

ABSTRACT

Trade competition in Indonesia is increasing from year to year. This motivates company managers to continuously improve their company's performance. To realize the company's goals, the company needs to make the right decisions. Funding decisions which include capital structure is one of the most important decisions in the company.

This research aims to determine the effect of gender diversity, managerial ownership, profitability, business risk, tangibility, and company growth on capital structure. The population of this research are consumer goods industrial companies listed on the Indonesia Stock Exchange for the 2016-2020 period.

The sampling technique used in this research is purposive sampling technique. Obtained as many as 165 research samples consisting of 33 companies in the five-year research period, namely 2016-2020. The regression model used is a panel data regression model using EViews software.

The results show that gender diversity, managerial ownership, profitability, business risk, tangibility and company growth simultaneously are affect to the capital structure. Partially, the variables of gender diversity, managerial ownership, profitability, business risk and company growth have no effect to the capital structure, and the tangibility variable has a significant positively effect to the capital structure.

Based on the results of the study, it is suggested that the management can consider more decision making, especially on the number of fixed assets owned by the company because tangibility can affect the capital structure. In addition, the company is also expected to pay attention to the number of assets it owns, so that the total assets can be utilized optimally so that it has a good effect on the capital structure.

Keywords: business risk; capital structure; gender diversity; managerial ownership; profitability; tangibility

