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Capital Structure and Corporate Performance of Indonesian Building Construction Sub Sector

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ABSTRACT-- *This study aims to determine the effect of Capital structure on the Financial Performance of Indonesian building construction sub sector. This research was conducted with the aim of analyzing capital structure and financial performance during 2015 to 2018 (4 years). For the purpose of this study, data were processed from a sample of annual reports of Indonesian Building Sub Sector companies listed on the Indonesia Stock Exchange. The analytical method used is panel data regression, will reveal the relationship between capital structure and financial performance with a significance level of 0.05. Research results for construction and building sub sector companies in Indonesia The R square value of this model is 0,30 which means that variations of Corporate Performance that can be explained by the independent variables analyzed are DER, DAR, and LTDC by 30.02 percent and the remaining 69.98 percent explained by other factors not included in this study.*

Keywords-- *Financial Performance, Capital Structure, Profitability Ratio, Construction, Building***.**

I. INTRODUCTION

Construction of the infrastructure in several regions in Indonesia, such as the construction of public roads, and also the construction of public transportation were conducted by the government as well as the construction of buildings office , the center of shopping mall , and others who do sector private is still much to do until the time is . So the field of business type of construction of the building is still much in demand by companies private or business entities owned Government. Accourding to the data sub-sectors of the construction of the building that is listed on the Stock Exchange Indonesia during the period of time four years from the year 2015 to 2018, show there are some companies sub-sector of the construction of the building that experienced a decline in visits from the percentage of return compared with the capital.

Components of capital refers to the ways in which an organization financed by a combination of capital term long (stock regular and reserve), share preferences, the letter of debt, loan banks, stock loan conversion and etc) and liabilities term short as bank overdrafts and creditors trade. The company's capital structure is then the composition or ' structure ' of its obligations.

Structural capital refers to the framework of the financial companies which consists of debt and equity are used to finance the company. The ability of the company to carry out the needs of stakeholder interests they are linked closely to the structure of the capital. Capital structure in financial terms means the way companies finance their assets through a combination of equity, debt, or hybrid securities (Saad, 2010). In short, the structure of capital is

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a mix of debt companies (long-term and short-term), equity joint and equity selection. The structure of capital is very important how companies finance operations and growth as a whole by using various sources of funding.

One of the problems is quite important in the finance company is determining the structure of the capital of a company. The structure of the optimal capital has long become a focus of attention in many institutions of academic and finance who investigate the field of this. This can be understood because there is a lot of money that should be issued to advise companies on how to improve the structure of capital they are. Defining an optimal capital structure is an important decision. The decision is important not only because of the impact of decisions that have the ability organization to face the environment competitive.

Capital structure plays a role in determining the level of risk of a company, and fixed costs are a key factor whether it is involved in the production process or fixed financial costs. It must be kept remain low if the management are likely to face the environment that is not for sure, but how low or how high is the question basis. Company assets can be financed by the owner or the borrower. The owner claims to rise when the company collects funds by issuing shares ordinary or to maintain income which becomes belonging to shareholders shares, the borrower claims rise when companies borrow money from the market using multiple instruments apart from the stock. Various ways of financing represent the company's financial structure. The term capital structure is used to represent the proportion between debt and equity, where equity includes paid up capital, stock premiums, and all reserves & surpluses.

Decisions financing or structure of the capital is a decision managerial are significant, because the influence of return and risk of holders of shares. The stock market is also influenced by capital structure decisions. The company must plan its initial capital structure at the time of promotion. Next, whether funds should be raised, capital structure decisions are involved. Requests to raise funds generate new capital structures that require critical analysis . (Bodhanwala, 2014)

But, in reality the capital structure of a company is difficult to determine . Manager finance is difficult to be determined by the exact structure of the optimal capital. A company must issue a variety of securities in a mixture that is not counted the numbers to find a particular combination that can maximize the value of the whole which means the structure of optimal capital. The structure of the optimal capital means the cost of average capital - weighted minimum and to thus maximize the value of the company.

The literature on the relationship between company performance and capital structure has produced mixed results. Some have found a relationship positive in between both selection and performance of the financing (profitability). (Roden & Lewellen, 1995) examined the structure of the capital of 48 US firms over the period 1981-1990 and revealed no relationship positive between profitability and structure of the capital. Similar results are documented by (Champion, 1999) and (Ghosh, Nag, & Sirmans, 2000). (Hadlock & James, 2002) suggest companies with high profit levels use high levels of debt. In other words, they show a positive relationship between performance and capital structure.

In the research by (Abor, 2005) reported the relationship positive between the structure of capital, which is measured by the Short-term Debt and Total Debt, and performance during the period 1998-2002 in firms Ghana. (Berger & Bonaccorsi di Patti, 2006) gives the results of the same. Finally, (Arbabiyan & Safari, 2009) investigated the effects of capital structure on profitability using the 100 companies that registered in Iran from 2001 to 2007.

They found the debt term short and the total debt significantly positive with profitability (ROE) while showing no correlation negative between debt term length and ROE.

There are different results of the study also conducted by (Hasan, Ahsan, Rahaman, & Alam, 2014) states that it is not there is a relationship that significant between the structure of the capital with the ROE (return on equity). And the case is in line with research that is done (Meero, 2015) in his research on all sub- sectors of banking , stating that it does not there is a relationship significantly between the structure of capital is measured by the DER (Debt to Equity Ratio) and EAR (Equity to asset ratio) against the performance money as measured by ROE (return on equity). While for variable structure of capital is measured by the DAR, SIZE (Size Company) against the performance of finance were measured ROE (Return On Equity) there is the influence of Significant negative.

Although the structure of the optimal capital is a topic that has a lot to do in a lot of research, we are not able to find a formula or theory of what sort expressly give the structure an optimal capital for a company. Empirical research found that a company's capital structure has a significant impact on corporate performance. The findings of this increase knowledge about the structure of the optimal capital and will help the company to make the performance of finance are efficient in a situation that is evolving. Every company should be considered as separate and ratios are meaningful for companies trading may be entirely meant for the institution finances. Already a lot of a lot of research in the field is however, a decrease in the performance of the sector of trade in Indonesia and the differences in the literature it. Because the background behind the differences in the literature, then it will be discussed through the research of this.

II. LITERATURE REVIEW

In research it will be used several theories to measure the performance of the financial and theories that relate to the structure of the capital such as, Theory Modigiliani -Miller, theory Pecking Order Theory, the theory of Trade off Theory, the theory Agency theory, and the theory of Signaling Theory.

Company Performance

The performance of a company one of them can be seen of state finances some firms. Performance Financial is assessment condition of finance are becoming feat companies that require analysis with some starting measuring such as ratios and indices so that two of data finance can be connected between the one with the other.

Profitability ratios are one of the important indicators for assessing a company. Profitability in addition be used to measure the ability of the company to generate profits as well to determine the effectiveness of the company in managing the resources that it has . The literature on the relationship between company performance and capital structure has produced mixed results. Some have found a relationship positive in between both selection and performance of the financing (profitability).

In a study that is conducted by (Meero, 2015) is not there a relationship that significant between the structure of capital is measured by the DAR (debt to asset ratio) at each - each sector of banking conventional and sharia against the performance of companies that measure the ROA (return on equity). Meanwhile, the research that is carried out by (Roden & Lewellen, 1995) examined the structure of the capital of 48 US firms over the period 1981-1990 and revealed no relationship positive between profitability and structure of the capital. Similar results

are documented by (Champion, 1999) and (Ghosh et al., 2000). (Hadlock & James, 2002) suggest companies with high profit use level of high indebtedness. In other words, they show a positive relationship between performance and capital structure.

In line with research by (Abor, 2005), it is reported the relationship positive between the structure of capital, which is measured by the Short-term Debt and Total Debt, and performance during the period 1998-2002 in firms Ghana. (Berger & Bonaccorsi di Patti, 2006) gives the results of the same. Finally, (Arbabiyan & Safari, 2009) investigated the effects of capital structure on profitability using the 100 companies that registered in Iran from 2001 to 2007. They found the debt term short and the total debt significantly positive with profitability (ROE) while showing no correlation negative between debt term length and ROE.

In contrast the results with research also performed by (Hasan et al., 2014) states that it is not there is a relationship that significant between the structure of the capital with the ROE (return on equity). And the case is in line with research that is done (Meero, 2015) in his research on all sub-sectors of banking , stating that it does not there is a relationship significantly between the structure of capital is measured by the DER and EAR (Equity to asset ratio) against the performance of the financial which is measured by ROE (return on equity). While for variable structure of capital is measured by the DAR, SIZE (Size Company) against the performance of finance were measured ROE are influences Significant negative.

And on the research were done by (Hasan et al., 2014) states that is relationship negative between the capital structure indicator with LTDTA (Long-term Debt to Total Assets) with the performance of companies that measure with EPS , ROE, ROA and Tobin's Q.

Finance Indicator is one of the tools that demonstrate the power of finance, weaknesses, opportunities and threats. Measurement of these is the return on investment (ROI), residual income (RI), earnings per share (EPS), the result of the dividend, the ratio of income prices, growth in sales , capitalization of market , etc. (Barbosa & Louri, 2005). In this study to measure the performance of a company using profitability ratios namely ROA (return on assets), and ROE (return on equity).

Capital Structure

Theory trade off of the structure of capital to discuss a wide range of choice of financial companies that experienced by the company. This theory is important when studying the concept of financial economics. The theory is to explain that the company or the company in general, financed by equity and debt. This theory is mainly related to two concepts. Cost of financial difficulties and agency fees. (Myers & Majluf, 1984) explained that the purpose of trade off theory is to balance between equity and external capital. Throughout the benefits of the use of debt is still large, the debt can be added, but when the sacrifice on the use of debt was already more substantial then the debt is not allowed anymore to plus.

The purpose of capital structure trade-off theory is to explain companies' strategies to finance their investments sometimes with debt. The theory is also studying the advantages and drawbacks of financing are associated either with equity or tied. The trade-off theory actually allows the costs of bankruptcy to exist.

According to (Modigliani & Miller, 1963)Agency theory suggests that the structure of the capital of the company should contain many servings of debt, because the case is a mechanism of control against the tendency of managers to behave opportunistic.

Agency Cost Theory, there are three types of agency costs that can help explain the relevance of capital structure. Asset substitution effects: When D / E increases, management has increased incentives to undertake risky projects (even negative NPV). This is because if the project is successful, the shareholders get all the benefits, whereas if it is not successful, the debt holders get all the downside. If the projects carried out, there is the possibility of a decrease in the value of the company and the transfer of wealth from the holders of the debt to the holders of shares.

Problems investment less: If the debt risk (for example, in companies that are being grown), the advantages of the project will accrue to holders of debt rather than holders of stock . As such, management has an incentive to reject positive NPV projects, even though they have the potential to increase the value of the company.

The direct cost of financial difficulties refers to the cost of bankruptcy of a company. After the insolvency begins, the assets the company may have to be sold at the price of distress, which is generally much lower than the value of the current is from the assets. A large amount of administrative and legal cost is also linked to bankruptcy. even if the company does not go bankrupt, difficulty finance companies may cover a number of costs not directly as costs of employees, the cost of the customer, the cost of the supplier, the cost of the investor, cost managers, and the cost of holders share. Companies may often run into disputes interest in the management of the company, holders of debt and holders of shares. These disputes generally give birth to agency problems.

Theory Pecking Order by (Baskin, 1989) is the theory of alternatives that could explain why the companies are profitable to borrow over a little . This is based on asymmetric information. Managers know better than outside investors about the profitability and prospects of the company. With so investors may not be able to access the value true of the securities recently by the company. They may be very reluctant to buy stocks unusual that new is published, because they worry that the stock just going to turn into a too expensive.

Fears of a kind that could explain why the announcement of a problem stock can lower the price of the stock. If the manager knows more much than investors outside. The manager will be tempted to issue a stock when the stock of companies they are too expensive. With other words, when the manager is relatively pessimistic. In the other, the manager is optimistic will see the shares of companies they are at the bottom of the price and decided to not publish as signal ' manager pessimistic ' and mark the price of the stock that is appropriate. You also can see why the manager finance are optimistic - and most great managers are optimistic - will look at the problem stock unusual as a source of financing that is relatively expensive.

The whole problem is avoided if the company can finance with internal funds, that is with earnings detained and invested back. But if external financing is needed, the path of resistance is at least debt, not equity. Taking out debt seems to have a trivial effort on stock prices. There is little room for the debt to be rated lower and because the problem of debt is a signal that is less worrisome for investors.

Free Cadh Flow: unless the flow of cash freely given back to the investors, the management has the incentive to destroy the value of the company through the development of the kingdom and facilities etc. Increasing leverage imposes financial discipline.

Measurements are used in the structure of capital is DER (Debt to Equity Ratio) which is a ratio to measure the ability of the company to refund the cost of debt through the capital itself which has that measured through debt and total capital (equity), DAR (Debt to Asset Ratio) which is ratio to measure how much the company uses

debt to finance its assets , and the third to measure the capital structure using LT DT C (Long- term Debt To Total Capital).

Based on a series of studies and research earlier that carried the hypothesis in the research of this can be formulated as follows:

H 1: There are no significantly relations between the structure of capital is measured by DER with the corporate performance that measure by RO A

H 2: There are no significantly relations between the structure of capital is measured by the DAR to the corporate performance that measure by ROA

H 3: There are no significantly relations between the structure of capital is measured by LTDTC with the corporate performance that measure by ROA

H 4: There are relations significantly between the structure of capital is measured by DER with the corporate performance that measure by RO E

H 5: There are relations significantly positive between capital structure is measured by the DAR to the corporate performance that measure by RO E

H 6: There are relations significantly positive between capital structure is measured by the LTDTC with the corporate performance that measure by ROE

III. RESEARCH METHODS

This research is a quantitative study, so that after all data has been collected, data analysis will then be performed. In the study of this, methods of analysis of the data used is the method of regression of panel data (panel regression) and the processing of data that is used in research this is the software Microsoft Excel, SPSS and E views 9. The method of analysis of the data is used to explain the strength and direction of the effect of variable free (independent variable) , namely L TDT C (long -term debt to total capital), DER (debt to equity ratio), DAR (debt to asset ratio) against variable dependent (dependent variable) , namely ROA (return on assets), ROE (return on equity), and EPS (earnings per share). Mechanical collection of data among others done by observation directly, not directly and study of literature. Observation is not directly conducted by the author with a way to collect data reporting financial year, an idea common as well as the development of the company trade are listed on the Stock Exchange Indonesia (BEI) in the period 2015-2018 with access directly to the website www.idx.co.id. While the study of literature is done by reading, studying and studying literature, articles, journals and the results of the research earlier so that researchers can understand the literature that relates to the study were concerned.

The study is to test the effect of two or more independent variables (explanatory) to one variable dependent and is generally expressed in the equation as follows :

$Y_{1,} Y_2 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

Y_1 = Corporate Performance (ROA)

Y_2 = Corporate Performance (ROE)

α = Constatnt

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X_1 = Debt to Equity Ratio (DER)

X_2 = Debt to Asset Ratio (DAR)

X_3 = Long – term Debt to Capital (LTDTC)

b1, …, bn = Regression coefficient

e = Error term

The value of the regression coefficient here is very decisive as a basis for analysis, considering that this study is a fundamental method. It is meaningful if the coefficient b -value positive (+) then it can be said to occur influence the direction between variables independent to variable dependent, any increase in the value of the variable independently will result in the increase in the variable dependent. Also on the contrary, if the coefficient value b worth the negative (-), regard this shows the influence of negative where the increase in the value of the variable independently will result in a decrease in the value of the variable dependent.

IV. FINDINGS AND DISCUSSION

Unit Analysis Description

Statistics descriptive is used to provide a picture or description of regarding data. Statistics descriptive of each variable were investigated are as follows:

Table 1: Descriptive description of variables

	ROA	ROE	DER	DAR	LDTC
Mean	0.031579	0.060263	1.282500	0.426053	0.356053
Median	0.015000	0.030000	0.885000	0.470000	0.205000
Maximum	0.310000	0.290000	5.470000	0.840000	2.150000
Minimum	-0.060000	-0.090000	0.000000	0.000000	0.000000
Std. Dev.	0.057528	0.081666	1.348327	0.256562	0.415192
Skewness	2.443175	0.980829	1.357420	-0.374659	1.771761
Kurtosis	10.90076	3.525488	4.455127	1.980870	6.812517
Jarque-Bera	273.2783	13.06009	30.04456	5.066994	85.79079
Probability	0.000000	0.001459	0.000000	0.079381	0.000000
Sum	2.400000	4.580000	97.47000	32.38000	27.06000
Sum Sq. Dev.	0.248211	0.500195	136.3490	4.936816	12.92882
Observations	76	76	76	76	76

Source: E views 9 .0, data processed by the author

From Table 1 above, shows the study has 76 observation data and can be analyzed that the average ROA at companies Sub Sector Construction that is listed on the Stock Exchange Indonesia during 2015 - 2018 is 0.03, with

the value of the standard deviation of 0.057. Companies that have the Return on Asset (ROA) high with a value of 0.31 is Totalindo Bangun Persada Tbk. the period of the year 2016, while the Return on Asset (ROA) low of -0.06 is Bukit Darmo Property Tbk. In the period of 2017 and for Return on Equity (ROE) value of the average - average on research is 0.060, with the value of the standard deviation of 0.081. Companies that have a Return on Equity (ROE) the highest with a score of 0.29, namely Surya Semesta Internusa Tbk., in the year 2017, while the lowest Return on Equity (ROE) of -0.090 is Bukit Dharmo Property Tbk., In the period of 2017.

To Debt to Equity Ratio (DER) the value of the averages in Companies Sector Construction that is listed on the Stock Exchange Indonesia in 2015 to 2018 amounted to 1.28, with the value of the standard deviation of 1.34 to the value of the highest at 5.47 which is Acset Indonusa Tbk. the period of the year 2018, while the Debt to Equity Ratio (DER) of the lowest of 0. 00 is Cahya Sakti Investindo Sukses Tbk in the year 2015 to 2017, Mitra Pemuda Tbk in year 2015-2016, Paramita Bangun Sarana Tbk year 2015, Superkrane Mitra Utama Tbk in year 2015-2017, Totalindo Eka Persada Tbk in year 2015, Wijaya Karya Bangun Gedung, Tbk in year 2015-2016.

Debt to Asset Ratio (DAR) the value of the averages in Companies Sector Construction that is listed on the Stock Exchange Indonesia in 2015 to 2018 amounted to 0.42, with the value of the standard deviation of 0.25 to the value of the highest at 0.84 which is Acset Indonusa Tbk. the period of the year 2018, while the Debt to Asset Ratio (DAR) lows at 0.00 Cahya Sakti Investindo Sukses Tbk in the year 2015 to 2017, Mitra Pemuda Tbk in year 2015-2016, Paramita Bangun Sarana Tbk year 2015, Superkrane Mitra Utama Tbk on years 2015-2017, Totalindo Eka Persada Tbk in year 2015, Wijaya Karya Bangun Gedung, Tbk in year 2015-2016.

And for the Long-term Debt to Total Capital (LTDTC) the value of the average in Companies Sector Construction that is listed on the Stock Exchange Indonesia in 2015 to 2018 is 0.35, with the value of the standard deviation of 0.41 to the value of the highest of 2.15 namely Waskita Karya (Persero) Tbk., in the year 201 8. In while Long-term Debt To Total Capital (LTDTC) lows at 0.00 Bukit Dharmo Property, Tbk in year 2016, Cahya Sakti Investindo Sukses in 2015-2017, Mitra Pemuda Tbk in the year 2015- 2016, Paramita Bangun Sarana Tbk year 2015, Superkrane Mitra Utama Tbk in year 2015-2017, Totalindo Eka Persada Tbk in year 2015, Wijaya Karya Bangun Gedung, Tbk in year 2015-2016.

V. PANEL DATA REGRESSION ANALYSIS

Analysis with panel data is used to determine how large the influence of Structural Capital (DER, DAR, LDTC) against the performance of the company (ROA). To know the methods of the most efficient of the three models of the equation , namely the Common Effect Model (CEM), Fixed Effects Model (FEM) and Random Effects Model (REM) each need to be tested by using the method of regression of panel data using E views 9, based on the data in the table the top models are the most efficient use is random effect. By using the model Random effect then produced regression were used to verify the relationship between DER, DAR, LDTC and ROA. The following is a table of regression results with the dependent variable Retrun On Asset (ROA).

Table 2: Regression Result (Retrun On Asset)

Variabel	Coefficient	Prob	Normality	Heterokedastisity	Autokorelation (DW)	Multikolinierity	Model

DER	-0,2749	0,1894	ok (p>0,05)	ok (P>0,5)	ok (4-dw>du<dw)	ok (<0,8)	Random
LDAR	0,063	0,8992	ok (p>0,05)	ok (P>0,5)	ok (4-dw>du<dw)	ok (<0,8)	
LDTC	0,6736	0,1625	ok (p>0,05)	ok (P>0,5)	ok (4-dw>du<dw)	ok (<0,8)	

Dependent variable: ROA: SOURCE; E Views Statistics

The results show a negative relationship between D E R and ROA while a positive relationship exists between DAR, LDTC and ROA. This means that an increase in DER per one will reduce ROA by 27. 49%, 6.3% increase by one on DAR, so ROA will also increase by 6.3%. And each increase in LDTC will increase 67.3% ROA.

In variable independent DER, DAR, and LDTC do not have a relationship that is not significant to the ROA for each variable independent level of significance P > 0.05, which means that ROA is influenced by variables - variables outside the research this.

In line with the research that is carried out by (Meero, 2015) is not there a relationship that significant between the structure of capital is measured by the DAR (debt to asset ratio) against the performance of companies that measure the ROA (return on asset) In a study that is conducted on each - respective conventional and sharia banking sectors .

In research is the relationship between the structure of the capital with the performance of companies that do not significantly this means is on the corporate performance construction sub-sector in Indonesia, which is measured by ROA (return on assets) does not depend to the magnitude ratio comparison total debt to total assets. The increase or decrease in the corporate performance of Construction sub-sector in Indonesia is more influenced by other factors such as the amount of turnover / revenue of each company as well as the magnitude of the cost - the cost of operations and cost of goods sold.

Table 2: Regression Result (Return On Equity)

Variabel	Coefficient	Prob	Normality	Heterokedastisity	Autokorelation (DW)	Multikolinieritity	Model
DER	-0.223886	0,1438	ok (p>0,05)	ok (P>0,5)	ok (4-dw>du<dw)	ok (<0,8)	Random
LDAR	0.620832	0,0336	ok (p>0,05)	ok (P>0,5)	ok (4-dw>du<dw)	ok (<0,8)	
LDTC	0.935118	0,0445	ok (p>0,05)	ok (P>0,5)	ok (4-dw>du<dw)	ok (<0,8)	

Dependent variable: RO E : SOURCE; E Views Statistics

Analysis with panel data is used to determine how large the influence of Structural Capital (DER, DAR, LDTC) against the performance of the company (ROE). To know the methods of the most efficient of the three models of the equation , namely the Common Effect Model (CEM), Fixed Effects Model (FEM) and Random Effects Model (REM) each need to be tested by using the method of regression of panel data using Eviews 9, based on the data

in the table the top models are the most efficient use is random effect. By using the model Random effect then produced regression were used to verify the relationship between DER, DAR, LDTC and ROE.

The result shows the relationship negatively between DER and RO E while the relationship positively exists between the DAR, LDTC and ROE. This means an increase of DER per one would reduce the ROE of 22.38 %, 62.08 % increase by one at DAR then RO E also will increase by 62.08 %. And any increase in LDTC will increase 93.51 % ROE.

In variable independent DER does not have a relationship that is not significant to the RO E as variable independent has a level of significance of > 0.05, which means the RO E is influenced by variables structure other capital. In line with research were performed by (Abor, 2005) reported the relationship positive between the structure of capital, which is measured by the Short-term Debt and Total Debt, and performance during the period 1998-2002 in firms Ghana. (Berger & Bonaccorsi di Patti, 2006)gives the results of the same. Finally, (Arbabiyan & Safari, 2009) investigated the effects of capital structure on profitability using the 100 companies that registered in Iran from 2001 to 2007. They found the debt term short and the total debt significantly positive with profitability (ROE). And the case is in line with research that is done (Meero, 2015) in his research on all sub-sectors of banking, stating that the variable structure of capital is measured by the DAR, SIZE (Size Company) against the performance of finance were measured ROE are influences Significant negative .

In research is the relationship between the structure of capital in measure with a debt to equity ratio (DER) with corporate performance in measuring the return on equity (ROE) were not significantly this means is on the performance of companies sub-sector construction in Indonesia, which is measured by the ROE (return on equity) does not depend on the size of the ratio of the ratio of total debt to total equity. The increase or decrease in the performance of company's sub- sector of Construction in Indonesia is more influenced by factors - factors other such magnitude ratio, ratio of total debt to total assets (DAR) and the ratio ratio of debt term long to total capital (LTDTC). It is probably happened because performance of companies that are measured by the ROE is dependent on the amount of total debt, total assets and debt term long , matter is related to the amount of debt term long which is used for the source of capital , which will make a company much longer bear the burden of interest which will reduce the company return.

VI. CONCLUSION AND SUGESTION

Based on the results of research and discussion can be concluded as follows:

1. The level of capital structure measured by the debt to equity ratio (DER) has no significant effect on company performance as measured by return on assets (ROA) of the construction sub- sector companies in Indonesia.

2. The level of capital structure measured by the debt to asset ratio (D A R) has no significant effect on company performance as measured by return on assets (ROA) of the construction sub- sector companies in Indonesia.

3. The level of capital structure measured by long-term debt to capital (LTDTC) has no significant effect on company performance as measured by return on assets (ROA) of the construction sub- sector companies in Indonesia.

4. The level of capital structure measured by the debt to equity ratio (DER) has no significant effect on company performance as measured by return on equity (ROE) of the construction sub- sector companies in Indonesia.

5. The level of capital structure measured by debt to asset ratio (D A R) has a significant positive effect on company performance as measured by return on equity (ROE) of the construction sub- sector companies in Indonesia.

6. The level of capital structure measured by long-term debt to capital (LTDTC) has a significant positive effect on company performance as measured by return on equity (ROE) of the construction sub- sector companies in Indonesia.

Based on the conclusions on the above, it may be given some suggestions as follows:

1. For the company the factors that influence includes DAR, LTDTC against the performance of companies that in measuring the ROE in order to become a concern for the company.

2. For researchers further expected to add to the period of the study were longer, and compare the results of research in Indonesia with other countries, so it is expected to obtain results that much better.

3. For investors, the results of this study are expected to be taken into consideration by investors in deciding to invest in the future.

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