V. CONCLUSION AND IMPLICATIONS

A. Conclusion

Based on the result of this research, can be concluded that:

1. The coefficient of profitability is -3,056 which shows negative influence. The probability or significant value is smaller than the alpha 0,05. Therefore, profitability has a significant and negative effect on the capital structure.
2. The coefficient of non-debt tax shield is -11,138 which shows negative influence. The probability or significant value is smaller than the alpha 0,05. Therefore, non-debt tax shield has a significant and negative effect on the capital structure.
3. The coefficient of company's size is 0,426 which shows negative influence. The probability or significant value is smaller than the alpha 0,05. Therefore, company's size has a significant and positive effect on the capital structure.
4. The coefficient of asset tangibility is 0,332 which shows a positive influence. The probability or significant value is bigger than the alpha 0,05. Therefore, asset tangibility does not have a significant effect on the capital structure.

B. Implications

1. Managerial Implication

According to the result of this research, the profitability and the non-debt tax shield of Indonesian food and beverage companies have a significant and negative effect and the company's size has a positive and significant effect on the capital structure. Based on this result, it is advised that the manager of Indonesian food and beverage companies pay attention to the profitability, non-debt tax shield, and the size of their company in determining their capital structure decision.

When determining the capital structure based on the profitability of the company, the manager should refer to the pecking order theory by preferring to use internal funds over external debt. On the other hand, when determining the capital structure decision based on the level of non-debt tax shield and the size of the company, the manager can refer to the trade-off theory by increasing the use of debt if the non-debt tax shield is low to achieve the desired tax shield as the incentive from using debt.

2. Theoretical Implication

The result of this research can be referenced in future studies specifically about the determinants of capital structure in Indonesian food and beverage companies and generally about the topic of capital structure. The research gaps and results difference of this research with other researches shows that the same theory might not works the same way in different country and sector because each of them has different business environment. Different theories applied to the result of each variable also shows that one theory is not enough in making a conclusion regarding capital structure.

C. Research Limitation and Suggestion

These are some limitation and suggestion to keep in mind for future research referenced from this research:

1. As there were some outliers in the data that forced some companies to be excluded from this research, it is advised that the future research about this topic can choose another industry that has a big population so that the number of the final sample is still large.
2. The control variable of this research; inflation rate and age are not significant. It is advised for future research to choose a more relevant control variables if decided to use control variables.
3. The future research can add intervening or moderating variables to explain more about the indirect effect of the capital structure determinants.