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Factors Affecting Firm Performance: DER as Intervening Variable

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ABSTRACT: This study aims to analyze the effect of tangibility, growth opportunity, firm age and capital structure on firm performance with capital structure as intervening variables in manufacturing companies in the sub-sector of goods and consumption listed on the Indonesia Stock Exchange in 2017-2021. The sampling technique in this study uses the purposive sampling method. The research method used was quantitative research with a sample of 14 Food and Beverage companies listed on the Indonesia Stock Exchange. The analysis used is the path analysis using SPSS version 23. The results showed that growth opportunities and firm age had an effect on company performance. While tangibility and capital structure have no effect on company performance. Capital structure cannot mediate the relationship between tangibility and firm performance. Capital structure cannot mediate the relationship between growth opportunity and firm performance. Capital structure cannot mediate the relationship between Firm Age and Firm Performance.

KEYWORDS: Tangibility, Growth Opportunity, Firm Age, Capital Structure, Firm performance

1 INTRODUCTION

Indonesia is a country that can be said to have high economic potential, this potential is currently starting to be considered by the international world. Economic development in Indonesia has now developed rapidly, so that it will automatically cause company competition with various business. According to Asbari et al. (2020) one way to survive in the business world by improving company performance.

According to Permatasari et al. (2019) Company performance is the determination of certain measurements that can measure the success of a company in generating profits and is a reflection of the company's ability to manage and allocate its resources. The main objective of establishing a company is to improve the welfare of shareholders. The better the company's performance will be better to improve the welfare within the company. Company performance can also be said to be a benchmark for company work performance.

The company's good financial performance is when the company succeeds in achieving its goals. The capital structure has a strategic influence on the achievement of the company's long term goals. The capital structure is important for the company because of the good and bad of the capital structure will have a direct impact on the financial position of a company. Effective capital structure decisions can reduce the cost of company capital structure. Conversely, a poor capital structure will affect the number of company capital structures. The amount of capital structure losses will have an impact on the performance of a company. Management uses company performance appraisal to determine which policies to be taken in the future. According to research conducted Violita & Sulasmiyati (2017) capital structure has a significant positive effect on financial performance. While research conducted by Saputra et al. (2018) and Ramaiyanti et al. (2018) ound that there was a negative influence between capital structure on financial performance.

Tangibility is a measure of the utilization of a long-term category of assets used in company operations. Tangibility is an important consideration in corporate funding, because fixed assets can be used as collateral for creditors. Tangible assets are assets or physical property of a company, such as buildings and equipment. According to research conducted by William & Sanjaya (2017) tangibility does not affect company performance. Meanwhile, research conducted by Tumba & Murtini (2021) tangibility affects company performance.

Growth opportunity is a company's growth opportunity in the future. The good condition of the company's financial turnover is indicated by positive company growth opportunities. With a high growth opportunity value, the company is expected to be able to achieve and generate high profits in the future. According to research conducted by Aditya (2021) and Kaylsi & Khoirddin (2021)

growth opportunities do not affect company performance. Meanwhile, according to Kusna & Setijani (2018) growth opportunities affect company performance.
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Company age is another factor that can affect company performance. Company age, namely how long a company is able to survive, compete, and take business opportunities that exist in the economy Small companies that have a relatively young age will use smaller debt compared to using equity as a source of funds. This is because companies that are relatively young do not yet have access to obtaining funds from outside or from investors because investors consider companies that are relatively young to have no experience in running a company and managing its cash flow. According to research conducted by Mariani (2020) and Rahma et al. (2019) firm age has no effect on company performance.
Research by taking the topic of company performance by adding an intervening variable in the form of capital structure is still very rarely done. This study develops the research conducted by Kaylsi & Khoiruddin (2021). The thing that distinguishes this research from previous research is that by replacing the two independent variables, namely firm size and asset structure, they are changed with tangibility and firm age variables, and the sample used in this study is focuses more on manufacturing companies in the goods and consumption sub-sector that are listed on the Indonesia Stock Exchange for the 2017-2021 period.

2 LITERATURE

2.1 Agency Theory

Agency problems arise because a person tends to be selfish, and problems will arise. The conflict can occur both externally and internally in the agent and the principal himself, because basically people tend to be inconsistent. According to agency theory, conflicts between principals and agents can be reduced by aligning the interests of principals and agents.

2.2 Pecking Order Theory

The pecking order theory can explain why a company that has a high profit level tends to have smaller debt compared to a company that has a small profit. The capital structure talks about a balanced percentage composition between the company's capital and the company's debt. The existence of new funds coming into the company can trigger a change in the percentage of capital structure, or not. One theory that highlights alternative corporate funding is the pecking order theory.

2.3 Firm Performance

Company performance is the company's performance. Company performance has an understanding as a result of a management activity in a company. The results of these management activities are then used as a parameter or benchmark to assess the success of the management of a company in terms of achieving the goals that have been set in a certain period.

2.4 Tangibility

Tangibility is a measure of the utilization of long-term assets used in company operations. The tangibility of assets can be interpreted as a measure of the level of collateral or collateral that a company is able to offer to debtors or fund lenders.

2.5 Growth Opportunity

Growth opportunity is the opportunity for a company to grow in the future. An increasing and positive level of growth opportunities can indicate that the company has opportunities to expand its business and expand its business.

2.6 Firm Age

The age of the company is how long it takes a company from the start up to an unlimited time. Companies with a long history of business are more profitable and diverse tend to be more credible and therefore suffer less financial difficulties.

2.7 Capital Structure

The capital structure means the arrangement of principal money in running the business from different sources for the long term of the company. The optimal capital structure is a combination of equity that maximizes the company's share price. That capital structure is a collection of funds that can be used and allocated by the company where the funds are obtained from longterm debt and own capital.

2.8 Hypotesis

The effect of tangibility on firm performance

Tangibility is a measure of the utilization of long term assets used in company operations. The greater the value of the company's fixed assets, the easier it will be for the company to obtain debt which will have an impact on increasing company returns. Ownership of fixed assets in large quantities can be profitable for the company. The more assets or the higher the tangibility of a company, the more it will improve the company's performance. Research conducted by Tumba & Murtini (2021) shows that tangibility affects company performance.

H_1: tangibility affects the firm performance

The effect of growth opportunity on firm performance

Growth opportunity is the opportunity for a company to grow in the future. Growth opportunity can be used as a growth opportunity for a company in the future. So that requires the company to continue to manage the company well which can affect the company's performance. Research conducted by Kusna & Setijani (2018) shows that growth opportunities affect company performance.

H_2: growth opportunity affects the firm performance

The effect of firm age on firm performance

Company age, namely how long a company is able to survive, compete, and take business opportunities that exist in the economy. Small companies that are relatively young will use smaller debt compared to using equity as a source of funds. This is because companies that are relatively young do not yet have or still have little access to obtaining funds from outside or from investors because investors consider companies that are relatively young to have no experience in running a company and managing its cash flow. The longer the age of a company, the better the company's performance. Research conducted by Luthan et al. (2018) shows that firm age has an effect on firm performance.

H_3: firm age has an effects the firm performance

The effect of capital structure on firm performance

A good capital structure is one that can improve company performance effectively and efficiently and increase company profits. The use of high debt in the capital structure will provide high additional costs and increase the company's risk of not paying interest which is also high. Interest costs from debt that can be used as a tax deduction make companies that have debt have better performance than companies that do not have debt. Optimal capital structure can improve company performance. Research conducted by Violita & Sulasmiyati (2017), Kristanti (2018), Ramaiyanti et al. (2018), and Kaylsi & Khoiruddin (2021) shows that the capital structure affects the company's performance.

H_4: capital structure affect the firm performance

The effect of tangibility to firm performance with capital structure as an intervening variable

The tangibility of assets can be interpreted as a measure of the level of collateral or collateral that a company can offer to debtors or lenders of funds. The use of fixed assets has a relatively large role in determining financial performance. The more assets or the higher the tangibility of a company, the more it will improve the company's performance, so that the tangibility affects the company's performance. Research conducted by Tumba & Murtini (2021) shows that tangibility affects company performance. However, there are other studies which show that tangibility does not affect company performance, such as research conducted by Yanti & Chandra (2019) and Setiaputra & Viriany (2021). Fixed assets play an important role in the company structure. Assets are easier to collateralize and don't lose much value when a company faces financial difficulties. However, the size of the assets is not a benchmark that the performance of the company is good either. Meanwhile, with the inconsistency of the research, capital structure is included as an intervening variable. Research conducted by Violita & Sulasmiyati (2017), Saputra et al. (2018), Ramaiyanti et al. (2018), and Kaylsi & Khoiruddin (2021) shows that the capital structure affects the company's performance.

H_5: Capital structure mediates the relationship between tangibility and firm performance

The effect of growth opportunity on firm performance with capital structure as an intervening variable

Companies can estimate how much the company will grow in the future, growth opportunity is one of the important factors in managing the running of a company. So that requires the company to continue to manage the company well which can affect the company's performance. Research conducted Kusna & Setijani (2018) shows that growth opportunity has an effect on company performance. However, there are other studies which show that growth opportunities do not affect company performance, such as research conducted by Megawati & Dermawan (2019). When the company's growth is high, the funds needed by the company will increase. The company will obtain these funds from debt and from profits earned by the company in the previous year. Therefore, the company will focus more on how to obtain these funds compared to improving company performance. Meanwhile, with the inconsistency of the research, capital structure was included as an intervening variable. Research conducted by Violita & Sulasmiyati (2017), Saputra et al. (2018), Ramaiyanti et al. (2018), and Kaylsi & Khoiruddin (2021) shows that the capital structure affects the company's performance.

H_6: Capital structure mediates the relationship between growth opportunity and firm performance

Factors affecting Company Performance: DER as Intervening Variable

2.3.1 The of firm age on firm performance with capital structure as an intervening variable

The age of a company accompanied by a good capital structure will affect the company's performance. Companies that have a relatively higher age are usually better at collecting, processing and producing information, this is because companies already have many working hours. Companies that have been around for a long time will be viewed by investors as mature companies in running their business. So that the more the age of the company will further improve the performance of the company. Research conducted by Luthan et al. (2018) shows that the age of the company affects the performance of the company. However, there are other studies which show that company age does not affect company performance, such as research conducted by Megawati & Dermawan (2019). Currently, many companies are growing fast even though they have only been established for a few months, this is due to several factors, one of which is that the company's marketing strategy is carried out properly and precisely. So without having to wait long, the company can quickly develop. Therefore the age of a company does not affect the company's performance. Meanwhile, with the inconsistency of the research, capital structure was included as an intervening variable. Research conducted by Violita & Sulasmiyati (2017), Saputra et al. (2018), Ramaiyanti et al. (2018), and Kaylsi & Khoiruddin (2021) shows that the capital structure affects the company's performance.

H_7: Capital structure mediates the relationship between firm age and firm performance

3 RESEARCH METHODOLOGY

3.1 Population and Sample

The data used in this study is secondary data in the form of financial reports and annual reports of manufacturing companies in the goods and consumption sub-sector which are listed on the Indonesian Stock Exchange (IDX) for the period 207-2021 through the website (www.idx.co.id) and the official website of each sample company. Data collection method used in research is documentation. Other data were obtained from journals, books and other literary sources which provided the information needed in this study.

3.2 Data Collection Technique

The population used in this research is the goods and consumer goods sub-sector manufacturing companies listed on the Indonesia Stock Exchange in 2014-2017. The sampling method uses a purposive sampling technique with the criteria: Manufacturing companies in the goods and consumption sub-sector that are listed on the Indonesia Stock Exchange for the 2017-2021 period, manufacturing companies in the goods and consumption sub-sector that issue complete audited financial reports for 2017-2021, manufacturing companies the goods and consumption sub-sector which published financial reports for 2017-2021 using the rupiah currency unit.

3.3 Research Model

Tests in this study were carried out using path analysis with the aim of knowing the direct or indirect effect of a set of independent variables on the dependent variable and conducting a hypothesis with a statistical t test to determine the partial effect of the variable. The following equation is used from the path diagram above:

$FP = \alpha 1 + \beta 1T + \beta 2GO + \beta 3FA + \beta 4CS + e$ Equality 1

$CS = \alpha 2 + \beta 5T + \beta 6GO + \beta 7FA + e$ Equality 2

Information:

FP: Firm Performance

CS: Capital Structure

T: Tangibility

GO: Growth Opportunity

FA: Firm Age

A: Constant

B: Coefficient

e: error

3.4 Research Variables and Measurements

This study uses 1 dependent variable, namely company performance, 1 intervening variable, namely capital structure, and 3 independent variables, namely tangibility, growth opportunity, and firm age.

Table 1. Operational Definition of Variables

Variable	Measurements
Firm Performance	ROE= (Net Profit After Tax)/(Equity)
Tangibility	(Fic Assets)/(Total assets)
Growth Opportunity	(Total Assets t-Total Assets-t)/(Total Assets-t)
Firm Age	Year of publication – Year of establishment
Capital Structure	(Total Debt)/(Total Assets)

4 RESULTS

4.1 Descriptive Statistical Test

Table 2. Descriptive Statistical Test

Variable	N	Min	Max	Mean	Std. Deviation
Firm Performance	48	-0.15	1.05	0.1644	0.20472
Tangibility	48	0.06	0.90	0.4554	0.21124
Growth Opportunity	48	0.94	29.78	14.8760	9.23261
Firm Age	48	11.00	31.00	22.7708	4.60915
Capital Structure	48	0.14	0.93	0.3988	0.19681

Firm Performance (ROE), which is the dependent variable, has the lowest value of -0.15 on the company ALTO in 2017 and the highest score is 1.05 for MLBI companies in 2019. While the average owned is 0.1644 and the standard deviation value is 0.20472 Capital Structure as measured by DER has the lowest value of 0.14 in ULTJ companies in 2018 and the highest value is 0.93 in PSDN companies 2021. While the average value is 0.4554 and the standard deviation value is 0.21124 Tangibility as measured by TANK has the lowest value of 0.06 for DLTA companies in 2019 and the highest value is 0.90 for DLTA companies in 2021. While the average value is 0.4554 and the standard deviation is 0.21124. Growth Oppurtinity as measured by GROWTH has the lowest value of 0.94 at ALTO companies in 2017 and the highest value is 29.78 at ROTI companies in 20201. Meanwhile, the average value is 0.3584 and the standard deviation is 0.20290. Firm Age has the lowest score of 11 for the ICBP company in 2017 and the highest score of 31 for the Delta Djakarta Tbk company in 2021. Meanwhile, the average value is 22.7708 and the standard deviation value is 4.60915.

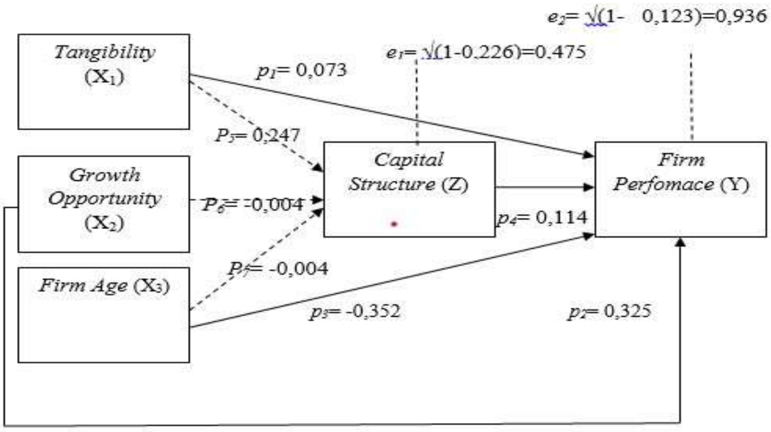
4.2 Path Analysis

Table 3. Path Analysis Results

Variable	Equality 1			Equality 2		
	Unstandardized Coefficients B	*Standardized Coefficients Beta*	Sig.	*Unstandardized Coefficients B*	*Standardized Coefficients Beta*	Sig.
Constant	0.333		0.050	0.489		0.002
Tangibility	0.071	0.073	0.613	-0.247	-0.266	0.076
Growth Opportunity	0.007	0.325	0.024	-0.004	-0.192	0.186
Firm Age	-0.016	-0.352	0.014	0.004	0.086	0.556
Capital Structure	0.119	0.114	0.431			
F test	$0{,}024^b$			$0{,}014^b$		
Adj R^2	0.154			0.064		

In the equation 1 model, the tangibility significance value is 0.613 . 0.05, which means that tangibility has no effect on firm performance. As for the growth opportunity of 0.024 . 0.05, which means that the growth opportunity affects firm performance, the significance value of firm age is 0.014 . 0.05, which means that firm age affects firm performance and the sig value for the capital structure variable is 0.431 . 0.05, which means capital structure has no effect on firm performance. In the equation 2 model, the tangibility significance value is 0.076 . 0.05, which means that tangibility has no effect on capital structure. Whereas for growth opportunities it is 0.186 . 0.05 which means growth opportunities do not affect capital structure, the firm age significance value is 0.556 . 0.05 which means firm age does not affect capital structure.

The influence given by tangibility is calculated from the value of the direct effect which is smaller than the value of the indirect effect (0.073. 0.028), it can be concluded that capital structure cannot mediate the relationship between tangibility and firm performance. The influence given by the growth opportunity is calculated from the value of the direct effect which is smaller than the value of the indirect effect (0.325.-0.004). It can be concluded that capital structure cannot mediate the relationship between growth opportunity and firm performance. The influence given by firm age is calculated from the direct effect value which is smaller than the indirect effect value (0.356. 0.004), it can be concluded that capital structure cannot mediate the relationship between firm age and firm performance. The effect of the intervening capital structure variable between the independent variables on the dependent variable can be proven in the following way:



Picture 1. Path Analysis

4.3 Partial test (t-test)

Table 4. Statistical test results t

Variable	tcount	ttable	Sig	Information
Tangibility	0,510	2,017	0,613	H_1 is rejected
Growth Opportunity	2,339	2,017	0,024	H_2 is accepted
Firm Age	-2,559	2,017	0,014	H_3 is accepted
Capital Structure	0,796	2,017	0,431	H_4 is rejected

Based on the results of the t test above $\mathbf{t_{table}}$ in a significant area of 5% or 0.05 with df = n-k = 48-5 = 43 of 2.017. The value of t_{count} the tangibility variable is greater than the value of t_{table} that is 0,510 . 2,017, and a significance value of 0.613 . 0.05, so H_1 rejected, which means that tangibility has no effect on firm performance. The value of t_{count} the growth opportunity variable is greater than the value of t_{table} that is 0,339 . 2,017, and a significance value of 0.024 .0.05, so H_2 accepted, which means growth opportunity affects firm performance. The value t_{count} firm age variable is greater than the value of t_{table} namely -2.559 .2.017, and a significance value of 0.014 .0.05, so H_3 accepted, which means firm age has an effect on firm performance. The value of t_{count} the tangibility variable is greater than the value t_{table} yaitu 0,796 . 2,017, and a significance value of 0,431 . 0,05, so that H_4 rejected, which means that tangibility has no effect on firm performance. The total effect given by tangibility is the direct effect plus the indirect effect (0.073+(0.028)) = 0.101. Based on the calculation results above, the direct effect value is smaller than the indirect effect value (0.073. 0.028), it can be concluded that capital structure cannot mediate the relationship between tangibility and firm performance. The total effect given by the growth opportunity is the direct effect plus the indirect effect (0.325+(-0.004)) = 0.321. Based on the calculation results above, the direct effect value is smaller than the indirect effect value (0.325.-0.004), it can be concluded that capital structure cannot mediate the relationship between growth opportunity and firm performance. The total influence given by the firm is the direct effect plus the indirect effect (0.352+(0.004)) = 0.356. Based on the calculation results above, the direct effect value is smaller than the indirect effect value (0.356. 0.004), it can be concluded that capital structure cannot mediate the relationship between firm age and firm performance.

4.4 *Test the Coefficient of Determination (R2)*

Table 5. Determination Coefficient Test

Information	R	R Square	Adjusted R Square
Equation 1	0.476^a	0.226	0.154
Equation 2	0.351^a	0.123	0.064

Based on table 5, the results of the determinant coefficient (*Adj* R^2) in equation 1 show a value of 0.154 or 15.4%. So it can be concluded that 15.4% of the dependent variable, namely firm performance, can be classified by tangibility, growth opportunity, firm age, and capital structure while the remaining 84.6% is explained by other variables outside the model. The results of the determinant coefficient (*Adj* R^2) in equation 2 show a value of 0.064 or 6.4%. So it can be concluded that 6.4% of the dependent variable, namely capital structure, can be classified by tangibility, growth opportunity, firm age, while the remaining 86% is explained by other variables outside the model.

4.5 F Test

Table 6. F test results

Model	F count	F table	Sig.
Regression	3,145	2,43	0,024

Based on table 6 the results of the F test show that the value of F_{table} at df = 5;43 of 2.43. On value regression F_{count} of 3.145.F_{table} of 2.43 with a significance value 0,024 . α = 0,05. This H0 is rejected or indicates that the significance value of F is smaller than the predetermined significance value, then the model that has been formulated can be used to predict firm performance. This also means that simultaneously firm performance can be explained by the variables tangibility, growth opportunity, firm age with capital structure as an intervening variable.

4.6 Discussion of Analysis Results

4.6.1 The effect of tangibility on firm performance

Based on the results of the partial test, the results in this study state that the significance value of tangibility is 0.613 . 0.05, which means that tangibility has no effect on firm performance. This is because the tangibility ratio explains the physical and measurable assets used in the company's operations. Fixed assets play an important role in the company structure. Assets are easier to collateralize and don't lose much value when a company faces financial difficulties. However, when these assets are deferred, the burden on the company will be large, this is caused by debt and interest. So it can be concluded that when the company has large assets, it will be followed by debt borne by the company which will also increase, so that the company's income will be used more to pay off debt. Therefore the company will be more focused on debt compared to company performance. So it can be said that the size of the assets is not a benchmark that the performance of the company is good either. The results of this study are in line with research conducted by Viriany (2021) which resulted in research that tangibility has no effect on firm performance.

4.6.2 The effect of growth opportunity on firm performance

Based on the results of the partial test, the results in this study state that the significance value of growth opportunity is 0.024 .0.05, which means that growth opportunity has an effect on firm performance. Growth opportunity can be used as a growth opportunity for a company in the future. Companies can estimate how much the company will grow in the future, growth opportunity is one of the important factors in managing the company's operations. So that requires the company to continue to manage the company well which can affect the company's performance. A good growth opportunity can be measured by looking at the assets in the company, the more assets a company has, it can be said that the opportunity for the company's growth is getting better. The better the opportunity for the growth of a company, it will further improve the performance of a company. The results of this study are supported by research conducted by Kusna & Setijani (2018) growth opportunity affects firm performance.

4.6.3 The effect of firm age on firm performance

Based on the results of the partial test, the results in this study state that the significant value of firm age is 0.014 .0.05, which means that firm age has an effect on firm performance. This is because relatively young companies still have little access to obtaining funds from outside or from investors because investors consider relatively young companies to have no experience in running a company and managing its cash flow. Investors will prefer companies that have been around for a long time because investors think that companies that have been around for a long time will be considered more experienced in managing a business. So it can be concluded that the longer the age of a company, the better the company's performance. The results of this study are supported by research conducted by Luthan et al. (2018) states that firm age has an effect on firm performance.

4.6.4 The effect of capital structure on firm performance

Based on the results of the partial test, the results in this study state that the firm age significance value is 0.431 . 0.05, which means that capital structure has no effect on firm performance. This is because the capital structure is an important issue for the company because the good or bad capital structure will have a direct effect on the company's financial position. This is in line with the pecking order theory which explains that companies tend to prefer to issue debt rather than equity when internal funds are insufficient. Debt that must be repaid by the company is the company's obligation to third parties. The high level of debt makes the return on assets and capital invested by the company low. This happens because the high level of debt means a high fixed burden that must be paid by the company and reduces the company's profits. When a company has a large debt, the company's profits will be used more to pay off the debt, so the company will be more focused on paying debts compared to company performance. Therefore, the good or bad performance of a company cannot be determined by the size of the capital structure owned by the company. The results of this study are in line with the research conducted Jessica & Triyani (2022) which states that capital structure has no effect on firm performance.

4.6.5 The effect of tangibility to firm performance with capital structure as an intervening variable

Based on the calculation results above, the direct effect value is smaller than the indirect effect value (0.073 . 0.028), it can be concluded that capital structure cannot mediate the relationship between tangibility and firm performance. The performance of a company is not driven by the existing capital structure within the company, but is influenced by the existence of assets owned by the company. High tangibility means high fixed assets. The tangibility of assets can be interpreted as a measure of the level of collateral or collateral that a company is able to offer to debtors or fund lenders. The greater the value of the company's fixed assets, the easier it will be for the company to obtain debt which will have an impact on increasing company returns. Ownership of fixed assets in large quantities can be profitable for the company. The more assets or the higher the tangibility of a company, the more it will improve the company's performance. This is proven by research conducted by Jessica & Triyani (2022) which states that capital structure has no effect on company performance. Meanwhile, research conducted by Tumba & Murtini (2021) shows that tangibility affects company performance.

4.6.6 The effect of *growth opportunity on firm performance with capital structure as an intervening variable*

Based on the calculation results above, the direct effect value is smaller than the indirect effect value (0.325 . -0.004), it can be concluded that capital structure cannot mediate the relationship between growth opportunity and firm performance. The performance of a company is not driven by the existing capital structure within the company, but is influenced by how good the company's growth rate is in the present and in the future. Companies with good corporate growth are seen as companies that also have a good future. Good company growth certainly cannot be separated from the good performance of the company. The better the performance of the company, the better the company's growth in the present and in the future. This is proven by research conducted by Jessica & Triyani (2022) which states that capital structure has no effect on company performance.
Meanwhile, research conducted by Kusna & Setijan (2018) growth opportunity affects company performance.

4.6.7 The effect of *firm age on firm performance with capital structure as an intervening variable*

Based on the calculation results above, the direct effect value is smaller than the indirect effect value (-0.352 . 0.004), it can be concluded that capital structure cannot mediate the relationship between firm age and firm performance. The performance of a company is not driven by the existing capital structure within the company, but is influenced by how long the company has existed. Companies that have just been established or are still in a relatively young category are seen as incapable and inexperienced in managing a business, however, companies that are old are seen as capable and have a lot of experience in the business world. So it can be concluded that the longer the age of a company, the better the company's performance. This is proven by research conducted by Jessica & Triyani (2022) which states that capital structure has no effect on company performance. While research conducted by Luthan et al. (2018) stated that company age has an effect on company performance.

CONCLUSIONS

This study aims to examine the effect of tangibility, firm growth, and firm age on firm performance with capital structure as the intervening variable. The objects in this study are manufacturing companies in the goods and consumption sub-sector that are listed on the Indonesia Stock Exchange in 2017-2021. Based on the research results that have been obtained, it can be concluded that there are two variables that influence firm performance, namely growth opportunity and firm age. Growth opportunity is one of the important factors in managing the running of the company. Growth opportunity can be used as a growth opportunity for a company in the future. Companies can estimate how much the company's growth will be in the future, the higher the estimated growth of a company in the future, it will further improve the company's performance. Company age, namely how long a company is able to survive, compete, and take business opportunities that exist in the economy. The longer the company has existed, the more the company's performance will improve. While tangibility has no effect on company performance. Capital structure has no effect on company performance. Capital structure cannot mediate the relationship between tangibility and firm performance. Capital structure cannot mediate the relationship between growth opportunity and firm performance. Capital structure cannot mediate the relationship between firm age and firm performance. The limitations of this study are that the time period for research is relatively short, namely only from 2017 to 2021 and the sample in this study only focuses on goods and consumption sub-sector companies listed on the Indonesia Stock Exchange (IDX).

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