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COMPANY FINANCIAL PERFORMANCE RATIOS: THE INFLUENCES OF THE STRUCTURE OF ASSETS, CASH HOLDING, FIRM SIZE AND INSTITUTIONAL HOLDINGS ON DEBT POLICY

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Abstract

The purpose of this study was to test and analyze the influence of asset structure, cash holding, firm size and institutional ownership on the debt policy of food and beverage industry sub-sector companies on the IDX 2018-2021. Research method, the type of approach in this research is a Quantitative Approach. The sample of this study was obtained using the Purposive Sampling Method, obtained as many as 19 companies in the Food and Beverage Industry Sub-Sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period. The analysis method used is Panel Data Regression Analysis. The results showed that partially Asset Structure has a significant positive effect on debt policy, Cash Holding hurts debt policy, Company Size has no significant positive effect on policy, Institutional Ownership has a significant positive effect on debt policy, simultaneously Asset Structure, Cash Holding, Company Size and Institutional Ownership have a significant positive effect on Debt Policy. Value, Asset Structure, Cash Holding and Institutional Ownership affect debt policy with a significance level <0.05 while company size has a significance level> 0.05, meaning that company size has no positive effect on debt policy.

Keywords: Asset Structure, Cash Holding, Company Size, Institutional Ownership, Debt Policy

Abstrak

Tujuan dari penelitian ini adalah untuk menguji dan menganalisis pengaruh struktur aktiva, cash holding, ukuran perusahaan dan kepemilikan institusional terhadap kebijakan hutang perusahaan sub sektor industri makanan dan minuman di BEI tahun 2018-2021. Metode penelitian, jenis pendekatan dalam penelitian ini adalah Pendekatan Kuantitatif. Sampel penelitian ini diperoleh dengan menggunakan Metode Purposive Sampling, diperoleh sebanyak 19 perusahaan pada perusahaan Sub Sektor Industri Makanan dan Minuman yang terdaftar di Bursa Efek Indonesia (BEI) Periode 2018-2021. Metode analisis yang digunakan adalah Analisis Regresi Data Panel. Hasil penelitian menunjukkan bahwa secara parsial Struktur Aktiva berpengaruh positif signifikan terhadap kebijakan hutang, Cash Holding berpengaruh negatif signifikan terhadap kebijakan hutang, Ukuran Perusahaan tidak berpengaruh positif signifikan terhadap kebijakan, Kepemilikan Institusional berpengaruh positif signifikan terhadap kebijakan hutang, secara simultan Struktur Aktiva, Cash Holding, Ukuran Perusahaan dan Kepemilikan Institusional berpengaruh positif signifikan terhadap Kebijakan Hutang. Nilai Perusahaan, Struktur Aktiva, Cash Holding dan Kepemilikan Institusional berpengaruh terhadap kebijakan hutang dengan tingkat signifikansi < 0,05 sedangkan ukuran perusahaan memiliki tingkat signifikansi > 0,05, artinya ukuran perusahaan tidak berpengaruh positif terhadap kebijakan hutang.

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***Kata kunci**: Struktur Aset, Kepemilikan Kas, Ukuran Perusahaan, Kepemilikan Institusional, Kebijakan Utang*

Introduction

All companies will certainly be faced with a conflict between managers and shareholders in terms of funding decisions. The managers must consider their funding decisions carefully and comprehensively. Consideration is needed because each funding source has different consequences. Managers must examine the nature, cost and source of funds that will be used (Sakawa et al., 2021). One often used source of funding is debt policy. If the decision made by the manager only benefits his side, there will be a conflict between managers and shareholders which is often called an agency conflict (Chen et al., 2020; Ogabo et al., 2021). Agency conflicts can be reduced by supervision to align the interests of related parties. The existence of this supervision will lead to agency costs. Agency costs are costs associated with supervisory management to ensure that managers behave in a manner consistent with the company's contractual agreements with shareholders and creditors (Wu et al., 2023; Yun et al., 2021). The company's efforts to reduce agency costs usually use funds derived from debt. Debt policy is a solution to the agency problem that occurs.

Several alleged factors influence debt policy, including Asset Structure, Cash Holding, Company Size, and Institutional Ownership (Krishnankutty & Jadiyappa, 2020). Asset structure that companies can consider in determining debt policy. Asset structure is the determination of how much allocation for each asset component, both in current assets and fixed assets. The amount of fixed assets of a company can determine the amount of debt usage. Companies that have large amounts of fixed assets can use large amounts of debt as well because these assets can be used as loan collateral (Queiri et al., 2021). Company size can affect debt policy. In determining debt policy, one of the things that is considered is the size of the company. Large companies can be said to have the advantage of activity and are better known by the public than small companies. The larger the size of the company, the more transparent the company is in disclosing the company's performance to outsiders, so that the company will increasingly gain the trust of creditors. According to Tarighi et al., (2022), company size is the size of a company which can be expressed by total assets. Therefore, the larger the size of the company, the greater the financing of assets funded by debt will be.

Another factor is that institutional ownership is also one of the factors in influencing debt policy, because institutional ownership can describe the state of company shares owned by institutions. Where institutions that are usually large shareholders have more power to control and align the interests of managers and shareholders (Cao et al., 2022). Institutional ownership can also reduce agency costs, this is due to effective monitoring by institutional parties, causing the use of debt to decrease. The presence of high institutional investors can act as a supervisory agent effectively on manager performance and the existence of institutional ownership can also reduce agency conflicts, where share ownership in a company must focus on making the supervision carried out by the owner more effective so that management will be more careful (Kim et al., 2020). This is due to the role of debt as a monitoring tool that has been taken over by institutional ownership. Thus institutional ownership can reduce the agency cost of debt (Setiawati & Raymond, 2017).

Table 1. Average Debt to Equity Ratio (DER) of Several Food and Beverage Sub-Sector Companies 2018 - 2021

NO	COMPANIES	DEBT TO EQUITY RATIO			
		2018	2019	2020	2021
1	Garudafood Putra Putri Jaya Tbk	0.69	0.83	1.27	1.23
2	Budi Starch & Sweetener Tbk	1.77	1.53	1.24	1.16

3	Indofood Sukses Makmur Tbk	0.93	0.77	1.06	1.07
4	Indofood CBP Sukses Makmur Tbk	0.51	0.45	1.06	1.16
5	Sekar Bumi Tbk	0.70	0.76	0.84	0.99
	AVERAGE	**0,92**	**0,87**	**1,09**	**1,12**

Source: Processed Data, 2023

According to table 1.1, the average value of Debt to Equity Ratio (DER) of several food and beverage sub-sector companies in 2018 - 2021 has increased. The highest average value occurred in 2021, amounting to 1.12 and the lowest occurred at 0.92. Therefore, several food and beverage sub-sector companies in 2018-2021 can be said to be in poor condition in 2020-2021 because they exceed the normal value of DER. Increased use of debt in several Food and Beverage sub-sector companies on the Indonesia Stock Exchange (IDX) which ultimately has an impact on the profit growth generated by the company. If the use of debt in a high company is not balanced with good financial performance, it will hurt the company, even the biggest impact can cause losses which eventually the company goes out of business (bankrupt). In this study, researchers want to research several factors that can influence debt policy to make funding decisions such as Asset Structure, Cash Holding, Company Size and Institutional Ownership. Considering the importance of debt policy for every company that needs debt to help fund operations to keep operating and the company's ability to return debt to creditors.

Funding decisions are one of the important aspects of company management. Every company, whether large or small, must be faced with various challenges and conflicts between managers and shareholders. These conflicts often arise due to differences in interests, especially in terms of funding decisions. In this context, funding decisions must be carefully considered because each funding source has different consequences. One source of funding that is often used is debt policy (Nugraha et al., 2021). This policy not only affects the company's capital structure but also plays a role in reducing agency conflicts between managers and shareholders. This agency conflict can be minimized through supervision which results in agency costs as explained by (Bai et al., 2022). Funding decisions that use debt are often chosen because of their nature which can be a monitoring tool for manager performance. However, on the other hand, excessive use of debt also carries risks, such as a decline in financial performance to potential bankruptcy. Therefore, debt policy is not only a tool to solve agency problems but also needs to be managed by considering various factors that influence it, such as asset structure, institutional ownership, company size, and cash holding (Moin et al., 2020).

Factors that influence corporate debt policy include several important aspects, including asset structure, firm size, institutional ownership, and cash holding. Asset structure is one of the main considerations in determining debt policy. This structure reflects the allocation of the company's asset components, both current and fixed assets. Companies with large fixed assets tend to have easier access to debt because these assets can be used as collateral. According to Yildiz, (2021), the greater the fixed assets owned by the company, the greater the company's ability to utilize debt. Fixed assets provide a sense of security for creditors against the risk of default, thus encouraging companies to be more confident in taking debt. In addition, company size also has a significant influence on debt policy. Large companies usually have more organized activities and are known by the public, thus gaining higher trust from creditors. In Loncan, (2020) research, company size is measured based on total assets. Thus, larger companies are more likely to use debt to finance their operations because they are considered more stable and transparent by lenders.

Institutional ownership is also a factor that plays an important role in determining debt policy. Institutional ownership refers to the level of share ownership by certain institutions, which is often considered an effective monitoring mechanism to reduce agency conflicts. Institutions that own a large

number of shares can control and align the interests between managers and shareholders. According to Tayachi et al., (2021), high institutional ownership can reduce agency costs, so companies tend to use lower amounts of debt because the supervisory function is well carried out by the institution. Finally, cash holding or cash balance owned by the company also plays an important role in funding decisions. Companies with large cash balances have better financial flexibility, so they are less dependent on debt as a source of funding. Conversely, companies with low cash balances tend to rely more on debt to fund their operational activities. By considering these four factors, companies can manage their debt policy more effectively to support their operational sustainability and financial performance.

Research Methods

This research uses descriptive research methods and quantitative approaches to determine the effect of asset structure, cash holding, firm size, and institutional ownership on debt policy in food and beverage sub-sector companies on the Indonesia Stock Exchange (IDX). According to Juniatmoko, (2019) Descriptive method is research that is carried out to determine the existence of independent variable values, either one or more variables (independent) without making comparisons or connecting with variables, while quantitative methods can be interpreted as research methods based on positives philosophy, used to research on certain populations or samples, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing predetermined hypotheses.

Results and Discussion

Data Collection

The data type used in this study is time series data obtained from the financial statements of the food and beverage industry sub-sector located on the IDX 2018-2021. The data used in this study are secondary data obtained from the company's financial statements downloaded from www.idx.co.id. Secondary data is a variety of information that has been previously and deliberately collected by researchers used to complement research data needs. The population in this study were 47 companies in the food and beverage industry sub-sector located on the IDX 2018-2021. Then the sampling technique in this study is the purposive sampling technique, which is a sampling technique in a special way, namely providing an assessment of certain criteria for the sample among the selected population. Thus, the number of samples in this study was 19, namely:

Table 2. Research Samples that Meet the Criteria

NO		COMPANIES
1	ADES	Akasha Wira International Tbk
2	BUDI	Budi Starch & Sweetener Tbk
3	CEKA	Wilmar Cahaya Indonesia Tbk
4	CLEO	Sariguna Primatirta Tbk
5	DLTA	Delta Djakarta Tbk
6	DMND	Diamond Food Indonesia Tbk
7	GOOD	Garudafood Putra Putri Jaya Tbk
8	HOKI	Buyung Poetra Sembada Tbk
9	ICBP	Indofood CBP Sukses Makmur Tbk
10	INDF	Indofood Sukses Makmur Tbk
11	KEJU	Mulia Boga Raya Tbk
12	MLBI	Multi Bintang Indonesia Tbk

13	MYOR	Mayora Indah Tbk
14	ROTI	Nippon Indosari Corpindo Tbk
15	SKBM	Sekar Bumi Tbk
16	SKLT	Sekar Laut Tbk
17	STTP	Siantar Top TBK
18	ULTJ	Ultra Jaya Milk Industry & Trading Company Tbk
19	COCO	Wahana Interfood Nusantara Tbk
JUMLAH		19 Perusahaan

Source: Data processed, 2023.

Results and Discussion

Numerical Results

Descriptive Statistical Analysis, which is testing is carried out to show the characteristics of each sample and explain each variable, as for the data seen, namely the mean, maximum, minimum, and standard deviation. The following are the results of Descriptive Statistics from data that has been sorted according to characteristics.

Figure 1. Descriptive Statistics of Research Variable

	X1	X2	X3	X4	Y
Mean	0.376661	0.140065	24.01052	72.08785	0.707402
Median	0.376447	0.106415	27.08689	76.82217	0.611528
Maximum	1.000000	0.632315	30.62263	100.0000	2.240964
Minimum	0.059199	2.92E-07	14.87659	13.33333	0.163544
Std. Dev.	0.184186	0.150410	5.261498	19.18519	0.449483
Observations	76	76	76	76	76

Source: Processed secondary data.

According to Figure 4.1, the results show that the data used in this study are 76 sample data using financial reports or annual reports on Food and Beverage Industry Sub-Sector companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 period.

Description of the Asset Structure Variable

Asset structure is a determination of how much allocation for each component of assets, both in current assets and fixed assets. The following is data on the Asset Structure of the Food and Beverage Industry Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period.

Description of Asset Structure Variables

Asset structure is a determination of how much allocation for each component of assets, both in current assets and fixed assets. The following is data on Asset Structure in the Food and Beverage Industry Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period.

The following is a Descriptive Statistical Figure for the Asset Structure Variable

Figure 2. Descriptive Statistics of Asset Structure

	X1
Mean	0.376661
Median	0.376447
Maximum	1.000000
Minimum	0.059199

Std. Dev.	0.184186
Observations	76

Source: Processed secondary data

Based on the results of data processing Descriptive Statistics on the Asset Structure variable, it can be concluded that the minimum value of the Asset Structure in 2018, 2019, 2020 and 2021, namely in the Delta Djakarta Tbk (DLTA) company, is 0.059199, while the maximum value of the results of data processing Descriptive Statistics on the Asset Structure variable in 2021 in the Sekar Bumi Tbk (SKBM) company is 1.000000. Then for the average value (mean) of the Asset Structure variable of 0.376661 which is greater than the Standard Deviation value of the Asset Structure variable of 0.184186 which means that the distribution of Asset Structure values is good.

Description of Cash Holding Variable

Cash holding is the amount of cash or cash equivalents available in the company that is used for the continuity of company activities, where a company needs to pay attention to its cash holdings because the cash holdings will help investors in assessing the manager's performance when maintaining the stability of the company's cash. The following is data on Cash Holding in the Food and Beverage Industry Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period.

The following is a Descriptive Statistical Figure for the Cash Holding Variable:

Figure 3. Descriptive Statistics of Cash Holding

	X2
Mean	0.140065
Median	0.106415
Maximum	0.632315
Minimum	2.92E-07
Std. Dev.	0.150410
Observations	76

Source: Secondary Data processed using EVIEWS 12, 2023

Based on the results of data processing Descriptive Statistics on the Cash Holding variable, it can be concluded that the Minimum Cash Holding value is in 2021, namely the Akasha Wira International Tbk (ADES) company of 0.0000003, while the maximum value of the results of data processing Descriptive Statistics on the Cash Holding variable is in 2021, namely the Delta Djakarta Tbk (DLTA) company of 0.632315. Then for the average value (mean) of the Cash Holding variable of 0.140065 which is smaller than the Cash Holding variable Standard Deviation value of 0.150410, meaning that the distribution of Cash Holding values is not good.

Description of the Company Size Variable

Company size is the wealth of the company as measured by the company's total assets. Company size directly reflects the high and low operating activities of a company. The following is data on Company Size in the Food and Beverage Industry Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period.

The following is a Descriptive Statistical Figure for the Company Size Variable

Figure 4. Descriptive Statistics of Company Size

	X3
Mean	24.01052
Median	27.08689

Maximum	30.62263
Minimum	14.87659
Std. Dev.	5.261498
Observations	76

Source: Secondary Data processed using EVIEWS 12, 2023.

Based on the results of data processing Descriptive Statistics on the Firm Size variable, it can be concluded that the Minimum value of Company Size in 2018, namely in the Multi Bintang Indonesia Tbk (MLBI) company, is 14.87659, while the maximum value of the results of data processing Descriptive Statistics on the Firm Size variable in 2021 in the Mayora Indah Tbk (MYOR) company is 30.62263. Then for the average value (mean) of the Company Size variable of 24.01052 which is greater than the Standard Deviation value of the Company Size variable of 5.261498. meaning that the distribution of Company Size values is good.

Description of the Institutional Ownership Variable

Institutional ownership is the percentage of shares owned by institutions such as investment companies, banks, insurance companies and other companies. Institutional ownership in the company's ownership structure acts as a party that monitors the management of a company. The following is data regarding Institutional Ownership in the Food and Beverage Industry Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period. The following is a Descriptive Statistical Figure for the Institutional Ownership Variable:

Figure 5. Statistical Figure for the Institutional Ownership

	X4
Mean	72.08785
Median	76.82217
Maximum	100.0000
Minimum	13.33333
Std. Dev.	19.18519
Observations	76

Source: Secondary Data processed using EVIEWS 12, 2023.

According to the results of data processing of Descriptive Statistics on the Institutional Ownership variable, it can be concluded that the minimum value of Company Size in 2019, namely in the Mulia Boga Raya Tbk (KEJU) company, is 13.33, while the maximum value of the results of data processing of Descriptive Statistics on the Institutional Ownership variable in 2018 and 2019 in the Diamond Food Indonesia Tbk (DMND), Multi Bintang Indonesia Tbk (MLBI), and Wahana Interfood Nusantara Tbk (COCO) companies is 100.0000. Then for the average value (mean) of the Institutional Ownership variable of 72.087 which is greater than the Institutional Ownership variable Standard Deviation value of 19.18, meaning that the distribution of Institutional Ownership values is good.

Description of Debt Policy Variable

Debt policy is a policy taken by management to obtain a source of financing for the company which is used to finance the company's operational activities and debt policy also functions as a montoring / supervisor of managers' actions in managing the company. The following is data on Debt Policy in Food and Beverage Industry Sub-Sector Companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2021 Period. The following is a Descriptive Statistical Picture for the Debt Policy Variable.

Figure 6. Debt Policy Descriptive Statistics

	Y
Mean	0.707402
Median	0.611528
Maximum	2.240964
Minimum	0.163544
Std. Dev.	0.449483
Observations	76

Source: Secondary Data processed using EVIEWS 12, 2023.

Based on the results of data processing Descriptive Statistics on Debt Policy variables, it can be concluded that the minimum value of Debt Policy in 2019, namely in the Ultra Jaya Milk Industry & Trading Company Tbk (ULTJ) company, is 0.163544, while the maximum value of the results of data processing Descriptive Statistics on Debt Policy variables in 2018 at the Wahana Interfood Nusantara Tbk (COCO) company is 2.240964. Then the average value (mean) of the Debt Policy variable is 0.707402 which is greater than the Debt Policy variable Standard Deviation value of 0.449483, meaning that the distribution of Debt Policy values is good.

Proposed Improvements

For the next research, in addition to extending the study period, so that the research can provide better results, it also expands the research sample with other sectors, especially the transportation sector whose capital structure has not obtained definite research results regarding its magnitude while still based on previous studies.

Validation

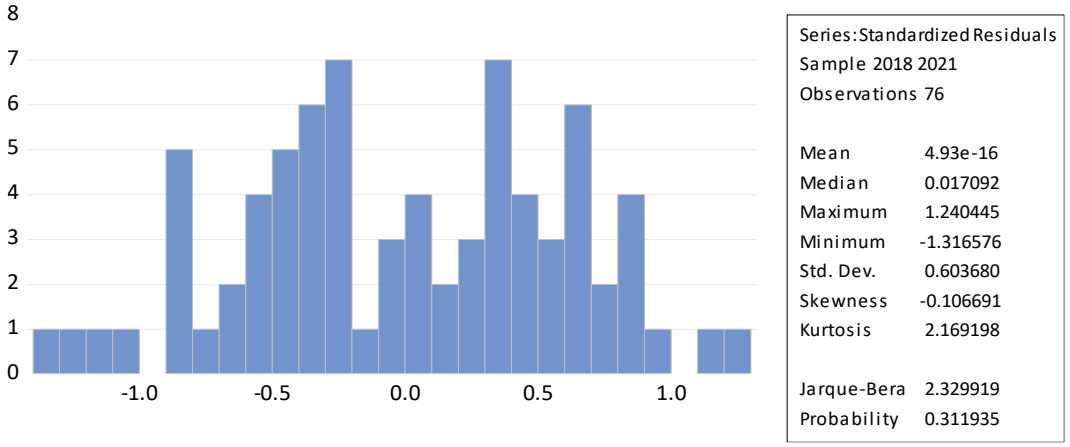
Classical Assumption Testing Results

The classical assumption test is carried out in a study before carrying out panel data regression analysis, aiming to provide certainty that the regression equation obtained has accuracy in estimation, is unbiased, and is also consistent. Before conducting regression analysis, the data used must pass four classic assumption tests for regression models, namely normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

Normality Test

is a test conducted to determine whether the research data is to be analyzed and normally distributed or not. In this study, to test the normality of the regression model based on the results of data processing, Based on the histogram in Figure 4.7 below, shows the results that the regression model results are distributed with a probability value of 0.311935 which is greater than 0.05 (0.311935> 0.05) so it can be concluded that the data in this study are normally distributed.

Figure 7. Normality



Source: Secondary Data processed using EVIEWS 12, 2023.

Heteroskedasticity test

A heteroskedasticity test is conducted to assess variations in residual variance between different observation periods, provided that there is no heteroskedasticity deviation.

Figure 8. Heteroskedasticity test

Panel Period Heteroskedasticity LR Test
Equation: UNTITLED
Specification: Y C X1 X2 X3 X4
Null hypothesis: Residuals are homoscedastic

	Value	df	Probability
Likelihood ratio	0.793154	19	1.0000

LR test summary:

	Value	df
Restricted LogL	-68.97795	71
Unrestricted LogL	-68.58138	71

Source: Secondary data processed using EVIEWS 12, 2023.

Based on Figure 4.8, it can be concluded that the result of the heteroskedasticity test, indicated by the probability value of the Heteroskedasticity LR Test, is 1.0000. Since the probability value is greater than 0.05 (1.0000 > 0.05), it can be inferred that in this study, the significance level is greater than 0.05. Therefore, H0 is accepted (indicating the absence of heteroskedasticity).

Multicollinearity Test

The multicollinearity test aims to determine whether there is a significant relationship (correlation) between independent variables.

Figure 9. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centred VIF
C	1.881987	371.5472	NA
X1	0.016327	5.301070	1.198579
X2	0.000666	2.738208	1.177125
X3	0.091844	181.1487	1.028892

X4	0.046933	166.9906	1.007932

Source: Secondary data processed using EVIEWS 12, 2023

Based on Figure 4.9 Multicollinearity Test above, it can be concluded that the average VIF value of Asset Structure (X1), Cash Holding (X2), Company Size (X3) and Institutional Ownership (X4) VIF is less than 10 and the Coefficient Variance value is less than 0.5. So it can be concluded that there is no multicollinearity between the independent variables in this regression model.

Autocorrelation Test

The Autocorrelation test aims to determine whether there is a correlation between previous variables.

Figure 10. Autocorrelation test

Root MSE	0.221467
Mean dependent var	0.197506
S.D. dependent var	0.241939
Sum squared resid	3.727611
Durbin-Watson stat	1.376575

Source: Secondary data processed in 2023.

Based on Figure 4.10, the autocorrelation test can be seen that the Durbin Watson (DW) value is 1.376575. Because the Durbin Watson (DW) value is between the Durbin Upper (DU) range of 1.7399 and 4 - Durbin Upper (4-DU) -2.2601, it can be concluded that the data in this study are free from autocorrelation problems. After conducting the three tests, namely the Chow Test, Hausman Test, and Lagrange Multiplier Test, it can be concluded that the data is more suitable if using the Fixed Effect Model. The following are the results from Eviews for panel data regression using the Fixed Effect Model.

Figure 11. Panel Data Regression Analysis Results

Method: Panel Least Squares
Sample: 2018 2021
Periods included: 4
Cross-sections included: 19
Total panel (balanced) observations: 76

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.418857	3.808698	-1.685315	0.0978
X1	1.117484	0.466417	2.395889	0.0201
X2	-0.907023	0.431705	-2.101027	0.0404
X3	0.267767	0.153949	1.739327	0.0878
X4	0.005593	0.002762	2.025088	0.0479

Source: Secondary data processed using EVIEWS 12, 2023.

Based on Figure 4.14 Panel Data Regression Analysis Results using the fixed effect model, the regression equation is as follows:

$Y = \beta 0 + \beta_1 X_{it} + \beta_2 X_{it} + \beta_3 X_{it} + \beta_4 X_{it} + \varepsilon$

$Y = -6.418857 + 1.117484^{*}X_1 - 0.907023^{*}X_2 + 0.267767^{*}X_3 + 0.005593^{*}X_4 + e$

Simultaneous Test (F Test)

The F test is used to test the significance of the regression model. If the F significance value is

smaller than 0.05, the regression model is statistically significant. The following are the results of the simultaneous test calculation (F test):

Figure 12. Simultaneous Test (F Test)

R-squared	0.820370
Adjusted R-squared	0.745806
S.E. of regression	0.226619
Sum squared resid	2.721866
Log likelihood	18.67846
F-statistic	11.00228
Prob (F-statistic)	0.000000

Source: Secondary data processed in 2023.

Based on Figure 4.15, it can be concluded that the results of the Simultaneous Test (Test) show that the Probability value (F-Statistics) of the Asset Structure, Cash Holding, Company Size, and Institutional Ownership variable is 0.000 <0.05, so Ha is accepted and H0 is rejected. So, it can be concluded that simultaneously there is a significant effect between the Variables of Asset Structure, Cash Holding, Company Size, and Institutional Ownership on Debt Policy.

Simultaneous Test (t-Test)

Partial Test Results (t-Test)

The t-test is an individual regression coefficient test used to determine whether the independent variable (X) individually affects the dependent variable (Y)

Figure 13. Partial Test Results (t Test)

Method: Panel Least Squares
Sample: 2018 2021
Periods included: 4
Cross-sections included: 19
Total panel (balanced) observations: 76

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.418857	3.808698	-1.685315	0.0978
X1	1.117484	0.466417	2.395889	0.0201
X2	-0.907023	0.431705	-2.101027	0.0404
X3	0.267767	0.153949	1.739327	0.0878
X4	0.005593	0.002762	2.025088	0.0479

Source: Processed secondary data, 2023.

Based on Figure 4.16 Partial Test Results (t-Test*)* it can be concluded that the Probability value of Asset Structure is influenced by Profitability of 0.0201 <0.05, it can be concluded that the value of Ha is accepted and H0 is rejected, which means that Probability has a significant positive effect on debt policy. Probability Cash Holding value of 0.0404 <0.05, it can be concluded that the value of Ha is accepted and H0 is rejected, which means that Probability Cash Holding has a significant negative effect on debt policy. The probability value of company size is 0.0878> 0.05, it can be concluded that the value of Ha is rejected and H0 is accepted, which means that the probability of company size has no significant positive effect on debt policy. The Probability Value of Institutional

Ownership is 0.0479 <0.05, it can be concluded that the value of Ha is accepted and H0 is rejected, which means that the Probability of Institutional Ownership has a significant positive effect on debt policy.

Test Coefficient of Determination

The coefficient of determination (R^2) is used to determine the percentage change in the independent variable (Y) caused by the independent variable (X). The following can be seen in the figure:

Figure 14. Test of the Coefficient of Determination.

R-squared	0.820370
Adjusted R-squared	0.745806
S.E. of regression	0.226619
Sum squared resid	2.721866
Log-likelihood	18.67846
F-statistic	11.00228
Prob(F-statistic)	0.000000

Source: Secondary data processed in 2023.

Based on Figure 4.17 of the Determination Coefficient Test, it can be seen that the regression value shows the Adjusted R-squared of 0.745806, it shows that 74.58% of the dependent variable Debt Policy is explained by the independent variables studied, namely Asset Structure, Cash Holding, Company Size, Institutional Ownership. While the rest is explained by other factors.

Coefficient of Determination (Adjusted R-Squared)

Based on Figure 4.17, the Coefficient of Determination for the Adjusted R-Squared value is 0.820370, which means it shows that 82.03% of the Debt Policy Variable can be explained by the three Independent Variables, namely Asset Structure, Cash Hoding, Company Size and Institutional Ownership. While the remaining 17.97% is explained by other factors outside the four independent variables.

Conclusion

Based on the results of research that has been conducted on the effect of Asset Structure, Cash Holding, Company Size, and Institutional Ownership on Debt Policy in food and beverage industry sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2018-2021, several conclusions can be drawn. First, the effect of Asset Structure on Debt Policy shows positive significant results. This is shown through the t test (Partial Test) with a significance level of 0.0201, so that the alternative hypothesis (Ha) is accepted. This means that a larger asset structure contributes positively to the company's debt policy, because fixed assets can be used as collateral to obtain funding. Furthermore, Cash Holding has a negative significant effect on Debt Policy. The t-test result shows a significance level of 0.0404, so the alternative hypothesis (Ha) is accepted. This indicates that companies with high cash balances tend to reduce the use of debt as a source of funding, because the available cash can be used to fund operations without having to rely on debt.

Unlike the previous two variables, Company Size does not have a significant influence on Debt Policy. The t-test results show a significance value greater than 0.05, so the null hypothesis (H0) is accepted. This means that company size, as measured by total assets, does not directly influence the company's decision in determining debt policy. Meanwhile, Institutional Ownership shows a positive significant effect on Debt Policy. The t-test results show a significance value of less than 0.05, so the

alternative hypothesis (Ha) is accepted. High institutional ownership allows for more effective supervision of management, thus providing confidence to creditors and encouraging companies to use debt more optimally. Simultaneously, the F test results show that Asset Structure, Cash Holding, Company Size, and Institutional Ownership jointly affect Debt Policy with a significance level of 0.000000, which is much smaller than 0.05. This means that the four variables collectively have a significant influence on Debt Policy with a contribution of 82.03%. These results indicate that these factors are the main determinants in decision-making related to debt policy in food and beverage sub-sector companies.

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