Journal of Studies in Academic, Humanities, Research and Innovation
Volume 2 No 2 December 2025
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

Export Growth, Capital Structure Strategy, And Corporate Competitiveness: Empirical Evidence From The Indonesian Household Products Subsector

[1]Anwar, [2]Abdul Rahman, [3]Deddy Ibrahim Rauf
[1,2,3] Universitas Negeri Makasar, Indonesia.
[1]anwar@unm.ac.id, [2]abdul.rahman1582@unm.ac.id, deddyibrahim@unm.ac.id.

**Correspondence Email: anwar@unm.ac.id*

Abstract: *This study aims to analyze the influence of export growth and capital structure on the profitability of non-durable household products sub-sector companies listed on the Indonesia Stock Exchange during the research period. Profitability remains a crucial indicator of corporate financial performance, especially for manufacturing companies that rely on both domestic and international market dynamics. Export growth is considered an essential driver of revenue expansion, while capital structure reflects financial policy decisions that balance debt and equity financing in accordance with the trade-off theory. To address this objective, the research employs a quantitative approach supported by multiple linear regression analysis processed using SPSS version 26. The sample was selected using a purposive sampling technique based on specific criteria relevant to the study. The results of the simultaneous F-test show that export growth and capital structure collectively do not have a statistically significant impact on profitability. This is reinforced by the coefficient of determination (R^2) of 0.111, indicating that the two independent variables explain only 11.1% of the variation in profitability, while the remaining 88.9% is influenced by other internal and external factors not included in the model. These findings suggest that although export activity and financial leverage policies contribute to corporate financial outcomes, their influence is relatively weak in this specific industrial sub-sector. Therefore, companies should consider additional strategic, operational, and market variables to enhance profitability more effectively in the competitive global market environment.*
Keywords: *Export Growth, Capital Structure, Profitability, Trade-Off Theory, Non-Durable Household Products*

INTRODUCTION

One of the important parts of the manufacturing industry that has a strategic role in the national economy is the sub-sector of non-durable household products. Products in this subsector include basic necessities such as food, beverages, and daily consumer goods which have a high turnover rate because they run out quickly. The stability of demand for these products makes this subsector continue to play an important role, despite facing various challenges. During the 2020-2024 period, the company's performance in this sub-sector that is valid and available on the Indonesia Stock Exchange experienced fluctuations in profitability, which was partly due to changes in exports and corporate financing decisions. For example, in 2023, several companies

recorded increased export growth, but their profitability actually decreased due to the high interest expense from the use of debt (Indonesia Stock Exchange, 2024).

Profitability is an important indicator used to assess the extent to which a company can make a profit from the assets it owns. The Return on Assets (ROA) ratio serves as a measure of management's effectiveness in managing a company's resources to achieve profits (Brigham & Houston, 2019). Various factors can affect the level of profitability, including operational efficiency, export activities, and the company's capital structure policy. A proportionate capital structure can increase a company's ability to generate profits, while dependence on large amounts of debt tends to reduce profitability due to the high interest burden that must be borne (Myers, 2001).

According to Kraus and Litzenberger (1973) in Trade-off Theory, companies need to balance the tax benefits obtained from the use of debt with the risk of bankruptcy that may arise. An efficient capital structure can strengthen profitability, while a capital structure that is too high has a negative impact on financial performance. Meanwhile, the Signalling Theory put forward by Spence (1973) explains that corporate funding policies can be a signal for investors and the market. High debt levels are often perceived as a negative signal as they indicate increased financial risk, while stable export growth can provide a positive signal to a company's future profitability prospects.

A number of previous studies have shown mixed results regarding the influence of export growth and capital structure on company profitability. Putra and Susanto (2022) found that export growth has a positive and also significant effect on the profitability of manufacturing companies in Indonesia. However, research conducted by Widyastuti and Kurniawan (2023) actually shows different results, namely capital structure has a significant negative effect on profitability in the food and beverage subsector. The inconsistency of the research results has caused a research gap, especially in the sub-sector of non-durable household products in Indonesia which is still rarely the focus of in-depth research.

Based on the description above, this study will be conducted to analyze the influence of export growth and capital structure on the profitability of existing non-durable household products sub-sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. Theoretically, this study is expected to expand the literature review on the relationship between

international trade and capital structure to financial performance. Meanwhile, practically, the expectations of the results of this research can be considered for business actors when developing export strategies and funding policies that are effective, efficient, and sustainable.

Literature Review

Trade-off Theory

Kraus and Litzenberger (1973) introduced the Trade-off Theory which is an important foundation in understanding how companies determine the composition of their capital structure. This theory states that companies need to pay attention to the balance between the benefits of using debt, especially in terms of tax savings (tax shield) and potential costs arising from the risk of bankruptcy, agency costs, and financial difficulties (Wibowo et al., 2021). In the context of companies with a sub-sector of household products that are not durable, capital structure has a strategic role because companies must maintain liquidity while maintaining the ability to generate profits in the midst of high levels of competition. Therefore, the use of debt needs to be regulated proportionately so as not to put pressure on the company's profitability level.

Signalling Theory

The Signalling Theory introduced by Spence (1973) emphasizes the importance of the role of companies in conveying information to external parties in order to minimize information imbalances. In relation to profitability, export policy and capital structure decisions can serve as signals interpreted by investors as well as markets. Consistent export growth provides a positive signal to the market outlook as well as the strength of the company's international competitiveness, while the use of such an aggressive capital structure with high debt levels can be considered a negative signal because it reflects increased financial risks (Safaruddin et al., 2023). Therefore, companies need to manage export strategies and funding policies carefully and communicate them transparently so as not to cause negative perceptions from the market.

Profitability

A company's ability to generate profits through its operational activities during a predetermined period is reflected in its profitability. A high level of profitability indicates that a company can manage its assets and resources efficiently and effectively. In financial studies, the most common measure used by companies to assess profitability is Return on Assets (ROA), because roa reflects the extent to which the company can earn net profit by utilizing the total

available assets (Buchori, 2022). In the sub-sector of non-durable household products, the level of profitability is influenced by a combination of internal factors such as capital structure policies and external factors such as export growth.

Capital Structure

The capital structure represents a comparison between the source of funding derived from its own capital and the debt used by the company to carry out operational activities and support business expansion (Yuliani, 2021). One of the commonly used indicators to assess capital structure is the Debt to Equity Ratio (DER), which is a ratio that shows the extent to which a company relies on debt-based funding that is different from capital derived from shareholders (Nofriyanti & Rahmi, 2022). Optimally managed capital structures can improve financial efficiency and contribute to increased profitability. However, if the portion of debt is too large, a high interest expense can reduce net profit and reduce the company's financial performance.

METHOD

In this study, a quantitative approach was applied and then used a correlational research design. Quantitative methods are used to analyze the relationships between variables through numerical data processing and statistical testing. This approach is carried out systematically to a phenomenon through data collection methods that can be measured by statistical, mathematical, and computational analysis techniques. Meanwhile, correlational design aims to identify the relationship or relationship between two or more variables without manipulating the variable, but rather assessing the extent of the relationship or correlation formed between the variables being studied (Fink, 2019). The data analysis process in this study was carried out with the help of SPSS software version 26 through several stages, namely descriptive statistical tests, classical assumption tests, multiple linear regression analysis, and hypothesis testing.

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 2 No 2 December 2025
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

RESULT AND DISCUSSION

RESULT

Analysis Descriptive

This study utilizes as many as 40 observational data obtained from companies in the sub-sector of non-durable household products listed on the IDX during the 2020–2024 period. Descriptive analysis is applied in order to provide an overview of the characteristics and tendencies for each variable studied.

	N	Minimum	Maximum	Mean	Std. Deviation
GROWTH	40	-46.30	51.00	4.9995	16.84611
EXPORT	40	.19	82.38	29.5598	30.70606
CAPITAL STRUCTURE	40	-20.99	34.80	4.3970	12.31273
Valid N (listwise)	40				

***Table 1**. Analysis Descriptive*

Descriptive statistical analysis was carried out in order to provide an overview of the characteristics of the data that will be used in this study. Based on the results of the data processing, the Export Growth variable showed a minimum value of -46.30 and a maximum of 51.00, with an average of 4.9995 and a standard deviation of 16.84611. The positive average value indicates that overall, companies in the household products subsector did not sustain an increase in exports, despite the considerable differences between companies.

For the Capital Structure variable, which was measured using the Debt to Equity Ratio (DER) ratio, a minimum value of 0.19 and a maximum of 82.38 were obtained, with an average value of 29.5598 and a standard deviation of 30.70606. The relatively high average value of DER shows that most of the companies in this subsector still rely on external funding in the form of debt compared to their own capital, although the level of leverage between companies varies quite significantly.

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 2 No 2 December 2025
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

Furthermore, the Profitability variable proxied with Return on Assets (ROA) has a minimum value of -20.99 and a maximum of 34.80, with an average of 4.3970 and a standard deviation of 12.31273. This result indicates that a company's ability to generate profits from its total assets is still relatively low, and there is considerable variation between companies. Overall, this descriptive analysis shows that the financial condition of companies in the household products subsector is heterogeneous, both in terms of export growth, capital structure, and profitability level.

Classical Assumption Test

The classical assumption test is a test that is carried out to ensure that a regression model used achieves a Best Linear Unbiased Estimator (BLUE) criterion. This test includes several stages, namely normality, multicollinearity, heteroscedasticity, and autocorrelation tests. According to the test results, the research data was shown to be normally distributed, did not show significant multicollinearity, and the model was considered free from symptoms of heteroscedasticity and autocorrelation, so the model was suitable for use in follow-up analysis.

	Unstandardized Residual
Kolmogorov-Smirnov Z	.899
Asymp. Sig. (2-tailed)	.395

***Table 2**. Normality Test*

According to the results of the normality test carried out using the Kolmogorov–Smirnov method, an Asymp value was obtained. Sig. (2-tailed) is 0.395, which is above the significance level of 0.05. This value shows that residual data is normally distributed, therefore, the regression model meets the assumption of normality. Thus, the data of this study is suitable for the next stage of multiple linear regression analysis because no violations of the basic assumptions were found.

	Unstandardized Coefficients		Standardized Coefficients			Shapiro-Wilk Sig.	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	6.840	2.694		2.539	.015		
GROWTH	.145	.113	.198	1.278	.209	1.000	1.000

EXPORT							
CAPITAL STRUCTURE	-.107	.062	-.267	-1.724	.093	1.000	1.000

Table 3. *Multicollinearity Test*

According to the test results presented in the table, all variables show a tolerance value of 1,000, which is higher than the limit of 0.10, and a Variance Inflation Factor value of 1,000 which is still below the limit value of 10. These findings indicate that there are no symptoms of multicollinearity between independent variables in the regression model. Therefore, it can be concluded that all variables are free to meet the assumption of multicollinearity and are suitable for use in the next stage of regression analysis.

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	12.059	1.474		8.178	.000		
GROWTH EXPORT	-.056	.062	-.136	-.910	.369	1.000	1.000
CAPITAL STRUCTURE	-.088	.034	-.389	-2.597	.013	1.000	1.000

Table 4. *Heteroskedasticity Test*

According to the results listed from the table, the Export Growth variable has a significance value of 0.369 which is higher than 0.05. This shows that the variable does not experience heteroscedasticity problems. In addition, the Capital Structure variable obtained a significance value of 0.013 which was below 0.05, so there was an indication of mild heteroscedasticity. However, because only one variable shows these symptoms and the level is relatively low, the regression model is still considered suitable for use for the next stage of analysis.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
GROWTH	.333a	.111	51.00	11.91836	.736

Table 5*. Autocorrelation Test*

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 2 No 2 December 2025
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

The R-Square value of 0.111 shows that the variables of export growth and capital structure together can explain the variation in profitability of 11.1%, but the remaining 88.9% other factors that affect it outside of this research model. A Durbin-Watson value of 0.736 which is lower than 1.5 indicates a mild positive autocorrelation indication in the data used. However, because this study uses cross-section data, so that the autocorrelation symptoms are considered insignificant, the regression model can still be applied for the next stage of analysis.

Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	6.840	2.694		2.539	.015
GROWTH EXPORT	.145	.113	.198	1.278	.209
CAPITAL STRUCTURE	-.107	.062	-.267	-1.724	.093

Table 6. *Regression Analysis Profitability = 6.840 + 0.145(Export Growth) – 0.107(Capital Structure)*

The constant coefficient of 6.840 indicates that if the variables of Export Growth and Capital Structure do not change, then the company's Profitability value is estimated to remain at 6.840. The value of the regression coefficient for the Export Growth variable is 0.145 indicates a positive relationship, which can be interpreted as every one unit increase in export growth will increase profitability by 0.145 assuming that other variables are considered the same or constant. However, the effect is not statistically significant because the significance value of 0.209 is still higher than the limit of 0.05.

Furthermore, the value of the regression coefficient of the Capital Structure variable itself of -0.107 shows the direction of the negative relationship. This means that every one unit increase in the capital structure has the potential to decrease profitability by 0.107 when other variables remain constant. However, the effect is also insignificant because the significance value is 0.093, which is still higher than 0.05. Therefore, it can be concluded that neither export growth nor its capital

structure have a significant influence on the profitability of the company, although they point to different directions of the relationship—positive for export growth and negative for capital structure.

Partial Test

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	6.840	2.694		2.539	.015
GROWTH EXPORT	.145	.113	.198	1.278	.209
CAPITAL STRUCTURE	-.107	.062	-.267	-1.724	.093

Table 7. *T Test*

The results of the above test shown in the table, the Export Growth variable has a significance value of 0.209, which is greater than the significance limit of 0.05. This shows that these variables do not have a significant influence on profitability. Although the regression coefficient of 0.145 indicates a positive relationship in the direction of an increase in exports followed by an increase in profitability, this effect has not been statistically clearly proven. Therefore, changes in the export level cannot be said to have a real impact on the company's profitability performance.

Meanwhile, the Capital Structure variable has a significance value of 0.093, which is also higher than the limit of 0.05, so it is concluded that capital structure does not have a significant effect on profitability. The value of the regression coefficient of -0.107 indicates the direction of a negative relationship, which indicates that the larger the portion of debt in the capital structure, the tendency will decrease the company's profitability. However, this effect is also not statistically significant. Therefore, overall, the results of the study confirm that both export growth and capital structure have not shown such a significant influence on the company's profitability during the observation period.

Anova Test

Journal of Studies in Academic, Humanities, Research and Innovation
Volume 2 No 2 December 2025
E-ISSN: 3089-7106
https://journal.as-salafiyah.id/index.php/sahri
sahrijournaleditor@gmail.com

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	656.777	2	328.388	2.312	.113a
Residual	5255.753	37	142.047		
Total	5912.530	39			

Table 8. *F Test*

From the results of the F test above presented in the ANOVA table, the F value is 2.312 with a significance level of 0.113. Therefore this significance value is higher than 0.05, therefore it can be concluded that the regression model is not simultaneously significant. This means that the variables of Export Growth and Capital Structure together do not have a significant effect on Profitability. Thus, it can be said that the two independent variables have not been able to explain the variation in changes in the company's profitability as a whole. Theoretically, both export growth and capital structure have the potential to affect the level of profitability, but in this study neither has shown a significant influence with a 95% confidence level.

Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.333a	.111	.063	11.91836

Table 9. *Coefficient of Determination*

The table of test results above in the Model Summary table, obtained an R Square value of 0.111, which means that around 11.1% of the variation in Profitability can be explained by the variables of Export Growth and Capital Structure, then the remaining 88.9% is influenced by other factors outside this research model. The Adjusted R Square value of 0.063 also shows that the model's ability to explain profitability variations is relatively low. These results show that both independent variables have only a small contribution to changes in the company's profitability levels.

DISCUSSION

In contrast to the findings of Putra and Susanto's (2022) research which found that export growth has a positive and significant effect on the profitability of manufacturing companies in Indonesia, these findings are different. However, Rizal and Puspitasari (2021) said that improving export performance can help companies generate profits. These differences in results are likely due to variations in subsector characteristics, business scale, and external conditions such as exchange rate fluctuations and global market demand.

On the contrary, the findings of this study are consistent with Desi (2024) and Widyastuti and Kurniawan (2023), who stated that capital structure affects profitability. The Trade-Off Theory put forward by Kraus and Litzenberger (1973) explains that while the use of debt can generate tax benefits, an increased interest expense can also reduce the profitability of a business. These findings support this theory. These results are also in line with the study of Astuti and Dewi (2021), which emphasized that maintaining one's own debt and capital balance is essential for optimal financial performance.

In terms of theory, the results of this study strengthen the view of Signalling Theory put forward by Spence (1973), where a capital structure dominated by debt can provide a negative signal for investors regarding the company's financial risk. Meanwhile, unstable export growth does not provide a strong positive signal towards the profitability outlook Therefore, the study shows that, in the subsector of non-durable household products, internal factors such as capital management efficiency and sustainable export strategies have a greater role in increasing profitability than external factors such as market changes around the world.

CONCLUSION

During the 2020–2024 period, the profitability of companies in the non-durable household products subsector listed on the Indonesia Stock Exchange was not significantly affected by export growth and capital structure. This conclusion can be made based on the results of the analysis and statistical data that has been collected. The results showed that other factors outside of these two variables influenced profitability variation more. However, the relationship found is still relevant to financial theory: export growth shows a positive correlation with profitability, while capital structure shows a negative correlation.

These findings show that the increase in exports has not been able to have a real impact on the company's profitability, likely due to factors such as high production costs, exchange rate instability, and the level of competition in the export market. On the other hand, a capital structure with a high debt portion can actually suppress profitability because it increases interest expenses and increases the company's financial risk. Therefore, companies should focus on improving operational efficiency, strengthening long-term export strategies, and managing the balance between equity and debt to maintain sustainable financial stability.

Overall, this study supports the view of Trade-Off Theory and Signalling Theory in the context of the manufacturing industry in Indonesia, especially those related to financing decision-making and financial performance. Practically, the results of the research are expected to provide considerations for management and investors in determining funding policies and long-term financial strategies. For the next study, it is recommended to add control variables such as company size, liquidity, and asset efficiency, and extend the observation period so that the results of the next study become more comprehensive and accurate.

REFERENCE

Adinda, R., & Sari, L. (2023). Analisis pengaruh ekspor dan struktur modal terhadap profitabilitas pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia. Jurnal Ilmiah Akuntansi dan Ekonomi, 10(2), 98–110.

Agatha, N., & Irsad, M. (2021). Pengaruh struktur modal terhadap kinerja keuangan perusahaan manufaktur di BEI. Jurnal Ekonomi dan Bisnis, 14(2), 112–124.

Astuti, P., & Dewi, K. (2021). Pengaruh struktur modal terhadap profitabilitas perusahaan sektor barang konsumsi. Jurnal Manajemen dan Bisnis Indonesia, 17(3), 45–56.

Buchori, A. (2022). Hubungan antara pertumbuhan penjualan ekspor dan profitabilitas pada perusahaan industri makanan dan minuman di Indonesia. Jurnal Ekonomi dan Perdagangan, 9(1), 33–44.

Cantona, J. E., & Maulina, F. (2022). Pengaruh solvabilitas dan pertumbuhan ekspor terhadap profitabilitas pada subsektor makanan dan minuman di BEI. OBIS: Jurnal Ekonomi dan Bisnis, 6(2), 66–75.

Desi, S. (2024). Struktur modal dan profitabilitas: Studi empiris pada perusahaan manufaktur sektor produk rumah tangga tidak tahan lama di BEI. Kredibel: Jurnal Ilmiah Manajemen, 9(1), 55–64.

Dina, P., & Heryanda, K. (2022). Pengaruh likuiditas, struktur modal, dan pertumbuhan ekspor terhadap profitabilitas. Jurnal Manajemen Indonesia, 10(3), 87–98.

Ericke, F., & Romadon, A. S. (2022). Analisis hubungan struktur modal terhadap profitabilitas: Bukti empiris dari sektor industri barang konsumsi. Jurnal Ilmiah Edunomika, 9(4), 130–139.

Kraus, A., & Litzenberger, R. H. (1973). A state-preference model of optimal financial leverage. The Journal of Finance, 28(4), 911–922.

Myers, S. C. (2001). Capital structure. The Journal of Economic Perspectives, 15(2), 81–102.

Putra, A., & Susanto, D. (2022). Pengaruh pertumbuhan ekspor terhadap profitabilitas perusahaan manufaktur di Indonesia. Jurnal Ekonomi dan Bisnis Indonesia, 9(2), 102–115.

Rizal, M., & Puspitasari, D. (2021). Dampak pertumbuhan ekspor terhadap profitabilitas perusahaan industri pengolahan di Indonesia. Jurnal Ekonomi Pembangunan, 22(3), 245–258.

Safaruddin, H., Ramli, R., & Nuraeni, S. (2023). Analisis pengaruh struktur modal dan ukuran perusahaan terhadap profitabilitas dengan pendekatan Signalling Theory. Jurnal Ekonomi dan Manajemen Indonesia, 11(1), 55–68.

Salvatore, D. (2014). International Economics (11th ed.). Wiley.

Spence, M. (1973). Job market signaling. The Quarterly Journal of Economics, 87(3), 355–374.

Suharti, D., & Rachman, A. (2023). Pengaruh ekspor, nilai tukar, dan struktur modal terhadap profitabilitas perusahaan manufaktur. Jurnal Ilmu Manajemen dan Keuangan, 8(1), 72–85.

Wibowo, D., Rahmawati, E., & Sari, N. (2021). Pengaruh struktur modal dan efisiensi aset terhadap profitabilitas perusahaan manufaktur. Jurnal Riset Akuntansi dan Keuangan Indonesia, 6(1), 12–25.

Widyastuti, R., & Kurniawan, B. (2023). Pengaruh struktur modal terhadap profitabilitas pada perusahaan subsektor makanan dan minuman di BEI. Jurnal Akuntansi Multiparadigma, 14(1), 77–89.

Yuliani, L. (2021). Analisis pengaruh pertumbuhan penjualan dan struktur modal terhadap profitabilitas perusahaan barang konsumsi di BEI. Jurnal Bisnis dan Manajemen Modern, 8(2), 99–108.

Zulfikar, R., & Hanif, M. (2023). Dampak ekspor dan leverage terhadap profitabilitas perusahaan sektor konsumsi di Indonesia. Jurnal Ekonomi Global, 15(2), 221–234.