

Analysis of Institutional Ownership, Managerial Ownership, Profitability, Company Growth, Asset Structure Versus Debt Policy on Real Estate and Building Construction on the Indonesia Stock Exchange 2016-2019

Denny Chandra*, Leonardi, Dewi Anggriani Wijaya, Jholant Bringg Luck Amelia Br Sinaga

Universitas Prima Indonesia
**e-mail: dennychandra52@gmail.com*

Abstract

This research is a study to determine the analysis of institutional ownership, managerial ownership, profitability, company growth, asset structure on debt policy. The population used is all real estate and building construction companies listed on the Indonesia Stock Exchange. The sample was selected by purposive sampling technique. This study uses secondary data and is tested using the analytical method used is multiple linear regression, the coefficient of determination is tested simultaneously (F-Test) and partially (T-Test). The results of the regression analysis show that the effect of the independent variables (institutional ownership, managerial ownership, profitability, company growth, asset structure) in explaining the dependent variable (debt policy) is 52.6%. The results show that profitability and asset structure partially affect debt policy, while institutional ownership, managerial ownership, and asset structure partially do not affect debt policy. The results show that institutional ownership, managerial ownership, profitability, company growth, asset structure simultaneously affect debt policy.

Keywords: Institutional Ownership, Managerial Ownership, Profitability, Company Growth, Asset Structure Debt Policy.

1. Introduction

Realizing the fundamental objective of managing a company is to prosper its owner by carrying out its financial management role carefully and vigilantly, considering that all financial decisions taken by the owner will have an impact on other financial decisions and can affect the value of the company. A large company with institutional ownership can actually support the improvement of intellectual capital performance, as institutional ownership is able to be a good monitoring company in the company. With large shareholders, namely institutional ownership, the main interpretation in monitoring management is a maximum control. Institutional ownership is the owner of shares from external institutions. Most of the shareholdings are institutional investors, because institutional shareholders have large resources compared to other investors. Thus, institutional investors are better able to achieve better supervisory procedures. Managerial ownership has a relationship with debt policy that is applicable in supporting the company's finances.

Profitability describes the factors that are considered to determine the capital structure of the company. Therefore, if a company has high profitability, it tends to take advantage of small debt because the retained earnings in the company are high so that it is sufficient to finance the company's operational needs. Meanwhile, if the company does not have excess funds to handle these operational needs, the company will need debt. Profitability is the income owned by the company to fund capital. Company growth describes the rise and fall of all assets owned by a company. The measurement taken to measure the company's growth is sales, if sales in the company increase from one period to the next, the profits earned will also increase.

To meet operational funding within the company, it is divided into two types of sources, namely from internal and external parties. Debt policy is funding originating from outside parties. The policy was taken by the management to obtain a source of funds. The shareholders are more interested in funding the company using debt because by financing the debt, the rights of the shareholders will not be reduced to the company, besides that debt policy can monitor the actions of managers in managing company funds and minimize problems caused by debt. Threatening the company to pay off the principal and interest that can reduce the manager's incentive to behave to satisfy himself and act in accordance with his own interests and ignore the interests of the shareholders so that it can cause agency problems. Companies that use debt in their operational funding must be wise, because if they are unable to finance the debt, the company can be threatened with liquidation which can be a threat to the management of the company.

Table 1. Number of Institutional Shares, Number of Managerial Shares, Net Profit After Tax, Total Assets, Assets, and Total Debt of Property and Real Estate Companies listed on the Indonesia Stock Exchange 2016-2019 Period (In Millions of Rupiah)

No	Code	Year	Number of Institutional Shares	Total Manager's shares	Net Profit After Tax	Total Asset	Asset	Total Debt
1	KIJA	2016	5.134	3	416.061	11.266.320	7.458.684	5.095.107
		2017	5.908	647	135.353	10.733.598	7.677.631	5.366.080
		2018	6.333	618	115.286	11.783.772	8.182.825	5.731.263
		2019	6.849	618	134.850	12.184.611	85.408.85	5.877.596
2	APLN	2016	16.410.387	9.704	939.737	25.711.953	8.173.958	15.741.190
		2017	15.336.473	8.449	1.882.581	28.790.116	9.432.973	17.293.138
		2018	15.336.473	6.869	193.730	29.583.829	8.275.422	17.376.276
		2019	16.192.915	5.902	120.811	29.460.345	8.170.838	16.624.399
3	PWON	2016	27.032.158	7.619	1.776.412	20.674.141	6.126.852	9.654.448
		2017	33.587.598	10.739	2.002.490	23.358.717	8.427.605	10.567.227
		2018	33.077.598	10.739	2.851.349	25.018.080	9.472.787	9.706.399
		2019	33.077.598	10.739	3.231.425	26.095.153	9.642.587	7.999.510

Source: *www.idx.co.id(2020)*

The table above shows the Jababeka Tbk Industrial Estate. in 2018 having institutional shares increased compared to 2017 while total debt in 2018 increased from 2017. This is not in accordance with the opinion of Asbar et al, 2011 which states that institutional ownership can make manager behavior more well-directed by outside shareholders. . Supervision by outsiders makes managers use debt carefully to avoid the risk of bankruptcy.

Agung Podomoro Land Tbk. Net income in 2017 increased compared to 2016 and total debt in 2017 soared compared to 2016. This is not in accordance with Trisnawati 2016 opinion, namely that the company can generate more funds for its company which causes the company to use profits from retained earnings, so the company will focus on its internal funds rather than having to use external funds or debt to be able to carry out operational activities. Pakuwon Jati Tbk owned managerial shares in 2017 increased compared to 2016 while total debt in 2017 increased compared to 2016. This matter is not in accordance with Susanto's opinion (2011), the company's managerial ownership can balance personal interests with outside parties and can minimize the role of debt as a mechanism to reduce agency costs. Total assets in 2017 increased compared to 2016, with total debt in 2017 increasing from 2016. This is not in accordance with Brigham and Gapensky's opinion that developing companies need external funding. So the company will do various ways to meet the funding needs, including debt and retained earnings. The assets owned by Pakuwon Jati Tbk in 2019 increased compared to 2018 with the total debt in 2019 decreasing compared to 2018. This is not in accordance with the opinion of Hardiningsih (2012) who argues that the ownership of fixed assets is a lot and there is an offer of convenience in loans. If there is an opportunity to invest, the company will consider it to have the potential to have greater debt. Based on the previous description, it can be discussed more comprehensively with the themes of Analysis of Institutional Ownership, Managerial Ownership, Profitability, Company Growth, Asset Structure Against Corporate Debt Policy in Real Estate and Building Construction on the Indonesia Stock Exchange 2016-2019.

2. Literature Review

Corporate Debt Policy

Debt policy is a policy taken for funding of companies that come from outside. The decision is related to the capital structure, because debt is one of the compositions in the capital structure. A company has a risk if it has a larger portion of debt compared to its capital structure, but on the contrary if the company uses small debt or does not use it at all, the company is considered not to take advantage of additional external capital that can improve the company's operations. (Mamduh, 2004).

Institutional Ownership

According to Tjeleni (2013: 138), high institutional ownership can lead to higher control of external parties in the company, which will reduce agency costs. With debt, it can increase supervision by debtholders which causes the majority owner to minimize the risk of expropriation to minority shareholders. Institutional ownership plays a role in minimizing agency conflicts so that they have the urge to supervise the activities carried out by managers to protect their investments (Rahmawati, 2012).

Managerial Ownership

According to Tjeleni (2013:138), in balancing the interests of external parties and internal parties, steps can be taken, one of which is by increasing managerial share ownership. Thus, it is hoped that the management can feel ownership and feel the consequences of making decisions that are not well targeted. According to Jensen and Meckling, managerial ownership will be aligned with the interests of management and owners so that managers can immediately make the right decisions

and benefits and will feel the losses as a consequence of making wrong decisions. So that it will provide an opportunity for managers to be more vigilant in using debt.

Profitability

According to Mulya (2017:10), companies with high profitability can provide a lot of funds for the company, where these funds can be used to cover obligations that have an impact on the level of debt use. Profitability is considered to keep the company running, the company must remain in a profitable state. The company will find it difficult to attract outside investors if there is no profit. The parties who play an important role in the company such as owners, creditors, especially the management will always try to make a company experience profits, so it can be seen how important future profits are for the company. (Syamsuddin, 2017).

Company Growth

According to Sutanto (2017: 971), the higher the funds needed for investment in the future, the more company profits will be directed to retained earnings compared to other forms of dividends. dividend. According to Putra (2017), by calculating the increase in total assets from the previous year compared to the current year, we can determine the growth of the company. In addition, it can also be calculated using a reduction in the company's assets in the current year with the previous year compared to the company's assets the previous year.

Asset Structure

For the most part, companies investing their capital in fixed assets will use their own capital to fulfill them, while loan capital is used as support. Rajagukguk (2017;179). Fixed assets are used as collateral to make it easier to convince external parties to provide and even provide loans. According to Santoso (2011:123) Asset assets are benefits that can be obtained or controlled by the company in the future due to past transactions that can provide economic benefits in providing future benefits. Asset structure is one of the factors that influence debt policy. Asset structure is the allocation of funds for each asset maker, both fixed assets and current assets.

Framework

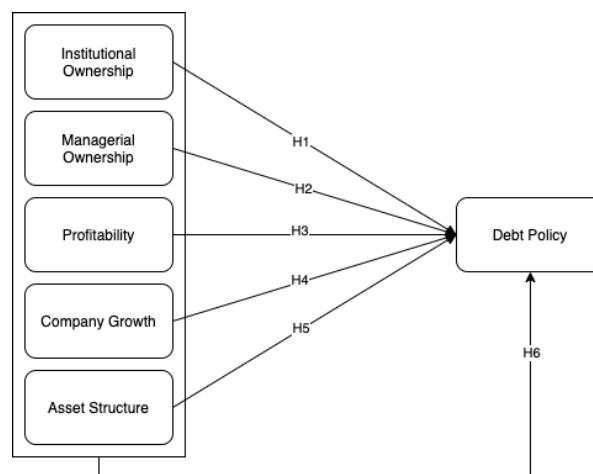


Figure 1. Research Model

Hypothesis:

- H1: Institutional ownership has a partial effect on the company's debt policy.
- H2: Managerial ownership has a partial effect on the company's debt policy.
- H3: Profitability partially affects the company's debt policy.
- H4: The company's growth has a partial effect on the company's debt policy.
- H5: Asset structure has partial effect on debt policy.
- H6: Institutional ownership, managerial ownership, profitability, company growth, asset structure has a simultaneous effect on the company's debt policy

3. Methodology

The type of data studied is quantitative research and the financial reports of real estate and building construction companies on the Indonesia Stock Exchange in 2016-2019 are used as secondary data sources. A total of 83 companies in the real estate and building construction sectors on the Indonesia Stock Exchange for the 2016-2019 period were used as the population. Purposive sampling method used in selecting research samples. Testing data used in this study include classical assumption test (normality test, multicollinearity test, heteroscedasticity test, multiple linear regression analysis, t test to test and prove research hypotheses, simultaneous, partial and coefficient of determination.

4. Result and Discussion

Normality Test

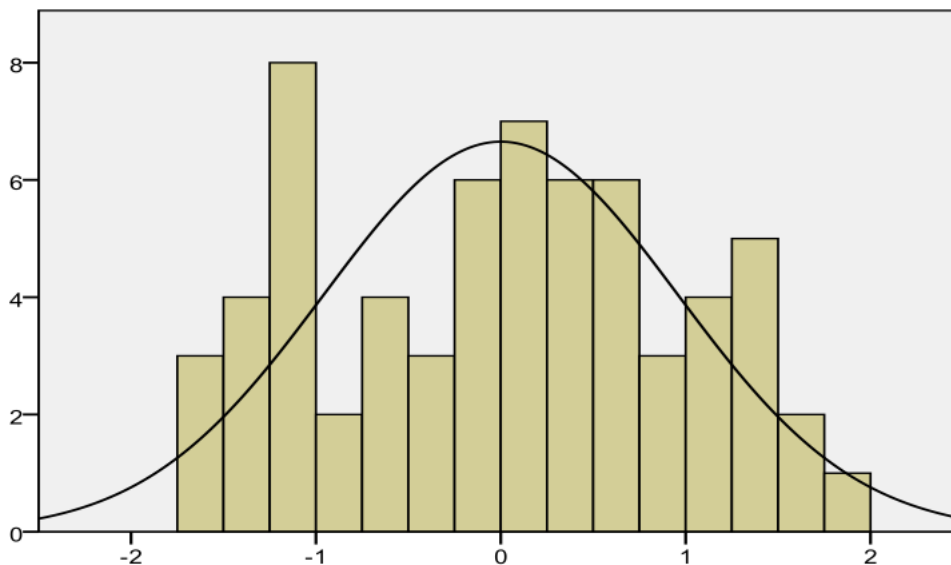


Figure 2. Histogram

From the test results above, it can be seen that the histogram is spread equally in the left and right halves, indicating that the data is normally distributed.

Multicollinearity Test

Table 2. Model Summary

Model		Collinearity Statistics	
		Tolerance	VIF
1	INS	.788	1.270
	MAN	.837	1.195
	ROE	.807	1.240
	TUMB	.810	1.235
	STRUK	.714	1.401

a. Dependent Variable: DER

From the test results above, it shows the Tolerance value of all variables > 0.10 and the VIF value of all variables < 10 , which can be declared passed for the multicollinearity test.

Autocorrelation Test

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.751a	.563	.526	1.734

From the test results above, the value of $du = 1.4322$, so $1.4322 < 1.734 < 2.5678$ ($du < d < 4-du$). So it can be concluded that it passed the autocorrelation test.

Heteroscedasticity Test

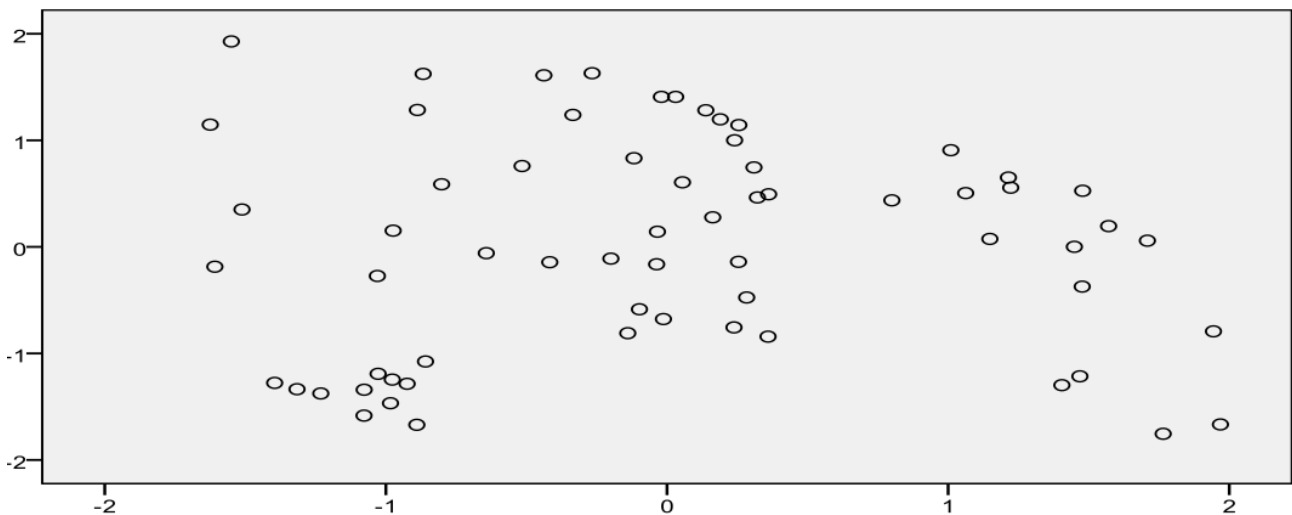


Figure 3. Scatterplot

From the test results above, that the points spread do not clump in a certain area and spread well. So it can be concluded that there is no heteroscedasticity in this research model.

Multiple Linear Regression

Multiple linear regression analysis was used to test the hypothesis about the partial effect of audit complexity variables, time budget pressure, auditor experience, accountability and understanding of information systems on audit quality. Based on the results of Multiple Linear Regression Analysis, the following results are obtained.

Table 4. Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	.208	.058			3.589	.001
INS	.165	.091	.178		1.816	.074
MAN	.304	.174	.165		1.743	.087
ROE	-1.722	.445	-.374		-3.868	.000
TUMB	.048	.079	.058		.603	.549
STRUK	.479	.078	.630		6.133	.000

Based on table 4, the multiple linear regression equation in this study can be written as follows:

$$DER = 0.208 + 0.165 INS + 0.304 MAN - 1.722 ROE + 0.048 TUMB + 0.479 STRUCTURE$$

The model shows that: The value of this constant indicates that if the independent variables, namely X1, X2, X3, X4, and X5 are considered constant, then the average debt policy of the company is 0.208. Institutional Ownership Variable (X1) has a regression coefficient of 0.165, it can be concluded that if the Institutional Ownership variable is increased by 1 unit, it will increase the value of debt policy by 0.165 units. Managerial Ownership Variable (X2) has a regression coefficient of 0.304, it can be concluded that if the Managerial Ownership variable is increased by 1 unit, it will increase the value of debt policy by 0.304 units. Profitability variable (X3) has a regression coefficient of -1.722, it can be concluded that if the Profitability variable increases by 1 unit, it will reduce the value of debt policy by 1.722 units. Company Growth Variable (X4) has a regression coefficient of 0.048, it can be concluded that if the Company's Growth variable increases by 1 unit, it will increase the value of debt policy by 0.048 units. The Asset Structure variable (X5) has a regression coefficient of 0.479, it can be concluded that if the Asset Structure variable is increased by 1 unit, it will increase the value of the debt policy by 0.479 units.

Partial Test

Partial hypothesis testing is carried out to show how far the influence of one explanatory/independent variable individually in explaining the variation of the dependent variable.

Table 5. Hypothesis Test

No.	Variables	t-value	Sig	t-table
1	(Constant)	3.589	.001	1,816
	INS	1.816	.074	1,816
	MAN	1.743	.087	1,816
	ROE	-3.868	.000	1,816
	TUMB	.603	.549	1,816

Based on table 5, it can be concluded: The independent variable X1 (institutional ownership) with a t value of 1.816 and a significant value of 0.074. which shows that institutional ownership has no effect on the company's debt policy. The independent variable X2 (managerial ownership) with a t value of 1.743 and a significant value of 0.087. which shows that managerial ownership has no effect on the company's debt policy. The independent variable X3 (profitability) with a t value of -3,868 and a significant value of 0.000. which shows that profitability has a negative effect on the company's debt policy. The independent variable X4 (company growth) with a t value of 0.603 and a significant value of 0.549. which shows the company's growth has no effect on the company's debt policy. The independent variable X5 (asset structure) with a t-value of 6.133 and a significant value of 0.000. which shows the asset structure has an influence on the company's debt policy.

Simultaneous Test

Simultaneous test (F test) was conducted to determine the positive and significant level of the variables of audit complexity, time budget pressure, auditor experience, accountability and understanding of information systems on audit quality as follows:

Table 6. ANOVA

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.316	5	.263	14.960	.000a
	Residual	1.020	58	.018		
	Total	2.336	63			

Based on table 6, from the test results above, obtained the value of Fcount (14,960) and a significant value of 0.000. So it can be concluded that Fcount > Ftable (14,960 > 2,37) and significance < 0.05 (0.000 < 0.05). Which shows that the independent variables jointly affect the dependent variable (debt policy).

Coefficient of Determination (R²)

The coefficient of determination of the hypothesis essentially measures how far the model's ability to explain the variation of the dependent variable.

Table 7. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751a	.563	.526	.13262

From the test results above, it shows that the Adjusted square value obtained is 0.526, which means that 52.6% of debt policy as the dependent variable can be explained by variations of the independent variables, namely Institutional Ownership (X1), Managerial Ownership (X2), Profitability (X3), Company Growth (X4), and Asset Structure (X5) . While the rest (100% - 52.6% = 47.4%) are variations of other variables that are not explained in this study.

Discussion

This study aims to analyze the effect of institutional ownership, managerial ownership, profitability, company growth, asset structure on the company's debt policy. Based on the classical assumption test carried out on the model, it can be seen that the linear regression model has met the requirements of the classical assumption test so that it is suitable to be used to analyze institutional ownership, managerial ownership, profitability, company growth, asset structure and corporate debt policy.

The Effect of Institutional Ownership on Corporate Debt Policy

Judging from the statistical analysis, it was found that the significant value of institutional ownership was > 0.05 , with a significant value of 0.074. which means that institutional ownership variable does not affect the company's debt policy. This research is supported by the results of Mulya (2014), which says that institutional ownership does not affect debt policy, it could be due to the influence of the global crisis in 2012, where there was a large-scale withdrawal of capital due to changes in uncertain investment, which resulted in companies using financial resources. debt funds and make institutional ownership less influence the debt policy of the company.

The Effect of Managerial Ownership on Corporate Debt Policy

Judging from the statistical analysis, it was found that the significant value of managerial ownership was > 0.05 , with a significant value of 0.087. which means that managerial ownership variable does not affect the company's debt policy. This result is supported by the results of Fransiska (2016), where managerial ownership does not significantly affect debt policy, because management's share ownership is smaller than that of shareholders, which results in the manager's vote not affecting the GMS (General Draft of Shareholders).

The Effect of Profitability on Corporate Debt Policy

Judging from the statistical analysis, it was found that the significant value of the profitability variable was < 0.05 , which shows that partially profitability affects the debt policy of the company. This result is in line with research conducted by Sheisarvian (2015) and Astuti (2014), which argues that profitability affects the company's debt policy. This result is also in line with the pecking order theory. Where the core of the theory is that prioritizing funding from within the company will automatically minimize external funding, namely debt. It can be concluded that companies that have high profits will be able to have a lot of funds to cover obligations so that it will have an impact on the use of debt. So it proves that profitability is significantly negatively related to the company's debt policy.

The Effect of Corporate Growth on Corporate Debt Policy

Judging from the statistical results, it was found that the significant value of the company's growth was > 0.05 , with a significant value of 0.603, meaning that the company's growth did not affect the company's debt policy. In addition, this research is supported by the results of Dwi (2015), where company growth does not affect debt policy at all, because growing companies will prioritize the use of their own funds. It can be concluded that companies that use debt financing, managers

cannot make optimal investments because creditors will get the earliest claims on cash flows from the company.

The Influence of Asset Structure on Corporate Debt Policy

Judging from the results of statistical analysis, it can be assessed that the significant value of the asset structure is <0.05 , which indicates that it partially affects the asset structure of the company's debt policy. This research is supported by research by M. Hanafi (2015: 345), where companies that have larger fixed assets combined with stable demand will use more debt, in contrast to companies that use current assets more will be influenced by profit. the company and use less debt. However, it is different from the research of Narita (2012) which states that the asset structure does not significantly affect debt policy because total assets of large value do not guarantee the company has a stable value in the future, so it is possible for management to use debt as a source of funding because the management also don't want to take that risk.

5. Conclusion

Based on the results of the research and discussion that have been described, the following conclusions can be drawn: the results of hypothesis testing in this study indicate that the profitability and asset structure variables partially affect the company's debt policy, while the variables of institutional ownership, managerial ownership, and company growth have no effect. to the company's debt policy. Simultaneously institutional ownership, managerial ownership, profitability, company growth, asset structure has a significant effect on the company's debt policy.

References

- Asbar, Robby Saktiawan, Emrinaldi Nurdan Desmiyawati, 2011. Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Kebijakan Dividen Dan Profitabilitas Terhadap Kebijakan Hutang Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Manajemen Keuangan*.
- Bernandhi, Riza. 2013. Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Kebijakan Dividen, Leverage Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. Skripsi. Universitas Diponegoro, Semarang.
- Dwi, Ade Suryani. 2015. Pengaruh Free Cash Flow, Pertumbuhan Perusahaan, Kebijakan Deviden Dan Ukuran Perusahaan Terhadap Kebijakan Hutang Pada Perusahaan Manufaktur Di BEI Tahun 2013. Skripsi. Universitas Negeri Semarang.
- Effendi, Rizal. 2013. *Accounting Principles: Prinsip-prinsip Akuntansi Berbasis SAK ETAP*. Edisi Revisi. Jakarta: PT Raja grafindo.
- Fransiska, dkk.(2016). Pengaruh Kepemilikan Institusional, Kepemilikan Manajerial, dan Kebijakan Dividen terhadap Kebijakan Hutang Pada Perusahaan Manufaktur yang Terdaftar Di Bursa Efek Indonesia Tahun 2012-2014. *Journal Riset Mahasiswa Akuntansi Unikama*.
- Ghozali, Imam. 2018. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro: Semarang
- Joni dan Lina.(2010). Faktor-faktor yang Mempengaruhi Struktur Modal.STIE Trisakti .*Jurnal Bisnis dan Akuntansi*. Vol. 12, No.2, Agustus 2010, Hlm. 81-96.

- Kasmir, 2011, “Analisis Laporan Keuangan”, Raja Grafindo Persada: Jakarta.
- Mulya, Eraka Nugraha. (2014). Pengaruh Kepemilikan Institusional, Kepemilikan Manajerial, Profitabilitas, Dan Ukuran Perusahaan Terhadap Kebijakan Hutang Pada Perusahaan. Fakultas Ekonomi Dan Bisnis .Universitas Muhammadiyah Surakarta.
- Narita, Rona Mersi. 2012. Analisis Kebijakan Hutang. AAJ. Volume 1.Nomor 2.
- Pancawati Hardiningsih & Rachmawati Meita Oktaviani. (2012). Determinan Kebijakan Hutang (Dalam Agency Teory dan Pecking order Teory). ISSN :1779-4878.
- Rajagukguk, L, Widyastuty, E., dan Pakpahan. 2017. Analisis Pengaruh Kebijakan Deviden, Struktur Aset, dan Pertumbuhan Penjualan Terhadap Kebijakan Hutang pada Perusahaan Manufaktur Yang Terdaftar di Bursa Efek Indonesia Tahun 2011-2015. JURNAL AKUNTANSI, VOL. 17, NO. 1, JANUARI JUNI 2017.
- Riduwan, Akhmad ,Enggar Fibria Verdana Sari. 2013. Pengaruh Corporate Governance, Kepemilikan Institusional, Kepemilikan Manajerial Dan Komite Audit Terhadap Nilai Perusahaan. Jurnal Ilmu Riset dan Akuntansi.Vol. 1 No. 1, Januari 2013.Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA). Surabaya.
- Sheisarvian, R. M., Nengah S., dan Muhammad S. 2015. Pengaruh Kepemilikan Manajemen, Kebijakan Dividen, Dan Profitabilitas Terhadap Kebijakan Hutang (Studi Pada Perusahaan Manufaktur Yang Tercatat Di BEI Periode 2010-2012). Jurnal Administrasi Bisnis. Volume 22.Nomor 1
- Suprantiningrum.2013. Pengaruh Dimensi Kecerdasan Emosional Mahasiswa Akuntansi terhadap Tingkat Pemahaman Akuntansi. Jurnal Akuntansi, Vol. 27 No. 1, ISSN : 0854-1442.
- Tjeleni, Indra E. 2013. Kepemilikan Manajerial Dan Institusional Pengaruhnya Terhadap Kebijakan Hutang Pada Perusahaan Manufaktur Di Bursa Efek Indonesia. Jurnal EMBA.Volume 1. Nomor 3.
- Trisnawati, Ita. 2016. Faktor - Faktor yang Mempengaruhi Kebijakan Hutang Pada Perusahaan Non-Keuangan yang Terdaftar di Bursa Efek Indonesia. Jurnal Bisnis dan Akuntansi (STIE Trisakti) Vol.18, No.1 Juni, hlm.33-42.
- Yuniarti, Santi. 2013. Pengaruh Model Core Berbasis Konstektual Terhadap Kemampuan Pemahaman Matematik Siswa.FMIPA : STKIP Siliwangi Bandung. <http://www.google.com> (28 Maret 2016)
- www.idx.co.id