



Effect of Institutional Ownership, Managerial Ownership, Profitability, Company Size and Tax Avoidance on Cost of Debt

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ABSTRACT

This research aims to determine the influence of Institutional ownership, managerial ownership, This research aims to determine the influence of institutional ownership, managerial ownership, profitability, company size, and tax avoidance partially and simultaneously on the Indonesia Stock Exchange (BEI) in 2020-2022. This type of research is quantitative. The number of samples in this research was 11 companies with the sampling method using the purposive sampling method. The data analysis method was carried out using panel data regression with the help of Eviews 9 which consists of descriptive statistical analysis, classical assumption testing, panel data regression model selection and hypothesis testing. This research uses secondary data obtained via www.idx.co.id. The results of data analysis or panel data regression show that institutional ownership, managerial ownership, profitability, company size and tax avoidance simultaneously have a significant effect on the cost of debt. The contribution of institutional ownership, managerial ownership, profitability, company size and tax avoidance variables in this research explains 96.31% of the variation in the cost of debt variable. Meanwhile, the remaining 3.69% is influenced by other variables not measured in this regression model. Partially, the institutional ownership variable has a significant effect on the cost of debt, while the managerial ownership variable has a negative and insignificant effect. The variables profitability, company size and tax avoidance partially have a negative and significant effect on the cost of debt.

INTRODUCTION

Companies have various options in obtaining funding, including by utilizing funding sources in the form of debt interest. According to (Meiriasari, 2017) debt is usually utilized because it can provide benefits in the form of tax savings, where loan interest expense can reduce the amount of tax that must be paid by the company.

The use of debt by the company will incur debt costs. Which, the cost of debt is the interest rate received by creditors as the required rate of return (Harianto & Aini, 2021). The company will use debt to capitalize the company. Companies that use some of their sources of funds from debt will have to pay interest Ayu & Soebagyo (2022). This interest expense will reduce the amount of income tax that the company must pay. To reduce its tax obligations, companies can use deductible expenses or cost reductions, where one example is using the cost of debt regulated by KMK No. 1002/KMK.04/1984. The regulation states that the





amount of debt interest that can be recognized as an expense is the amount of interest on debt whose proportion does not exceed three to one against capital.

Regarding cases in Indonesia related to the cost of debt (cost of debt) occurred in State-Owned Enterprises (BUMN). According to Toto Pranoto, a BUMN observer from the University of Indonesia, the debt burden that occurred was caused by financial conditions that had been deteriorating for a long time, which then got worse due to the COVID-19 pandemic (CNBC, 2021). The COVID-19 pandemic has had a negative impact on livelihoods, resulting in the loss of company revenues and profits (Martias et al., 2023). So this ultimately resulted in the printing of financial reports with red notes for the first time. According to CNBC Indonesia news, one of them was PT. AirAsia Indonesia Tbk, its liabilities increased due to the increase in short-term and long-term finance lease obligations from IDR 172 billion in 2019 to IDR 4.87 trillion in 2020. Short-term third party trade debt also doubled to IDR 1.02 trillion. Meanwhile, other debts from related parties increased from IDR 94.18 billion in 2019 to IDR 1.05 trillion in 2020. Meanwhile, total liabilities increased by 10.4 percent compared to the end of 2022 to IDR 13.444 trillion at the end of September 2023.

Apart from that, PT Kereta Api Indonesia (KAI) has a Non-Tax State Revenue (PNBP) debt that has not been paid to the government. If the bill is not paid into the receivables of the special operator PT KAI, then the bill based on this formula will be IDR 2.4 trillion for PNBP.

PT Blue Bird Tbk (BIRD) has also experienced the fulfillment of its debt obligations since the start of the COVID-19 pandemic. The value of short-term debt reached IDR 484.59 billion. Based on financial report data as of June 2020, BIRD's total liabilities increased to IDR 2.32 trillion from the December 2019 period of IDR 2.02 trillion. The details include short-term liabilities of IDR 627.94 billion from December 2019, which were originally IDR 753.52 billion, and long-term liabilities of IDR 1.69 trillion from December 2019, which were originally IDR 1.26 trillion. The value of long-term bank debt after deducting the portion that matures within one year reached IDR 1.12 trillion from the position in December 2019 which was IDR 649.19 billion.

Lastly there is PT Dewata Freightinternational Tbk (DEAL) or DFI Logistics. The Indonesian Stock Exchange (BEI) also noted that the company's current assets are smaller than its short-term liabilities which must be settled immediately. DEAL also experienced an increase in liabilities of more than 20% due to an increase in finance lease debt caused by financing asset purchases to increase production capacity. Based on the case above, investors need to consider the cost of debt of a company because this can provide an idea of the financial risk and health of the company. High interest costs can put significant pressure on a company's net income. This can affect a company's ability to generate profits and pay dividends to shareholders.

LITERATURE REVIEW

A. Agency Theory

According to Jensen & Meckling (2012) agency theory is a contractual relationship between managers (agents) and shareholders (principals). As an agent of the party who has been given operating authority and the owner (principal) must be responsible for what has been authorized. On the other hand, the principal as trustee will provide incentives to agents as financial and non-financial tools.

Age theory is closely related to good corporate governance because there is a relationship between share owners and management in managing the company (Zailastri & Murtanto, 2022). There are various aspects of corporate governance, one of which is institutional ownership and managerial ownership which are seen as appropriate control mechanisms to reduce agency conflicts. Managers as agents are given the authority to run the company's business by shareholders (principals) as the main party, so that agents have more information than principals.

B. Cost Of Debt

Cost of debt is the rate of return or difference in profit from the loan amount and the amount of return that the creditor wants when providing funding to the company (Pardosi & Sibutar, 2021). Companies utilize debt spending sources with the aim of increasing the rate of return on equity (own capital). Company funding sources generally consist of debt and equity or from shares. The focus of this research is the source of company funding using debt..





C. Institutional Ownership

According to Ramadhan & Linda (2023), institutional ownership is ownership whose company shares are owned by institutional investors or external institutions, for example investment companies, banks, insurance companies, foreign institutions, trust funds and other institutions. These institutions have the authority to supervise management performance. The existence of institutional ownership in a company will increase supervision to ensure optimal management performance, because share ownership represents a source of power that can be used to support or vice versa for management performance..

D. Managerial ownership

Managerial ownership is the embodiment of GCG principles. GCG is a company mechanism for ensuring that managers' decisions are the best decisions for the owners (Rizki Maulida et al., 2023). According to Arifin & Asyik (2015), managerial ownership is the percentage of acquisition of company shares carried out by management who own company shares or are shareholders in the company who actively participate in decision making within the company, namely managers, directors and commissioners. Managers with high share ownership in the company will try to improve company performance, because by increasing company profits the incentives received by managers will also increase..

E. Profitability

Profitability is a ratio that aims to determine the company's ability to generate profits during a certain period. Apart from that, it also provides an overview of the level of management effectiveness in carrying out its operational activities (Putri & Miftah, 2021). In profitability analysis, the ratio used to see the level of company profitability is the ROA (return on assets) ratio. The company's performance in generating profits can be said to be good if ROA is high. The higher the ROA, the higher the investor's interest in investing in the company (Lusiawati et al., 2022).

F. Company Size

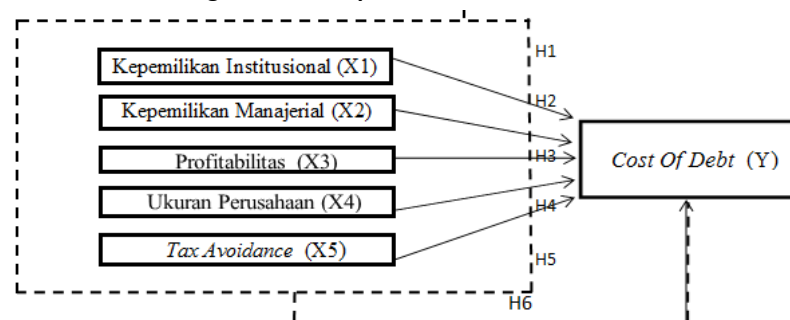
Company size is a scale used to classify the size of a company. Large companies are more in the spotlight of the public, especially investors, and also come under a lot of pressure compared to small companies. Therefore, large companies tend to maintain their image in society (Syarli, 2021). Company size describes the size of a company which can be seen from the extent of business carried out. Company size can influence information asymmetry because large companies will be more open to the public compared to small companies (Lusiawati et al., 2022). The larger the size of the company, the more complex the transactions carried out will be.

G. Tax Avoidance

Tax avoidance is an effort to legally avoid taxes that does not violate tax regulations carried out by taxpayers by trying to reduce the amount of tax by taking advantage of regulatory weaknesses (Puspita & Febrianti, 2017). Tax avoidance practices carried out by the management of a company are solely to minimize tax obligations that are considered legal, so this makes companies have a tendency to use various methods to reduce their tax burden and increase the company's cash flow.

H. Conceptual Framework

Figure 1. ConceptualFramework





METHODS

According to the method, the type of research in this research is quantitative research. According to Sugiyono (2022:08), it is defined as a research method based on the philosophy of positivism, used to research certain populations or samples, collecting data using research instruments, quantitative/statistical data analysis, with the aim of testing predetermined hypotheses. The data used is secondary data sourced from the annual financial reports of transportation & logistics companies listed on the IDX for 2020-2022. The population in this research is all transportation & logistics companies registered on the IDX for the 2020-2022 period, there are 28 companies. The sampling technique is purposive sampling accompanied by established criteria. The variables used in this research are: Institutional Ownership (X1), Managerial Ownership (X2), Profitability (X3), Company Size (X4), Tax Avoidance (X5), and Cost Of Debt (Y).

Untuk pengujian dalam penelitian ini, digunakan :

1. Descriptive Statistical Test

According to Ghozali (2018:19) descriptive statistical analysis provides an overview or description of data seen from the minimum, maximum, average (main), sum, range, kurtosis, skewness (distribution) and standard deviation values.

2. Classic Assumption Test

a. Normality test

According to Ghozali (2018:161) the normality test is carried out to test whether in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. If a variable is not normally distributed, the statistical test results will decrease.

b. Multicollinearity Test

According to Ghozali (2018: 107), multicollinearity testing aims to test whether the regression model finds a correlation between independent variables or independent variables. A good regression model should have no correlation between independent variables.

c. Heteroscedasticity Test

Heteroscedasticity testing is carried out to test whether in a regression model, there is an inequality in the variance of the residuals from one observation to another. If the variance from the residuals of one observation to another is constant, it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is one that is homoscedastic or does not have heteroscedasticity (Ghozali, 2018: 137).

d. Autocorrelation Test

According to Ghozali (2018:111), the autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). If correlation occurs, it is called an autocorrelation problem.

3. Panel Data Regression Model

a. *Common Effect Model*

Common Effect Estimation (fixed coefficient between time and individuals) is the simplest technique for estimating panel data, because it only combines or combines Time Series and Cross Section data without involving differences between time and individuals.

b. *Fixed Effect Model*

The Fixed Effect model technique is a technique for estimating panel data using dummy variables to capture differences in intercepts between companies and the same intercepts over time. In addition, this model also assumes that the regression coefficient (slope) is constant between companies and over time.

c. *Random Effect Model*

The Random Effect model technique is a technique for estimating panel data where disturbance variables may be interconnected over time between individuals (companies). The advantage gained from using this model is that it can eliminate heteroscedasticity.





4. Pemilihan Model Data Panel

a. Chow Test

Chow Test is a test carried out to determine which model is most appropriate between the Common Effect model and the Fixed Effect model. If the Chi Square cross section p -value < 0.05 (5%) or the probability (p -value) F test < 0.05 (5%) then H_0 is rejected and H_1 is accepted, so the model used is the Fixed model Effect. And if the p -value of the Chi Square cross section ≥ 0.05 (5%) or the probability value (p -value) of the F test ≥ 0.05 (5%) then H_0 is accepted and H_1 is rejected, so the model used is the Common model Effect.

b. Hausmant Test

The Hausmant test is a test used to select a Fixed Effect or common effect model. If the p -value of the random cross section is < 0.05 (5%) then H_0 is rejected and H_1 is accepted, so the model used is the Fixed Effect model. If the p -value of the random cross section is ≥ 0.05 (5%) then H_0 is accepted and H_1 is rejected, so the model used is the Random Effect model.

5. Panel Data Regression Analysis

According to Ghozali (2018:296), panel data regression is a regression technique that combines time series data with cross section data, where by combining time series and cross section data, it can provide data that is more informative, more varied, and has a higher level of collinearity between variables. low, greater degree of freedom and more efficient.

6. Hypothesis Testing

a. T Test

The t statistical test basically shows how far the influence of an explanatory or independent variable individually is in explaining variations in the dependent variable (Ghozali, 2018: 98). If the probability t value is smaller than 0.05 then this independent variable has an effect on the dependent variable (Ghozali, 2018:99).

b. F Test

According to Ghozali (2018: 98), the F test here aims to find out whether the independent variables together have an effect on the dependent variable. The F test can be determined by comparing the significance of the calculation results with the number 0.05. If the significance value is smaller than 0.05 then the independent variable can simultaneously influence the dependent variable and vice versa.

c. Coefficient of Determination Test (R^2)

According to Imam Ghozali (2018:97), the coefficient of determination essentially measures how far the model's ability is to explain variations in the dependent variable. The coefficient of determination value is between zero and one. A small coefficient of determination value means the ability of the independent variables to provide almost all the information needed to predict variations in the dependent variable.

RESULTS AND DISCUSSION

1. Descriptive Statistics

Table 1. Descriptive Statistics

	X1	X2	X3	X4	X5	Y
Mean	0.617356	0.250357	0.071735	25.70849	0.255752	0.128915
Median	0.732480	0.148374	0.046677	26.62631	0.239997	0.121304
Maximum	0.982528	0.818086	0.321040	29.61456	0.801421	0.308004
Minimum	0.021253	0.002365	0.000510	15.16021	0.007018	0.012223





Std. Dev.	0.274634	0.258586	0.072526	3.559979	0.167653	0.070923
Observation	33	33	33	33	33	33

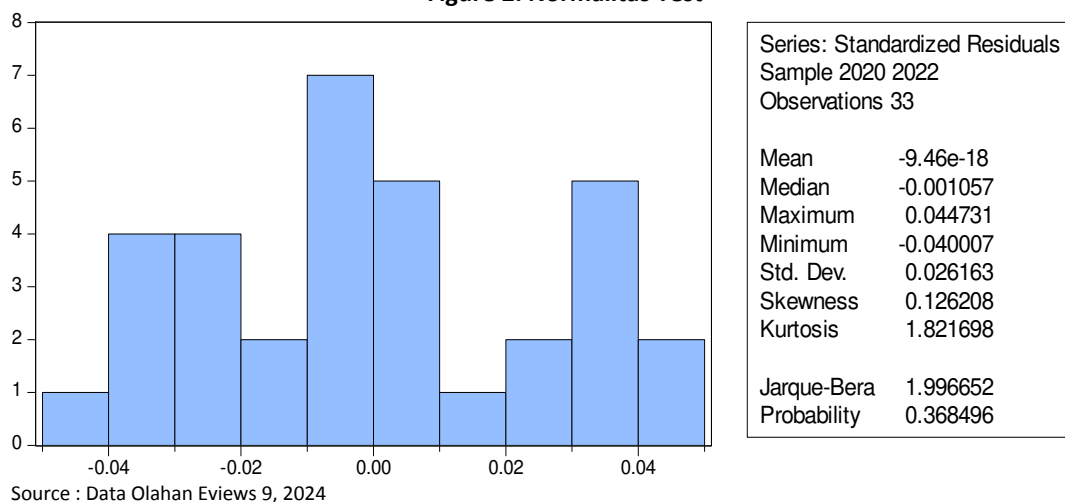
Sumber : Data Olahan Eviews 9, 2024

1. **Institutional Ownership (X1)**
It has an average value of 0.617356 or 61.73%, with a maximum value of 0.982528 and a minimum value of 0.021253 and a standard deviation of 0.274634.
2. **Managerial Ownership (X2)**
It has an average value of 0.250357 or 25.03%, with a maximum value of 0.818086 and a minimum value of 0.002365 and a standard deviation of 0.258586.
3. **Profitability (X3)**
It has an average value of 0.0711735 or 07.11%, with a maximum value of 0.321040 and a minimum value of 0.000510 and a standard deviation of 0.072526.
4. **Company Size (X4)**
It has an average value of 25.70849 or 25.70%, with a maximum value of 29.61456 and a minimum value of 15.16021 and a standard deviation of 3.559979.
5. **Tax Avoidance (X5)**
It has an average value of 0.255752 or 25.57%, with a maximum value of 0.801421 and a minimum value of 0.007018 and a standard deviation of 0.167653.
6. **Cost Of Debt (Y)**
It has an average value of 0.128915 or 12.89%, with a maximum value of 0.308004 and a minimum value of 0.012223 and a standard deviation of 0.070923.

2. Classic assumption test

a. Normality Test

Figure 2. Normalitas Test



Based on Figure 2, it can be seen that the data in this study is normally distributed. This can be seen by looking at the Jarque-Bera value, which is 1.996652 with a probability value of 0.368496 which is greater than the significant error degree of 0.05 which states that H0 is accepted, so this model is said to be normal.

**b. Multikolinierity Test****Table 2.** Multikolinierity Test

Y	X1	X2	X3	X4	X5
X1	1.000000	0.008170	0.202000	-0.342629	0.063861
X2	0.008170	1.000000	-0.734255	-0.002533	-0.107594
X3	0.202000	-0.734255	1.000000	-0.007478	0.150719
X4	-0.342629	-0.002533	-0.007478	1.000000	-0.498379
X5	0.063861	-0.107594	0.150719	-0.498379	1.000000

Source : Data Olahan Eviews 9, 2024

Based on the results of table 2, it can be seen that none of the correlations between the independent variables have a value of more than 0.9. This means that in this regression model there is no multicollinearity or in this model there is no correlation between the independent variables so that H0 is accepted.

c. Heterokedastisitas Test**Table 3.** Heteroskedastisitas Test

F-statistic	Obs*R-squared	Scaled explained SS	Prob. F(20,12)	Prob. Chi-Square(20)	Prob. Chi-Square(20)
0.921097	19.98308	20.76734	0.5795	0.4590	0.4590

Source : Data Olahan Eviews 9, 2024

Based on the results of table 3, it can be seen that the Obs*R2 coefficient of determination is 19.98308 and the probability value of chi-Square is 0.4590 which is greater than the α value of 0.05. So H0 is rejected and it can be concluded that this research model does not have heteroscedasticity.

d. Autocorelation Test**Table 4.** Autokorelation Test

F-statistic	Obs*R-squared	Prob. F(2,25)	Prob. Chi-Square(2)
3.214290	6.750008	0.3572	0.2342

Source : Data Olahan Eviews 9, 2024

Based on the results of table 4, it is known that the Obs*R2 determination is 6.750008, the probability value of Chi-Square is 0.2342 which is more than the α value of 0.05. Because the Chi-Square probability value is greater than 5%, H0 is accepted so it can be concluded that there is no autocorrelation in the model.

3. Panel Data Regression**a. Common Effect Model****Table 5.** Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.167767	0.119861	1.399682	0.1730
X1	0.086660	0.064075	1.352474	0.1874
X2	0.127319	0.069009	1.844957	0.0760
X3	-0.419061	0.190733	-2.197107	0.0368
X4	-0.003492	0.004036	-0.865123	0.3946
X5	-0.017205	0.074724	-0.230252	0.8196
R-squared	0.235278	Mean dependent var		0.128915
Adjusted R-squared	0.093663	S.D. dependent var		0.070923
S.E. of regression	0.067520	Akaike info criterion		-2.389827
Sum squared resid	0.123091	Schwarz criterion		-2.117734
Log likelihood	45.43214	Hannan-Quinn criter.		-2.298276





F-statistic	1.661389	Durbin-Watson stat	0.599701
Prob(F-statistic)	0.177983		

Source : Data Olahan Eviews 9, 2024

Based on table 5, it shows that the results of the common effect have partial results, the profitability variable (X3) having an effect on the cost of debt. Meanwhile, the variables institutional ownership (X1), managerial ownership (X2), company size (X4) and tax avoidance (X5) have no effect on the cost of debt (Y). The contribution of the independent variable to the cost of debt has an r-squared value of 23.52%.

b. Model Fixed Effect

Table 6.. Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.779967	0.337796	5.269351	0.0001
X1	0.144943	0.030752	4.713307	0.0002
X2	-0.006429	0.067833	-0.094784	0.9256
X3	-0.105155	0.040144	-2.619426	0.0179
X4	-0.066666	0.013010	-5.124352	0.0001
X5	-0.068409	0.020594	-3.321794	0.0040

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.963141	Mean dependent var	0.284775
Adjusted R-squared	0.930618	S.D. dependent var	0.250174
S.E. of regression	0.035896	Sum squared resid	0.021905
F-statistic	29.61416	Durbin-Watson stat	2.603208
Prob(F-statistic)	0.000000		

Source : Data Olahan Eviews 9, 2024

Based on table 6, it shows that the results of the fixed effect model have partial results for institutional ownership variables (X1), profitability (X3), company size (X4) and tax avoidance (X5) influencing the cost of debt (Y). Meanwhile, the managerial ownership variable (X2) has no effect on the cost of debt (Y). The contribution of the influence of independent variables to the cost of debt has an average r-squared of 96.31%.

C. Random Effect Model

Table 7. Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.137382	0.139092	0.987707	0.3321
X1	0.095392	0.060232	1.583744	0.1249
X2	0.160764	0.080841	1.988639	0.0570
X3	-0.182292	0.126709	-1.438668	0.1617
X4	-0.003129	0.004979	-0.628519	0.5349
X5	-0.055060	0.049856	-1.104384	0.2792

Effects Specification

	S.D.	Rho
Cross-section random	0.052588	0.6498
Idiosyncratic random	0.038604	0.3502

Weighted Statistics

R-squared	0.189145	Mean dependent var	0.050305
Adjusted R-squared	0.038987	S.D. dependent var	0.043205
S.E. of regression	0.042355	Sum squared resid	0.048436





F-statistic	1.259637	Durbin-Watson stat	1.096990
Prob(F-statistic)	0.309782		

Source : Data Olahan Eviews 9, 2024

Based on Table 7, the random effect results show that the managerial ownership variable (X2) partially influences the cost of debt. Meanwhile, the variables institutional ownership (X1), profitability (X3), company size (X4) and tax avoidance (X5) have no effect on the cost of debt (Y). The contribution of the influence of independent variables to the cost of debt has an r-squared value of 18.91%.

4. Selection of Panel Data Models

a. Chow Test

Table 8. Chow Test

Effects Test	t-Statistic	d.f.	Prob.
Cross-section F	6.559738	(10,17)	0.0004
Cross-section Chi Square	52.165234	10	0.0000

Source : Data Olahan Eviews 9, 2024

Based on the results of table 8, it can be seen that the probability of the chi square cross section is $0.0000 < 0.05$, so it can be concluded that H_0 is rejected and the fixed effect model is better than the common effect model.

b. Hausmant Test

Table 9. Hausmant Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d. f.	Prob
Cross-section random	10.501599	5	0.0022

Source : Data Olahan Eviews 9, 2024

Berdasarkan hasil tabel 6. menunjukkan nilai probability *cross-section random* sebesar 0,0022 lebih kecil dari 0,05, artinya pada hasil *hausman test* memilih menggunakan model *fixed effect*. Maka untuk menilai uji hipotesis regresi data panel menggunakan model *fixed effect* dalam menentukan keputusan hasil penelitian ini.

5. Hypothesis Testing

a. Panel Data Regression Analysis

Table 10. Model Fixed Effect

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.779967	0.337796	5.269351	0.0001
X1	0.144943	0.030752	4.713307	0.0002
X2	-0.006429	0.067833	-0.094784	0.9256
X3	-0.105155	0.040144	-2.619426	0.0179
X4	-0.066666	0.013010	-5.124352	0.0001

Sumber : Data Olahan Eviews 9, 2024

1. Besarnya konstanta adalah 1.779967, hal ini menunjukkan bahwa jika variabel kepemilikan institusional, kepemilikan manajerial, profitabilitas, ukuran perusahaan dan *tax avoidance* bernilai 0, maka *cost of debt* akan tetap bernilai 1.779967.
2. Nilai koefisien variabel kepemilikan institusional adalah sebesar 0.144943, artinya setiap peningkatan kepemilikan institusional sebesar 1 satuan, maka akan meningkatkan *cost of debt* sebesar 0.144943 satuan, dengan asumsi variabel independen lain nilainya tetap.
3. Nilai koefisien variabel kepemilikan manajerial adalah sebesar -0.006429, artinya setiap peningkatan kepemilikan manajerial sebesar 1 satuan, maka akan meningkatkan *cost of debt* sebesar 0.006429 satuan, dengan asumsi variabel independen lain nilainya tetap.





4. Nilai koefisien variabel profitabilitas adalah sebesar -0.105155, artinya setiap peningkatan profitabilitas sebesar 1 satuan, maka akan meningkatkan *cost of debt* sebesar 0.105155 satuan, dengan asumsi variabel independen lain nilainya tetap.
 5. Nilai koefisien variabel ukuran perusahaan adalah sebesar -0.066666, artinya setiap peningkatan ukuran perusahaan sebesar 1 satuan, maka akan meningkatkan *cost of debt* sebesar 0.066666 satuan, dengan asumsi variabel independen lain nilainya tetap.
 6. Nilai koefisien variabel *tax avoidance* adalah sebesar -0.068409, artinya setiap peningkatan *tax avoidance* sebesar 1 satuan, maka akan meningkatkan *cost of debt* sebesar 0.068409 satuan, dengan asumsi variabel independen lain nilainya tetap.
- b. Uji Signifikan Parsial (Uji Statistik t)

Tabel 8. Hasil Uji Statistik t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.779967	0.337796	5.269351	0.0001
X1	0.144943	0.030752	4.713307	0.0002
X2	-0.006429	0.067833	-0.094784	0.9256
X3	-0.105155	0.040144	-2.619426	0.0179
X4	-0.066666	0.013010	-5.124352	0.0001

Sumber : Data Olahan Eviews 9, 2024

1. Kepemilikan institusional memiliki thitung sebesar 4.713307 > ttabel 1.080 dan nilai probabilitas sebesar 0,0002 < 0.05, artinya bahwa X1 berpengaruh signifikan terhadap *cost of debt* (Y), sehingga H1 menyatakan variabel X1 berpengaruh signifikan terhadap variabel Y diterima.
2. Kepemilikan manajerial memiliki thitung sebesar -0.094784 < ttabel 1.080 dan nilai probabilitas sebesar 0.9256 > 0.05 artinya bahwa variabel X2 tidak berpengaruh negatif signifikan terhadap *cost of debt* (Y), sehingga H2 yang menyatakan variabel X2 berpengaruh terhadap variabel Y ditolak.
3. Profitabilitas memiliki thitung sebesar -2.619426 < ttabel 1.080 dan nilai probabilitas sebesar 0.0179 < 0.05 artinya bahwa variabel X3 berpengaruh negatif signifikan terhadap *cost of debt* (Y), sehingga H3 yang menyatakan variabel X3 berpengaruh terhadap variabel Y diterima.
4. Ukuran perusahaan memiliki thitung sebesar -5.124352 < ttabel 1.080 dan nilai probabilitas sebesar 0.0001 < 0.05 artinya bahwa variabel X4 berpengaruh negatif signifikan terhadap *cost of debt* (Y), sehingga H4 yang menyatakan variabel X4 berpengaruh terhadap variabel Y diterima.
5. *Tax avoidance* memiliki thitung sebesar -3.321794 < ttabel 1.080 dan nilai probabilitas sebesar 0.0040 < 0.05 artinya bahwa variabel X5 berpengaruh negatif signifikan terhadap *cost of debt* (Y), sehingga H5 yang menyatakan variabel X5 berpengaruh terhadap variabel Y diterima.

c. Uji Simultan (Uji f)

Tabel 9. Hasil Uji f

F-statistic	29.61416	Durbin-Watson stat	2.603208
Prob(F-statistic)	0.000000		

Sumber : Data Olahan Eviews 9, 2024

Berdasarkan hasil pada tabel 9. diperoleh nilai F hitung sebesar 29.61416 dengan probabilitas sebesar 0.000000 < 0.05 maka dapat disimpulkan bahwa seluruh variabel independen secara bersama-sama berpengaruh signifikan terhadap variabel dependen.

d. Uji Koefisien Determinasi

Tabel 10. Hasil Uji Koefisien Determinasi

R-squared	0.963141	Mean dependent var	0.284775
Adjusted R-squared	0.930618	S.D. dependent var	0.250174

Sumber : Data Olahan Eviews 9, 2024





Based on the results of table 10, the R-Square value is 0.963141. This shows that the contribution of all independent variables in explaining the dependent variable is 96.31% while the remaining 3.69% is explained by other variables outside the model.

CONCLUSION

Based on the results and discussion previously described, several conclusions can be drawn as follows:

1. Institutional ownership has a significant effect on the cost of debt. These results explain that large institutional ownership can influence a company's capital structure. If institutions have a preference for a particular capital structure, this can influence a company's use of debt. An efficient capital structure can bring positive tax effects, reducing the effective cost of debt costs.
2. Managerial ownership has no significant effect on the cost of debt. This can happen because the cost of debt is reflected in the interest rates offered by financial markets. External factors such as market conditions and creditor perceptions also play a role in determining the cost of debt. Managerial ownership may be considered a less significant internal factor in determining the cost of debt.
3. Profitability has a negative and significant effect on the cost of debt. These results explain that the higher the company's profitability, the impact it will have on reducing button costs. High profitability causes companies to use their own capital more than they use debt. The company's low use of debt causes the debt costs arising from the use of debt to also be low. Thus, the higher the company's profitability, the impact it will have on reducing the cost of debt.
4. Company size has a negative and significant effect. These results explain that company size has an impact on reducing the cost of debt. This is because large companies tend to have better credit profiles because they are considered more stable and have more resources to handle their company's financial obligations. This can increase lender confidence and reduce feelings of risk contributing to a lower cost of debt.
5. Tax Avoidance has a negative and significant effect on the cost of debt. These results explain that tax avoidance and debt are substitutes, which means that companies using less debt will make the debt costs incurred as a result of using that debt also smaller. This means that the greater the Effective Tax Rate (ETR) value, the lower the tax avoidance carried out by the company, the smaller the debt costs incurred.

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