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Capital Structure and Corporate Governance of Consumer Non-Cylicals Companies: Mediating Corporate Performance

Laras Puri Asih, I Gusti Agung Musa Budidarma
Universitas Bunda Mulia, Indonesia
E-mail: laraspuriasih@gmail.com, l2070@lecturer.ubm.ac.id

*Correspondence: laraspuriasih@gmail.com

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ABSTRACT
This research aims to determine the influence of capital structure and corporate governance on share prices, mediated by company performance in non-cyclical consumer companies listed on the IDX for the 2020 - 2022 period. The data collection technique was purposive sampling with a sample of 51 non-cyclical consumer companies listed on the IDX for the 2020-2022 period. Testing for this research was carried out with the Eviews 9 software program. The research results prove that capital structure as measured by DAR has a negative and significant effect on share prices. Apart from that, DER has a positive and significant effect on company performance, while what is measured by DAR has a negative and significant effect on company performance. Corporate governance as measured by KP has a negative and significant effect on company performance. Company performance does not mediate the influence of capital structure and corporate governance on share prices. The sample period used is 2020 - 2022 and the role of company performance in mediating capital structure and corporate governance on share prices. For non-cyclical consumer companies that have go public, it is hoped that they will pay more attention to the DER, DAR and KP ratios, which are an illustration of capital structure and corporate governance that have been proven to have a significant influence on company performance. Apart from that, the DAR ratio is also a description of the capital structure which has been proven to have a significant effect on share prices

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Introduction

The development of the free market today requires companies to have a competitive advantage compared to their competitors. Companies that have competitive advantages and are able to maintain a competitive position with competitors can maximize company value continuously and create various sets of investment opportunities, such as attracting investors to invest in the capital market (Tantra & Wesnawati, 2017). The capital market is a market where long-term instruments are transacted, such as stocks and bonds, so that

the funding proceeds can be used freely by companies as additional capital (Nasution et al., 2018). Based on data from the Otoritas Jasa Keuangan (OJK) in May 2022, the number of capital market retail investors nationally in Indonesia has increased by 15.1% or has reached 8.62 million. In addition, 60.29% of investors are dominated by millennials, or investors under the age of 30, out of the total number of investors. This is supported by several investment benefits, namely long-term income potential, outperforming inflation, providing a fixed income, being able to adjust to changing needs, and being able to invest according to individual financial circumstances (Aditama et al., 2020). The Weekly Statistical Report published by the Direktorat Statistik dan Informasi Pasar Modal for the period December 26 – 30, 2022 saw an increase in the average daily stock trading volume from 22,544 million shares in 2021 to 25,600 million shares in 2022. In addition, the average daily stock trading value increased to 14.749 billion in 2022, previously amounting to 13.431 billion. This shows an increase in investor interest in investment in the form of shares in the Indonesian capital market.

According to (Abdillah, 2015), investors who want to invest their capital need some information from companies contained in financial statements because stock prices fluctuate and are unstable. Furthermore, the stock price is the relative and proportional value of the company's value which, if it has a high value, can attract attention and confidence from investor. (SUKESTI et al., 2021) stated that one of the main factors affecting stock prices is the company's financial performance. This makes investors conduct fundamental analysis to assess the company's performance and calculate the company's intrinsic value so that it can provide a basis for making decisions about whether to invest in the company or not. Fundamental analysis that investors can do is to measure the company's financial performance using existing financial ratios, such as profitability ratios. (Saputra, 2022) explained that profitability has a positive and significant relationship with stock prices, where profitability measurements in financial statements can increase investor confidence to invest so that stock prices have an effect, especially on coal companies. This shows that investors can see the results of measuring company performance with the company's profitability ratio as a signal that the company has good company performance, which affects stock prices.

Good company performance can also be assessed by looking at how the company manages its capital structure. (Spitsin et al., 2021) explained that effective capital structure management allows company performance to increase by 16 - 22%. However, a high share of borrowed capital-more than 90% of total assets-leads to company losses. Capital structure is a policy-making decision on the source of capital funding for the company. The use of debt in the company's capital structure can reduce tax payments, thereby increasing profits fot the company. High profits show that the company has good value because it has been managed efficiently and will attract investors to buy shares that can increase stock prices (Simu & Pangaribuan, 2020). The source of company funding can come from inside and outside. The determination of the company's capital structure is the composition of funding that will be used by looking at how much debt is used to help invest equity in assets. Some indicators that can be used in measuring capital structure are debt-to-total-asset ratio (DAR), equity-to-asset ratio (EAR), and debt-to-equity ratio (DER) (Mansyur et al., 2020). In Syofyan et al.'s research capital structure as measured by the debt-to-equity ratio has a significant negative effect on stock prices. This shows that investors will react negatively if the use of debt in the capital structure of the company is high due to high liquidation risk or the company's inability to fulfill all obligations, which will later affect the formation of the company's stock price.

Companies with good performance and capital structure are able to achieve the company's long-term goals so that they are in line with the long-term goals of shareholders. However, sometimes management has goals that conflict with the company's main goals, so they ignore the interests of shareholders and other stakeholders (Karamoy & Tulung, 2020). This is in accordance with the main theories related to corporate governance, namely stewardship theory and agency theory. Stewardship theory explains that management is a part of the company that can be trusted to act in accordance with the interests of stakeholders. Meanwhile, agency theory explains that management is an agent who acts consciously for its own interests, not a wise and fair party to shareholders. So that the company implements corporate governance management so that the goals of the company and investors can be achieved.

Maryono, SH., CGP, as GCG and Risk Management Manager, said that the implementation of good corporate governance will improve the company's management in a professional, transparent, and efficient manner by considering the balance of fulfilling the interests of all stakeholders. Good corporate governance functions as a rule that regulates the relationship between the rights and obligations of shareholders and company management so as to increase accountability by paying attention to the interests of the company to realize long-term value to shareholders (Prabowo & Rochmatulaili, 2020). Agency conflicts within companies demand good corporate governance with a combination and arrangement of effective board structure elements including board size, board independence, managerial ownership, and foreign ownership (Nguyen et al., 2018). In (Khatib & Nour, 2021) research, corporate governance measured by board size has a significant positive effect on company performance. In addition, another study conducted by (Hunjra et al., 2020) found that corporate governance measured by managerial ownership has a positive effect on the risk of falling stock prices. This shows that agency conflicts that occur in the company can lead to poor company performance, which can increase the risk of falling stock prices.

The movement of the composite stock price index in the share price of each industry from the end of 2010 to 2019 has increased significantly. The largest contribution to the increase in the composite stock price index came from the consumption sector, with an increase of Rp 958 (Laveda & Khoirudin, 2020). The consumer goods industry sector is the main driver of growth in Indonesia. Stocks in this industry are most in demand, so they become the first choice of investors. Moreover, in the current year, shares of consumer goods companies have increased due to improved economic activity and public income, so that company shares in the sector are in demand by investors (Budikasi et al., 2022). However, Mirae Asset Sekuritas Indonesia stated in its research that there was a slowdown in the growth of the consumer goods industry in Indonesia in 2018 - 2019. This is due to several factors, one of which is the increasingly fierce competition between companies.

This study uses capital structure and corporate governance variables as independent variables and company performance as mediating variables on stock prices. Using the variables above, researchers found a research gap where the study of (SUKESTI et al., 2021) stated that the capital structure measured by the debt-to-equity ratio had a positive effect on stock prices, while (Mansyur et al., 2020) used the debt-to-equity ratio as a measure of capital structure and stated that it did to have a negative effect on stock prices. Differences in research results were also found in (Spitsin et al., 2021), who stated that capital structure affects company performance as measured by profitability ratios, even though (Simu & Pangaribuan, 2020) show that capital structure has no effect on company

performance. On the other hand, the corporate governance variable found no influence on stock prices (Mulyono et al., 2018), but the influence of corporate governance on company performance (Mendoza-Velázquez et al., 2022). In addition, the period in the study is 2020 – 2022 where the period is the post-Covid-19 pandemic period. Company performance, as measured by profitability ratio, is also a mediating variable between the influence of capital structure and corporate governance on stock prices. So based on the above findings and using consumer non-cyclicals companies as data samples, this study aims to analyze the effect of capital structure and corporate governance on the company's financial performance as a mediating variable on stock prices.

Hypothesis Development:

The role of capital structure on stock prices is shown in several studies, such as (Syofyan et al., 2020), showing that capital structure negatively affects stock prices. This shows that the capital structure measured by the debt-to-equity ratio gives signals to investors about influencing the formation of stock prices in the company. Meanwhile, (Mansyur et al., 2020) stated that capital structure does not negatively affect stock prices. Another study by (SUKESTI et al., 2021) explained that there is a positive and significant influence between capital structure and stock prices. Based on the trade-off theory, the use of debt also provides leverage for the company because it can encourage a fixed amount of share capital, while profits will increase as the company expands using debt. So, the hypothesis of this study is:

H1: Capital structure has a significant effect on stock prices.

Research conducted by (Prabowo & Rochmatulaili, 2020) shows that corporate governance, as measured by managerial ownership, has a positive influence on stock prices. Meanwhile, (Mulyono et al., 2018) stated that corporate governance partially has no effect on stock prices. Another study conducted by Nguyen et al., (2020) shows that corporate governance affects stock prices. Board size and foreign ownership have a positive and significant effect on shares, while managerial ownership has a significant negative effect on stock prices. This shows that the implementation of corporate governance in companies listed on the Indonesia Stock Exchange needs to be improved so that companies can have an influence on stock prices. Then the hypothesis of this study is:

H2: Corporate governance has a significant effect on stock prices.

(Karamoy & Tulung, 2020) stated that return on assets has no effect on stock prices. Meanwhile, research conducted by (SUKESTI et al., 2021) states that company performance as measured by net profit margin and return on assets has a positive and significant influence on stock prices. This is also supported by research conducted by (Nursiam & Rahayu, 2019), which found that the company's performance has a positive and significant effect on stock prices. Furthermore, companies that have a high net profit margin indicate good company performance because they can generate significant profits from their business activities. So, the hypothesis of this study is:

H3: A company's performance has a significant effect on the stock price.

(Shahzad et al., 2022) stated that capital structure, as measured the debt-to-equity ratio and the debt-to-assets ratio negatively affects company performance. The company's performance will improve in line with the decline in the debt to asset ratio and debt-to-capital ratio. Meanwhile, (Spitsin et al., 2021) stated that capital structure affects company performance as measured by profitability ratios. So, it can be said that if the profits obtained by the company are high, it can increase retained earnings and reduce the need to borrow. So, the hypothesis of this study is:

H4: Capital structure has a significant effect on company performance.

(Mendoza-Velázquez et al., 2022) stated that there is a dynamic dependence between corporate governance and company performance, as well as a weak influence of corporate governance compliance on company performance. This arises due to agency conflicts with owners in choosing policies in the company, such as preferring banking debt over issuing shares and provisions that are beneficial to the majority shareholder. Therefore, the implementation of corporate governance is needed to correct agency conflicts. This is also supported by research conducted by (Khatib & Nour, 2021) that show that board meetings and audit committee meetings have a negative and significant effect on company performance as a result of high director compensation. Meanwhile, the gender diversity board has a positive and significant effect on the company's performance. So, the hypothesis of this study is:

H5: Corporate governance has a significant effect on company performance.

The role of company performance as a mediator between capital structure and stock price is shown in research by (Mansyur et al., 2020) who state that the negative relationship between capital structure and stock price mediated by financial performance is only 2%. The results of this study show that the direct influence of capital structure on stock prices is stronger than the mediation of financial performance. Thus, statements regarding the use of debt can improve performance by utilizing the availability of sufficient funds obtained through debt, and positive signals about company performance and company growth can increase stock prices are rejected. On the other hand, (SUKESTI et al., 2021)explained the positive and significant influence between capital structure and stock prices mediated by financial performance. This shows that the company's policy regarding debt will succeed if the company increases profits so that the company's performance will increase. So, the hypothesis of this study is:

H6: Capital structure has a significant effect on share prices, mediated by company performance.

(Karamoy & Tulung, 2020) show that corporate governance and financial performance have no effect on stock prices. So that the non-banking financial industry is expected to pay more attention to financial performance and the implementation of corporate governance in the financial statements properly to complete stock price information in accordance with the required items, another study conducted by (Mulyono et al., 2018) states that corporate governance and company performance have a positive and significant effect on stock prices. Corporate governance deals with financial disclosure, shareholder rights, and remuneration that affect stock price performance. So, the hypothesis of this study is:

H7: Corporate governance has a significant effect on stock prices, mediated by company performance.

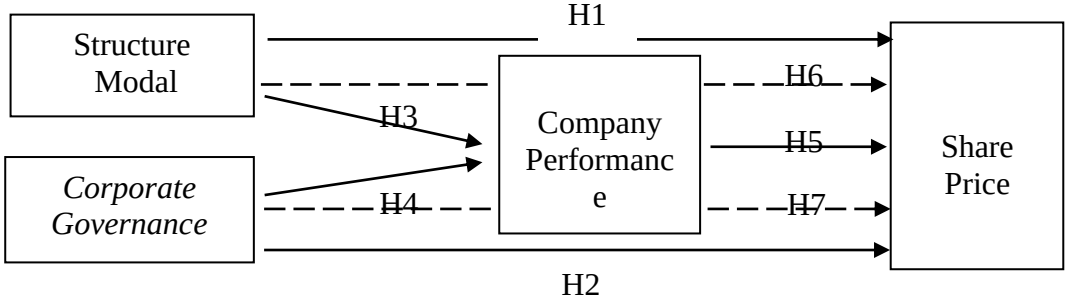

Figure 1. Thought Framework and Hypothesis

Research Methods

The type of research used is to apply a quantitative descriptive approach. The object of this study is the stock price, and the data used is the company's annual report. The research subjects in this study are manufacturing companies in the consumer non-cyclicals industry sub-sector listed on the Indonesia Stock Exchange for the 2020-2022 period. The method that researchers use to determine samples is purposive sampling. Purposive sampling is a non-probability sampling design that uses samples limited to certain types of people who can provide the information needed, either because only they have or meet the criteria set by the researcher (Sekaran & Bougie, 2016). The criteria used in sampling in this study are as follows:

1. Manufacturing companies from the consumer non-cyclicals industry sub-sector are listed on the main board.
2. Companies that publish complete annual reports and financial statements during 2020-2022
3. The data collected includes total assets, total debt, total capital, total public shareholding, total outstanding shares, current year profit, sales, and share price on December 31 for the period 2020-2022.

Data collection techniques used in this study are literature techniques obtained through bibliographies, publications, previous research results, and other articles to obtain information related to this research. The data used is taken from books, articles, journals, or previous studies related to stock prices, and company performance. Other data needed are information on corporate governance and capital structure, as well as the financial statements of manufacturing companies in the consumer non-cyclicals subsector, through the www.idx.co.id website. The secondary data used in this study are:

1. The list of consumer non-cyclicals subsector manufacturing companies listed on the Indonesia Stock Exchange for the period 2020-2022 can be taken from www.idx.co.id.
2. Annual financial statements of consumer non-cyclicals sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2020-2022 which can be taken from www.idx.co.id.

The study used the Eviews 9 program to analyze the data. This study had more than two independent variables. Regression that has more than two independent variables is called multiple regression, but the data used in this study is panel data, so it is also called panel regression. In addition, regression analysis has accuracy in estimation but not only relates the independent variable to the dependent variable, but there are other variables that enter into the equation called mediation variables.

(Kusumaningtyas et al., 2022) stated that panel data regression is a regression consisting of several different company characteristics: for that, it is necessary to select the best model using several tests consisting of common effects, fixed effects, and random effects. The selection of the best model from the three models, namely the common effects model, fixed effects, and random effects, was done using several tests consisting of the Chow test, Hausman test, and Langarange multiplier test.

Results and Discussions:

Result

In this study, descriptive analysis was used to explain the mean, median, maximum, and minimum values, as well as the standard deviation in the data. The results of the statistical descriptive data in this study are as follows:

Table 1 Descriptive Statistics

	DER	DAR	KP	NPM	CP
Mean	1.130870	0.449348	0.239855	0.069203	1932.036
Median	0.885000	0.470000	0.200000	0.060000	862.5000
Maximum	6.370000	0.860000	0.610000	0.360000	12325.00
Minimum	0.110000	0.100000	0.000416	-0.450000	50.00000
Std. Dev.	1.069249	0.189730	0.144773	0.112886	2589.554
Skewness	2.368704	0.022375	0.522886	-1.081709	2.014726

Based on table 1, it shows that the average value of DER is 1.130870. The median value owned by DER is 0.885. The maximum and minimum values of DER are 6.37 and 0.11. DER has a standard deviation value of 1.069249. Furthermore, DAR has an average value of 0.449348 and a median value of 0.47. The maximum value of the DAR is 0.86, and the minimum value is 0.1. The standard deviation from the DAR is 0.18973. The KP variable has an average value of 0.2395855 and a median value of 0.2. The maximum and minimum values of the KP are 0.61 and 0.000416. The standard deviation from KP is 0.144773. NPM has an average value of 0.069203. The median value of NPM is 0.06. The maximum value of NPM is 0.36, and the minimum value is -0.45. The standard deviation of NPM is 0.112886. CP had an average value of 1,932,036 and a median value of 862.5. The maximum and minimum values of the CP are 12,325 and 50. The standard deviation from CP is 2,589.554.

The Chow test is used to choose between common effects and fixed effects. If the F value is significant, namely, the p-value < 0.05, it means that the fixed effects model is better than the common effects model. Conversely, if the probability value of F > α (with α 5%), then it means that the common effect model is better than the fixed effect model.

Table 2 Chow Model 1 Test Results

Redundant Fixed Effects Tests			
Equation: CHOW 1			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.900676	(45,88)	0.0000
Cross-section Chi-square	191.907308	45	0.0000

Table 3 Chow Model 2 Test Results

Redundant Fixed Effects Tests			
Equation: CHOW 2			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	20.782180	(45,87)	0.0000
Cross-section Chi-square	340.004738	45	0.0000

Tables 2 and 3 show that the probability value is less than 5%. This indicates that the fixed effect is better than the common effect model. Therefore, the panel data regression model that will be selected based on predetermined criteria has a fixed effect.

The Hausman test is used to choose between fixed effects and random effects. If the p-value of Chi-Square < 0.05 means that the fixed effect model is better than the random effect model, there is no need to continue with the next test, namely the Lagrange multiplier test. Conversely, if the p-value of Chi-Squares > 0.05, it means that the random effect model is better than the fixed effect model.

Table 4 Hausman Model 1 Test Results

Correlated Random Effects - Hausman Test			
Equation: HAUSMAN 1			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	41.021630	4	0.0000

Table 4 shows that the probability value is less than 5%. This shows that a fixed effect is better than a random effect. So, the model chosen for model 1 is a fixed effect.

Table 5 Hausman Model 2 Test Results

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.986187	5	0.0756

Based on Table 5, shows that the probability value is greater than 5%. This shows that the random effect is better than the fixed effect. So, the model selected for model 2 is a random effect.

Widarjono (2017) states that R2 can be defined as the contribution of the total variation of the dependent variable described by the independent variable. If the R2 value is low, then it can occur because the independent variable is a variable that cannot explain the dependent variable well. However, in time series regression, a high R2 value is often obtained.

Table 6 Test Results of Model 1 Coefficient of Determination

Cross-section fixed (dummy variables)			
R-squared	0.775053	Mean dependent var	0.069203
Adjusted R-squared	0.649798	S.D. dependent var	0.112886
S.E. of regression	0.066803	Akaike info criterion	-2.299408
Sum squared resid	0.392716	Schwarz criterion	-1.238809
Log likelihood	208.6592	Hannan-Quinn criter.	-1.868407
F-statistic	6.187812	Durbin-Watson stat	2.352719
Prob(F-statistic)	0.000000		

The R-Square (R2) value from the test results of the coefficient of determination of model 1 from table 6 is 0.775053, or equivalent to 77.5053%. This figure means that the dependent variable, namely company performance, can be explained by independent variables, namely DER (Debt to Equity Ratio), DAR (Debt to Assets Ratio), and KP (Public Ownership) of 77.5053%. While the remaining 22.4947% can be explained by other variables outside the regression model.

Table 7 Model 2 Coefficient of Determination Test Results

Effects Specification			
		S.D.	Rho
Cross-section random		0.921605	0.8760
Idiosyncratic random		0.346819	0.1240
Weighted Statistics			
R-squared	0.226396	Mean dependent var	1.446543
Adjusted R-squared	0.197093	S.D. dependent var	0.394295
S.E. of regression	0.353308	Sum squared resid	16.47714
F-statistic	7.726007	Durbin-Watson stat	1.317635
Prob(F-statistic)	0.000002		

The R-Square (R2) value from the test results of the coefficient of determination of model 2 from table 7 is 0.226396 or equivalent to 22.6396%. This figure means that the dependent variable, namely stock price, can be explained by independent variables, namely DER (Debt to Equity Ratio), DAR (Debt to Assets Ratio), KP (Public Ownership), and NPM (Net Profit Margin) of 22.6396%. While the remaining 77.3604% can be explained by other variables outside the regression model.

Test F aims to see the effect of independent variables used in regression models simultaneously on bound variables (Ghozali, 2018). Hypothesis tests can be detected based on probability values. The research hypothesis is accepted if the probability value is < 0.05, and vice versa, if the probability value is > 0.05, then the hypothesis is rejected (Kusumaningtyas, 2022).

Table 8 F Model 1 Test Results

Cross-section fixed (dummy variables)			
R-squared	0.775053	Mean dependent var	0.069203
Adjusted R-squared	0.649798	S.D. dependent var	0.112886
S.E. of regression	0.066803	Akaike info criterion	-2.299408
Sum squared resid	0.392716	Schwarz criterion	-1.238809
Log likelihood	208.6592	Hannan-Quinn criter.	-1.868407
F-statistic	6.187812	Durbin-Watson stat	2.352719
Prob(F-statistic)	0.000000		

Based on table 8, it can be seen that the F-statistic Prob value of 0.000000 is smaller than 0.05. This shows that there is an influence of independent variables (DER, DAR, and KP) used in simultaneous regression models on bound variables (NPM) in non-cyclicals consumer companies listed on the Indonesia Stock Exchange for the period 2020 – 2022.

Tabel 9 Hasil Uji F Model 2

Weighted Statistics			
R-squared	0.226396	Mean dependent var	1.446543
Adjusted R-squared	0.197093	S.D. dependent var	0.394295
S.E. of regression	0.353308	Sum squared resid	16.47714
F-statistic	7.726007	Durbin-Watson stat	1.317635
Prob(F-statistic)	0.000002		

Based on table 9, it can be seen that the F-statistic Prob value of 0.000002 is smaller than 0.05. This shows that there is an influence of independent variables (DER, DAR, KP and NPM) used in the regression model simultaneously on the dependent variable (CP) in non-cyclicals consumer companies listed on the Indonesia Stock Exchange for the period 2020 – 2022.

Ghozali (2018) stated that the t test was carried out to see the effect of the independent variable partially on the dependent variable. This test can be done by looking at the t-statistical value. The research hypothesis is accepted if the value of t is calculated < t table, and vice versa if t count > t table, then the hypothesis is rejected

Table 10 Model 2 T Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-7.228041	2.878252	-2.511260	0.0132
DER	0.206840	0.110032	1.879819	0.0623
DAR	-1.975934	0.850775	-2.322512	0.0217
KP	-1.107165	0.877866	-1.261200	0.2095
NPM	0.835600	0.461361	1.811161	0.0724

The output results in table 10, known under DER, which represents the capital structure, show a t-statistic value of 1.879819, which is smaller than the t-count of 1.97756. This shows that the first hypothesis of capital structure as measured by DER is rejected. Meanwhile, it is known that the DAR shows a t-statistic value of 2.322512, which is greater than the t-count of 1.97756. This shows that H0 is rejected and Ha is

accepted, so that the capital structure measured by DAR has a negative and significant effect on the stock price with a confidence level of 95%. Furthermore, it is known that the KP representing corporate governance shows a t-statistic value of 1.261200, which is smaller than the t-count of 1.97756. This shows that the second hypothesis, namely corporate governance as measured by KP, is rejected. Last known, the NPM representing the company's performance showed a t-statistic value of 1.811161, which is smaller than the t-count of 1.97756. This shows that the third hypothesis, namely company performance as measured by NPM, is rejected. Based on Table 9, the regression equation of panel data with a random effect model is obtained as follows:

CP = -7.228041 + 0.206840 DER – 1.975934 DAR – 1.107165 KP + 0.835600 NPM + e

Table 11 Model 1 T Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.223091	2.295927	-2.274938	0.0253
DER	0.073251	0.022560	3.246954	0.0017
DAR	-1.070223	0.190916	-5.605733	0.0000
KP	-1.551607	0.359401	-4.317205	0.0000

The output results in table 11, known under DER, which represents the capital structure, show a t-statistic value of 3.246954, which is greater than the t-count of 1.97756. This shows that H0 is accepted and Ha is rejected, so that the capital structure measured by DER has a positive and significant effect on the company's performance with a confidence level of 95%. Furthermore, it is known that the DAR shows a t-statistic value of 5.605733, which is greater than the t-count of 1.97756. This shows that H0 is rejected and Ha is accepted, so that the capital structure measured by DAR has a negative and significant effect on the performance of the company with a confidence level of 95%. Furthermore, it is known that the KP representing corporate governance shows a t-statistic value of 4.317205, which is greater than the t-count of 1.97756. This shows that H0 is rejected and Ha is accepted, so that corporate governance measured by KP has a negative and significant effect on company performance with a confidence level of 95%. Based on table 10, the panel data regression equation with the fixed effect model is obtained as follows:

NPM = -5.223091 + 0.073251DER – 1.070223DAR – 1.551607KP + e

The sobel test is one of the statistical methods used to test the significance of mediating effects in regression analysis. According to Ghozali (2018), the mediation effect occurs when the relationship between the independent variable and the dependent variable is explained through mediation, which is between the independent variable and the dependent variable. The research hypothesis is accepted if the z-count value > z-table, then it can be concluded that there is a mediation influence; on the other hand, if the z-count value is < z-table, then there is no mediation effect**.**

Table 12 Sobel Test Results

Variable	Z-tabel	Z-Hitung
DER	1.97769	1.527442
DAR	1.97769	1.699135
KP	1.97769	1.633301

The results of the DER Sobel test on CP through NPM, showed a z-count value of 1.527442 which is smaller than the z-table of 1.97769. In addition, the results of the DAR Sobel test on CP through NPM, showed a z-count value of 1.699135 which was smaller than the z-table of 1.97769. This shows that the sixth hypothesis, namely capital structure measured by DER and DAR, is rejected. Furthermore, the results of the KP Sobel test on CP through NPM, showed a z-count value of 1.633301 which is smaller than the z-table of 1.97769. This shows that the seventh hypothesis, namely corporate governance as measured by KP, is rejected**.**

Discussion:

Capital Structure to Share Price

From the results in Table 9, it is known that the DER representing the capital structure shows a t-statistic value of 1.879819, which is smaller than the t-count of 1.97756. This shows that the first hypothesis of capital structure as measured by DER is rejected. This proves that the size of the debt used by the company has no effect on changes in stock prices. The results of this study are also in line with the research of (Mansyur et al., 2020), which states that capital structure does not reduce stock prices. Another study conducted by (SUKESTI et al., 2021) shows that DER has a positive influence on stock prices. So that the higher the DER value, the higher the stock price. Furthermore, the capital structure measured by DAR shows a t-statistic value of 2.322512, which is greater than the t-count of 1.97756. This shows that H0 is rejected and Ha is accepted, so that the capital structure measured by DAR has a negative and significant effect on the stock price with a confidence level of 95%. This proves that the large amount of assets financed by debt affects the decline in stock prices, and vice versa, stock prices will rise if the amount of assets financed by debt is small. This result is in accordance with previous research conducted by Syofyan et al., (2020), which found that capital structure negatively affects stock prices, and Tannia & Suharti's research (2020) which states that the higher the DAR value, the lower the stock price. The trade-off theory states that companies have an optimal target debt ratio compared to assets owned by the company to balance the bankruptcy ratio and profit on tax from loans used by the company for funding (Cahyaningdyah, 2017). So, companies that are able to manage capital structures effectively and efficiently can attract investors to buy shares that are able to increase stock prices.

Corporate Governance on Stock Prices

Based on Table 9, it is known that the KP representing corporate governance shows a t-statistic value of 1.261200, which is smaller than the t-count of 1.97756. This shows that the second hypothesis, namely corporate governance as measured by KP, is rejected. So that the number of shares owned by the public does not affect changes in stock prices. This is in line with research conducted by (Mulyono et al., 2018) who found that corporate governance partially has no effect on stock prices, and (Karamoy & Tulung, 2020) who found that the number of shares owned by companies does not encourage an increase in stock prices. Another study conducted by (Prabowo & Rochmatulaili, 2020) stated that there was a 64.6% influence of corporate governance on stock prices in manufacturing companies listed on the Indonesia Stock Exchange for the period 2016-2018. This difference in results is due to differences in the companies sampled and the period used. So that many or small public shareholdings in consumer non-cyclicals

companies have no effect on changes in stock prices. According to Franita (2018), public ownership can increase the supervision of companies because the more public shareholders, the more supervision is carried out on companies. However, based on the results of the descriptive analysis, the average value of public ownership in consumer cyclicals companies listed on the Indonesia Stock Exchange for the period 2020 - 2022 is 0.24. This shows that the percentage of public ownership is still low to be able to supervise the company and be more transparent and careful in making management decisions that affect investors.

Company Performance to Stock Price

The results of Table 9, known under NPM, which represents company performance, show a t-statistic value of 1.811161, which is smaller than the t-count of 1.97756. This shows that the third hypothesis, namely company performance as measured by NPM, is rejected. This shows that good company performance does not affect the increase in stock prices. Previous research by (Mendoza-Velázquez et al., 2022) also stated that company performance had no effect on stock prices, and another study by (Karamoy & Tulung, 2020) stated that company performance did not have a significant effect on stock prices in the non-bank industry in 2016. Signaling theory states that the signals shown by the company describe how investors see the value of the company, so management needs to convey signals well so that investors and users of financial statements can receive well and in accordance with information from the company. However, based on data that has been processed by researchers, AISA Company, which has the highest closing price of December 31, 2022, which is Rp 41.000, only has 2% of the company's current year profit compared to sales during 2022. Meanwhile, SSMS showed the largest NPM value in 2022 at 36% but had a closing price on December 31, 2022 of Rp. 1,250. This shows that companies with high closing prices have NPM values below the company average. Conversely, companies that have a high NPM value indicate a low stock price. So, good company performance does not necessarily mean a high stock price. However, there are other factors that affect the stock price, such as the size of the company.

Capital Structure to Company Performance

Based on the results in Table 10, it is known that the DER representing the capital structure shows a t-statistic value of 3.246954, which is greater than the t-count of 1.97756. This shows that H0 is accepted and Ha is rejected, so that the capital structure measured by DER has a positive and significant effect on the company's performance with a confidence level of 95%. This is in line with the trade-off theory, which states that optimal leverage reflects a trade-off between the cost of bankruptcy and the tax advantages of using debt. (Spitsin et al., 2021) also stated that the high profits obtained by companies can increase retained earnings and reduce the need to borrow. Furthermore, the capital structure measured by DAR shows a t-statistic value of 5.605733, which is greater than the t-count of 1.97756. This shows that H0 is rejected and Ha is accepted, so that the capital structure measured by DAR has a negative and significant effect on the performance of the company with a confidence level of 95%. So, good company performance is influenced by the small amount of assets financed by debt. This is supported by previous research conducted by (Shahzad et al., 2022), which found that DAR negatively affects company performance. According to Spitsin et al., (2021), based on pecking order theory, companies use borrowed capital if they experience profitability problems and cannot attract financial resources. So, it can be said that companies that have good company performance do not need external funds, while companies that have

problems with company performance, namely profitability, need to make loans or capital from outside.

Corporate Governance on Company Performance

From the output results in Table 10, it is known that the KP representing corporate governance shows a t-statistic value of 4.317205 which is greater than the t-count of 1.97756. This shows that H0 is rejected and Ha is accepted, so that corporate governance measured by KP has a negative and significant effect on company performance with a confidence level of 95%. The results differ from previous research conducted by (Mendoza-Velázquez et al., 2022), who analyzed a sample of annual market data and company performance on 93 companies trading on the Mexican stock market for the period 2010-2016, and found evidence of dynamic interdependence between corporate governance and corporate performance, as well as a weak influence of corporate governance compliance on the performance of the company. This is due to differences in the company samples and periods used. However, previous research conducted by (Khatib & Nour, 2021) showed that corporate governance has a negative and significant effect on company performance as a result of high director compensation. In addition, (Firdausi & Purwandari, 2022) also stated that the greater the level of public ownership, the value of the company tends to decrease, and conversely, the larger the level of public ownership, the more the controlling shareholder cannot freely regulate the company, so that conflicts of interest arise in the company.

Mediating Company Performance on Capital Structure and Share Price

Based on the results of the DER Sobel test on CP through NPM, it shows a z-count value of 1.527442, which is smaller than the z-table of 1.97769. In addition, the results of the DAR Sobel test on CP through NPM showed a z-count value of 1.699135, which was smaller than the z-table of 1.97769. This shows that the sixth hypothesis, namely capital structure measured by DER and DAR, is rejected. This is supported by research by Mansyur et al., (2020), which shows that the direct influence of capital structure on stock prices is stronger than the mediation of company performance. Thus, the use of debt cannot improve performance by utilizing the availability of sufficient funds obtained through debt, and positive signals about company performance and company growth cannot increase stock prices. The difference in the results of this study is that the results of the partial effect of capital structure on company performance show a significant influence, but the company's performance has no effect on stock prices. So that company performance does not mediate the relationship between capital structure and stock price. This shows that non-cyclicals consumer companies that are able to manage capital structures efficiently and effectively can affect the performance of companies in the form of profits. However, there is no influence on changes in stock prices.

Corporate Governance Mediation on Capital Structure and Share Price

Based on the results of the KP Sobel test on CP through NPM, it shows a z-count value of 1.633301, which is smaller than the z-table of 1.97769. This shows that the seventh hypothesis, namely corporate governance as measured by KP, is rejected. Previous research conducted by (Karamoy & Tulung, 2020) found that corporate governance and financial performance have no effect on stock prices. According to (Pendong et al., 2022), good corporate governance can be interpreted as a structure and system that regulate the relationship between management (agents) and shareholders (principals). So there needs to be attention paid to company performance and the implementation of good corporate governance in financial statements so that it can affect

changes in stock prices. The difference in the results of this study is that the results of the partial influence of corporate governance on company performance show a significant influence, but the company's performance does not affect stock prices. So that company performance does not mediate the relationship between corporate governance and stock prices. This shows that the percentage of public shareholding in consumer non-cyclicals companies can be a signal that affects company performance. However, it does not affect the change in the share price of consumer non-cyclicals companies.

Conclusion

The results of this study are expected to be a reference and consideration in choosing the best solution to solve various problems regarding company performance and changes in stock prices. For consumer non-cyclicals companies that have gone public, it is expected that they pay more attention to the ratios of DER, DAR, and KP as an illustration of capital structure and corporate governance that has proven to have a significant effect on company performance. In addition, the DAR ratio is also a description of the capital structure that have proven to have a significant effect on stock prices. As for investors, before investing funds in a company, it is necessary to analyze various factors to consider. If investors want to invest their funds in consumer non-cyclicals, then they can consider the right DER, DAR, KP, and NPM ratios. A good DER value is less than 0.5 because the higher the DER value, the smaller the amount of owner capital used as debt collateral. Furthermore, the average DAR ratio for consumer non-cyclicals companies listed on the Indonesia Stock Exchange for the period 2020-2022 is 0.45. The greater the value of DAR, the more assets are financed by debt. In addition, the low percentage of public ownership causes a lack of supervision for companies to be more transparent and careful in making management decisions. Data that has been processed shows that the average good public ownership is above 0.24. Finally, the average NPM value of consumer non-cyclicals companies is 0.07. So, companies with NPM values above 0.07 show good company performance.

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