

Research on factors affecting to capital structure of tourism enterprises: Evidence in Vietnam

Ph.D. Dinh Thi Hai Hau^{1*} Ph.D. Pham Thi Hoa Hanh² Ph.D. Vu Xuan Dung³ Ph.D. Pham Thi Thu Ha⁴

¹ Faculty of Business Administration, Trade Uinon University; 169 Tay Son Street, Hanoi City, Vietnam

² Center of Information and Library, Dalat University; 01 Phu Dong Thien Vuong Street, Dalat City, Vietnam

³ Faculty of Banking and Finance, Thuongmai University; 79 Ho Tung Mau Street, Hanoi City, Vietnam

⁴ Faculty of Finance and Accouting, Hanoi Tourism College, 236 Hoang Quoc Viet Street, Hanoi City, Vietnam

* E-mail of the corresponding author: haudth@dhcd.edu.vn

Abstract

The study aims to identify and analyze the influence of internal factors on the capital structure of tourism enterprises. Research data are collected using a sample size of 25 tourism businesses from 2017 to 2021. With the E-view software application in quantitative analysis to construct a table data regression model, the study has designed a regression model to determine the relationship and level of impact of factors which affect the capital structure of tourism businesses. The research results show that the variables: profitability; liquidity; asset structure; growth opportunities have a negative effect, while firm size has a positive influence on capital structure of tourism enterprises.

Keywords: capital structure; influential factors; tourism enterprises

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1. Introduction

Over the last decades, there have been researches on the capital structure of enterprises. Most of these studies employ modern theoretical models to clarify capital structure models and provide empirical evidence for the power of the models in practice. Studies on factors affecting capital structure have been approached from different angles with the aim of efficiently managing the capital structure of the enterprise by appropriately combining the ratio between debts and equities to increase corporate value. Examining the interrelation between factors affecting capital structure will evaluate whether the enterprise's decisions to apply debt financing or equity financing is reasonable or not, whether any inadequacies and risks can arise in order to propose recommendations to improve the efficient use of financial leverage and maximize the corporate value.

The negative effects of the global financial crisis starting in 2008 began a period of serious recession for the Vietnamese economy. Up to now, the economic recession situation in Vietnam has not completely improved. In particular, since the beginning of 2020, the COVID-19 pandemic has had a heavy impact on the tourism industry, with the number of visitors dropping sharply, tourism activities almost having to hibernate, which has had direct impact on all businesses in the tourism industry. This is the time when tourism businesses need to thoroughly review their capital structure.

Based on this current situation, this study aims at figuring out the factors affecting the capital structure of tourism enterprises in Vietnam, assess the influence level in order to build an effective capital structure in tourism enterprises.

2. Literature review and hypotheses

2.1. Literature review

Theory of capital structure

M&M Theory: The modern capital structure theory was first put forward by Modigliani and Miller (1958), and there are many definitions of capital structure offered. With two case studies, enterprises operating in a tax-free

environment and in a tax-affected environment, M&M has proposed important conclusions about the enterprises' capital structure. Under perfect market conditions (no financial distress costs, no transaction costs) the value of the unlevered and leveraged firms is the same under the no-tax case. In the case of taxes, the leveraged firm's value is higher than the value of the unlevered firm.

Trade-off theory: The trade-off theory was developed by Alan Kraus and Litzenberger (1973). Researchers divide it into two types, including: static capital structure trade-off theory and dynamic capital structure trade-off theory. The trade-off theory of capital structure explains the effects of corporate income tax, personal income tax, and costs related to the use of debts in the capital structure of the firm. Besides, the trade-off theory also explains the difference in capital structure between industries and enterprises. Consequently, businesses with safe tangible assets and high profitability have a high target debt ratio. Businesses with low profitability, mainly invisible assets, have a low debt ratio. However, the trade-off theory of capital structure has limited application since it is not easy to quantify the costs associated with the use of debt.

The pecking order theory: The pecking order theory (Donaldson, 1961) solved one of the irrational assumptions in M&M theory, accordingly capital markets are perfect markets, which do not currently exist asymmetric information. Donaldson's work in 1961 is considered to be the first foundation of pecking order theory related to capital structure. Then, Myers and Majluf (1984), Myers (1984) continued to develop pecking order theory based on the analysis of asymmetric information affecting investment and financing decisions of firms. Myers and Majluf (1984) in the study drew conclusions about the classification of capital types, in which retained earnings are better than debt and debt is better than equity. Therefore, managers will often prioritize the use of retained earnings. If the capital is still insufficient, the management will prioritize using capital financing through debts with fixed interest rates so as not to have to divide profits among new shareholders. Issuing shares is often the last choice of managers when finding funding for projects. In addition, pecking order theory also states that there is no well-defined target equity and debt mix. Myers (1984) argues that since equity includes both retained earnings and the issue of new shares, it is difficult to determine the optimal capital structure.

Agency Cost Theory: The agency cost theory proposed by Jensen & Meckling (1976) states that an agency relationship is a contractual arrangement in which many owners of the business hire another one acting as a representative and authorized agency to perform transactions on behalf of the owner of the business. As a result, there are agency costs to resolve conflicts of interest used in corporate financing. Agency costs include: (i) Owners' control costs, (ii) Managers' compliance costs, (iii) impaired benefit value due to differences in management decisions and decisions to maximize the interests of the owners. In addition, equity includes capital owned by managers and equity owned by public shareholders outside the business. Therefore, the business must bear the share of agency costs by shareholders and loans from outside the business. To determine the capital structure where agency costs are lowest, Jensen & Meckling (1976) suggests that capital structure should be measured as the ratio of equity held by shareholders outside the firm to total owner's equity outside the business. In his further research, Jensen (1986) argues that conflicts of interest generate agency costs, so the only way to reduce this agency cost is to increase the use of debt by firms. Therefore, according to the agency cost theory of capital structure, an increase in equity will result in a high agency cost; conversely, an increase in the cost of debt will reduce the agency cost. This implies that the agency cost of equity has a positive relationship with capital structure, conversely, the agency cost of debt has a negative relationship with capital structure.

Experimental studies

In addition to the above theories, previous empirical studies have also provided evidence of factors affecting capital structure of firms.

Research results by Chun-Hung (Hugo) Tang & Soo Cheong (Shawn) Jang (2007) on revising determinants of capital structure: A comparison between US lodging and software companies states that fixed assets, growth opportunities and the common influence of those two variables are significant determinants of long-term debt of the accommodation industry. Common effect analysis also shows that fixed assets and opportunities to grow influence each other on the relationship of long-term debt utilization by lodging firms.

Murray Frank & Vidhan Goyal (2009) used a dataset of listed US firms in the period 1950 - 2003 to examine the importance of many factors affecting capital structure. The research results show that the factors of industry average leverage, tangibles, asset size, expected inflation have a positive influence, the factors of market price - to-book ratio, profitability have a negative affect the capital structure of the firm.

Research by Luis Pacheco and Fernando Oliveira Tavares (2015) on the determinants of capital structure of small and medium enterprises in the hotel sector used a sample of 43 hotels in Portugal from 2004 to 2013. The hospitality sector was considered because of its importance in the Portuguese economy and the sector has been

largely understudied. The research results show that profitability, asset tangibles, firm size, total liquidity and risk are the main factors affecting the capital structure of SMEs in the hospitality sector.

Research by Ahmad Mohammad Gharaibeh (2015) collected data samples from 49 companies in many industries listed on the Kuwait stock market during 2009 - 2013. By using the Pooled OLS method, the research has shown that the characteristics of industry, age, business size, growth opportunities, liquidity and profitability have an effect on the dependent variable which is total debt/total assets, in which profit has a negative relationship whereas other variables has positive relationship.

In research by Mouna Amraoui, Ye Jianmu, Kenza Bouarara (2018) on the determinants of capital structure of industrial enterprises in Morocco, data were collected from the Moroccan capital regulator and the official website of the Casablanca stock exchange between 2009 and 2016 of 52 companies. The research results show that among the seven variables, there are four more significant ones: return on assets, tangibles of assets, business size and liquidity, in which firm size has a positive impact, while the remaining variables have a negative impact on capital structure.

Research by Beta Budisetyorini (2015) on determining factors affecting capital structure of tourism, hotel and restaurant businesses listed on the Indonesian Stock Exchange. This study analyzes the influence of determinants on capital structure, using trade-off theory and pecking order theory to find out the proportion of debt and equity financing decisions in tourism companies. calendar. The data table includes 26 companies in the tourism industry listed on the Indonesia Stock Exchange from 2008 to 2012. The results show that the decisive factor affecting the capital structure of tourism enterprises is liquidity, profitability and scale.

Research by Jorge HF Mota; Antonio C. Moreira (2017) on the determinants of the capital structure of Portuguese companies investing in Angola. The data is aggregated from 26 major Portuguese companies that invested in Angola between 2006-2010. The research results show that factors affecting capital structure including: age of the enterprise, asset structure, profitability ratio and tangibles have a positive effect, while tax shield and liquidity has a negative effect on the capital structure of these firms.

Research by Pham Thi Van Trinh (2020) on capital structure and debt term structure of real estate investment and construction enterprises. Synthesized data of the study are collected from the financial statements of 70 construction investment and real estate businesses listed on the Vietnam stock market in the period 2008 to 2017. The research results show that: Asset structure, corporate income tax, firm size and growth opportunities have a positive influence on capital structure, and liquidity, inversely profitability, financial development have a positive impact on capital structure.

In research by Le Tham Duong, Bui Dan Thanh, Le Thi Han (2020) with financial report data for 52 food companies listed on Vietnam's stock market from 2011 to 2018, the authors have conducted research on the factors affecting capital structure. The research shows that the profitability of food businesses, the ratio of fixed assets plus total assets and the number of years of operation have a negative impact on capital structure. In contrast, size and growth rate are two factors which having a positive effect on the capital structure.

Research by Syeeda Shafiya Mohammadi, Tamanna Dalwai, Dure Najaf, Ashwaq Saif Al-Yaarubi (2020) investigates the factors determining capital structure of Omani tourism companies. The sample in the study includes 9 listed travel companies between 2007 and 2016. The results show that the capital structure of tourism businesses is influenced by size, growth rate and risk.

On the basis of an overview of empirical studies, it shows that the works focus on studying the micro-factors affecting capital structure, but the level of impact of these factors is not the same among countries. This depends on the economic characteristics of each surveyed country. The research results provide evidence that factors including profitability, liquidity, firm size, asset structure and growth opportunities affect capital structure. The obtained research results are quite consistent with theories of capital structure such as MM theory, trade-off theory, pecking order theory.

2.2. Hypotheses

Based on theoretical and empirical research on factors which affect capital structure of enterprises, the author has hypothesized about specific factors that affect capital structure of listed tourism enterprises on the Vietnamese securities market as follows:

Capital structure (TDR)

The capital structure variable is measured by liabilities over total assets, reflecting the firm's use of debt. This is the basic measure of the enterprise's choice of capital structure and is a suitable variable used to evaluate the

impact of factors on the choice of capital structure. This indicator is widely used in experimental studies of Beta Budisetyorini (2015) Luis Pacheco and Fernando Oliveira Tavares (2015); Mouna Amraoui et al (2018); Syeeda Shafiya Mohammadi et al (2020); Nguyen Thi Van Trinh (2020; Le Tham Duong, Bui Dan Thanh, Le Thi Han (2020).

Inheriting the above studies, the author used TDR as a dependent variable to include in the model.

Profitability (ROE): The trade-off theory states that firms with high profitability tend to use a lot of debt to receive the benefit of the tax shield of interest and low risk of bankruptcy. In contrast, according to the pecking order theory and research by Obeid Gharaibeh (2015); Luis Pacheco and Fernando Oliveira Tavares (2015); Mouna Amraoui et al (2018); Beta Budisetyorini (2015); Syeeda Shafiya Mohammadi et al (2020); Nguyen Thi Van Trinh (2020); Le Tham Duong, Bui Dan Thanh, Le Thi Han (2020), researchers argue that there is a negative relationship between profitability and debt use. Indeed, according to their argument, the more profitable a firm is, the more likely it is to retain earnings for reinvestment, the more likely it is to use low financial leverage. Therefore, the factor of profitability is included in this research model and is determined by profit after tax on equity.

Hypothesis H1: Profitability has a negative (-) effect on capital structure

Liquidity (LIQ): Liquidity reflects the solvency of a business. According to pecking order theory and agency cost theory, firms with high liquidity will have no need to raise capital from outside. In contrast, according to trade-off theory, firms with higher liquidity, lower costs of financial distress, and lower risk of bankruptcy tend to maintain a higher debt ratio due to easier access to and mobilization of long-term capital. Empirical studies which have supported this view include studies by Obeid Gharaibeh (2015); Beta Budisetyorini (2015); Pham Thi Van Trinh (2020). Therefore, the liquidity factor is included in the research model and is measured by the ratio of current assets to short-term liabilities.

Hypothesis H2: Liquidity has a positive (+) effect on the capital structure of the firm

Firm size (SIZE): According to the trade-off theory, large firms are generally expected to have high debts and leverage. Accordingly, large enterprises usually have low bankruptcy risk and bankruptcy costs, and therefore, have high negotiating power with credit institutions. Studies supporting this view include those by Murray Frank & Vidhan Goyal (2009); Luis Pacheco and Fernando Oliveira Tavares (2015); Mouna Amraoui et al (2018); Obeid Gharaibeh (2015); Beta Budisetyorini (2015); Pham Thi Van Trinh (2020); Le Tham Duong et al (2020). Therefore, the firm size factor is included in the research model and is measured by the logarithm of the total book value of assets.

Hypothesis H3: Firm size has a positive (+) effect on the capital structure of the firm

Asset structure (TANG): According to the trade-off theory, businesses can use tangible fixed assets as collateral when borrowing, so a business has a higher proportion of tangible fixed assets in total assets can borrow easier. Therefore, businesses with high tangible fixed assets tend to have high financial leverage. Tangible fixed assets used as collateral are an important basis for commercial banks to consider when approving credit. Experimental studies of Chun-Hung (Hugo)Tang & Soo Cheong (Shawn) Jang (2007); Murray Frank & Vidhan Goyal (2009); Obeid Gharaibeh (2015); Jorge HF Mota; Antonio C. Moreira (2017); Pham Thi Van Trinh (2020); Le Tham Duong et al (2020) are also consistent with this statement. Therefore, the asset structure factor is included in the research model and is measured by the ratio of net fixed assets to total assets.

Hypothesis H4: Asset structure has a positive (+) effect on the capital structure of the enterprise.

Growth Opportunity (GRO): The higher the growth opportunity, the more investors appreciate the growth opportunity and potential of the business in the future. According to the trade-off theory, the ability to grow will reduce the level of debt use of firms. This is supported by Chun-Hung (Hugo)Tang & Soo Cheong (Shawn) Jang (2007); Le Tham Duong et al (2020); Syeeda Shafiya Mohammadi et al (2020). Therefore, the growth opportunity factor is included in the research model and is measured by the ratio between liabilities and the market value of capital to the book value of total assets of the enterprise.

Hypothesis H5: Growth opportunity has a negative (-) effect on the capital structure of the firm.

Table 1: Summary of research hypotheses

Variables	Symbol	Measurement	Effect on capital structure
1. Profitability	ROE	$\frac{\text{Profit after tax}}{\text{Owner's equity}}$	Negative (-)
2. Liquidity	LIQ	$\frac{\text{Current assets}}{\text{Short-term liabilities}}$	Positive (+)
3. Enterprise size	SIZE	Ln(Total assets)	Positive (+)
4. Asset structure	TANG	$\frac{\text{Net tangible assets}}{\text{Total assets}}$	Positive (+)
5. Growth opportunity	GRO	$\frac{\text{Liabilities + Market value of capital}}{\text{Book value of total assets}}$	Negative (-)

3. Research model and research method

3.1. Research Model

Based on research by Murray Frank & Vidhan Goyal (2009); Obeid Gharaibeh (2015); Beta Budisetyorini (2015); Pham Thi Van Trinh (2020); Le Tham Duong et al (2020); Syeeda Shafiya Mohammadi et al. (2020), econometric models selected to test the impact of factors influencing capital structure of tourism businesses listed on Vietnam's stock market are:

Overall regression model:

$$Y = \beta_1 + \beta_i X_i + u_i$$

In which:

Y : Dependent variable

X_i : The independent variable influencing the dependent variable

β_1 : Coefficient of freedom

β_i : Regression coefficient ($i = 2 + n$)

u_i : Random error

In the specific regression model of the study, the dependent variable is the capital structure of the TDR firm. The independent variables include: (1) Profitability (ROE); (2) Liquidity (LIQ); (3) Enterprise size (SIZE); (4) Asset structure (TANG); (5) Growth Opportunity (GRO)

Model building and testing

The parameters of the regression model are estimated by E-view software.

The overall regression model:

$$\text{LOG(TDR)}_i = \beta_1 + \beta_2 \text{ROE}_i + \beta_3 \text{LOG(LIQ)}_i + \beta_4 \text{LOG(SIZE)}_i + \beta_5 \text{LOG(TANG)}_i + \beta_6 \text{LOG(GRO)}_i + u_i$$

Overall regression function:

$$\text{LOG(TDR)}_i = \beta_1 + \beta_2 \text{ROE}_i + \beta_3 \text{LOG(LIQ)}_i + \beta_4 \text{LOG(SIZE)}_i + \beta_5 \text{LOG(TANG)}_i + \beta_6 \text{LOG(GRO)}_i$$

3.2. Research Method

The article runs the model with E-view software and uses the least squares method (OLS) to determine the regression coefficient β_i . On the basis of the results obtained when running the program, we will write equations of the factors affecting the business performance of the enterprise. Then test the fit of the model, that is, test β_i to know whether the independent variable can explain the dependent variable or not. Evaluate the fit of the model through the adjusted coefficient of determination R_2 (Adjusted R Square) to determine the explanatory ability of the model in practice.

4. Results

Scale test

The statistics are presented in the table below:

Table 2: Descriptive Statistics

Variables	Observation	Minimum	Maximum	Mean	Std. Deviation
TDR	125	0,0286402	2,386035	0,449387	0,428563
ROE	125	- 0,4571053	0,467895	0,033643	0,157779
LIQ	125	0,007012	31,875498	3,870240	5,757194
SIZE	125	24,094622	32,200360	26,783053	1,525805
TANG	125	0,006554	0,964394	0,441298	0,291533
GRO	125	0,011592	7,557271	1,236190	1,313720

The data in Table 2 show that the mean value of capital structure (TDR) is 0.449387, that is, 25 enterprises of tourism enterprises listed on the Vietnam stock market during the research period during the period 2017-2021 has an average debt-to-asset ratio of 44.9%. This shows that tourism businesses use less debt than equity.

Table 2 also shows that profitability (ROE) has an average value of 0.033643 (3.36%). This is a relatively low level, showing that for every 100 dong of equity put into the business, the enterprise earns a profit after tax of 3.36 dong. Liquidity (LIQ) has an average value of 3.870240, which means that tourism businesses are 3.8 times more likely to pay short-term liabilities with short-term assets. Enterprise size (SIZE) is calculated using the natural logarithm of total assets, with an average value of 26,783053 equivalent to total assets of more than VND 428 billion. This shows that tourism businesses are mostly large-scale. The proportion of fixed assets (TANG) has an average value of 0.441298 (44.1%). Thus, in tourism enterprises, the proportion of fixed assets accounts for a relatively large proportion of total assets, which is reflected in the value of facilities that the business has invested. A growth rate (GRO) with an average value of 1.236190 shows that the asset value of the tourism business by market value is about 1.23 times as high as its book value.

Using E-view software to Panel data, to increase the accuracy we put the variables LIQ, SIZE, TANG, GRO in logarithmic form. We get the following results:

Table 3: Regression results with Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-20.84604	9.521591	-2.189344	0.0311
ROE	-0.516616	0.248419	-2.079614	0.0404
LOG(LIQ)	-0.469907	0.043669	-10.76068	0.0000
LOG(SIZE)	5.807718	2.918011	1.990300	0.0496
LOG(TANG)	-0.454574	0.144355	-3.149014	0.0022
LOG(GRO)	-0.199773	0.060408	-3.307079	0.0014

Effects Specification

Cross-section fixed (dummy variables)

Period fixed (dummy variables)

R-squared	0.977598	Mean dependent var	-1.319682
Adjusted R-squared	0.969474	S.D. dependent var	1.127634
S.E. of regression	0.197018	Akaike info criterion	-0.184498
Sum squared resid	3.532264	Schwarz criterion	0.584804

Log likelihood	45.53110	Hannan-Quinn criter.	0.128029
F-statistic	120.3350	Durbin-Watson stat	1.474496
Prob(F-statistic)	0.000000		

Table 4. Regression results with Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-14.79467	4.707842	-3.142559	0.0021
ROE	-0.321387	0.219092	-1.466907	0.1450
LOG(LIQ)	-0.463106	0.037545	-12.33458	0.0000
LOG(SIZE)	4.086491	1.438306	2.841183	0.0053
LOG(TANG)	-0.140348	0.063932	-2.195265	0.0301
LOG(GRO)	-0.217688	0.047305	-4.601835	0.0000

Effects Specification

	S.D.	Rho
Cross-section random	0.433627	0.8247
Idiosyncratic random	0.199909	0.1753

Weighted Statistics

R-squared	0.663850	Mean dependent var	-0.266477
Adjusted R-squared	0.649726	S.D. dependent var	0.358817
S.E. of regression	0.212362	Sum squared resid	5.366623
F-statistic	47.00176	Durbin-Watson stat	1.106850
Prob(F-statistic)	0.000000		

Unweighted Statistics

R-squared	0.764102	Mean dependent var	-1.319682
Sum squared resid	37.19485	Durbin-Watson stat	0.159701

Use Hausman test to select the model

Hausman test is used to choose between two models Random Effect Model and Fixed Effect Model. This is essentially a test of whether unique errors are correlated with the explanatory variables.

Hypothesis test:

H₀: There is no correlation between the explanatory variables and the random component (choose Random Effect Model)

H₁: There is a correlation between the explanatory variables and the random component (choose Fixed Effect Model)

Table 5. Hausman test results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.	
Cross-section random	20.288078	5	0.0011	
Cross-section random effects test comparisons:				
Variable	Fixed	Random	Var(Diff.)	Prob.
ROE	-0.336111	-0.321387	0.006134	0.8509
LOG(LIQ)	-0.433988	-0.463106	0.000286	0.0848
LOG(SIZE)	6.508368	4.086491	6.240453	0.3323
LOG(TANG)	-0.302209	-0.140348	0.012237	0.1434
LOG(GRO)	-0.249476	-0.217688	0.000877	0.2830

Prob. = 0.0011 <5% inferred rejecting H_0 . Therefore, this article will use the Fixed Effect Model to regress to find out the key factors affecting the capital structure of tourism businesses in the period 2016-2020.

The sample regression function of the model is:

$$\text{LOG(TDR)} = -20.84604 - 0.516616\text{ROE} - 0.469907\text{LOG(LIQ)} + 5.807718\text{LOG(SIZE)} - 0.454574\text{LOG(TANG)} - 0.199773\text{LOG(GRO)}$$

With Prob(F-statistic) = 0.000000 < 5% Regression function is suitable.

5. Discussion and Conclusion

5.1. Discussion

$R^2 = 0,977598$ indicates in the regression model ROE variables; LOG(LIQ) LOG(SIZE); LOG(TANG); LOG(GRO) has the ability to explain 97,7598% for the volatility of the variable LOG(TDR), which means that 97,7598% of the change in capital structure of Vietnamese tourism businesses is due to the impact of 5 ROE variables; LOG(LIQ); LOG(SIZE); LOG(TANG); LOG(GRO) triggers. Only the remaining 2,2402% were influenced by other determinants that were not considered in this study.

Among the 5 factors, there is a factor of firm size LOG(SIZE) that has a positive influence and the remaining factors have a negative influence, specifically:

+ $\beta_2 = -0,516616$ means that return on equity (ROE) increases by 1 unit, then TDR decreases by 0.516616%. Thus, ROE has a negative impact on capital structure, meaning that when tourism businesses operate effectively, they will tend to use less debt and will use retained earnings to supplement business capital. The use of external sources of capital such as borrowing more debt can increase the financial burden. Instead of borrowing, they often use retained earnings to finance their capital needs. Tourism businesses with low profitability should raise the amount of loans to ensure business operations. This result is consistent with research hypothesis, pecking order theory and research by Luis Pacheco and Fernando Oliveira Tavares (2015); Beta Budisetyorini (2015); Obeid Gharaibeh (2015); Mouna Amraoui et al (2018); Pham Thi Van Trinh (2020); Le Tham Duong et al (2020).

+ $\beta_3 = -0,469907$ means that when LIQ increases by 1%, TDR decreases by 0.469907%. Thus, liquidity (LIQ) has a negative effect on capital structure, because the highly liquid assets of tourism enterprises have been used to pay for investment or production activities, there is no need to raise capital from outside. Travel businesses with high liquidity will use less debt because they do not need to take out debt for their current payments. This result is supposed to be consistent with pecking order theory, agency cost theory and with empirical studies such as Luis Pacheco et al (2015); Mouna Amraoui et al (2018); Jorge HF Mota; Antonio C. Moreira (2017); Pham Thi Van Trinh (2020).

+ $\beta_4 = +5,807718$ means that when SIZE increases by 1%, TDR increases by 5.807718%. Thus, firm size (SIZE)

has a positive relationship with capital structure, the larger the enterprise, the more debt it tends to take. This result is consistent with the proposed hypothesis, trade-off theory, agency cost theory and previous studies such as Murray Frank & Vidhan Goyal (2009); Luis Pacheco et al (2015); Mouna Amraoui et al (2018); Obeid Gharaibeh (2015); Beta Budisetyorini (2015); Pham Thi Van Trinh (2020); Le Tham Duong et al (2020).

+ $\beta_5 = -0,454574$ shows that when TANG increases by 1%, TDR decreases by 0.454574%. Thus, fixed assets (TANG) have a negative relationship with capital structure. Normally, businesses with a high ratio of fixed assets will increase their debt because they increase their assets to secure loans, but in fact, the results show that tourism businesses do not give priority to using loan capital. This result is contrary to the proposed hypothesis, consistent with the study of Mouna Amraoui et al (2018); Le Tham Duong et al (2020).

+ $\beta_6 = -0,199773$ means that when GRO increases 1%, TDR decreases 0,199773%. Thus, growth rate (GRO) has a negative impact on capital structure. If the market appreciates a company's stock relative to its book value, the firm uses less debt and mainly uses equity to build assets. If the tourism business is in a growth period and there are many good investment opportunities, the conflict of interest between managers and shareholders will be less tense, so the business tends to use more equity. This result is consistent with the research hypothesis, trade-off theory, agency cost theory and previous studies such as Le Tham Duong et al (2020); Syeeda Shafiya Mohammadi et al (2020).

5.2. Conclusion

In summary, the article has studied the factors that affect the capital structure of tourism enterprises in Vietnam through data collected from 25 tourism enterprises during the period 2017-2021. The empirical model indicates that the correlation between intrinsic factors and capital structure including: profitability, liquidity, asset structure and growth rate has a negative impact on capital structure, and the firm size factor has a positive impact on the capital structure of the firm. Based on the above research results, the author proposes some solutions associated with determining the capital structure of tourism enterprises. The results of the study have supplied useful information in determining the capital structure for tourism businesses.

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