

## **Influence Of Growth Opportunity, Company Size and Capital Structure Of Company Value In The Company Manufacturing On The Indonesia Stock Exchange**

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### **ABSTRACT**

*The purpose of this study is to determine the effect of: (1) Growth Opportunity To Firm Value (2) Company Size To Company Value (3) Capital Structure To Firm Value (4) Growth Opportunity, Company Size and Capital Structure Simultaneously To Firm Values.*

*The population used in this research is the company-manufacturing companies listed on the Indonesia stock exchange during the years 2013-2017. The sample in this study 22 companies that have been selected by purposive sampling. The data used in this research is quantitative, whereas the data sources in this study are secondary data obtained from [www.idx.co.id](http://www.idx.co.id).*

*The collection of data used in this research is a method of documentation. This research method using simple linear regression analysis, linear regression coefficients significance test is simple, linear analysis of multiple linear regression significance test, multiple and coefficient determination.*

*Based on the analysis already done can be concluded: (1) there is a significant and positive influence on the growth opportunity of the firm with the significance of  $0.008 < 0.05$  (2) there is a significant negative influence and the size of the firm against corporate values with significance of  $0.009 < 0.05$  (3) there is a significant and positive influence of the capital structure of the firm with the significance of  $0.005 < 0.05$  (4) based on multiple linear regression equation of growth opportunity, the size of the capital structure and Corporation are jointly significant effect against the corporate values with significance  $0.000 < 0.05$ .*

**Key words: Growth Opportunity, Firm Size, capital structure and Firm Value.**

### **INTRODUCTION**

Every establishment company certain have destination for get profit or maximum profit that can be achieved , with get maximum profit \_ so company could walk with good . With thereby company always attempted for increase Mark company , because the more tall Mark company so the more tall level success company .

Big small company will influence ability in bear possible risk \_ arise from various situation at hand company . Big company have more risk \_ low than company small . This thing because company big have more control \_ good (greater control) against market conditions so that they capable face competition economy ( Hery , 2017: 11).

one \_ reason founded something company is for maximizing riches owner company where the company that has the most maximum total assets sought after by investors because could maximizing wealth of apprentices stock .

Company in general attempted increase Mark company so that shareholders share permanent invest in company the because if Mark company increase so will could increase prosperity of the holders Interested stocks and potential investors for invest in company that .

Company value could give profit to the holder share by maximum if price shares in the company the increase because the more tall price share so the more wealth is high holder stock . Company value could be measured with *price to book value* (PBV), namely ratio price stock and value book equity , which measures the value that the market assigns to management and organization as a a company that continues to grow ( Hery , 2017: 6).

A number of factors that can influence Mark company , including growth opportunity, size company and capital structure . Growth opportunities are change level growth annual from total assets (Hartono, 2016: 479). Growth opportunity ( opportunity company ) alone could be measured with *Price Earning Ratio* (PER). Where are the companies that have prediction will experience growth high in the future will more choose use share for fund operational company because avoid incident that doesn't desired , while predicting company \_ opportunity growth low will more many use debt period long .

Size company describe big small something companies that can declared with total assets or total sales clean . The more big total assets nor sale so the more big size too something company . the more big asset so the more large amount of invested capital , while the more many sale so the more there is also a lot of money in circulation company ( Hery , 2017: 12). one \_ factors that make something company have power competitive in period long because factor strong its capital structure . So that decision sources of funds used for strengthen capital structure of a company no could seen as simple decision \_ However have implication strong to what will \_ happen in the future come (Fahmi, 2016: 184).

Factor other influencing \_ Mark something company is capital structure ( *capital structure* ) is fusion long- term source of funds long long-term source of *funds* used company . For reach destination company in maximize riches holder stock manager \_ finance must could evaluate capital structure and understand relationship with risk , return and return value . Target of capital structure is create something composition from the most appropriate and profitable debt and venture capital from aspect finance . ( Ta'dir E. Prasetia , et al 2014:881).

### **Research Methods**

Based on the type and analysis of the data used study this including in study quantitative data in study this in the form of numbers , type research used \_ is study causal that is for determine connection because consequence Among variable independent and variable tied . Study this aim for analyze influence of growth opportunity, size company and capital structure to Mark company .

Due to research data this character secondary so object study this is company manufactures listed on the Indonesia Stock Exchange for the period 2013 to 2017 . got from study this processed using SPSS version 22.0 program.

Population used \_ in study this is company manufactures that have listed on the Indonesia Stock Exchange from 2013 to \_ 2017 is \_ as many as 19 sub- sectors company ie 140 companies . retrieval technique sample in study this use method *purposive sampling* with criteria :

- a. Manufacturing companies listed on the Indonesia Stock Exchange in the period 2013-2017
- b. Publish report finance by complete and consecutive During period 2013-2017
- c. Manufacturing companies that use rupiah unit
- d. Experience drop profit one year During period time research .

Amount sample on company manufacturing that meets criteria is as many as 22 companies listed on the Indonesia Stock Exchange in 2013 - 2017.

In study this variable used \_ consist from variable dependent and variable independent . Variable dependent (Y) of study this is Mark company , while variable independent (X) consists of growth opportunity (X1), size company (X2) and capital structure (X3).

a. Variable Dependent

Company value is condition certain who have achieved by a company as description from trust public to company after through an activity process During a number of year , that is start from company the established until with moment this . Increase Mark company is a matching performance \_ with the wishes of the owners . With increase Mark company , then well-being for the owners will also increase . Riches holder stock and company represented by the market price of the stock , which is reflection from decision investment , financing and management assets ( Hery , 2017:5).

Company value defined as market value i.e. ready price \_ paid by candidate buyer if company the for sale . Company value could give profit holder share by maximum if price share company increase , where the more tall price share so the more wealth is high holder stocks ( MS R. Pantow ., S. Murni ., I. Trang, 2015:962).

b. Variable Independent

Growth Opportunity (X1)

Growth opportunities are is something fusion Among possibility will opportunity investment in Century front with assets real owned by a \_ company ( Fauzi , 2013:78). The measurement scale used in the study this is ratio .

Growth Opportunity company will influence big dividends paid \_ company . This thing is signal about growth company in the future come . the size *growth opportunity* a company , will affect the amount of funds needed for investment etc. \_ Management company certain will try for maximizing growth company on each period . Growth a company will relate live with need funding . If the company more focus on growth company , then the need for funds will the more forcing height \_ management withhold profit and impact on the low dividends ( Anggit Satria P, R. Djoko Sampurno , 2012:2).

Variable growth opportunity ( opportunity growth ) can be measured with use *Price Earning Ratio (PER)* that is common and special ratio \_ used in the capital market that describes situation / circumstances achievement in the capital market ( Hope , 2016:311).

Size (X2)

Size company is the size of the total assets owned by the company that can be used for activity operation company ( Ta'dir E. Prasetya ., P. Tommy., and Ivone S. Saerang . 2014).

Size company is important thing \_ in the process of reporting finance . Size company in study could seen with count how much big assets owned \_ a company . Companies that are in growth high sales \_ need endorsement source power more and more companies large , on the contrary in companies that growth sale low , need source power the company is also getting small . With Thus , size company is size or big owned assets \_ company ( Hery , 2017:12).

Capital Structure (X3)

capital structure is fusion long- term source of funds long long-term sources of funds used company for reach destination company in maximize riches holder stock . Target of capital structure is create something composition from the most appropriate and most profitable debt and venture capital from aspect the most appropriate and most profitable debt and venture capital from aspect finance ( Ta'dir E. Prasetia ., P. Tommy., and Ivone S. Saerang . 2014).

What happened problem from capital structure is how to get company with fast blend composition of permanent funds used with look for a guide to the funds that can be minimize the company 's cost of capital and can maximizing price stocks ( Rodoni and Ali, 2014:129).

Before do hypothesis with analysis regression multiple more formerly pass test \_ linear constraint or assumption test classic . For knowing is results estimation regression performed \_ truly break free of bias, so that the results obtained are valid. because of that conducted testing normality , multicollinearity , autocorrelation and heteroscedasticity .

Tests used \_ in study this is analysis simple linear regression and analysis regression loinear multiple . Equality general simple linear regression are :

= + Where :

Y = Subject in variable predicted dependent . \_

a = Price of Y if X = 0 ( price constant )

b = direction number or coefficient regression , which shows number enhancement or decrease variable dependent which is based on the variable independent .

If b (+) then increases, and if (-) then occur decline .

X = Subject on variable independent who has

Mark certain .

Equality general multiple linear regression are :

Y = + + + + e Description :

Y = Firm Value a =

constant e = error =

coefficient

regression

<sub>1</sub> = Growth Opportunity

<sub>2</sub> = Company Size \_

<sub>3</sub> = Capital Structure \_

## Results

### Test Hypothesis 1

Based on equality regression so could explained as following :

Constant value of 295,713 means if the growth opportunity value is 0 then , growth Mark company amounted to 295,713. Coefficient regression growth opportunity variable 0.100 and marked positive showing \_ that growth opportunity has unidirectional relationship \_ with Mark company . This thing means that every increase growth opportunity variable of 1 will be increase Mark company of 0.100. With significant of 0.008, because significant  $0.008 < 0.05$  then could interpreted that growth opportunity has an effect significant to Mark company .

**Table 1**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	295.713	152,947		1,933	0.056
Lag_X1	,100	,037	,254	2,715	,008

a. Dependent Variable: Lag\_Y

### Test Hypothesis 2

Based on equality regression so could explained as following :

Constant value of 774,917 means if size company value is 0 then , growth Mark company amounted to 774,917. Coefficient regression variable company size -1,206 and marked negative showing \_ that size company own relationship that doesn't unidirectional with Mark company . This thing means that every increase variable size company of 1 will lower Mark company of -1.206. With significant of 0.009, because significant  $0.009 < 0.05$  then could interpreted that size company take effect significant to Mark company .

**Table 2**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	774,917	135,291		5,728	,000
Lag_X2	-1,206	,452	-,250	-2,670	,009

a. Dependent Variable: Lag\_Y

### Test Hypothesis 3

Based on equality regression so could explained as following :

Constant value of 269.233 means if structure capital value is 0 then , growth Mark company amounted to 269,233.

Coefficient regression variable capital structure 3,379 and marked positive showing \_ that capital structure has unidirectional relationship \_ with Mark company . This thing means that every increase variable capital structure of 1 will increase Mark company of 3,379. With significant of 0.005, because significant  $0.005 < 0.05$  then could interpreted that size company take effect significant to Mark company.

**Table 3**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	269,233	154,612		1,741	,084
Lag_X3	3,379	1,170	,269	2,888	,005

a. Dependent Variable: Lag\_Y

#### Test hypothesis 4

Based on results analysis multiple linear regression state that growth opportunity variable , size firm and influential capital structure to Mark company . obtained equality regression  $Y = 161.512 + 0.093X_1 - 1.232X_2 + 3.930X_3$ . Which means constant of 161,512 values coefficient of each variable namely the growth opportunity of 0.093% with sign positive meaning \_ take effect unidirectional with Mark company , size company by 1.232% with sign negative meaning \_ take effect no unidirectional with Mark company , the capital structure is 3.930 % with sign positive meaning \_ take effect unidirectional with Mark company . With level Mark profitability significance of  $0.000 < 0.05$  which means by together growth opportunity, size firm and influential capital structure to Mark company .

**Table 4**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	161,512	190.352		,848	,398
Lag_X1	,093	0.035	,236	2,692	,008
Lag_X2	-1,232	,426	-,255	-2.892	,005
Lag_X3	3,930	1,100	,313	3,572	,001

a. Dependent Variable: Lag\_Y

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	32987679,624	3	10995893,208	9.185	,000 <sup>b</sup>
Residual	125696260.046	105	1197107,239		
Total	158683939,670	108			

a. Dependent Variable: Lag\_Y

b. Predictors: (Constant), Lag\_X3, Lag\_X1, Lag\_X2

#### Conclusions and recommendations

##### Conclusion

Based on results research that has been done , then could obtained conclusion as following :

- There is positive effect of Growth Opportunity on Firm Value. That thing proved with got it equation  $Y = 295.713 + 0.100X_1$  which means constant of 295.713, the value of coefficient regression of 0.100 and the value of probability significant of 0.008. Because the value of sig  $0.008 < 0.05$  then could interpreted that growth opportunity affects Mark company by positive and significant , so that hypothesis first accepted .

- b. There is negative effect of Firm Size on Firm Value. That thing proved with got it equation  $Y = 774,917 - 1,206X_2$  which means constant of 774,917, the value of coefficient regression of -1.206 and the value of probability significant of 0.009. Because the value of sig  $0.009 < 0.05$  then could interpreted that size company influence Mark company by positive and significant , so that hypothesis second accepted .
- c. There is positive influence \_ Capital Structure on Firm Value. That thing proved with got it equation  $Y = 269,233 + 3,379X_3$  which means constant of 269.233, the value of coefficient regression of 3.379 and the value of probability significant of 0.005. Because the value of sig  $0.005 < 0.05$  then could interpreted that capital structure affects Mark company by positive and significant , so that hypothesis third accepted .
- d. Based on results equality multiple linear regression there is influence significant between Growth Opportunity, Firm Size and Capital Structure on Firm Value obtained equation  $Y = 161.512 + 0.093X_1 - 1.232X_2 + 3.930X_3$ . Which means constant of 161,512 and the value of significant  $0.000 < 0.05$  then concluded that Growth Opportunity, Company Size and Capital Structure together take effect significant to the Company Value , so that hypothesis fourth accepted .
- e. From result calculation coefficient determination obtained value 0.208. That thing showing that something variable independent consisting of of  $(X_1)$ ,  $(X_2)$  and  $(X_3)$  only capable explain variable dependent namely the Company Value of 0.208 or 20.8% while the remaining 79.2% is explained by other variables that do not researched .

### Suggestion

The suggestions that can be given through results study this is as following :

- a. For research next  
For study next , for researching more carry on about theme kind of for add total other possible variables could affect Company Value.
- b. For Manufacturing Companies on IDX  
For company should anticipate condition the economy that occurs , if state economy getting worse so be careful for use debt period long because will cause high risk . \_ Which resulted in company no capable pay his debts , things this causing company lost trust from creditors and potential investors who then could caused decline Mark company .
- c. For Prospective Investors  
For potential investors, hopefully study this useful for consider which companies will made as the place investment , in addition to growth opportunity, size company and capital structure , prospective investors should also consider variables others who can increase Mark company .

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