

306. 2017 artikel masuk

by irma syaifullah

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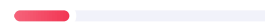


164

Correctness

18

Misspelled words



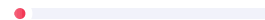
3

Incomplete sentences



2

Unknown words



30

Comma misuse within clauses



7

Improper formatting



4

Incorrect verb forms



5

Faulty tense sequence



22

Determiner use (a/an/the/this, etc.)



34

Punctuation in compound/complex sentences



11

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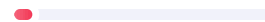
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Misplaced words or phrases



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Incorrect noun number



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Faulty subject-verb agreement



6

Misuse of quantifiers



2

Pronoun use



1

Mixed dialects of english



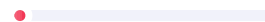
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Confused words



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Closing punctuation



100

Clarity

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Passive voice misuse



8	Hard-to-read text	<div><div></div></div>
27	Wordy sentences	<div><div></div></div>
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Measures average sentence length

words per sentence

306. 2017 artikel masuk

1

Capital Aspects and Share Ownership Towards Of Banking Financial
Performance in ASEAN Member Countries

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ABSTRACT

This research was conducted¹ to examine the effect of capital structure and ownership structure on profitability in the banking sector in Indonesia and the Philippines in 2013-2017. It used the population from conventional commercial banks listed on the Stock Exchange in Indonesia and the Philippines. The data were analyzed using statistical analysis with a structural model. Hypothesis testing results shoow² that the capital structure (DER, CAR, and LDR) affects the banks' rofitability³ in Indonesia. The ownership structure (managerial ownership and institutional ownership) has a significant positive effect on the banks' profitability also in Indonesia. However, the capital structure (DER, CAR, and LDR) has no effect⁴ on the banks' profitability in the Philippines. And neither has thee⁵ capital structure (DER, CAR, and LDR) no effect⁶ on the banks' profitabilityboth⁷ in Indonesia and in⁸ the Philippines. The ownership structure (managerial ownership and institutional ownership) has a significant positive

⁹effect on the banks' profitability of banks both in Indonesia and in the
Philippines¹⁰

¹¹Key words: Capital structure, Ownership structure, Financial performance and
ASEAN.¹²¹³

ABSTRAK

Penelitian ini dilakukan dengan tujuan untuk menguji pengaruh struktur modal dan struktur kepemilikan terhadap profitabilitas pada sektor perbankan di Negara Indonesia dan Philipina pada tahun 2013-2017. Populasi yang digunakan adalah bank-bank umum konvensional yang terdaftar di bursa efek di Indonesia dan Philipina. Teknik analisis data yang digunakan dalam penelitian ini adalah analisis statistik dengan model struktural. Hasil pengujian hipotesis menginformasikan bahwa struktur modal (DER, CAR, dan LDR) berpengaruh terhadap profitabilitas perbankan di Negara Indonesia. Struktur kepemilikan (kepemilikan manajerial dan kepemilikan institusional) berpengaruh positif yang signifikan terhadap profitabilitas perbankan di Negara Indonesia. Struktur modal (DER, CAR, dan LDR) tidak berpengaruh terhadap profitabilitas perbankan di Negara Philipina. Struktur modal (DER, CAR, dan LDR) tidak berpengaruh terhadap profitabilitas perbankan di Negara Indonesia dan Philipina. Struktur kepemilikan (kepemilikan manajerial dan kepemilikan institusional) berpengaruh positif yang signifikan terhadap profitabilitas perbankan di Negara Indonesia dan Philipina.

Key words: Struktur modal, Struktur kepemilikan, Kinerja keuangan dan ASEAN.

INTRODUCTION

Banking¹⁴ industry in Indonesia has developed significantly over time. In¹⁵ the beginning of 1980, there were no¹⁶ clear laws governing banking. Onl¹⁷t are the state banks allowed to extend their loans, which is called Bank Indonesia Liquidity Credit (KLBI). The banking development before 1990 was a legal certainty regarding the banking system that had begun in Law No.7 of 1992. It was a public trust in the banks that¹⁸ began¹⁹ to increase It had arisen or established private banks and formed a bank health assessment system. After 1990, the banks' performance in Indonesia declined due to the number of bad loans, the bank's liquidity was getting lower²⁰ and regulations regarding the bank's soundness. They found it difficult^{21,22} to implement it. The most prominent thing was the capital adequacy of banks. To correct the weaknesses that occur²³ in the banks' performance in Indonesia, an API (Indonesian Banking Architecture)²⁴ was established²⁵ beginning in January 9, 2004 (Prasanjaya & Ramantha, 2013).

Since 2017 the national banking system has been tightening the supervision related to aspects of performance measurement concerning the success of²⁶ their financial performance. In addition, some efforts have also been made to²⁷ strengthen the company's operational effectiveness and sustainable efficiency. In this case, the bank capital and ownership factors determine the success to²⁸ achieve these goals²⁹. The weakening of banking capital in ASEAN countries was triggered by the global crisis in 2008, causing very high asset financing and high loan interest rates, as well as increasing the company's operational costs to make careful adjustments. This³⁰ was also experienced³¹ by several banks in Indonesia and the Philippines (Subandi & Ghozali, 2013).

Banking ³²condition in the Philippines at this time also experienced ³³a sluggish growth in terms of their financial performance. All these were caused by ³⁴disrupted capital aspects ³⁵due to capital out flow caused by political turmoil after the election of a new leader in the Philippines. Investors make very significant capital withdrawals to be diverted to the property and consumption sectors when compared to the banking sector. The existence of the Central Bank of the Philippines to maintain financial stability is also disturbed very much by changes in investor behavior that affects the composition of share ownership in the banking services industry in the Philippines. This ³⁶phenomenon is interesting to be investigated by the present researchers. Therefore, this study attempts to see and investigate the effect of capital aspects and ownership on the banks' financial performance in the Philippines. The banking profitability ratio ³⁷is intended to determine the companies' financial performance that ³⁸utilize assets and ³⁹financial resources owned to produce profits for the company (Pandia, 2012). Therefore, capital aspects ⁴⁰greatly determine the amount of ⁴¹financial data sources that can ⁴²be used to generate profits. For example, ⁴³capital adequacy ratio (CAR) is the capital adequacy ratio owned by the banks to support assets to overcome the possible risk of any risky credit or productive assets (Darmawi, 2011). For that reason, the stronger the bank's capital, the higher the CAR ratio is, having the possibility for the bank to improve ⁴⁴their performance (Kasmir, 2016). This statement is ⁴⁵in accordance with the results of research conducted by Dewi, N. V. ⁴⁶et al (2017), Kurniasih (2016) ⁴⁷and Damayanti & Savitri (2012) ⁴⁸stating that the increase in CAR has a significant positive effect on profitability. Instead, the results of this study differ from other ^{49,50}study conducted by Suyono ⁵¹et al (2017). The high proportion of debt to capital owned by the bank can be summarized by ⁵²the ratio of debt to equity ratio. This ratio is often also known as the leverage

ratio. It is because this leverage ratio is a trigger or lever for companies to use funding sources that come from debt to generate profits. However, since this debt has risks, the debt must be protected with sufficient capital and must be owned by the Bank (Herry, 2015). A high increase in DER will cause the bank's liquidity risk to also be higher⁵³. This⁵⁴ is in line with the results of research by Tailab (2014) and Niresh (2012). Another different⁵⁵ evidence was asserted⁵⁶ by Rembet et al⁵⁷ (2018) stating⁵⁸ that DER has no significant effect on profitability. The study by Suyono et al⁵⁹ (2017) show⁶⁰ that an increase in loan to deposit ratio (LDR) has a significant and negative effect on profitability. However, it is different from that by Damayanti & Savitri (2012) and Kurniasih (2016) stating⁶¹ that an increase in LDR does not have significant⁶² effect on the company⁶³ profitability. Suyono et al⁶⁴ (2017) study is⁶⁵ also supported by that of the study⁶⁶ by Kodongo et al⁶⁷ (2015). According to Defri (2012), LDR is a ratio that informs about the company's ability to provide funds for the needs of its debtors. The ownership structure is part of the composition of company shares owned by management, companies, and other institutions as well as those owned by the public (Rembet et al⁶⁸, 2018). The previous studies found that the ownership structure does not have a significant effect on the banks' financial performance (Rembet et al⁶⁹, 2018) and Wiranata & Nugrahanti (2013). Yet, they are⁷⁰ are different from the research conducted by Nugrahanti & Novia (2012). Based on such differences, the present study tarries⁷¹ to determine the effect of capital structure with indicators such as Capital Adequacy Ratio, Debt to Equity Ratio, Loan to Deposit Ratio, and ownership structure with indicators measuring Managerial Ownership and Institutional Ownership on the banks' profitability in Indonesia and the Philippines.

THEORETICAL FRAMEWORK AND HYPOTHESES

Positive Accounting Theory

Regarding the positive accounting theory, it can be referred to⁷² Watts and⁷³ Zimmerman (1986). They are the initiators or inventors of this theory, arguing that the purpose of accounting theory is to explain and predict the accounting practices. By explaining⁷⁴, it means to provide the reasons for accounting practices that can predict phenomena: that are not observed or that cannot be investigated⁷⁵. This theory relates to the concepts in the form of hypotheses to be tested⁷⁶. After that, Watts and Zimmerman also stated that this theory should be built by academics, based on empirical evidence that has the power to predict. Theories that are not built on this basis are referred by Watts and⁷⁷^{78,79} Zimmerman as "child's theory"⁸⁰⁸¹ which generalizes without scientific research experience (Watts & Zimmerman, 1986). The reason why the researcher uses this positive accounting theory as a guideline is clear⁸². This theory tries to predict the hypotheses that have been made⁸³ so that they can be observed⁸⁴. Therefore, that researcher can infer the hypotheses⁸⁵ by connecting all existing and interconnected concepts.

Signalling⁸⁶ Theory

Signaling theory is broadly related to the information⁸⁷ availability. In this case, financial statements can be used by the investors to make decisionss⁸⁸. Using⁸⁹ signal theory⁹⁰, information can be in the forms⁹¹ of such as return on assets (ROA) or the rate of return to assets or also how much profit is derived⁹² from the assets used. Thus if ROA is high, it will be a good signal for investors, as explained by Jogiyanto (2014) stating⁹³ that the information published as an announcement will give a signal⁹⁴ to investors in making investment decisions. According to Scott (2012), this signaling theory is a theory stating that there is encouragement owned by company managers who have good⁹⁵ information

about the company. Thus, they will be motivated to convey information about the company to their prospective investors that have the aim to increase the company's value through this signal theory in the company's financial statements. The reason for using this signal theory is that it can motivate the banks' managers to achieve their goals in order to⁹⁵ increase their banks' profitability and finances.

The Effect of Debt to Equity Ratio on Profitability

Debt to Equity Ratio (DER) is a ratio used to measure the banks' ability to cover part or all of their debts⁹⁶, both long term and short term, with funds originating from the their own^{97 98} capital (Kasmir, 2016). High or low Debt to Equity Ratio (DER) will affect the level of achievement of Return on Equity (ROE) achieved by the company. If the cost incurred by the loan is smaller than the cost of capital alone, the source of funds derived from loans⁹⁹ or debt will be more effective in generating profits. Conversely, if the cost incurred by loans is greater¹⁰⁰ than the cost of own capital, the source of funds derived from loans¹⁰¹ or debt is not effective in generating profits.

Companies with growing profits will strengthen the relationship between DER and profitability, which is where profitability increases along with low DER. The higher Debt to Equity Ratio (DER) indicates the greater¹⁰² the company's burden on outsiders. This¹⁰³ is probable to reduce the company performance because the level of dependency with outsiders is getting higher. Sartono (2010) states that the greater the use of debt in the capital structure, the higher the Return on Equity (ROE) of a company. The test results of the research by Rembet et al¹⁰⁴ (2018) showed that DER did not significantly affect profitability as measured by ROA. On the contrary, a research^{105,106} conducted by Dewi, et al¹⁰⁷ (2015) showed that

DER has a negative and significant effect on ROA. In addition, Astuti et al (2015) stated that DER had a negative and significant effect on ROE.

The Effect of Loan to Deposit Ratio on Profitability

Loan to Deposit Ratio (LDR) is the ratio between all the amount of credit given by the banks and funds received by them. The LDR states in what degree the bank's ability to repay the fund withdrawals made by depositors by relying on credit as a source of liquidity to debtors. Loan to Deposit Ratio (LDR) is a measure of the ability of banks to repay withdrawals of funds made by depositors by relying on loans provided as a source of liquidity (Kasmir, 2016). In addition, the Loan to Deposit Ratio (LDR) is a ratio used to measure the composition of the amount of credit given compared to the amount of public funds and own capital used.

Agustiningrum (2012) states that the effect of the Loan on Deposit ratio (LDR) on profitability e.g., the size of the bank's Loan to Deposit Ratio (LDR) can affect the bank's profitability. The greater the amount of funds channeled to the customers such as in the form of credit, the lower the amount of idle funds and but the higher the interest income earned or vice versa. The smaller the funds channeled to customers in the form of credit, the higher the number of idle funds and the lower the interest income earned. Test result of the study by Dewi, et al (2015) showed that LDR partially has a positive and significant effect on ROA, while the results of the study by Kurniasih (2016) showed that LDR has no significant effect on ROA. Still according to Christiano et al (2014), LDR has a positive and significant effect on profitability

Effect of Capital Adequacy Ratio on Profitability

Banks have capital that can ¹²⁷be used for their operations. Their ¹²⁸capital consists of two types, namely core capital and supplementary capital. The capital adequacy ratio, which ¹²⁹is often referred to as the Capital Adequacy Ratio (CAR). It also reflects the bank's ability to fund its operational activities (Indroes, 2008). ¹³⁰In accordance with Bank Indonesia Regulation No.10/ 15/ PBI/ 2008, the minimum capital requirement for a bank is 8%. A bank that has sufficient capital leads to higher profitability. It means that the higher the ¹³¹capital invested in the bank, the higher the bank's profitability (Defri, 2012). Capital Adequacy Ratio (CAR) is a ratio between the ratios of capital to RWA or commonly referred to as ¹³²Risk Weighted Assets and ¹³³in accordance with government regulations (Kasmir, 2016). The higher the risk, the higher the risk margin, so that it can affect the level of income and the smooth operation of a company, which in turn, can affect the level of the amount of credit extended to the public. Damayanti & ¹³⁴Savitri (2012) research test results show that CAR has a positive and significant effect on bank profitability. The higher the CAR, the higher the bank's profitability. On the contrary, the study by Suyono ¹³⁵et al (2017) shows that CAR does not significantly affect the bank's profitability as measured by ROA. But, Hutagalung ¹³⁶et al (2013) state that CAR has a significant effect on bank profitability.

The Effect of Institutional Ownership on Profitability

Institutional ownership is the share ownership owned by corporate and government institutions. The proportion of institutional share ownership can ¹³⁷be measured by comparing the number of shares owned by institutional investors with the company's total capital stock in circulation. According to Baridwan (2011), institutional ownership as a share proportion is owned by an institution

or institution at the end of the year. It has an important meaning in monitoring management because its existence can encourage optimal oversight. The greater institutional ownership, the greater the voice power and encouragement of the institution to oversee management. As a result, it will provide a greater impetus to optimize the value of the company, so that the company's performance will continue to increase. The results of tests conducted by previous researchers namely Wiranata & Nugrahanti (2013) stating that institutional ownership has not been proven to affect profitability, while research conducted by Candradewi & Sedana (2016) stating that institutional ownership has a positive and significant effect on profitability (ROA). Also, according to Nugrahanti & Novia (2012), institutional ownership has a positive and significant effect on profitability. This reflected that the low strength of institutional ownership will affect the weakening of external control over the company. The existence of institutional ownership can help increase more optimal supervision of the company's performance in achieving the company's goals, namely to obtain maximum profit.

The Effect of Managerial Ownership on Profitability

Managerial ownership is a condition where the manager takes part in the company's capital structure. In other words, the manager has a dual role, namely as a manager and as a shareholder in the company. In financial statements, this situation is presented by the large percentage of ownership by managers (Rembet et al, 2018). Managerial ownership is measured by the proportion of shares owned by the company at the end of the year and expressed as a percentage. The greater the proportion of shares of managerial ownership in the company, then management will also try even harder for the interests of shareholders which in other words are themselves.

Large management ownership will be effective to oversee the company's activities. In addition, the greater the ownership of shares by management, the less the tendency of management to optimize the use of resources, resulting in the performance of management to be maximized and ownership of shares owned by the Board of management directors, managers can increase the maximum profitability of the company.

The study by Wiranata & Nugrahanti (2013) states that managerial ownership does not significantly affect profitability. Neither did the study by Rembet et al (2018). Their result also show that managerial ownership does not significantly influence profitability. In contrast to researchers conducted by Candradewi & Sedana (2016) states that managerial ownership has a positive and significant effect on profitability. Based on the arguments and theoretical basis above, the research framework can be drawn as in Figure 1.

Capital Structure

Ownership Structure

Debt to Equity

Capital Adequacy Ratio

Loan to Deposit Ratio

Institutional Ownership

Managerial Ownership

Profitability

Return on Asset

Return on Equity

Figure 1: Research Framework

As in the theoretical framework and ¹⁷²in the research framework in Figur 2, the hypotheses can ¹⁷³be stated as the following:

Research Hypotheses:

H1: Do the capital structure and ownership structure affect the banks' profitability in Indonesia?

H2: Do the capital structure and ownership structure affect the banks' profitability in the Philippines?

H3: Is there a different effect of capital structure and ownership structure on the banks' profitability in Indonesia and the Philippines?

3. RESEARCH METHOD

This study used the sample ¹⁷⁴ taken only from the banks in two ASEAN countries, namely the banks in Indonesia and those ¹⁷⁵ the Philippines over ¹ a five-year period, 2013-2107. ¹⁷⁷ This studies used panel data were 152 Philippines Banks and 175 Indonesia Banks. The data ¹⁷⁸ were taken from their annual financial statements on the official website, namely www.idx.co.id and www.set.or.ph. It used the ¹⁷⁹ variables such as dependent variable (Y) ¹⁸⁰ that ¹⁸¹ is profitability.

Y = Profitability

Independent variables as X such as the following:

X1 = DER (Debt to Equity Ratio)

X2 = CAR (Capital Adequacy Ratio)

X3 = LDR (Loan to Deposit Ratio)

X4 = Institutional Ownership

X₅ = Managerial Ownership

Operational Definition and Variable Measurement

This study used Return on Assets (ROA) as an indicator of the banks' profitability. ROA is a ratio that shows the return on the ¹⁸² amount of assets used in the company and is a measure of the effectiveness of management in managing its investments (Hanafi, Mamduh M & Halim, 2012). Then Return on Equity (ROE) ¹⁸³ which is the return on equity of common ¹⁸⁴ stock is used to measure

the level of profits generated from shareholder investments (Kasmir, 2016).

ROA and ROE can be calculated¹⁸⁵ using the following formula:

Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) s the ratio used to assess debt¹⁸⁶ with equity. This ratio is resulted¹⁸⁷ by comparing all debt¹⁸⁸, including current debt and all equity¹⁸⁹. This ratio is useful to see the amount of funds provided by the borrower (creditor)¹⁹⁰ with the owner of the company.¹⁹² In other words, this ratio serves to know every rupiah of its own¹⁹³ capital that is used¹⁹⁴ for debt guarantees (Kasmir, 2016). For creditors (banks), the greater¹⁹⁵ the DER, the less profitable it will be because¹⁹⁶ the greater¹⁹⁷ the risk posseed¹⁹⁸ by the failure that may occur in the company. However, for companies, the bigger the DER, the better. The following is the DER calculation formula:

Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio (CAR) is a bank performance ¹⁹⁹ratio, used to measure the capital adequacy of banks to support assets that contain or generate risk, for ²⁰⁰example loans provided. Capital Adequacy Ratio (CAR) is a capital ratio that shows the ability of banks to provide funds for business development needs and to accommodate the possible risk of losses resulting from bank operations (Kasmir, 2016). The following is the CAR calculation formula:

Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR) is a ratio used to measure how much the bank's ability to pay debts and repay to depositors (third parties and can meet credit requests submitted without any suspension. Loan to Deposit Ratio (LDR) is the ratio used to measure the composition of the amount of credit given compared to the ²⁰¹amount of public funds and own capital used. The maximum Loan to Deposit Ratio (DER) according to government ²⁰²regulations is 110% (Kasmir, 2016). The following is the LDR calculation formula:

Institutional Ownership

Institutional ownership is a condition where an institution has a stake in a company. This institution can be in the form of government institutions, private institutions, and domestic as well as foreign institutions. The presence of institutional investors is considered capable of being an effective monitoring mechanism in every decision taken by managers. The ²⁰³greater the institutional ownership, the ²⁰⁴greater the urge to oversee management so that the company's performance will increase ²⁰⁵which will benefit shareholders because they get the maximum profit (Sawitri ²⁰⁶et al, 2017). The following is the formula for calculating institutional ownership:

Description:

KI = Institutional ownership

↳ SI = A ²⁰⁷Numer of shares owned by institutions

↳ SB = A Numer of The existing Shares

Managerial Ownership

Managerial ownership is ownership showing the situation is the company's stock manager. In other words, the manager is also a shareholder (Tjeleni, 2013).

Description:

KM = Managerial ownership

SM = A Number of ²⁰⁸shares owned by managers

SB = A Number of the existing shares

The data were analyzed using PLS (Partial Least Square) with smartPLS 6.0. In this case, PLS is a variant-based Structural Equation Model (SEM). SEM is a ²⁰⁹multivariate technique which is a combination of factor analysis and correlation analysis (Santoso, 2014)

DATA ANALYSIS AND DISCUSSION

Descriptive Analysis

Descriptive analysis aims to describe thoroughly the variables used. This study only conducted descriptive analysis ²¹⁰ based on data of maximum, minimum,

average (mean) ²¹¹and standard deviation. In this study the variable described is profitability proxies by Return on Assets (ROA) and Return on Equity (ROE), while the independent variable capital structure is measured by Debt to Equity Ratio (DER), Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR) and ownership structure as measured by managerial ownership, institutional ²¹²ownership.

Table 1

Descriptive Statistical Analysis in Indonesia

Minimum

Statistic

Maximum

Statistic

Mean

Statistic

Std. Deviation

Statistic

ROA

0,2237

0,3172

0,038301

0,0352007

ROE

0,0511

0,6329

0,074270

0,2201911

DER

0,2876

8,2002

2,620081

3,4117821

LDR

0,9002

6,3187

2,459011

2,5117955

CAR

0,1290

0,2417

0,180026

0,1311025

KM

0,1009

0,5422

0,207221

0,1973226

KI

0,0005

0,3128

0,516351

0,1814420

Source: spss²¹³ 2019

Descriptive statistical results inform that the lowest return on assets is 0,2237 owned by the Bank Danamon in 2016, the lowest return on equity is 0,0511 owned by the Bank Arta Graha in 2016, the value of debt to equity the lowest is owned by Bukopin Bank in 2015 with a value of 0,2876, the lowest loan to deposit ratio of 0,9002 is owned by Bank Nobu Indonesia in 2016, the lowest capital adequacy ratio of 0,1290 is owned by Bank Permata Indonesia in 2017, the last managerial ownership was the Bank Panin in 2017 of 0,1009 and the lowest institutional ownership was Bank Mestika Darma of 0,0005 in 2017. Descriptive analysis results also inform that the highest return on assets is 0.3172 owned by Bank Central Asia in 2017, the highest return on equity value is 0,6329 owned by banks Bank Rakyat Indonesia in 2016, debt to equity value The highest is owned by the QNB Indonesia Bank in 2017 with a value of 8,2002, the highest loan to deposit ratio of 6,3187 is owned by Bank Rakyat Indonesia in 2016, the highest capital adequacy ratio of 0,2417 is owned by Bank BRI in 2017, the highest managerial ownership is the Bank Tabungan Negara in 2017 amounted to 0,5422 and the highest institutional ownership was the Bank Panin 0,3128 in 2016.

Table 2

Descriptive Statistical Analysis in Philippines

Minimum

Statistic

Maximum

Statistic

Mean

Statistic

Std. Deviation

Statistic

ROA

0,0310

0,4106

0,021927

0,0137891

ROE

0,1119

0,7683

0,078681

0,1318190

DER

0,3107

9,2113

1,827947

3,4117874

LDR

0,1141

6,3071

0,866231

0,5097911

CAR

0,0818

0,2513

0,177029

0,0201029

KM

0,0002

0,6819

0,361735

0,2377159

KI

0,0040

0,5421

0,636359

0,1405321

Source: ²²⁸spss 2019

Descriptive statistical results inform that the lowest return on assets is 0,0310 owned by the bank of commerce in 2015, the lowest return on equity is 0,1119 owned by the First Commercial bank Manila bank in 2016, the value of debt to equity the lowest is owned by FICO bank in 2016 with a value of 0,3107, the lowest loan to deposit ratio of 0,1141 is owned by BDO Unibank in 2017, the lowest capital adequacy ratio of 0,0818 is owned by DBP bank Philippine in 2016, the last managerial ownership was the Philippine bank of communications bank in 2017 of 0,0002 and the lowest institutional ownership was the Robinsons bank corporation of 0,0040 in 2016.

Descriptive analysis results also inform that the highest return on assets is 0,4106 owned by Philippine veterans bank in 2016, the highest return on equity value is 0,7683 owned by banks Bank of the Philippine island in 2015, debt to equity value The highest is owned by the Central Asian Bank in 2017 with a value of 9,2113 the highest loan to deposit ratio of 6,3071 is owned by Standard chartered Bank Philippines in 2015, the highest capital adequacy ratio of 0,2513 is owned by Maybank Philippine bank in 2017, the highest managerial

ownership is the DBP bank Philippine in 2017 amounted to 0,6819 and the²⁴⁰
highest institutional ownership was the Philippine UCPB bank of 0,5421 in
2017.

As the researcher described earlier this study attempts to determine the effect²⁴¹
of capital structure and ownership structure on profitability in conventional²⁴²
banking companies in Indonesia and the Philippines in 2013-2017. The results²⁴³
of hypothesis testing in Indonesia show that capital structure has a positive²⁴⁴
effect on profitability. Also, ownership structure has a positive effect on the²⁴⁵
bank profitability. So does the hypothesis test results in the Philippines. It also²⁴⁶
shows that capital structure has a positive effect on profitability but ownership²⁴⁷
structure has a negative effect on profitability. To evaluate the structural²⁴⁸
relationship between latent variables, the hypothesis testing was to be done²⁴⁹
using the path coefficient between variables by comparing the p-value with²⁵⁰
alpha (0.1). This is to ensure the presence or absence of the influence of²⁵¹
independent variables on the dependent variable in this study can be seen²⁵²
on²⁵³
Table 3.

Table 3

P-value of Indonesia

Variable

Profit

SM

0,0445

SK

0,0010

Source: Results of the Processed PLS 6.0 Analysis, Attachment

Table 4

Path Coefficients of Indonesia

Variable

Profit

SM

0,1162

SK

0,3121

Source: The Results of the Processed WarpPLS 6.0 Analysis

The hypothesis testing ²⁵⁶was done to prove the estimates of ²⁵⁷research hypotheses. It consists of two ²⁵⁸hypotheses ²⁵⁹as the following.

H1: Capital structure has a significant effect on profitability.

Based on Table 3, the first hypothesis testing obtained p-values of 0.0445 ²⁶⁰which is smaller than the alpha value of 0.05 (5%) ²⁶¹while ²⁶²on Table 4, it shows that the value of the path coefficients is 0.1162. Thus, it stated that the capital structure has a significant and positive effect on profitability. These results indicate that H1 is accepted.

H2: Ownership structure has a significant effect on profitability.

Based on Table 3, the first hypothesis test obtained p-values of 0.0010 ²⁶³which is smaller than the alpha value of 0.05 (5%) ²⁶⁴while ion Table 4, it shows that the value of the path coefficients is 0.3121. Therefore, it can ²⁶⁵be stated that the structure ownership has a significant positive effect on profitability. ²⁶⁶This shows that H2 is accepted.

Table 5

P-value of the Phillipines²⁶⁷

Variable

Profit

SM

0,1738

SK

0,0283

Source: Results of the processed WarpPLS 6.0 Analysis

Table 6

Path Coefficients of the Phillippines

Variable

Profit

SM

-0.0542

SK

0.2017

Source: Results of the Processed WarpPLS 6.0 Analysis

The Hypothesis testing on this ²⁶⁸ was also done to prove the estimates of research consisting of two hypotheses in the Philippines, namely:

H1: Capital structure affects profitability.

Based on table 5, the first hypothesis testing obtained p-values of 0.1738 in which it is ²⁶⁹ greater than the value of alpha = 0.05 (5%) ²⁷⁰ , while on Table 6, it shows that the value of the path coefficients of -0.0542, then it can be stated that the capital structure ²⁷¹ has no effect on profitability. ²⁷² This shows that H1 was ²⁷³ rejected.

H2: Ownership structure affects profitability.

Based on Table 5, the first hypothesis testing obtained p-values of 0.0283, in which the value is smaller than that of alpha = 0.05 (5%) ²⁷⁴ while in Table 6, ²⁷⁵ it ²⁷⁶ shows that the value of the path coefficients is 0.201. In this case, it can ²⁷⁷ be ²⁷⁸ stated that ownership structure has a significant and positive effect on profitability. This shows that H2 is also received.

The results of hypothesis testing both in Indonesia and the Philippines show that capital structure does not affect profitability and ownership structure positively affects probability. ²⁷⁹ This ²⁸⁰ can be seen from the results of the analysis of each of the following variables.

The Effect of Debt to Equity Ratio (DER) on Profitability

This study indicates that the commercial banks' performance in Indonesia could cover part or all of their debts, both in the long term and short term. Thus, they have their ability to do it. The DER increase is due to the companies'

²⁸¹large burden on outsiders that can lower company performance. It is because of the level of dependency with outsiders ²⁸²which is getting higher. The results of this study also indicate that commercial banks' performance in the Philippines could not cover all or part of its debts, both in the long term and short term. If the costs incurred by the loan are less than the cost of capital alone, then the source of funds from loans or debt will be more effective in generating profits. According to the theories prescribed in this study, the signaling ²⁸³theory shows how companies give signals to their users about their financial statements. This signal is an action taken by management aimed at stakeholders to demonstrate the capabilities expressed in the annual report. By showing ²⁸⁴a good performance, they can provide ²⁸⁵a good signal to the investors to invest in ²⁸⁶order to obtain the desired profit. The results of this study are in line with research conducted by Rembet ²⁸⁷et al (2018), Tailab (2014) ²⁸⁸and Niresh (2012).

The Effect of Loan to Deposit Ratio (LDR) on Profitability

This study indicates that ²⁸⁹the commercial banks' performance in Indonesia has ²⁹⁰a good ability in lending. The increase in LDR is due to credit growth that is greater than the growth of third party funds they collected. Therefore, they have the opportunity to get a high level of profit. This study also indicates that the commercial banks' performance in the Philippines also has ²⁹¹a good ability in lending. The increase in LDR is due to credit growth that is greater than the growth of third party funds collected by ²⁹²banks, so that the bank has the opportunity to get a high level of profit.

According to the theory that is the signaling theory, it shows that a company has a positive sign about their financial condition that will increase investor

confidence, including for the investors as depositors or shareholders who want to withdraw their money that has been used by banks to provide credit. If the bank could distribute credit while the funds raised a little, it will cause the bank to get a profit. The results of this study are in line with research conducted by Damayanti & Savitri (2012), Kodongo et al (2015) and Suyono et al (2017).

The Effect of Capital Adequacy Ratio (CAR) on Profitability

This study indicates that the commercial banks' performance in Indonesia has sufficient capital and could manage their assets well. For that reason, they could save by themselves when a problem occurs. The higher the CAR, the stronger the bank's ability to bear the risk of any risky credit or productive assets that will increase profits at the bank. This study also indicates that the level of capital adequacy owned by a bank has an effect on the increase of bank profits, one of which is an increase in interest. However, in reality, the commercial banks in the Philippines did not optimize the existing capital so that they did not achieve an increase in the bank's profit. This happens because banking regulations require a minimum CAR of 8%, resulting in banks always trying to keep their CARs in accordance with the provisions.

The Effect of Managerial Ownership on Profitability

This study indicates that the commercial banks' performance in Indonesia could improve their performance by increasing the proportion of managerial ownership in companies as measured by ROA directly. The greater the proportion of managerial ownership, the smaller the chance of conflict, because if the owner acts as the manager of the company, making decisions will be very careful so as not to harm the company. Ultimately, it can improve

the banks' performance. This study also indicated that the commercial banks' performance in the Philippines ³⁰⁵ can improve their performance by increasing the proportion of managerial ownership as measured by ROA directly. The ³⁰⁶ greater ³⁰⁷ the proportion of managerial ownership, the smaller the chance of conflict, because if the owner acts as the manager of the company, making decisions will be very careful so as not to harm the company, and ultimately can improve company performance.

According to the theory that is agency theory, it shows that managerial stock ownership will require managers ³⁰⁸ to always be careful in making decisions because the results of these decisions will have a direct impact on the shares owned by managers. ³⁰⁹ The greater the proportion of managerial ownership in company shares, the better the performance of the company. ³¹⁰ The results of this study are in line with research conducted by Nugrahanti & Novia (2012) ³¹¹ showing that managerial ownership has a positive effect on profitability.

The Effect of Institutional Ownership on Profitability

This study also indicates that the commercial banks' performance in Indonesia can increase supervision activity by institutions so that it can hinder the managers' opportunistic behavior. Besides that, it can help corporate decision making, ³¹² so as to ³¹³ improve the company's financial performance. This study also indicates that the commercial banks' performance in the Philippines can increase institutional supervision. Thus, they can also hinder the managers' opportunistic ³¹⁴ behavior, and can help corporate decision making, ³¹⁵ so as to improve the company's financial performance.

According to the theory that is agency theory, it shows that a large proportion of institutional ownership can increase supervision by the institutions. ³¹⁶ This can ³¹⁷ prevent from the managers' opportunistic behavior and help corporate decision making, ³¹⁸ so as to ³¹⁹ improve corporate financial performance. The existence of institutional investors in the company can help reduce agency problems that occur, namely ³²⁰ problems that arise between the management and the shareholders. The results of this study are in line with that conducted by Nugrahanti & Novia (2012), showing that managerial ownership has a positive effect on profitability.

5. CONCLUSION, IMPLICATION, SUGGESTIONS AND ³²¹ LIMITATIONS

This study ³²² was done to examine the effect of capital structure and ownership structure on profitability in the banking sector in Indonesia and the Philippines in 2013-2017. It ³²³ shows that capital structure (DER, CAR, and LDR) affect the banks' profitability in Indonesia in 2013-2017. Therefore, this study provides evidence that DER, CAR, and LDR affect the profitability of banks in Indonesia, as stated in the hypothesis is true. Thus, the ³²⁴ hypothesis is accepted.

The ownership structure (managerial ownership and institutional ownership) has a significant ³²⁵ positive and effect on the banks' profitability in Indonesia in 2013-2017. From this evidence, the hypothesis stating managerial ³²⁶ ownership and institutional ownership over profitability ³²⁷ is ³²⁸ accepted. However, capital structure (DER, CAR, and LDR) has no effect on the banks' profitability in the Philippines in 2013-2017. ³²⁹ This shows that DER, CAR, and LDR ³³⁰ have no effect ³³¹ on profitability because there are phenomena that occur in the banking financial statements in Indonesia and the Philippines. The ownership structure (managerial ownership and institutional ownership) has a significant positive effect on bank profitability in the Philippines in 2013-2017. The capital

structure (DER, CAR, and LDR) does not affect the profitability of banks in Indonesia and the Philippines in 2013-2017. ³³² This shows that DER, CAR, and LDR have no effect on profitability because there are phenomena that occur in the financial statements of banks in Indonesia and the Philippines and the ownership structure (managerial ownership and institutional ownership) has a significant positive effect on the profitability of banks in Indonesia and the Philippines. ³³³

This study, however, has also limitations. Several annual reports were prepared not using international languages (English) ³³⁴ which might ³³⁵ cause the researcher unable to read the financial statements well so that elimination ³³⁶ was carried out. There are several companies in the banking sector whose financial statements cannot ³³⁷ be accessed through the stock exchange. Their financial reports can only ³³⁸ be accessed through the web of each of the banking sector companies. Therefore, for further study, the researchers can use more ³³⁹ country as the sample. It is not only Indonesia and the Philippines. It can be in all countries in ASEAN.

It can ³⁴⁰ be implied that for the banks in Indonesia, ³⁴¹ capital structure needs to ³⁴² be paid attention because it can affect the banks' profitability. It also deals with ³⁴³ ownership structure for the banks in Indonesia to pay attention. ³⁴⁴ However, it can be different from that in the Philippines. Therefore, further studies on the same purpose can ³⁴⁵ be done ³⁴⁶ for providing more evidence.

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1.	<i>was conducted</i>	Passive Voice Misuse	Clarity
2.	shoow → show	Misspelled Words	Correctness
3.	rofitability → profitability	Misspelled Words	Correctness
4.	effect → impact	Word Choice	Engagement
5.	thee → the	Confused Words	Correctness
6.	effect → impact	Word Choice	Engagement
7.	profitability both	Misspelled Words	Correctness
8.	in	Wordy Sentences	Clarity
9.	effect → impact	Word Choice	Engagement
10.	Philippines.	Closing Punctuation	Correctness
11.	Key words → Keywords	Confused Words	Correctness
12.	, and	Comma Misuse within Clauses	Correctness
13.	<i>Key words: Capital structure, Ownership structure, Financial performance and ASEAN.</i>	Incomplete Sentences	Correctness
14.	The banking	Determiner Use (a/an/the/this, etc.)	Correctness
15.	in → At	Wrong or Missing Prepositions	Correctness
16.	clear → explicit	Word Choice	Engagement
17.	Onlt → Only	Misspelled Words	Correctness
18.	began → started, started to	Word Choice	Engagement

19.	increase.	Punctuation in Compound/Complex Sentences	Correctness
20.	, and	Punctuation in Compound/Complex Sentences	Correctness
21.	it difficult → it difficult	Improper Formatting	Correctness
22.	difficult → challenging	Word Choice	Engagement
23.	<i>To correct the weaknesses that occur in the banks' performance in Indonesia</i>	Misplaced Words or Phrases	Correctness
24.	<i>was established</i>	Passive Voice Misuse	Clarity
25.	in → on	Wrong or Missing Prepositions	Correctness
26.	In addition → Also, Besides	Wordy Sentences	Clarity
27.	<i>been made</i>	Passive Voice Misuse	Clarity
28.	to achieve → of achieving	Incorrect Verb Forms	Correctness
29.	<i>Since 2017 the national banking system has been tightening the supervision related to aspects of performance measurement concerning the success of their financial performance. In addition, some efforts have also been made to strengthen the company's operational effectiveness and sustainable efficie...</i>	Monotonous Sentences	Engagement
30.	<i>This</i>	Intricate Text	Clarity
31.	<i>was also experienced</i>	Passive Voice Misuse	Clarity
32.	condition → conditions	Incorrect Noun Number	Correctness
33.	a sluggish	Determiner Use (a/an/the/this, etc.)	Correctness

34.	Disrupted capital aspects caused all these	Passive Voice Misuse	Clarity
35.	out flow → outflow	Confused Words	Correctness
36.	interesting → exciting, refreshing	Word Choice	Engagement
37.	is intended	Passive Voice Misuse	Clarity
38.	utilize → utilizes	Faulty Subject-Verb Agreement	Correctness
39.	financial → economic	Word Choice	Engagement
40.	greatly → much	Word Choice	Engagement
41.	financial → business	Word Choice	Engagement
42.	be used	Passive Voice Misuse	Clarity
43.	the capital	Determiner Use (a/an/the/this, etc.)	Correctness
44.	their → its	Pronoun Use	Correctness
45.	in accordance with → by, following, per, under	Wordy Sentences	Clarity
46.	et al → et al.	Comma Misuse within Clauses	Correctness
47.	, and	Punctuation in Compound/Complex Sentences	Correctness
48.	, stating	Punctuation in Compound/Complex Sentences	Correctness
49.	study → research	Word Choice	Engagement
50.	study → studies	Incorrect Noun Number	Correctness

51.	et al → et al.	Comma Misuse within Clauses	Correctness
52.	The ratio of debt can summarize the high proportion of debt to capital owned by the bank	Passive Voice Misuse	Clarity
53.	to also be → also to be	Misplaced Words or Phrases	Correctness
54.	<i>This</i>	Intricate Text	Clarity
55.	different → contradictory, contrary	Word Choice	Engagement
56.	<i>was asserted</i>	Passive Voice Misuse	Clarity
57.	et al → et al.	Comma Misuse within Clauses	Correctness
58.	, stating	Punctuation in Compound/Complex Sentences	Correctness
59.	et al → et al.	Comma Misuse within Clauses	Correctness
60.	show → shows	Faulty Subject-Verb Agreement	Correctness
61.	, stating	Punctuation in Compound/Complex Sentences	Correctness
62.	a significant	Determiner Use (a/an/the/this, etc.)	Correctness
63.	company → company's	Incorrect Noun Number	Correctness
64.	et al → et al.	Comma Misuse within Clauses	Correctness
65.	is → are	Faulty Subject-Verb Agreement	Correctness
66.	study → survey	Word Choice	Engagement

67.	et al → et al.	Comma Misuse within Clauses	Correctness
68.	et al → et al.	Comma Misuse within Clauses	Correctness
69.	et al → et al.	Comma Misuse within Clauses	Correctness
70.	are are	Misspelled Words	Correctness
71.	tarries → waits	Word Choice	Clarity
72.	be referred	Passive Voice Misuse	Clarity
73.	as Watts	Wrong or Missing Prepositions	Correctness
74.	explaining → teaching, defining, telling	Word Choice	Engagement
75.	be investigated	Passive Voice Misuse	Clarity
76.	be tested	Passive Voice Misuse	Clarity
77.	Theories → Methods, Assumptions, Opinions, Arguments	Word Choice	Engagement
78.	are not built	Passive Voice Misuse	Clarity
79.	built → made	Word Choice	Engagement
80.	Watts and Zimmerman refer theories that are not built on this basis	Passive Voice Misuse	Clarity
81.	theory,	Punctuation in Compound/Complex Sentences	Correctness
82.	clear → apparent	Word Choice	Engagement
83.	been made	Passive Voice Misuse	Clarity

84.	<i>be observed</i>	Passive Voice Misuse	Clarity
85.	hypotheses → beliefs	Word Choice	Engagement
86.	Signalling → Signaling	Mixed Dialects of English	Correctness
87.	the information	Determiner Use (a/an/the/this, etc.)	Correctness
88.	decisiones → decisions, decision	Misspelled Words	Correctness
89.	<i>Using signal theory</i>	Misplaced Words or Phrases	Correctness
90.	forms → form	Incorrect Noun Number	Correctness
91.	<i>is derived</i>	Passive Voice Misuse	Clarity
92.	, stating	Punctuation in Compound/Complex Sentences	Correctness
93.	signal → message, sign	Word Choice	Engagement
94.	good → useful, right	Word Choice	Engagement
95.	in order to → to	Wordy Sentences	Clarity
96.	debts → obligations	Word Choice	Engagement
97.	the their	Determiner Use (a/an/the/this, etc.)	Correctness
98.	own	Wordy Sentences	Clarity
99.	loans → investments	Word Choice	Engagement
100.	greater → higher	Word Choice	Engagement
101.	loans → investments	Word Choice	Engagement
102.	greater → more significant	Word Choice	Engagement

103.	<i>This</i>	Intricate Text	Clarity
104.	et al → et al.	Comma Misuse within Clauses	Correctness
105.	a research → a study, an investigation	Word Choice	Engagement
106.	a research	Determiner Use (a/an/the/this, etc.)	Correctness
107.	et al → et al.	Comma Misuse within Clauses	Correctness
108.	In addition → Also, Besides	Wordy Sentences	Clarity
109.	et al → et al.	Comma Misuse within Clauses	Correctness
110.	effect → impact	Word Choice	Engagement
111.	In addition → Also, Besides	Wordy Sentences	Clarity
112.	amount → number	Misuse of Quantifiers	Correctness
113.	, e.g.	Comma Misuse within Clauses	Correctness
114.	greater → higher	Word Choice	Engagement
115.	amount → number	Misuse of Quantifiers	Correctness
116.	amount → number	Misuse of Quantifiers	Correctness
117.	<i>The greater the amount of funds channeled to the customers such as in the form of credit, the lower the amount of idle funds and but the higher the interest income earned or vice versa.</i>	Wordy Sentences	Clarity
118.	hiher → higher	Misspelled Words	Correctness
119.	The test, or A test	Determiner Use	Correctness

		(a/an/the/this, etc.)	
120.	Dewi,	Comma Misuse within Clauses	Correctness
121.	et al → et al.	Comma Misuse within Clauses	Correctness
122.	study → survey	Word Choice	Engagement
123.	has no significant impact, is having no significant impact	Word Choice	Engagement
124.	Still,	Comma Misuse within Clauses	Correctness
125.	et al → et al.	Comma Misuse within Clauses	Correctness
126.	effect → impact	Word Choice	Engagement
127.	be used	Passive Voice Misuse	Clarity
128.	capital → money	Word Choice	Engagement
129.	is often referred	Passive Voice Misuse	Clarity
130.	In accordance with → By, Following, Per, Under	Wordy Sentences	Clarity
131.	capital → money	Word Choice	Engagement
132.	Risk Weighted → Risk-Weighted	Misspelled Words	Correctness
133.	in accordance with → by, following, per, under	Wordy Sentences	Clarity
134.	Savitri → Savitri's	Incorrect Noun Number	Correctness
135.	et al → et al.	Comma Misuse within Clauses	Correctness
136.	et al → et al.	Comma Misuse within	Correctness

		Clauses	
137.	<i>be measured</i>	Passive Voice Misuse	Clarity
138.	<i>According to Baridwan (2011), institutional ownership as a share proportion is owned by an institution or institution at the end of the year.</i>	Wordy Sentences	Clarity
139.	important → essential	Word Choice	Engagement
140.	greater → higher	Word Choice	Engagement
141.	company,	Punctuation in Compound/Complex Sentences	Correctness
142.	. The	Improper Formatting	Correctness
143.	, namely	Punctuation in Compound/Complex Sentences	Correctness
144.	<i>been proven</i>	Passive Voice Misuse	Clarity
145.	stating → saying	Word Choice	Engagement
146.	<i>The results of tests conducted by previous researchers namely Wiranata & Nugrahanti (2013) stating that institutional ownership has not been proven to affect profitability, while research conducted by Candradewi & Sedana (2016) stating that institutional ownership has a positive and significant eff...</i>	Hard-to-read text	Clarity
147.	effect → impact	Word Choice	Engagement
148.	<i>This</i>	Intricate Text	Clarity
149.	will → would	Faulty Tense Sequence	Correctness
150.	namely,	Punctuation in	Correctness

		Compound/Complex Sentences	
151.	et al. → et al.	Comma Misuse within Clauses	Correctness
152.	is measured	Passive Voice Misuse	Clarity
153.	Managerial ownership is measured by the proportion of shares owned by the company at the end of the year and expressed as a percentage.	Wordy Sentences	Clarity
154.	greater → higher, more significant	Word Choice	Engagement
155.	proportion → portion	Word Choice	Engagement
156.	, which	Punctuation in Compound/Complex Sentences	Correctness
157.	Large → Substantial, Broad, Significant	Word Choice	Engagement
158.	effective → sufficient, useful, adequate, competent	Word Choice	Engagement
159.	to oversee → in overseeing	Incorrect Verb Forms	Correctness
160.	In addition → Also, Besides	Wordy Sentences	Clarity
161.	greater → higher	Word Choice	Engagement
162.	ownership → purchase	Word Choice	Engagement
163.	management → control	Word Choice	Engagement
164.	ownership → purchase	Word Choice	Engagement
165.	Neidther → Neither	Misspelled Words	Correctness
166.	study → survey	Word Choice	Engagement
167.	et al. → et al.	Comma Misuse within	Correctness

Clauses			
168.	result → results, result	Misspelled Words	Correctness
169.	significantly → considerably	Word Choice	Engagement
170.	ownership → property	Word Choice	Engagement
171.	<i>be drawn</i>	Passive Voice Misuse	Clarity
172.	in	Wordy Sentences	Clarity
173.	<i>be stated</i>	Passive Voice Misuse	Clarity
174.	taken → was taken	Incorrect Verb Forms	Correctness
175.	in the	Wrong or Missing Prepositions	Correctness
176.	a five-year period → five years	Wordy Sentences	Clarity
177.	This studies → These studies	Determiner Use (a/an/the/this, etc.)	Correctness
178.	<i>were taken</i>	Passive Voice Misuse	Clarity
179.	the variables	Determiner Use (a/an/the/this, etc.)	Correctness
180.	, that	Punctuation in Compound/Complex Sentences	Correctness
181.	that is → which is	Pronoun Use	Correctness
182.	amount → number	Misuse of Quantifiers	Correctness
183.	, which	Punctuation in Compound/Complex Sentences	Correctness
184.	stock,	Punctuation in	Correctness

		Compound/Complex Sentences	
185.	<i>be calculated</i>	Passive Voice Misuse	Clarity
186.	debt → liability	Word Choice	Engagement
187.	<i>is resulted</i>	Passive Voice Misuse	Clarity
188.	debt → liability	Word Choice	Engagement
189.	equity → capital	Word Choice	Engagement
190.	amount → number	Misuse of Quantifiers	Correctness
191.	the creditor	Determiner Use (a/an/the/this, etc.)	Correctness
192.	<i>This ratio is useful to see the amount of funds provided by the borrower (creditor) with the owner of the company.</i>	Wordy Sentences	Clarity
193.	own	Wordy Sentences	Clarity
194.	<i>is used</i>	Passive Voice Misuse	Clarity
195.	greater → higher	Word Choice	Engagement
196.	because of	Wrong or Missing Prepositions	Correctness
197.	greater → higher	Word Choice	Engagement
198.	posseed → posed, possessed	Misspelled Words	Correctness
199.	ratio,	Punctuation in Compound/Complex Sentences	Correctness
200.	example,	Comma Misuse within Clauses	Correctness

201.	amount → number	Misuse of Quantifiers	Correctness
202.	regulations,	Punctuation in Compound/Complex Sentences	Correctness
203.	greater → higher	Word Choice	Engagement
204.	greater → higher	Word Choice	Engagement
205.	, which	Punctuation in Compound/Complex Sentences	Correctness
206.	et al → et al.	Comma Misuse within Clauses	Correctness
207.	Numner → Number	Misspelled Words	Correctness
208.	A Number of → Several, Some, Many	Wordy Sentences	Clarity
209.	multivate → multivariate	Misspelled Words	Correctness
210.	analysis → report	Word Choice	Engagement
211.	, and	Punctuation in Compound/Complex Sentences	Correctness
212.	<i>In this study the variable described is profitability proxies by Return on Assets (ROA) and Return on Equity (ROE), while the independent variable capital structure is measured by Debt to Equity Ratio (DER), Loan to Deposit Ratio (LDR), Capital Adequacy Ratio (CAR) and ownership structure as measur...</i>	Hard-to-read text	Clarity
213.	spss	Unknown Words	Correctness
214.	equity → investment, ownership, capital	Word Choice	Engagement
215.	Bank Nobu Indonesia owns the value of debt to equity the lowest is owned by	Passive Voice Misuse	Clarity

	Bukopin Bank in 2015 with a value of 0,2876, the lowest loan to deposit ratio of 0,9002		
216.	lowest → smallest	Word Choice	Engagement
217.	Bank Permata Indonesia owns the lowest capital adequacy ratio of 0,1290	Passive Voice Misuse	Clarity
218.	2017-,	Improper Formatting	Correctness
219.	<i>Descriptive statistical results inform that the lowest return on assets is 0,2237 owned by the Bank Danamon in 2016, the lowest return on equity is 0,0511 owned by the Bank Arta Graha in 2016, the value of debt to equity the lowest is owned by Bukopin Bank in 2015 with a value of 0,2876, the lowest...</i>	Hard-to-read text	Clarity
220.	highest → most senior	Word Choice	Engagement
221.	is → was	Faulty Tense Sequence	Correctness
222.	Bank Rakyat Indonesia owns debt to equity value The highest is owned by the QNB Indonesia Bank in 2017 with a value of 8,2002, the highest loan to deposit ratio of 6,3187	Passive Voice Misuse	Clarity
223.	Bank BRI owns the highest capital adequacy ratio of 0,2417	Passive Voice Misuse	Clarity
224.	highest → most senior	Word Choice	Engagement
225.	is → was	Faulty Tense Sequence	Correctness
226.	<i>Descriptive analysis results also inform that the highest return on assets is 0.3172 owned by Bank Central Asia in 2017, the highest return on equity value is 0,6329 owned by banks Bank Rakyat Indonesia in 2016, debt to equity value</i>	Hard-to-read text	Clarity

*The highest is owned by the QNB
Indonesia Bank in 2017 with a valu...*

227.	the Philippines	Determiner Use (a/an/the/this, etc.)	Correctness
228.	spss	Unknown Words	Correctness
229.	equity → investment, ownership, capital	Word Choice	Engagement
230.	BDO Unibank owns the value of debt to equity the lowest is owned by FICO bank in 2016 with a value of 0,3107, the lowest loan to deposit ratio of 0,1141	Passive Voice Misuse	Clarity
231.	lowest → smallest	Word Choice	Engagement
232.	2016-,	Improper Formatting	Correctness
233.	and the → . The	Hard-to-read text	Clarity
234.	highest → most senior	Word Choice	Engagement
235.	is owned	Passive Voice Misuse	Clarity
236.	chartered → Chartered	Misspelled Words	Correctness
237.	is owned	Passive Voice Misuse	Clarity
238.	2017-,	Improper Formatting	Correctness
239.	highest → most senior	Word Choice	Engagement
240.	and the → . The	Hard-to-read text	Clarity
241.	, this	Punctuation in Compound/Complex Sentences	Correctness
242.	As the researcher described earlier this study attempts to determine the effect of	Incomplete Sentences	Correctness

capital structure and ownership structure on profitability in conventional banking companies in Indonesia and the Philippines in 2013-2017.

243.	the ownership	Determiner Use (a/an/the/this, etc.)	Correctness
244.	effect → impact	Word Choice	Engagement
245.	the bank	Determiner Use (a/an/the/this, etc.)	Correctness
246.	effect → impact	Word Choice	Engagement
247.	, but	Punctuation in Compound/Complex Sentences	Correctness
248.	effect → impact	Word Choice	Engagement
249.	has a negative effect on → hurts, harms	Wordy Sentences	Clarity
250.	To evaluate the structural relationship between latent variables	Misplaced Words or Phrases	Correctness
251.	the hypothesis	Determiner Use (a/an/the/this, etc.)	Correctness
252.	be done	Passive Voice Misuse	Clarity
253.	This	Intricate Text	Clarity
254.	be seen	Passive Voice Misuse	Clarity
255.	on → in	Wrong or Missing Prepositions	Correctness
256.	was done	Passive Voice Misuse	Clarity
257.	the research	Determiner Use (a/an/the/this, etc.)	Correctness

258.	hypotheses → theories, assumptions, suggestions, beliefs	Word Choice	Engagement
259.	as to	Wrong or Missing Prepositions	Correctness
260.	, which	Punctuation in Compound/Complex Sentences	Correctness
261.),	Punctuation in Compound/Complex Sentences	Correctness
262.	en → in	Wrong or Missing Prepositions	Correctness
263.	, which	Punctuation in Compound/Complex Sentences	Correctness
264.),	Punctuation in Compound/Complex Sentences	Correctness
265.	be stated	Passive Voice Misuse	Clarity
266.	This	Intricate Text	Clarity
267.	Phillipines → Philippines	Misspelled Words	Correctness
268.	was also done	Passive Voice Misuse	Clarity
269.	greater → higher	Word Choice	Engagement
270.),	Improper Formatting	Correctness
271.	does not affect	Wordy Sentences	Clarity
272.	This	Intricate Text	Clarity
273.	was rejected	Passive Voice Misuse	Clarity

274.),	Punctuation in Compound/Complex Sentences	Correctness
275.	it shows → it shows	Improper Formatting	Correctness
276.	be stated	Passive Voice Misuse	Clarity
277.	the ownership	Determiner Use (a/an/the/this, etc.)	Correctness
278.	This	Intricate Text	Clarity
279.	This	Intricate Text	Clarity
280.	be seen	Passive Voice Misuse	Clarity
281.	large → substantial, enormous, tremendous, significant	Word Choice	Engagement
282.	, which	Punctuation in Compound/Complex Sentences	Correctness
283.	theory → method, approach	Word Choice	Engagement
284.	a good → an excellent	Word Choice	Engagement
285.	a good → an excellent	Word Choice	Engagement
286.	in order to → to	Wordy Sentences	Clarity
287.	et al → et al.	Comma Misuse within Clauses	Correctness
288.	, and	Punctuation in Compound/Complex Sentences	Correctness
289.	the commercial	Determiner Use (a/an/the/this, etc.)	Correctness
290.	a good → an excellent	Word Choice	Engagement

291.	a good → an excellent	Word Choice	Engagement
292.	banks,	Punctuation in Compound/Complex Sentences	Correctness
293.	<i>According to the theory that is the signaling theory, it shows that a company has a positive sign about their financial condition that will increase investor confidence, including for the investors as depositors or shareholders who want to withdraw their money that has been used by banks to provide...</i>	Hard-to-read text	Clarity
294.	et al → et al.	Comma Misuse within Clauses	Correctness
295.	, and	Punctuation in Compound/Complex Sentences	Correctness
296.	et al → et al.	Comma Misuse within Clauses	Correctness
297.	the commercial	Determiner Use (a/an/the/this, etc.)	Correctness
298.	by	Wrong or Missing Prepositions	Correctness
299.	has an effect on → affects	Wordy Sentences	Clarity
300.	This	Intricate Text	Clarity
301.	in accordance with → by, following, per, under	Wordy Sentences	Clarity
302.	This → This	Misspelled Words	Correctness
303.	greater → higher, more significant	Word Choice	Engagement
304.	proportion → percentage	Word Choice	Engagement

305.	can → could	Faulty Tense Sequence	Correctness
306.	greater → higher, more significant	Word Choice	Engagement
307.	proportion → percentage	Word Choice	Engagement
308.	to always be → always to be	Misplaced Words or Phrases	Correctness
309.	greater → higher, more significant	Word Choice	Engagement
310.	<i>The greater the proportion of managerial ownership in company shares, the better the performance of the company.</i>	Incomplete Sentences	Correctness
311.	, showing	Punctuation in Compound/Complex Sentences	Correctness
312.	making,	Punctuation in Compound/Complex Sentences	Correctness
313.	so as to → to	Wordy Sentences	Clarity
314.	behavior,	Comma Misuse within Clauses	Correctness
315.	so as to → to	Wordy Sentences	Clarity
316.	<i>This</i>	Intricate Text	Clarity
317.	from	Wrong or Missing Prepositions	Correctness
318.	so as to → to	Wordy Sentences	Clarity
319.	corporate → organizational	Word Choice	Engagement
320.	problems → issues	Word Choice	Engagement
321.	, AND	Comma Misuse within Clauses	Correctness

322.	<i>was done</i>	Passive Voice Misuse	Clarity
323.	shows → showed	Faulty Tense Sequence	Correctness
324.	hypothesis → theory, suggestion, assumption, premise	Word Choice	Engagement
325.	positive → definite	Word Choice	Engagement
326.	ownership → purchase	Word Choice	Engagement
327.	is → are	Faulty Subject-Verb Agreement	Correctness
328.	<i>is accepted</i>	Passive Voice Misuse	Clarity
329.	<i>This</i>	Intricate Text	Clarity
330.	have no effect → have no impact, has no impact	Word Choice	Engagement
331.	have no effect on → do not affect	Wordy Sentences	Clarity
332.	<i>This</i>	Intricate Text	Clarity
333.	<i>This shows that DER, CAR, and LDR have no effect on profitability because there are phenomena that occur in the financial statements of banks in Indonesia and the Philippines and the ownership structure (managerial ownership and institutional ownership) has a significant positive effect on the prof..</i>	Hard-to-read text	Clarity
334.	, which	Punctuation in Compound/Complex Sentences	Correctness
335.	cuase → cause	Misspelled Words	Correctness
336.	<i>was carried</i>	Passive Voice Misuse	Clarity
337.	<i>be accessed</i>	Passive Voice Misuse	Clarity

338.	<i>be accessed</i>	Passive Voice Misuse	Clarity
339.	country → countries	Incorrect Noun Number	Correctness
340.	<i>be implied</i>	Passive Voice Misuse	Clarity
341.	the capital, or a capital	Determiner Use (a/an/the/this, etc.)	Correctness
342.	<i>be paid</i>	Passive Voice Misuse	Clarity
343.	the ownership	Determiner Use (a/an/the/this, etc.)	Correctness
344.	to.	Wrong or Missing Prepositions	Correctness
345.	<i>be done</i>	Passive Voice Misuse	Clarity
346.	for providing → to provide	Incorrect Verb Forms	Correctness
347.	Protability → Portability, Profitability	Misspelled Words	Correctness
348.	, and	Comma Misuse within Clauses	Correctness
349.	, Canada	Punctuation in Compound/Complex Sentences	Correctness
350.	the Profitability	Determiner Use (a/an/the/this, etc.)	Correctness
351.	↔ → : , .	Comma Misuse within Clauses	Correctness