crops.

The standard deviation of company size of 16994506782746,172 is greater than the mean value of company size of 8784217549829.91, indicating that the company size data are heterogeneous, this is due to the high level of data variation.

Sales Growth
Based on Table 2, the lowest value of the sales growth variable is -0.2550 owned by PT. Delta Djakarta Tbk. 2015. This shows that the company has a low growth rate. This is due to a decline in sales from 2.112 trillion in 2014 to 1.573 trillion in 2015. The decline in sales was due to a new policy in April 2015, where the Government of Indonesia banned the sale and distribution of beer in retail stores and minimarkets, giving detrimental effect to the volume of the beer industry.

The highest value of sales growth variable is 0.7203 owned by PT. Sekar Bumi Tbk. in 2013. Sales increased by 72% from 753.7 billion in 2012 to 1,296.6 billion in 2013 due to an increase in the volume of sales of frozen shrimp and frozen processed foods.

The standard deviation value of sales growth of 0.1381059 greater than the mean value of sales growth of 0.111237, indicating that sales growth data are heterogeneous, this is due to the high level of data variation.

Normality Test
Based on the SPSS output in Table 3, it shows the

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Table 8
Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.759	.780		-2.256	.026
	PROFIT	-3.177	.925	-.327	-3.434	.001
	SIZE	.094	.028	.306	3.330	.001
	GROWTH	.778	.307	.212	2.532	.012

Table 9
F Test Results

ANOVA[a]

	Sum of Squares	df	Mean Square	F	Sig
Regression	4.432	3	1.477	6.387	.000b
Residual	31.454	136	.231		
Total	35.885	139			

value of the One-Sample Kolmogrov-Smirnov Test is 4.798 with a significance level of 0.000 < 0.05. It can be concluded that the residual data are not normally distributed in the sample of 164 data. So, data elimination is needed to make the data become normal.

Table 4 shows the data used in this study are 140 data by eliminating 24 data. The value of One-Sample Kolmogrov-Smirnov Test is 1.162 with a significance level of 0.134, then H0 is accepted which means that the data are normally distributed. Therefore, the data used to test the regression model are the data after the outlier, or 140 data.

Heteroscedasticity Test
Table 5 shows that the significance value of profitability is 0.073, the significance value of company size is 0.052 and the significance value of sales growth is 0.135. All the independent variables above have a significance value of more than 0.05. So, it can be concluded that heteroscedasticity does not occur.

Multicollinearity Test
Table 6 shows that the tolerance value of profitability is 0.712, the tolerance value of the company size is 0.762 and the tolerance value of sales growth is 0.924, which means that there is no correlation between independent variables. The VIF value of the three independent variables above shows a result of less than 10. The VIF value of profitability is 1.404, the VIF value of company size is 1.313 and the VIF value of sales growth is 1.083. So it can be concluded that there is no multicollinearity.

Autocorrelation Test
Table 7 shows that the Durbin-Watson value of 1.951. This Durbin Watson value is compared with a

significant table value of 5%, the total number samples is 140 and the number of independent variables is 3 (k = 3). Then the value of du is 1.7678. The value of DW is 1.951 greater than the upper limit (du) of 1.7678 and the DW value is less than (4-du) 4-1.7678 = 2.2322. So, it can be concluded that there is no autocorrelation.

Multiple Linear Regression Analysis
Based on Table 8, it is obtained the multiple linear regression equation as follows:
DER = -1.759 – 3.177 PROFIT + 0.094 SIZE + 0.778 GROWTH + e.

F Test
Table 9 shows that the value of F count is 6.387, with a significance probability of 0.000 < 0.05, then H0 is rejected. It can be concluded that the variables of profitability, company size and sales growth affect the capital structure so that the regression model can be said to be fit and feasible for further analysis.

Determination Coefficient Test (R2)
Table 10 shows that the value of adjusted R2 is 0.104 or 10.4%. It can be concluded that the variables of profitability, company size and sales growth are able to explain the dependent variable, namely the capital structure of 10.4% in the consumer goods industry sector companies listed on The Indonesia Stock Exchange in 2012-2016 and another 89.6% is explained by other variables (in addition to profitability, company size and sales growth).

T Test
Table 11 is the result of t test. From Table 11, it explains that:

Table 10
Determination Coefficient Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.351a	.123	.104	.4809120

Table 11
T Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.759	.780		-2.256	.026
PROFIT	-3.177	.925	-.327	-3.434	.001
SIZE	.094	.028	.306	3.330	.001
GROWTH	.778	.307	.212	2.532	.012

1. Profitability

The variable of profitability has a significance value of 0.001 < 0.05, so it can be concluded that H0 is rejected, which means that the variable of profitability has an influence on the capital structure of the consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2012-2016.

2. Company Size

The variable of company size has a significance value of 0.001 < 0.05, so that it can be concluded that H0 is rejected which means that the variable of company size has an influence on the capital structure of the consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2012-2016

3. Company Growth

The variable of sales growth has a significance value of 0.012 < 0.05, so it can be concluded that H0 is rejected which means that the variable of sales growth has an influence on the capital structure of the consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2012-2016.

Discussion

The Influence of Profitability on Capital Structure

The results of the t test in this study show that profitability affects the capital structure because the variable of profitability has a significance value of 0.001 < 0.05. This means that companies that have high profitability will use relatively small proportions of external funding so that internal funding dominates the company's capital structure.

Table 12 shows that there is a significant relationship between profitability and capital structure. In 2013 NPM decreased from 0.1058 in 2012 to 0.0891 in 2013. This was followed by an increase in DER of 0.6032 in 2013 from 0.4811 in 2012. In 2015 NPM increased from 0.0843 in 2014 to 0.0921 in 2015. This was followed by a decrease in DER from 0.6563 in 2014 to 0.6208 in 2015. It can be concluded that the higher the level of profitability, the greater the internal funding sources owned by the company in the form of retained earnings, so the company does not need external funding, such as debt, to fund the company's operational activities.

This is in accordance with the pecking order theory, which states that in terms of funding, companies prefer funding sourced internally from retained earnings. The greater the portion of funds available to finance the company's operational activities derived from internal funding sources (retained earnings), the lower the fixed costs (such as interest costs) needed by the company. If the operational funding needs come from external sources in the form of debt, both short and long-term debt, the company must pay a fixed fee in the form of a substantial interest expense.

The results of this study are evidenced by the results of the study conducted by Putri and Mulia (2016) and I Putu and I Made (2014) that profitability affects the capital structure.

The Effect of Company Size on Capital Structure

The results of the t test in this study show that company size has an effect on capital structure because the variable of company size has a significance value of 0.001 < 0.05. This indicates that large companies tend to use higher external funding because of the ease of access they have to obtain loans so that large companies can increase the external funding used.

Based on Table 13, there is a significant relationship between company size and capital structure. In 2013 the SIZE experienced an increase from 28.3616 in 2012 to 28.5360 in 2013. This was followed by an increase in DER from 0.4404 in 2012 to 0.5218 in 2013. In 2015 and 2016 SIZE also experienced an increase and followed by an increase in DER in the

Table 12
Example of NPM and DER Data

Code	Year	NPM	DER
	2012	0.1058	0.4811
	2013	0.0891	0.6032
ICBP	2014	0.0843	0.6563
	2015	0.0921	0.6208
	2016	0.1054	0.5622

Table 13
Example of SIZE and DER Data

Code	Year	SIZE	DER
	2012	28.3616	0.4404
	2013	28.5360	0.5218
KAEF	2014	28.7190	0.6388
	2015	28.8054	0.7379
	2016	29.1598	1.0307

Table 14
GROWTH and DER Data

Code	Year	GROWTH	DER
	2012	0.1140	0.4811
	2013	0.1631	0.6032
ICBP	2014	0.1964	0.6563
	2015	0.0572	0.6208
	2016	0.0859	0.5622

same year.

This is in accordance with the pecking order theory which states that if external funding is needed, the company will choose debt. The size of a company allows the company to obtain loans more easily because creditors prefer to provide credit to large companies. So, it can be said that company size can be one factor that influences the capital structure. The larger the company, the greater the external funding needed to carry out the company's operational activities. When internal funding in the form of retained earnings has not been able to fund the company's operational activities, the company will choose external funding to meet the required funding sources.

The results of this study are evidenced by the results of the studies conducted by Putri and Mulia (2016), Moch Wahyu et al. (2014), and Meidera Elsa (2012) that company size affects the capital structure

The Effect of Sales Growth on Capital Structure
The results of the t test in this study show that sales growth influences the capital structure because the variable of sales growth has a significance value of

0.012 < 0.05. This indicates that the company with high sales growth rate will need more funding so that they can increase the company's external funding.

Based on Table 14, there is a significant relationship between sales growth and capital structure. In 2013 GROWTH experienced an increase from 0.1140 in 2012 to 0.1631 in 2013. This was followed by an increase in DER, from 0.4811 in 2012 to 0.6032 in 2013. It can be concluded that if there is an in GROWTH, it will be followed by an increase in DER. So, companies that have high sales growth rates tend to use external funding to support the company's sales growth.

This is in accordance with the pecking order theory, which states that if a company requires external funding for additional capital, the company will issue the safest securities first, namely the issuance of new debt. The higher the level of sales growth, the greater the tendency of the company to use external funding to finance the company's operational activities if the internal funding is not able to meet the funding sources.

The results of this study are evidenced by the results of the studies conducted by by Ni Putu and Putu Vivi (2015), Dwi and I Ketut (2014), and Mohammad Nur and Suhadak (2015) that sales growth affects the capital structure

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS
Based on the results of the data analysis, it can be concluded that: 1) the variable of profitability has an influence on the capital structure of the consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2012-2016. The higher the profitability of the company, the lower the capital structure, because the company that has high profitability tends to use internal sources of funds (retained earnings) before using external funds; 2) the variable of company size has an influence on the capital structure of the consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2012-2016. The larger the company, the easier the company to obtain debt because large companies have easy access to capital markets. This ease of access makes the company have a high level of debt. So, large company size can improve the company's capital structure; 3) the variable of sales growth has an influence on the capital structure of the consumer goods industry sector companies listed on the Indonesia Stock Exchange in 2012-2016. The higher the sales growth rate, the greater the funds needed to finance the company's operational

activities, which results in increased capital structure.

The limitation of this study is that there are quite a lot of outlier data, or 24 data, so that the number of final samples used is only 140 of the total population of 164 data. In addition, it is not allowed to measure the variable of company size using natural logarithms (ln), but other measurements such as total asset growth.

Based on the results of this study, it is expected that further research add other independent variables in order to obtain a comprehensive picture of the capital structure decision making. In addition, it is also expected that further research use larger samples, such as manufacturing companies.

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