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The Influence Of Internal Control Systems, Capital Structure, Unemployment Rate And Inflation On The Economic Stability Of Companies In The Basic Industry & Chemical Sector Listed On The Indonesia Stock Exchange For The 2022-2024 Period

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Abstract

The Basic Industry and Chemical sector offers significant prospects driven by increasing demand and broad export opportunities. However, its economic stability faces challenges due to declining sales and profits, as well as rising production costs that are not commensurate with selling prices. These issues are influenced by internal factors such as internal control systems and capital structure, as well as external factors such as unemployment and inflation. This study examines these four factors simultaneously for the 2022–2024 period, as an update from previous studies that generally discussed them separately. The study population included 95 Basic Industry and Chemical companies listed on the Indonesia Stock Exchange during that period. Using a purposive sampling technique with the criterion of completeness of financial reports, 76 companies were selected, resulting in a total of 228 observational data sets over the three-year period. The results indicate that internal control systems, capital structure, and unemployment rates have a negative and significant effect on economic stability. This means that increases in these three variables tend to reduce a company's economic stability, either due to potential inefficiency, high debt burdens, or weakened purchasing power. On the other hand, inflation has been shown to have a positive and

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significant impact on economic stability, indicating that, within certain limits, rising inflation can increase corporate revenues through price adjustments. Overall, these four variables have been shown to have a significant impact on corporate economic stability.

Keywords: Internal Control System, Capital Structure, Unemployment Rate, Inflation, Economic Stability

INTRODUCTION

The Basic Industry & Chemical sector is one of the sectors attracting considerable investor interest due to its sustainable business prospects. Demand for products such as fertilizer, paper, and packaging continues to grow in line with the development of the manufacturing industry, trade, and logistics activities. Furthermore, several companies in this sector have substantial production capacity and have reached international markets, generating significant revenue. Further attractions include high export opportunities and long-term growth potential, which are considered capable of providing competitive advantages (Kurniasih, 2023).

However, despite this potential, the economic stability of companies in the Basic Industry & Chemical sector often faces various obstacles. Fluctuating raw material prices, high energy costs, environmental regulatory demands, and reliance on debt-based financing are factors that can impact a company's financial performance. Several companies have even experienced declining profits, increasing liabilities, and cash flow disruptions due to cost pressures and weakening market demand. This indicates that the economic conditions of companies in this sector are not always stable and are vulnerable to various risks, both internal and external (Julianti et al., 2024).

Based on various phenomena, the economic stability of companies in the Basic Industry & Chemical sector tends to experience pressure and fluctuations. Declining net profits, weakening financial performance, and declining sales levels are indicators of serious challenges in maintaining the company's economic stability. Several companies have experienced significant declines in profits due to declining demand, rising production costs, and an imbalance between selling prices and costs. This condition is further exacerbated by fluctuations in raw material prices and dependence on certain markets, resulting in unstable company revenues. Repeated declines in profits reflect the company's weak ability to maintain sustainable profitability, which ultimately negatively impacts the overall economic stability of the sector.

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Table 1. Comparison of Financial Performance of Basic & Chemical Industry Companies

Information	PT Kimia Nusantara	PT Sejahtera Basic Industries
2022 Sales	Rp. 1,245,786,532,410	Rp. 978,324,765,890
2023 Sales	Rp. 1,082,437,918,275	Rp. 892,618,457,230
Net Profit 2022	Rp. 162,874,563,220	Rp. 128,543,210,675
Net Profit 2023	Rp. 94,263,789,540	Rp. 67,318,904,120
Increase in Production Costs	17.86%	21.63%
Change in Selling Price	4.87%	3.24%
Market Dependence	Exports (78.45%)	Domestic (64.30%)

Based on the data presented, both companies experienced a significant decline in sales and net profit from 2022 to 2023. The high increase in production costs, of 17.86% and 21.63%, respectively, was not accompanied by a commensurate increase in selling prices, resulting in a decline in profit margins. Furthermore, dependence on specific markets, both export and domestic, contributed to revenue fluctuations. This situation indicates pressure on the economic stability of companies in the Basic Industry & Chemical sector.

A company's economic stability reflects its ability to maintain financial balance, sustain operational performance, and ensure long-term business continuity. This condition is influenced by internal factors such as internal control systems and capital structure, as well as external factors such as unemployment and inflation. Weak internal controls can lead to recording errors, cost inefficiencies, and irregularities in asset management, ultimately degrading financial performance and investor confidence. Meanwhile, a suboptimal capital structure, particularly one dominated by debt, can increase interest expenses and the risk of default, thereby increasing the company's financial pressure.

On the other hand, external factors also have an equally significant influence. High unemployment rates can reduce purchasing power, resulting in reduced demand for products, particularly in the paper and packaging sectors. This leads to decreased corporate revenue and weakened financial conditions. Rising inflation also has the potential to exacerbate the situation, as it increases the costs of raw materials, energy, and distribution, further putting pressure on corporate production costs. This study is

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novel in that it examines corporate economic stability by simultaneously integrating internal and external factors in a single model for the most recent period 2022–2024 (Soempurna and Kusuma, 2024). Unlike previous research, which tends to separate discussions between internal and macroeconomic factors, this study combines the two to provide a more comprehensive picture. Furthermore, previous research generally used data from before or during the pandemic, thus not fully reflecting the state of economic recovery. Therefore, this study is expected to fill this gap by providing more relevant and up-to-date empirical evidence for academics, practitioners, and investors.

LITERATUR REVIEW

The Influence of Internal Control Systems on the Company's Economic Stability

An internal control system is a mechanism designed by management to ensure the achievement of company objectives, particularly in terms of the reliability of financial reports, the effectiveness of operational activities, and compliance with applicable regulations (Mulyadi, 2021). Furthermore, this system also includes various policies and procedures aimed at protecting company assets and ensuring that operational activities run according to predetermined plans (Hery, 2022). Furthermore, internal control functions as a supervisory tool to reduce risks and prevent deviations that could hinder business continuity (Agoes, 2023). Thus, it can be concluded that the internal control system has an impact on a company's economic stability because it can increase financial reliability, reduce potential risks, and support operational sustainability.

The Influence of Capital Structure on the Company's Economic Stability

Capital structure describes the ratio between equity and borrowed funds used in a company's operational activities (Kasmir, 2021). Furthermore, capital structure also reflects the composition of financing, including short-term debt, long-term debt, and equity, used to support business activities (Fahmi, 2022). Based on this understanding, it can be concluded that capital structure plays a crucial role in determining a company's economic stability, as appropriate management of funding composition can maintain financial balance, reduce risk, and improve a company's ability to withstand economic pressures.

The Influence of Unemployment Rate on the Economic Stability of Companies

The unemployment rate is an indicator that shows the percentage of the working-age population who are unemployed but actively seeking work (Central Statistics

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Agency, 2021). Furthermore, the unemployment rate also reflects labor market conditions and an economy's ability to absorb the available workforce (Sukirno, 2022). From this definition, it can be concluded that the unemployment rate impacts a company's economic stability, as high unemployment can reduce people's purchasing power, which ultimately impacts product demand and company performance and sustainability.

The Effect of Inflation on the Economic Stability of Companies

Inflation is a condition of general increases in the prices of goods and services that occur continuously over a certain period (Bank Indonesia, 2021). Furthermore, inflation is also a macroeconomic indicator that indicates a decline in the value of money due to continuous price increases (Sukirno, 2022). Based on this, it can be concluded that inflation has an impact on a company's economic stability, as changes in price levels can affect production costs, revenue, and the company's ability to maintain stable financial performance.

Conceptual Framework

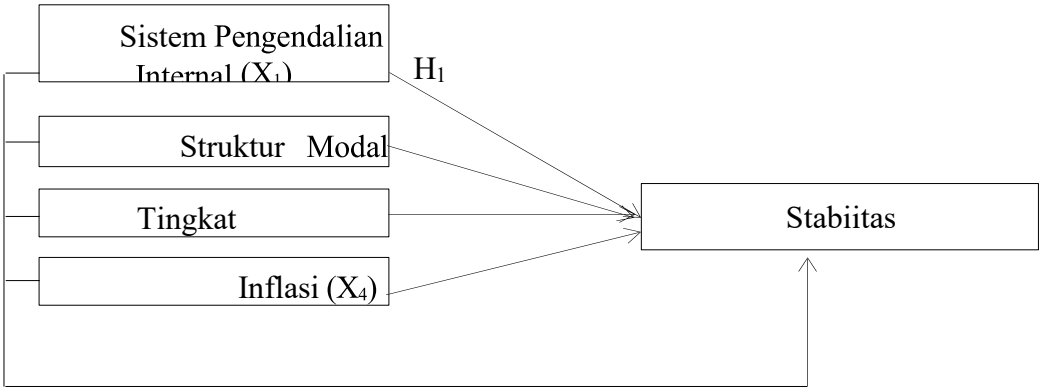


Figure 1. Conceptual Framework

Research Hypothesis

The hypothesis of this research is:

H1: The Internal Control System has a partial significant effect on the Economic Stability of Companies in the Basic Industry & Chemical Sector Listed on the Indonesia Stock Exchange for the 2022-2024 Period.

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H2: Capital structure has a partial significant effect on the economic stability of companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange for the 2022-2024 period.

H3: The unemployment rate has a partial significant effect on the economic stability of companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange for the 2022-2024 period.

H4: Inflation has a significant partial effect on the economic stability of companies in the basic industry and chemical sectors listed on the Indonesia Stock Exchange for the 2022-2024 period.

H5: Internal Control System, Capital Structure, Unemployment Rate and Inflation simultaneously have a significant effect on the Economic Stability of Basic Industry & Chemical Companies Listed on the Indonesia Stock Exchange for the 2022-2024 Period.

RESEARCH METHODS

Research methods

The approach used in this research is quantitative, characterized by an organized and systematic structure. This research is classified as causal or explanatory research, which aims to examine the cause-and-effect relationship between two or more variables. Changes in the independent variable are assumed to cause changes in the dependent variable, thus allowing for the identification of causal patterns between the observed phenomena.

Research Population and Sample

The population in this study includes all Basic & Chemical Industry companies listed on the Indonesia Stock Exchange (IDX) from 2022 to 2024, totaling 95 companies. The sampling technique used was purposive sampling, which is a technique for determining samples based on specific criteria relevant to the research objectives. These criteria will be further explained in the following section.

Table 2. Sample Selection Criteria

No	Sample Determination Criteria	Friday

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	Basic Industry & Chemical Companies listed on the Indonesia Stock Exchange for the 2022-2024 period	95
	Basic Industry & Chemical Companies that do not publish complete financial report for the period 2022-2024	(19)
	Number of Companies	76
	Number of Periods	3
	Number of Samples	228

Source: Research Observation, 2023

Data Types and Sources

This type of research uses a quantitative approach. According to Wijaya et al. (2024), quantitative data is data obtained through surveys, resulting in numerical answers and is usually more objective and will not be interpreted differently by others. According to Widyastuti et al. (2024), data sources are an important factor in determining data collection methods. Data sources can be divided into secondary data. Secondary data is data obtained from existing sources such as company documentation in the form of financial reports, performance reports, and data published by BPS and Bank Indonesia.

Operational Definition of Research Variables

Table 3. Operational Definitions of Research Variables

Variables	Definition	Indicator	Measuring Scale
System Internal Control	A process designed by a company to ensure operational effectiveness, reliability of financial reporting, and regulatory compliance (Hery, 2022).	Control Effectiveness (Audit Finding Ratio = Audit Findings / Total Transactions) (Setiawan, 2023)	Ratio
Capital Structure	Comparison between total debt and equity in corporate financing (Kasmir, 2023).	Debt to Equity Ratio (DER = Total Debt / Equity) (Fahmi, 2022)	Ratio

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Level Unemployment	The percentage of the number of unemployed to the total workforce in a region (Sukirno, 2022).	Open Unemployment Rate (TPT = Number of Unemployed / Labor Force) (BPS, 2024)	Ratio
Inflation	A general and continuous increase in the prices of goods and services over a certain period (Boediono, 2022).	Inflation Rate (Inflation = (CPI_t – CPI_t-1) / CPI_t-1) (Bank Indonesia, 2023)	Ratio
Economic Stability	The company's ability to maintain stable financial performance on an ongoing basis (Sutrisno, 2023).	Net Profit Margin (NPM = Net Profit / Sales) (Hanafi, 2022)	Ratio

Data Analysis Techniques

According to Ardyan et al. (2023), data analysis techniques are procedures applied by researchers to process and interpret collected data. Generally, data analysis techniques are divided into two main categories: quantitative data analysis techniques and qualitative data analysis techniques, each tailored to the research approach used.

Classical Assumption Test

Sijabat (2024) stated that the classical assumption test is a basic requirement that must be met when using multiple linear regression as an analysis method. This test is conducted to ensure that the regression model meets the characteristics of the BUE (Best Linear Unbiased Estimator), namely the best linear estimate that is unbiased and efficient.

Normality Test

According to Priyatno (2022), data distribution can be analyzed using a histogram to determine whether the data is normally distributed. If the histogram resembles a bell-shaped curve, the data is considered to have a normal distribution.

Meanwhile, Yuliana et al. (2024) added that the normality test aims to evaluate whether the collected data originates from a normally distributed population. Graphical methods such as the PP Pot Norm of Regression Standardized Residual are used to

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assess the distribution of points relative to the diagonal line. Data is considered normal if the points are evenly distributed and follow the diagonal line pattern.

Riyanto and Hatmawan (2021) emphasized that testing for normality through graphs can lead to subjective interpretations. Therefore, it is recommended to complement it with a non-parametric statistical test such as the Komogorov-Smirnov (KS) test. In this test, data is considered normally distributed if the significance value (sig) is greater than 0.05, and conversely, abnormal if the sig value is less than 0.05.

Multicollinearity Test

Terimajaya et al. (2024) explain that to detect multicollinearity in multiple linear regression, two main indicators can be used: the Variance Inflation Factor (VIF) and Tolerance (TO). A model is said to have multicollinearity if the VIF value exceeds 10. Ideally, if the TO value approaches 1, multicollinearity can be said to be absent.

Heteroscedasticity Test

According to Priyatno (2022), heteroscedasticity is a condition in which the residual variance in a regression model is not constant across observations. This condition contradicts the basic assumption of regression, which requires homoscedasticity. To test for heteroscedasticity, one method used is the scatterplot method, which examines the distribution pattern of points on a graph. If the points are randomly distributed and do not form a specific pattern, it can be concluded that the model does not experience heteroscedasticity.

Autocorrelation Test

According to Febry and Teofilus (2024), autocorrelation testing can be performed using the Durbin-Watson and Run Test methods. The Durbin-Watson test is generally used, but this test has the disadvantage of not producing a definitive conclusion as to whether autocorrelation occurs or not. Therefore, to overcome this problem, the Run Test method is used. The following are the criteria.

If Sig < 0.05 then there are symptoms of autocorrelation.

If Sig > 0.05 then there are no signs of autocorrelation.

Research Model

According to Riyanto and Hatmawan (2020), based on the number of independent variables, regression is divided into two types: simple linear regression and

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multiple linear regression. Simple linear regression consists of only one independent variable and one dependent variable, while multiple linear regression consists of two or more independent variables and one dependent variable. The linear regression equation is generally formulated as follows:

Y = a + b1X1 + b2X2 + b3X3 + b4X4

Description: Y = Economic Stability (dependent variable)
X1 = Internal Control System (independent variable)
X2 = Capital Structure (independent variable)
X3 = Unemployment Rate (independent variable)
X4 = Inflation (independent variable)
a = Constant
b = Regression coefficient

Coefficient of Determination (Adjusted R^2)

According to Rahmadhani (2021), the coefficient of determination measures how accurately the calculated value aligns with the observed value. The closer the coefficient of determination is to 1, the closer the predicted calculated value is to the experimental data. Priyatno (2022:115) explains that the Adjusted R^2 is the adjusted R^2 value, which is typically used to measure the contribution of influence when the regression involves more than two independent variables.

Research Hypothesis Testing

Partial Hypothesis Testing (t-Test)

According to Kusuma and Handayani (2024), the t-test is used to partially test the effect of each independent variable on the dependent variable. If the significance value is <0.05 and the calculated t-value > the calculated t-value, then the independent variable has a significant effect:

Ho is rejected if the ttable value < tcount if the significance level < 0.05
Ho is accepted if the ttable value > tcount if the significance level > 0.05

Simultaneous Hypothesis Testing (F Test)

According to Gunawan et al. (2023), the F test is used to test the influence of all independent variables simultaneously on the dependent variable. The decision is made based on a significance value <0.05 and F-calculation > F-table, which means that the overall regression mode is significant:

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1. Ho is rejected if the calculated F value < Ftable, if the significance level < 0.05.
2. Ho is accepted if the calculated F value > Ftable, if the significance level > 0.05.

RESEARCH RESULTS AND DISCUSSION

Results

Table 4. Descriptive Statistics

Sistem Pengendaian Internal			Struktur Modal	Tingkat Pengangguran	Inflasi	Stabilitas Ekonomi
N	Vaid	228	228	228	228	228
	Missing	0	0	0	0	0
Mean		.512966	.482563	.498261	.524572	.511097
Median		.524550	.488300	.483200	.527350	.514900
Mode		.2727[a]	.0091[a]	.3513	.8714	.4101[a]
Std. Deviation		.2793196	.2906903	.2904607	.3059687	.2810987
Variance		.078	.085	.084	.094	.079

a. Multiple modes exist. The smallest value is shown Source: Data Processed Results, 2026

Based on Table 4, descriptive statistics, the Internal Control System variable has an average value (mean) of 0.512966 with a standard deviation of 0.2793196, while the Capital Structure has an average value of 0.482563 with a standard deviation of 0.2906903. The Unemployment Rate variable has an average value of 0.498261 with a standard deviation of 0.2904607, and the Inflation variable has an average value of 0.524572 with a standard deviation of 0.3059687. Meanwhile, the Economic Stability variable as the dependent variable has an average value of 0.511097 with a standard deviation of 0.2810987. In general, the mean value for each variable is relatively close to the median value, which indicates that the data distribution tends to be quite balanced, and a standard deviation value that is smaller than the mean value indicates that the data distribution is relatively good and does not deviate too much from the average value.

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Kasik Assumption Test Results
Normality Test

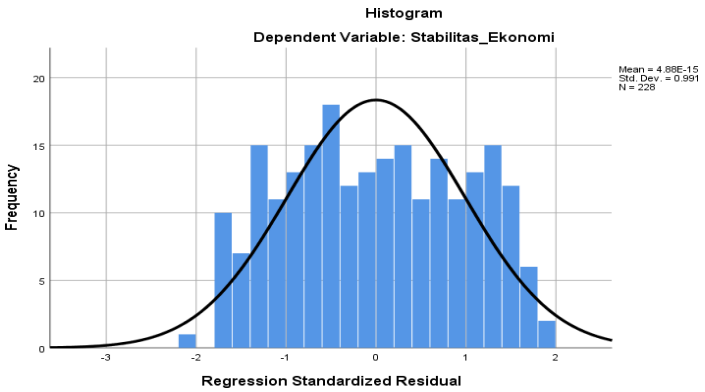


Figure 2. Histogram

Source: Data Processing Results, 2026

Thus, the line graph is bell-shaped, neither deviating to the left nor to the right. This indicates that the data is normally distributed and meets the assumptions of normality.

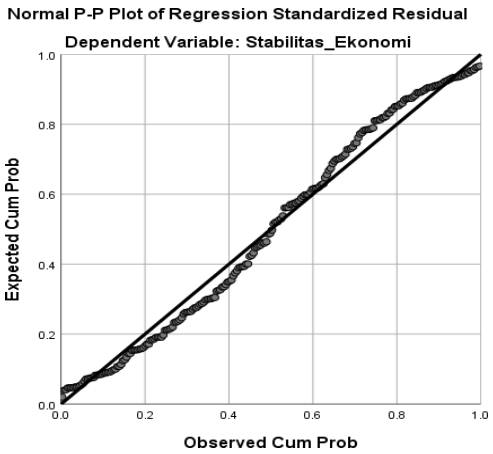


Figure 3 Normal Probability Plot of Regression

Source: Data Processing Results, 2026

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This shows that the points are spread around the diagonal line and follow the diagonal line. Therefore, the residuals of the regression mode are normally distributed.

Table 5. One-Sample Komogorov-Smirnov Test

Unstandardized Residual

N 228		
Normal Parametersa,b	Mean	.0000000
	Standard Deviation	.04164456
Most Extreme Differences	Absolute	.067
	Positive	.065
	Negative	-.067
Test Statistics		.067
Asymp. Sig. (2-tailed)		.016c
Monte Caro Sig. (2-tailed)	Sig.	.255d
	99% Confidence Interval	Lower Bound .244 Upper Bound .266

Test distribution is Normal. Cacuated from data. Significance Correction . Based on 10,000 sample tables with a starting seed of 2,000,000. Source: Data Processing Results, 2026, thus, the resulting significant value is greater than 0.05, namely 0.255, so it can be concluded that the data is classified as normally distributed.

Multicollinearity Test

Table 6. Multicollinearity Test Results (VIF Test)

Coefficientsa

Unstandardized Coefficients			Standardized Coefficients	t	ig.	Collinearity Statistics	
Mode	B	Std.Error	Beta			Tolerance	VIF
(Constant)	.606	.009		65,006	000		

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	Control System	-.056	.010	-.260	-5,618	000	.989	1,011
	Internal							
	Capital Structure	-.081	.010	-.390	-8,412	000	.986	1,014
	Unemployment Rate	-.100	.010	-.477	-10,256	000	.979	1,022
	Inflation	.044	.009	.222	4,805	000	.991	1,009

a. Dependent Variable: Economic Stability
Source: Data Processing Results, 2026

Thus, it can be seen that for each variable that has a tolerance value > 0.1 and a VIF value < 10, no multicollinearity problem was found.

Heteroscedasticity Test

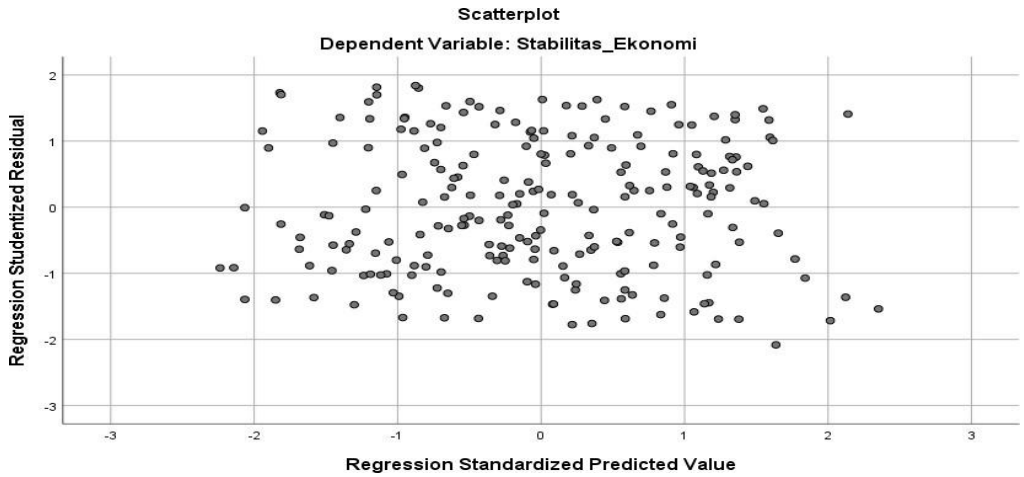


Figure 4. Scatterplot
Source: Data Processing Results, 2026

Thus, the points are spread randomly and do not form a clear pattern, meaning that there is no heteroscedasticity in the regression mode.

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Table 7. Glejser Test Results (Heteroscedasticity)

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.036	.005		7,663	.000
Internal Control System	9.092E-6	.005	.000	.002	.999
Capital Structure	.005	.005	.066	.982	.327
Unemployment Rate	-.004	.005	-.057	-.849	.397
Inflation	-.001	.005	-.016	-.235	.814

a. Dependent Variable: ABS_RES Source: Data Processing Results, 2026

Thus, the significance level of each variable is greater than 0.05, so no heteroscedasticity was found.

Autocorrelation Test

Table 8. Autocorrelation Test Results

Runs Test

Unstandardized Residual

Test Value a	-.00079
Cases < Test Value	114
Cases >= Test Value	114
Total Cases	228
Number of Runs	105
Z	-1,327
Asymp. Sig. (2-tailed)	.184
a. Median Source: Data Processing Results, 2026	

Based on the table above, it can be seen that the significance value obtained is greater than 0.05, namely 0.184, so it can be concluded that there is no autocorrelation problem in this study.

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Multiple Linear Regression Results

Table 9. Results of the Multiple Regression Coefficient Test

Coefficientsa

Mode		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Colinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	.606	.009		65,006	.000		
	Control System	-.056	.010	-.260	-5,618	.000	.989	1,011
	Internal							
	Capital Structure	-.081	.010	-.390	-8,412	.000	.986	1,014
	Unemployment Rate	-.100	.010	-.477	-10,256	.000	.979	1,022
	Inflation	.044	.009	.222	4,805	.000	.991	1,009

a. Dependent Variable: Economic Stability

Source: Data Processing Results, 2026

The constant (a) of 0.606 shows that if the independent variables, namely Internal Control System (X1), Capital Structure (X2), Unemployment Rate (X3), and Inflation (X4) have a value of zero, then Economic Stability (Y) has a value of 0.606.

The Internal Control System variable has a regression coefficient of -0.056, indicating that the Internal Control System has a negative effect on Economic Stability. This means that every one-unit increase in the Internal Control System will decrease Economic Stability by 0.056 units, assuming other variables are held constant.

The Capital Structure variable has a regression coefficient of -0.081, indicating that Capital Structure has a negative effect on Economic Stability. This means that every one-unit increase in Capital Structure will decrease Economic Stability by 0.081 units, assuming other variables remain constant.

The unemployment rate variable has a regression coefficient of -0.100, indicating that the unemployment rate negatively impacts economic stability. This means that every one-unit increase in the unemployment rate will decrease economic stability by 0.100 units, assuming other variables remain constant.

The inflation variable has a regression coefficient of 0.044, indicating that inflation has a positive effect on economic stability. This means that every one-unit increase in

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inflation will increase economic stability by 0.044 units, assuming other variables are held constant.

Coefficient of Determination (R2)

Table 10. Model Summaryb

R Mode	R Square	Adjusted R Square	Standard Error of the Estimate
1 .726a	.528	.519	.04202

Predictors: (Constant), Inflation, Internal Control System, Capital Structure, Unemployment Rate Dependent Variable: Economic Stability

Source: Data Processing Results, 2026

Thus, the Adjusted R Square coefficient of determination is 0.519. Its influence on Economic Stability (Y) is 51.9%. The remaining 48.1% is the influence of other independent variables.

Simultaneous Hypothesis Testing (F-Test)

The following are the results of simultaneous hypothesis testing:

Table 11. F Test

Sum of Squares Mode		df	Mean Square	F	Sig.
1	Regression .440	4	.110	62,293	.000b
	Residual .394	223	.002		
	Total .834	227			

Dependent Variable: Economic Stability

Predictors: (Constant), Inflation, Internal Control System, Capital Structure, Unemployment Rate

Source: Data Processing Results, 2026

Thus, Ftable (2.41) and significant α = 5% (0.05) namely Fcount (62.293) and sig.a (0.000) so that the results prove that simultaneously the Internal Control System, Capital Structure, Company Size and Unemployment Rate have a significant effect on Economic Stability.

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Partial Hypothesis Testing (t-Test)

Table 13. Partial Test Results

Unstandardized Coefficients			Standardized Coefficients	t	Sig.	Coinearity Statistics	
Mode	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.606	.009		65,006	.000		
Control System	-.056	.010	-.260	-5,618	.000	.989	1,011
Internal							
Capital Structure	-.081	.010	-.390	-8,412	.000	.986	1,014
Unemployment Rate	-.100	.010	-.477	-10,256	.000	.979	1,022
Inflation	.044	.009	.222	4,805	.000	.991	1,009

a. Dependent Variable: Economic Stability
Source: Data Processing Results, 2026

Based on the table above, it can be seen that:

1. The Internal Control System variable has a calculated t value of -5.618 with a significance level of 0.000. When compared with the t table of 1.971, then |-5.618| > 1.971 and a significance value of 0.000 < 0.05, so it can be concluded that the Internal Control System has a negative and partially significant effect on Economic Stability.
2. The Capital Structure variable has a t-value of -8.412 with a significance level of 0.000. Since |-8.412| > 1.971 and a significance value of 0.000 < 0.05, it can be concluded that Capital Structure has a negative and partially significant effect on Economic Stability.
3. The Unemployment Rate variable has a t-value of -10.256 with a significance level of 0.000. Since |-10.256| > 1.971 and a significance value of 0.000 < 0.05, it can be concluded that the Unemployment Rate has a negative and partially significant effect on Economic Stability.
4. The Inflation variable has a t-value of 4.805 with a significance level of 0.000. Since 4.805 > 1.971 and a significance value of 0.000 < 0.05, it can be concluded that Inflation has a positive and significant partial effect on Economic Stability.

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DISCUSSION

The Influence of Internal Control Systems on Economic Stability

The Internal Control System variable has a calculated t value of -5.618 with a significance level of 0.000. When compared with the t table of 1.971, then |-5.618| > 1.971 and a significance value of 0.000 < 0.05, so it can be concluded that the Internal Control System has a partial negative and significant effect on Economic Stability. The Internal Control System variable has a regression coefficient of -0.056, which indicates that the Internal Control System has a negative effect on Economic Stability. This means that every increase in the Internal Control System by one unit will decrease Economic Stability by 0.056 units, assuming other variables are held constant. The results of this study are in line with the research conducted by Sijabat et al. (2024) which states that the internal control system has a negative and significant effect on economic stability.

The research results show that the Internal Control System has a negative and significant impact on Economic Stability. This can occur because the implementation of an overly strict or complex Internal Control System can increase a company's operational costs and slow down managerial decision-making. When overly extensive oversight procedures occur, a company becomes less flexible in responding to changing market and economic conditions. Furthermore, the implementation of Internal Control also requires additional resources such as labor, technology, and higher administrative costs. These conditions can suppress a company's operational efficiency, thereby reducing its economic stability in the short term.

The Influence of Capital Structure on Economic Stability

The Capital Structure variable has a t-value of -8.412 with a significance level of 0.000. Since |-8.412| > 1.971 and a significance value of 0.000 < 0.05, it can be concluded that Capital Structure has a partial negative and significant effect on Economic Stability. The Capital Structure variable has a regression coefficient of -0.081, indicating that Capital Structure has a negative effect on Economic Stability. This means that every one-unit increase in Capital Structure will decrease Economic Stability by 0.081 units, assuming other variables remain constant. Capital Structure has a negative and significant effect on Economic Stability. The results of this study are in line with research conducted by Hermansyah and Witisyani (2023) which states that Capital Structure has a negative and significant effect on economic stability.

This can be explained by the fact that the higher the use of debt in a company's capital structure, the greater the financial risk the company must bear. High interest

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expenses and debt repayment obligations can reduce a company's ability to maintain financial stability, especially during unstable economic conditions. Furthermore, high leverage can also increase the risk of bankruptcy if the company is unable to meet its financial obligations. Therefore, a capital structure dominated by debt can undermine a company's economic stability.

The Impact of Unemployment Rate on Economic Stability

The Unemployment Rate variable has a t-value of -10.256 with a significance level of 0.000. Since |-10.256| > 1.971 and a significance value of 0.000 < 0.05, it can be concluded that the Unemployment Rate has a partial negative and significant effect on Economic Stability. The Unemployment Rate variable has a regression coefficient of -0.100, which indicates that the Unemployment Rate has a negative effect on Economic Stability. This means that every increase in the Unemployment Rate by one unit will decrease Economic Stability by 0.100 units, assuming other variables remain constant. The Unemployment Rate has a negative and significant effect on Economic Stability. The results of this study are in line with research conducted by Wicaksono et al (2023) which states that the unemployment rate has a significant effect on economic stability.

This is because rising unemployment rates reflect a weakening economic condition in a country. When unemployment rises, people's purchasing power tends to decline, resulting in a decline in demand for goods and services produced by companies. This decline in demand can impact sales and revenue, resulting in a company's financial stability becoming less stable. Therefore, the higher the unemployment rate, the greater the likelihood of disruption to a company's economic stability.

The Effect of Inflation on Economic Stability

The Inflation variable has a t-value of 4.805 with a significance level of 0.000. Since 4.805 > 1.971 and a significance value of 0.000 < 0.05, it can be concluded that Inflation has a positive and significant partial effect on Economic Stability. The Inflation variable has a regression coefficient of 0.044, which indicates that Inflation has a positive effect on Economic Stability. This means that every one-unit increase in Inflation will increase Economic Stability by 0.044 units, assuming other variables are held constant. Inflation has a positive and significant effect on Economic Stability. The results of this study are in line with research conducted by Suartini et al. (2025) which states that Inflation has a significant effect on economic stability.

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This can occur because moderate inflation often reflects increased economic activity and market demand. Under these conditions, companies have the opportunity to raise the prices of their products or services, thereby increasing revenue and profits. Furthermore, inflation can increase the value of company assets such as inventory, land, and buildings. If a company can adjust its selling prices faster than production costs increase, its financial condition can become more stable.

The Influence of Internal Control Systems, Capital Structure, Unemployment Rate and Inflation on Economic Stability

The Ftable value (2.41) and significant α = 5% (0.05) are Fcount (62.293) and sig.a (0.000a) so that the results prove that simultaneously the Internal Control System, Capital Structure, Company Size and Unemployment Rate have a significant effect on Economic Stability. The Adjusted R Square coefficient of determination is 0.519. Its influence on Economic Stability (Y) is 51.9%. While the remaining 48.1% is the influence of other independent variables. Based on the results of the F test, it is known that the Internal Control System, Capital Structure, Unemployment Rate, and Inflation simultaneously have a significant effect on Economic Stability. The results of this study are in line with the research conducted by Sijabat et al. (2024) which states that the internal control system has a negative and significant effect on economic stability. The results of this study are in line with the research conducted by Hermansyah and Witisyani (2023) which states that the capital structure has a negative and significant effect on economic stability. The results of this study align with research conducted by Wicaksono et al. (2023), which states that the unemployment rate significantly influences economic stability. These results align with research conducted by Suartini et al. (2025), which states that inflation significantly influences economic stability.

This indicates that a company's economic stability is not solely influenced by a single factor, but rather by a combination of various internal and external factors. Internal factors such as the internal control system and capital structure play a role in determining a company's operational efficiency and financial risk level. Meanwhile, external factors such as unemployment and inflation reflect macroeconomic conditions that can affect people's purchasing power and company performance. The Adjusted R Square value of 0.519 indicates that these variables are able to explain 51.9% of the variation in the company's economic stability, while the remainder is influenced by other factors outside the research model.

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CONCLUSION AND SUGGESTIONS

Conclusion

1. Internal Control Systems have a negative and significant impact on Economic Stability. This indicates that improvements in Internal Control Systems tend to be accompanied by a decline in a company's Economic Stability.
2. Capital structure has a negative and significant effect on economic stability. This means that the higher the use of debt in a company's capital structure, the lower its economic stability tends to be.
3. The unemployment rate has a negative and significant impact on economic stability. This means that rising unemployment can reduce economic stability due to reduced purchasing power, which impacts business activity.
4. Inflation has a positive and significant effect on economic stability. This indicates that increasing inflation within certain limits can improve a company's economic stability through higher product prices and increased revenue.
5. Simultaneously, the Internal Control System, Capital Structure, Unemployment Rate, and Inflation have a significant effect on Economic Stability.
6. The Adjusted R Square value of 0.519 indicates that the variables of Internal Control System, Capital Structure, Unemployment Rate, and Inflation are able to explain the influence on Economic Stability by 51.9%, while the remaining 48.1% is influenced by other variables outside this research.

Suggestions

The following are the suggestions the researcher can offer based on the research findings:

1. For Companies

Companies in the electronics or technology sector listed on the Indonesia Stock Exchange are expected to strengthen their internal control systems and manage their capital structure effectively to maintain financial stability. Furthermore, companies need to pay close attention to macroeconomic dynamics, such as inflation and unemployment rates, which have the potential to impact business performance. Through efficient management, increased operational productivity, and the ability to adapt to technological developments and market changes, companies can maintain stable financial performance while increasing their competitiveness in the industry.

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2. For Investors

Investors are advised to conduct a more comprehensive analysis before investing in companies in the electronics or technology sector listed on the Indonesia Stock Exchange. Considerations should not only focus on the company's internal performance, such as its control system and capital structure, but also on external conditions, such as inflation and unemployment. By considering these various factors, investors can more accurately assess the company's risk level and prospects, resulting in more rational and informed investment decisions.

3. For Future Researchers

Future research is expected to expand the study by adding other variables that could potentially influence corporate economic stability, such as company size, profitability, liquidity, business growth, and other macroeconomic indicators such as interest rates and exchange rates. Furthermore, expanding the research period and increasing the sample size are recommended to provide more in-depth research results and provide a broader picture of the factors influencing corporate economic stability in this sector.

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