THE IMPACT OF GENDER DIVERSITY, PROFITABILITY, LEVERAGE AND FIRM SIZE ON FIRM VALUE IN COSMETICS AND HOUSEHOLD NEEDS COMPANIES LISTED ON INDONESIA STOCK EXCHANGE

PENGARUH KERAGAMAN GENDER, PROFITABILITAS, LEVERAGE DAN UKURAN PERUSAHAAN TERHADAP NILAI PERUSAHAAN KOSMETIK DAN BARANG KEBUTUHAN RUMAH TANGGA YANG TERDAFTAR DI BURSA EFEK INDONESIA

By:
Kekee Marisa Tuerah[1]
Lawren J. Rumokoy[2]
Maria V. J. Tielung[3]

[123]International Business Administration, Management Department
Faculty of Economics and Business
Sam Ratulangi University Manado

E-mail:
[1]marissatuerah@gmail.com
[2]juliorumokoy@unsrat.ac.id
[3]mariatielung@unsrat.ac.id

Abstrak: This study aims to find out the impact of Gender Diversity, Profitability, Leverage and Firm on Firm Value in Cosmetics and Household Needs Companies Listed on Indonesia Stock Exchange. Quantitative method used in this research with a panel data regression analysis research model. Secondary data are the main source. The sampling techniques used was nonprobability selection approach. The sample utilized unbalanced panel data, throughout the period from 2018-2022, a total of 37 samples were collected and analyzed for this study. The result of this study indicate that partially Gender Diversity and Profitability has a positive relationship but statistically insignificant impact on Firm Value in Cosmetics and Household Needs Companies Listed on IDX, partially Leverage and Firm Size indicating a negative relationship and insignificant impact on Firm Value in Cosmetics and Household Needs Companies Listed on IDX, and simultaneously Gender Diversity, Profitability, Leverage and Firm Size have no significant impact on Firm Value in Cosmetics and Household Needs Companies Listed on IDX.

Keyword: Gender Diversity, Profitability, Leverage and Firm Size

Abstrak: Penelitian ini bertujuan untuk mengetahui pengaruh Keberagaman Gender, Profitabilitas, Leverage, dan Ukuran Perusahaan terhadap Nilai Perusahaan pada Perusahaan Kosmetik dan Kebutuhan Rumah Tangga yang Terdaftar di Bursa Efek Indonesia. Metode kuantitatif digunakan dalam penelitian ini dengan model analisis regresi data panel. Data sekunder digunakan sebagai sumber utama. Teknik pengambilan sampel yang digunakan adalah pendekatan nonprobability. Sampel yang digunakan adalah data panel tidak seimbang, selama periode 2018-2022, sebanyak 37 sampel dikumpulkan dan dianalisis dalam penelitian ini. Hasil penelitian ini menunjukkan bahwa secara parsial Keberagaman Gender dan Profitabilitas memiliki hubungan positif tetapi secara statistik tidak signifikan terhadap Nilai Perusahaan pada Perusahaan Kosmetik dan Kebutuhan Rumah Tangga yang Terdaftar di BEI, secara parsial Leverage dan Ukuran Perusahaan menunjukkan hubungan negatif dan pengaruh yang tidak signifikan terhadap Nilai Perusahaan, dan secara simultan Keberagaman Gender, Profitabilitas, Leverage, dan Ukuran Perusahaan tidak berpengaruh signifikan terhadap Nilai Perusahaan pada Perusahaan Kosmetik dan Kebutuhan Rumah Tangga yang Terdaftar di BEI.

Kata Kunci: Keberagaman Gender, Profitabilitas, Leverage dan Ukuran Perusahaan

INTRODUCTION

Research Background

The primary objectives of founding a company from financial management perspective is to optimize the company's valuation. To elevate the company's worth as reflected in the valuation of its stocks, company must enhance its quality and quantity. A higher firm value is associated with a more positive and elevated company image (Wardhani et al, 2021). The valuation of firm represents an indicator of how much the company is worth

in the eyes of investors. Companies with high value indicate promising prospects and are capable of providing benefits to investors. Therefore, a company's substantial value has the potential to increase market confidence and enhance its future prospects (Rinahaq and Widyawati, 2020).

To enhance the firm value, companies must possess a leader who have skills that can be responsible and able to form and manage work teams effectively. The value of a company is greatly impacted by the decisions taken by the executive board. In the present day, the significance of diversity within the structure of the executive board is increasing because of its important role in making corporate decisions that have an impact on overall effectiveness. One of the emerging issues in top management in recent years is gender diversity. Within the framework of corporate governance in Indonesia, Board Diversity and Gender Diversity are interesting research topics. The Diversity Board is one of the selected ones to be investigated further because the need to improve Gender Diversity in Indonesia still needs to be improved and it is important to be researched.

Enhancing the value of the firm, besides possessing leaders who have skills that can be responsible and able to form and organize work teams effectively, when assessing a company value, there exist several factors considered by companies in general, including profitability. Profitability is one factor that theoretically plays a crucial part in establishing the firm valuation. The company's capacity to produce substantial and consistent profits is a strong indicator of the effectiveness of its management. Company's capacity to achieve high profitability is a reflection of the effectiveness of its management (Lubis et al., 2018).

Leverage is another significant factor that can impact a company's overall value. Leverage represents one of the sources and methods of funding used by companies, whether through internal sources like retained earnings along with depreciation, or through external sources such as debt or the issuance of new shares. Leverage serves as an indicator of the potential effects that a company's capital structure may have on its financial performance and stability (Rumokoy et al., 2023). Leverage reflects a company's capacity to fulfil its financial commitments if it experiences liquidation (Harahap et al., 2022).

Another key factor that influences a company's value is its size. The scale of the firm serves as a reflection of its scale and extent, playing a crucial role in determining its value. the larger the company, the greater its potential to secure funding from various sources, including internal and external sources. Additionally, a larger firm tends to instil greater confidence in investors, as it is more established and well-known to the public. The increase visibility can potentially enhance the company's value making it more accessible to investors and providing them with possessing substantial insights into the company's operations and financial performance (Novari and Lestari, 2016). Investigating a firm value is crucial for investors, creditors, and internal parties to assess the financial health of a company, particularly in the cosmetics and household industries). This research aims to provide a comprehensive understanding of the aspects affecting firm value and their impact on financial condition of a company.

Research Objectives
1. To find out the impact of gender diversity within companies in the cosmetics and household needs industries on the company's firm value listed on IDX from 2018-2022.
2. To find out the impact of profitability within companies in the cosmetics and household needs industries on the company's firm value listed on IDX from 2018-2022.
3. To find out the impact of leverage within companies in the cosmetics and household needs industries on the companies' firm value listed on IDX from 2018-2022.
4. To find out the impact of firm size within companies in the cosmetics and household needs industries on the companies' firm value listed on IDX from 2018-2022.
5. To find out the impact of gender diversity, profitability, leverage and firm size on firm value of companies in the cosmetics and household needs industries listed on IDX from 2018-2022.

THEORITICAL FRAMEWORK

Firm Value

Firm Value serves as a representation of the company's worth as perceived by investors. Companies with high value indicate promising prospects and are capable of providing benefits to investors. Therefore, a company's substantial value has the potential to increase market confidence and enhance its prospects. Consistent growth in a valuation of company can draw in more shareholder in order to allocate and invest funds toward its stocks (Rinahaq and Widyawati, 2020). The value of company can reflect its condition. A well-performing company is likely to be viewed positively by potential investors, and vice versa. The assessment of company value can be

done through several indicators, including stock prices in the company in the market, which reflect investors' assessment of the company's overall equity (Rudangga and Sudiarta, 2017).

Gender Diversity

Gender diversity within the company refers to the inclusion of board member from diverse genders within the organizational structure. Diverse board members contribute to enhancing the supervisory role of the board, as their presence strengthens its independence (Lucas-Pérez et al., 2015). Gender diversity within the executive board has the capacity to motivate companies to improve results disclosure, which in turn can enhance the worth of the company. The inclusion of women on the company board signifies the commitment to gender equality and providing equal chances for both genders to hold high role within the organization (Hamdani and Hatane, 2017).

Profitability

Profitability is used as an indicator to evaluate how efficient or effective the company is in generating profits compared to investment and sales. A company's profit performance can be measured through this profitability ratio, which shows how much profit is generated in relation to investments and sales. The profitability ratio is employed to evaluate a company capacity to generate profits, and it provides insight into the effectiveness of its management, as evidenced by the profit derived from revenue and investments (Kasmir, 2021:198). Profitability refers to the earning derived by a corporation from its overall performance.

Leverage

Leverage can be described as a proportion that evaluates the extent to which company fund its assets through loans. This metric illustrates debt held by the company in relation to its total asstes (Kasmir, 2021: 153). Leverage is one of the sources and methods of funding used by companies, be it through internal funding options like retained profits and depreciation, or through external funding option like borrowing or the issuance of new shares. In essence, leverage refers to the ratio used to determine the loan amount a company must repay.

Firm Size

Firm size is a factor that influences company profits, companies with substantial assets will utilize their accessible assets to the fullest extent to achieve maximum business profit (Jihadi et al., 2021). Size of a firm serves as a reflection of its scale and extent, playing a crucial role in determining its value. The larger the company, the greater its potential to secure funding from various sources (Novari and Lestari, 2016). Firm size is determined based on overall assets recorded in its financial reports. This acts as a metric for investors to evaluate the level of ratio or amount of investment.

Empirical Studies

Sumira and Prihandini (2022) analyzed the influence of financial factors on firm value with gender diversity as the moderating variable. Male directors tend to show risk-takers traits, whereas women directors are more risk-averse which become effective in decision-making. Gender diversity is proxied by the presence of women on the board of directors and on the board of commissioners. The samples are companies admitted in Kompas 100 index and listed on IDX from 2015 to 2019. Firm value was measured by using the Tobin's Q formula. The data were processed using Eviews 11. To determine the model for the hypothesis testing, the Chow test and Hausman test were carried out, and fixed effect model was selected. This study proves that the presence of women can weaken the relationship between profitability and firm value, and it can strengthen the relationship between activity ratio and firm value. However, the presence of women cannot strengthen or weaken the influence of leverage and liquidity on firm value.

Panjaitan and Supriati (2023) aimed to empirically prove and test the effect of profitability and leverage on firm value, with firm size as a moderating variable in food and beverage companies listed on the Indonesia Stock Exchange (IDX) 2019-2021. This quantitative study uses a purposive sampling method with a sample of 23 firms. The data used in this research is secondary data. The results of this study indicate that (1) Profitability negatively affects firm value. (2) Leverage has a positive effect on firm value. (3) With moderation, firm size can moderate profitability with a positive relationship (strengthen) to firm value. (4) Firm size can moderate the relationship of negative (weakened) leverage to firm value.

Zuhro (2019) obtained empirical evidence of the effects of leverage in mediating the firm size, profitability and liquidity on the firm value. The object of the research was go public property and real estate firms in the Indonesia Stock Exchange in the period of 2012-2016. Thirty one firms serving as the sample were taken using a purposive sampling method. A path analysis with software Linear Structural Relationship (LISREL)

version 8.8 was employed to analyze the data. The results of the research showed that it was merely profitability variable which directly gave a significant and positive effect on the firm value. Whereas liquidity and size variables directly gave a negative, although insignificant effect. The results of the testing proved that leverage is a variable which mediates the effect of liquidity, size and profitability on the firm value.
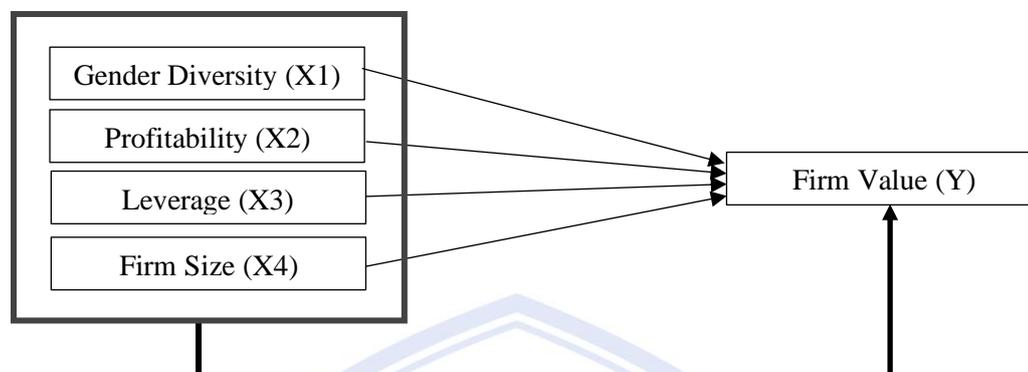
Conceptual Framework

Figure 1. Conceptual Framework
Source: Literature Review

Research Hypothesis

H_1: Gender Diversity has impact to the Firm Value
H_2: Profitability has impact to the Firm Value
H_3: Leverage has impact to the Firm Value
H_4: Firm Size has impact Firm Value
H_5: Gender Diversity, Profitability, Leverage and Firm Size simultaneously has impact to the Firm Value.

RESEARCH METHOD

Research Approach

Quantitative methodology is being employed in this study. According to Creswell and Creswell (2018:43), quantitative research is a methodology that involves testing theories with an objective focus by examining the connections between variables. This approach allows for a systematic examination of relationship between variables, providing insights into the objective reality of the phenomena being studied.

Population, Sample Size and Sampling Technique

This research analyzes all 8 cosmetics and household goods companies publicly and registered in IDX in the period 2018- 2022. In this study, the sample chosen through a nonprobability selection approach, wherein each element or member of the population does not have an unbiased probability of being chosen (Sugiyono, 2019:131). In this study, the sample utilized unbalanced panel data, a dataset characterized by an asymmetry in the number of cross-sectional units compared to the number of time series. Throughout the period from 2018-2022, a total of 37 samples were collected and analyzed for this study.

Type of Data and Data Source

Within this study, secondary data sources are utilized as the main source which is data obtain in quantitative form from documents or written reports. The secondary data utilized comprises annual financial statements and annual reports sourced from IDX official website the timeframe spanning from 2018-2022

Data Collection Method

For gathering research data, secondary sources are utilized, specifically annual financial statements and reports of companies that included in the list on IDX from 2018-2022. Data collection was conducted via the official website of the IDX, which is accessible at www.idx.co.id.

Operational Definition of Research Variables
Table 1. Operational Definition and Indicator of Research Variables

Variable	Definition	Indicators
Gender Diversity (X_1)	Societal norms, custom, beliefs or habits play a crucial role in defining the distribution of roles, position, obligations and distribution of work between men and women, based on what is considered suitable (Central Statistics Agency).	If the company has directors or The female commissioner will then be given a score dummy = 1. If you do not have a board of directors or The female commissioner in the company will then given a dummy score = 0.
Profitability (X_2)	The capacity of a company to generate earnings and evaluate the efficiency of its management practices (Kasmir,2021).	$ROA = \dfrac{Net\ Income}{Total\ Asset}$
Leverage (X_3)	The proportion utilized to determine how much a company finances its assets through loans (Kasmir,2021)	$DAR = \dfrac{Total\ Liabilities}{Total\ Asset}$
Firm Size (X_4)	Representation of the scale and relative dimensions of the company that can be quantified in terms of overall assets, revenue, and market value. The size of a firm quantified by considering factors such as overall assets, revenue and market value (Jihadi et al., 2021)	$Size = Ln\ Total\ Asset$
Firm Value (Y)	The value of a firm signifies its perceived worth from the perspective of investors (Rinahaq and Widyawati, 2020).	$PBV = \dfrac{Market\ Value\ per\ Share}{Book\ Value\ per\ Share}$ x 100%

Data Analysis Method
        Panel data regression analysis is employed for data analysis in this study due to its ability to incorporate data from multiple companies. The analysis is conducted using Stata MP 17 Software. To ensure the validity, unbiasedness, consistency, and efficiency of the regression coefficient interpretation in panel data regression.

Panel Data Regression Model Selection
        According to Basuki and Prawoto (2019:253), in selecting the most suitable model for managing panel data, several test can be conducted.

Chow Test
        Chow test assesses whether the Common Effect or Random Effect model is more suitable for estimating panel data. The hypotheses employed in this examination are as follows: If the probability value exceeds the significance level of 0.05, H0 is accepted, indicating that the Common Effect model is the most suitable. And if the probability value falls below the significance level of 0.05, H0 is rejected, favoring the utilization of the Fixed Effect Model.

Hausman Test
        Hausman test is a statistical method used to determine whether the Fixed Effect or Random Effect model should be chosen. The hypotheses employed in this examination are as follows: If the probability value exceeds the significance level of 0.05, H0 is accepted, indicating that the Random Effect Model is the most appropriate model to use. And if the probability value is less than the significance level of 0.05, H0 is rejected, favoring the utilization of the Fixed Effect Model.

Lagrang Test
        Lagrang test is employed to compare the Random Effect model against the Common Effect (OLS) method, evaluating which one performs better. The hypotheses employed in this examination are as follows: If the LM value of the statistic surpasses the critical value of the chi-square statistic and the associated probability value are < 0.05, H0 is rejected. Consequently, the preferred model for panel data regression is the Random Effect Model. And if the statistical LM value falls below the critical value of the chi-square statistic and the probability

value are > 0.05, H0 is accepted. This indicates that the most suitable model for panel data regression is the Common Effect Model.

Panel Data Regression Analysis
        Panel data regression analysis was employed in this study to assess the combined impact of both time series and cross-sectional data. According to Basuki and Prawoto (2019:252), panel data estimation methods can utilized three different model techniques. Common Effect Model, the simplest approach to panel data modelling involves the combination of time series and cross sectional data without considering time and individual dimensions separately. . In this model, it is assumed that the behavior of company data remains consistent across different time periods. This method can utilized the Ordinary Least Squares (OLS) approach or the least squares techniques for estimating the panel data model. Fixed Effect Model, in this model, it is assumed that individual differences can be accounted for by variations in their intercepts. To estimate the Fixed Effect model in panel data, the Dummy Variable technique is employed to capture these intercept differences among companies. However, the slope remains consistent across companies. This estimation method is also commonly referred to as the Least Squares Dummy Variable technique (LSDV).

$$Y = 0 + \beta 1 X 1 it + \beta 2 X 2 it + \beta 3 X 3 it + \beta 3 X 4 it + \varepsilon it$$

Y   = Firm Value
β0   = Constant number
β1, β4 = Regression coefficients
X1   = Gender Diversity
X2   = Profitability (ROA)
X3   = Leverage (DAR)
X4   = Firm Size (Ln)
ε   = Error term
i   = Company
t   = Year

        Random Effect Model, In this model, panel data estimation considers potential correlations among explanatory variables across time periods and individuals. The random effect model accommodates differences in intercepts through individual company error terms.

Test of Classical Assumption
Multicollinearity Test
        The purposed of the multicollinearity test aims to determine if there exists strong correlation among the independent variable within a multiple linear regression. Elevated correlations between independent variables may disrupt the relationship of the independent and dependent variables. To detect this test, techniques such as Variance Inflation Factor (IVF) and Tolerance (TOL) methods are employed (Ahmaddien and Syarkani, 2019:43) the occurrence or non-occurrence of this test can be determined using these criteria: If the VIF is < 10 and when the TOL > 0.10, it signifies the absence of multilinearity issues.

Hypothesis Testing
T-test (Partial Hypothesis Test)
        The partial test or t test, examines regression coefficient individually, evaluating the importance of the connection among single independent variable and dependent variable, while assuming that the influence of another independent variable remains constant (Ahmaddien, 2019:65). These hypotheses used in this test are:
a. When the sig t value below 0.05 indicates a statistically significant impact of the independent variable on the dependent variable.
b. When the sig t value above 0.05 means no significant effect, leading to the rejection of the hypothesis.

F-test (Simultaneous Hypothesis Test)
        Simultaneous hypothesis techniques employed to assess whether there exists a collective impact of multiple independent variable (Ahmaddien and Syarkani, 2019:65). The hypothesis utilized in this test are outlined as follows:
a. When the sig f value below 0.05 indicates a significant collective impact of the independent variables (X) on the dependent variable (Y).

b. When the sig f value above 0.05 suggests no significant collective effect of the independent variables on the dependent variable, leading to the rejection of the assumption.

Determination Test (R^2)

Determination test serves as a statistical approach to assess the extent to which independent variable impact the dependent variable within the regression model. This test quantifies the proportion of the dependent variables variation that can be evaluated by the regression model, thereby aiding in understanding the degree of influence exerted by the independent variable. Expressed as a percentage, the coefficient of determination ranges between 0 and 1, where 0 signifies that the model fails to explain any variances, while 1 indicates that the model account for all variation (Ahmaddien and Syarkani, 2019:66).

RESULT AND DISCUSSION

Result
Determination of Panel Data Regression Estimation Method
Table 2. Results of Determining Panel Data Regression Estimation Method

Hausman Test	Prob > Chi2 = 0.0002

Source: Data processing result Stata 17, 2024

In this research, the Hausman test was performed directly, bypassing the Chow test. This approach was taken because, in the realm of panel data analysis, the Hausman test is more suitable for identifying the appropriate panel data regression estimation method than the Chow test. According to the data processing reveals that the cross-section random value, Prob > Chi2, is 0.0002, which is less than the 0.05 threshold. This indicates that the fixed effect model is more suitable than the random effect model for this regression analysis.

Panel Data Regression with Fixed Effect Model
Table 3. Result of Fixed Effect Model

y	Coef.	Std. Err.	Z	P > |z|	[95% Conf.	Interval]
Gender	1.379961	10.92303	0.13	0.900	-21.11643	23.87635
ROA	43.48733	33.91444	1.28	0.212	-26.360764	113.335
DAR	-24.7439	30.45358	-0.81	0.424	-87.46421	37.97642
SIZE	-4.903361	14.11425	-0.35	0.731	-33.9722	24.16548
_cons	146.2864	296.9096	0.37	0.716	-671.1643	963.7371

Source: Data processing result Stata 17, 2024

From table 3, which displays the regression panel data using the Fixed Effect Model, the regression values have been identified. Consequently, a regression equation model can be formulated as follows:

Firm Value = 146.2864 + 1.379961 Gender Diversity + 43.48733 ROA – 24.7439 DAR – 4.903361 SIZE + εit

This equation can be interpreted as follows:
1. The constant value in the equation is 146.2864, indicating that if Gender Diversity, Profitability, Leverage, and Firm Size are constant or equal to 0, the Firm Value would be 146.2864.
2. Gender Diversity has a regression coefficient of 1.3799, suggesting a positive relationship with Firm Value. However, this relationship is statistically insignificant, as indicated by a p-value of 0.900, which is greater than 0.05. Therefore, it can be concluded that gender diversity does not significantly impact firm value.
3. Profitability has a regression coefficient of 43.4873, also indicating a positive relationship with Firm Value. Therefore, this relationship is statistically insignificant, with a p-value of 0.212, which is greater than 0.05. Therefore, it can be concluded that profitability does not significantly affect firm value.
4. Leverage has a regression coefficient of -24.7439, indicating a negative relationship with Firm Value. This relationship is statistically insignificant, as shown by a p-value of 0.424, which is greater than 0.05. Therefore, it can be concluded that leverage does not significantly impact firm value.
5. Firm Size has a regression coefficient of -4.9033, suggesting a negative correlation with Firm Value. Yet, this relationship is statistically insignificant, as indicated by a p-value of 0.731, which is greater than 0.05. Thus, it can be concluded that firm size does not significantly affect firm value.

Classical Assumption Testing

To determine if there is a correlation or linear relationship among the independent variables—Gender Diversity, Profitability, Leverage, and Firm Size—a Multicollinearity Test was performed. This test involved examining the correlation values using both the Variance Inflation Factors (VIF) approach and the pairwise correlation method.

Table 4. Variance Inflation Factor (VIF) Approach

Variable	VIF	1/VIF
Size	19.97	0.050066
Gender	11.42	0.087564
DAR	10.52	0.095083
ROA	2.58	0.387724
Mean VIF	11.12	

Source: Data processing result Stata 17, 2024

Table 5. Paired Correlation Method

	Gender	ROA	DAR	Size
Gender	1.0000			
ROA	0.1326	1.0000		
DAR	-0.0406	0.5476	1.0000	
Size	-0.2341	0.6463	0.5106	1.0000

Source: Data processing result Stata 17, 2024

According to the table 5, it is evident that each independent variable in this study has a correlation value of less than 0.8. This indicates that the independent variables are not correlated with one another.

Hypothesis Testing
Table 6. F-Test Result

Prob > F	0.5275

Source: Data processing result Stata 17, 2024

According to the table 6, the F test results show a Prob > F value of 0.5275, which is greater than the significance threshold of 0.05. This indicates that, when considered together, the independent variables—Gender Diversity, Profitability, Leverage, and Firm Size—do not have a significant impact on the dependent variable, Firm Value.

T-test

Based on the data processing results in Table 3, the outcomes of the partial tests are as follows:
1. The Gender Diversity variable has a probability value of 0.900, which is greater than the significance threshold of 0.05. This indicates that H01 is accepted and H1 is rejected, indicating that Gender Diversity does not have a significant impact on firm value.
2. The Profitability variable shows a probability value of 0.212, also greater than the significance threshold of 0.05. Therefore, H02 is accepted and H2 is rejected, indicating that Profitability does not significantly affect firm value.
3. The Leverage variable has a probability value of 0.424, exceeding the significance level of 0.05. This means that H03 is accepted and H3 is rejected, demonstrating that Leverage does not have a significant effect on firm value.
4. The Firm Size variable has a probability value of 0.731, which is higher than the significance level of 0.05. This indicates that H04 is accepted and H4 is rejected, demonstrating that Firm Size does not have a significant impact on firm value.

Determination Test (R^2)
Table 7. Determination Test (R^2) Result

R-squared	0.1153905

Source: Data processing result Stata 17, 2024

According to the table findings, the R-squared coefficient of determination is 0.1153905, indicating that gender diversity, profitability, leverage, and firm size collectively account for 11.53% of the variation. The remaining 88.47% of the variation is attributed to unexamined variables in this study.

Discussion

The Impact of Gender Diversity on Firm Value

The data processing results indicate that Gender Diversity, as indicated by the Dummy Variable, yielded a t-value of 0.13, which is less than the critical t-table of 2.03, with a significance level of 0.900 (> 0.05). Consequently, H1 is rejected while H01 is accepted, implying that Gender Diversity has a positive but insignificant impact on Firm Value (PBV). This suggests that Gender Diversity does not influence the ability of Cosmetics and Household Needs companies to maximize stock prices and enhance overall firm value. This indicates that having female leadership within a company does not significantly impact its performance. According to the Agency Theory proposed by Jensen and Meckling (1976), which assumes human diversity and limitations, women's presence can influence decision-making processes due to their cautious approach, particularly in financial matters. This aligns with findings from Sumira and Prihandini (2018), who observed a positive yet statistically insignificant impact of gender diversity. Diverse gender composition in a company's executive board may negatively influence its overall value.

The Impact of Profitability on Firm Value

The data processing results reveal that Profitability, as measured by Return on Asset (ROA), yielded a t-value of 1.28, which is less than the critical t-table of 2.03, with a significance level of 0.212 (> 0.05). Consequently, it is evident that profitability demonstrates a positive but statistically insignificant impact on the company's value. Therefore, H2 hypothesis is rejected in favor of accepting H02, indicating that Profitability has a positive yet insignificant effect on Firm Value (PBV). This implies that Profitability does not exert a significant influence on Firm Value (PBV). The level of return on assets (ROA) reflects how effectively a company manages its assets, indicating the efficiency of its operations. A higher ROA suggests greater operational efficiency, while a lower ROA indicates the opposite. However, despite this relationship, profitability alone does not necessarily influence the company's overall value. This aligns with studies carried out by Lumentut and Mangantar (2019) shows that unstable profitability from year to year can reduce firm value. Companies that experience fluctuations in profits tend to make investors uncertain regarding the future performance of the company.

The Impact of Leverage on Firm Value

The data processing results indicate that the Leverage variable, measured by Debt to Asset Ratio (DAR), yielded a t-value of -0.81, which is less than the critical t-table of 2.03, with a significance level of 0.424 (> 0.05). Consequently, H3 was rejected in favor of accepting H03, suggesting that Leverage (DAR) has a negative and statistically insignificant impact on Firm Value (PBV). The relationship between leverage and firm value shows that higher leverage tends to decrease firm value, while lower leverage can increase it. Therefore, prudent debt management is crucial for management, as excessive debt can reduce a company's overall value. In this study, leverage was found to have no significant negative impact on firm value. This aligns with studies carried out by Nandita and Kusumawati (2018), the study findings reveal that leverage does not affect firm value. Because debt is not one of the investor factors in investing in a company.

The Impact of Firm Size on Firm Value

The data processing results indicate that the Firm Size variable, measured by the natural logarithm (Ln) of total assets yielded a t-value of -0.35, which is below the critical t-table of 2.03, with a significance level of 0.731 (> 0.05). Therefore, H4 was rejected in favor of accepting H04, indicating that Firm Size has a negative and statistically insignificant impact on Firm Value (PBV). The study's findings indicate that company size does not determine its overall value. The size of a company does not inherently guarantee a high valuation; larger companies often approach new investments cautiously, prioritizing their existing financial obligations. This outcome may arise when a company fails to effectively utilize its assets to maximize profitability. This aligns with studies carried out by Ispriyahadi and Abdulah (2021) indicates that firm size does not impacts the firm value. This research shows that the larger companies have enhanced access to internal and external funding sources. However, this accessibility does not consistently to increased company value or stock price.

The Impact of Gender Diversity, Profitability, Leverage and Firm Size on Firm Value

The data analysis indicated that the independent variables Gender Diversity, Profitability, Leverage, and Firm Size collectively did not significantly affect the dependent variable Firm Value, as measured by PBV, in the Cosmetics and Household Needs Companies listed on the IDX for the 2018-2022 period. The results from the F-test in table 6 revealed an F-value of $0.82 <$ the critical F-table of 2.64. Additionally, the significance level of $0.5275 > 0.05$, leading to the acceptance of H05 and rejection of H5. Consistent with this, the study's findings reveal a determination coefficient (R^2) of 0.1153905, indicating that Gender Diversity, Profitability, Leverage, and Firm Size collectively explain 11.53% of the variation in Firm Value among Cosmetics and Household Needs Companies listed on the IDX. The remaining 88.47% of the variation is attributed to other unexamined variables in the study.

CONCLUSION AND RECOMMENDATION

Conclusion
The conclusions drawn from this study are as follows:
1. Gender Diversity showed a positive but not significant effect on Firm Value within the Cosmetics and Household Needs sub-sector of the Indonesia Stock Exchange during the 2018-2022 period.
2. Profitability (ROA) demonstrated a positive but not significant effect on Firm Value within the Cosmetics and Household Needs sub-sector of the Indonesia Stock Exchange during the 2018-2022 period.
3. Leverage (DAR) exhibited a negative and insignificant effect on Firm Value within the Cosmetics and Household Needs sub-sector of the Indonesia Stock Exchange during the 2018-2022 period.
4. Firm Size exhibited a negative and insignificant effect on Firm Value within the Cosmetics and Household Needs sub-sector of the Indonesia Stock Exchange for the 2018-2022 period.
5. The results from the simultaneous study indicate that Gender Diversity, Profitability (ROA), Leverage (DAR), and Firm Size collectively demonstrated insignificant effect on Firm Value within the Cosmetics and Household Needs sub-sector of the Indonesia Stock Exchange for the 2018-2022 period. This suggests that factors beyond those studied may exert a stronger impact on firm value.

Recommendation
Based on the analysis results and the conclusions drawn, the author offers the following recommendations:
1. Companies must recognize the negative impacts of rising uncertainty and take proactive measures to prevent a decline in their value. It is essential for companies to enhance their ability to boost firm value by focusing on other factors beyond this study, because it may exert a stronger and significant impact on firm value.
2. The company should prioritize maintaining its financial stability by carefully managing debt usage, cash flow, and capital requirements, while also optimizing profits. By generating substantial revenues, the company can attract investors, thereby enhancing its overall value.
3. The analysis results suggest that many data points are not significant, indicating that other factors, beyond those examined in this study, likely influence the company's value. Therefore, incorporating additional variables not covered in this research could yield more comprehensive and optimal results.

REFERENCES

Ahmaddien, I., & Syarkani, Y. (2019). *Statistika Terapan dengan Sistem SPSS.* Bandung: ITB Press.

Basuki, A. T., & Prawoto, N. (2019). *Analisis Regresi: dalam Penelitian Ekonomi dan Bisnis.* Depok: Rajagrafindo Persada

Creswell, J.W., & J. David Creswell. (2018). *Research Design Qualitative, Quantitative, and Mixed Methods Approaches Fifth Edition.* SAGE Publications, Inc.

Hamdani, Y., & Hatane, S. E. (2017). Pengaruh Wanita Dewan Direksi terhadap Firm Value melalui Firm Performance sebagai Variabel Intervening. *Business Accounting Review*, 5(1), 121-132. https://publication.petra.ac.id/index.php/akuntansi-bisnis/article/view/6369/5789

Harahap, R. M., Halim, E. H., & Indrawati, N. (2022). Analisis Pengaruh Laverage dan Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Mediasi. *Jurnal Administrasi Bisnis Terapan (JABT)*, 5(1), 7. https://scholarhub.ui.ac.id/cgi/viewcontent.cgi?article=1040&context=jabt

Ispriyahadi, H., & Abdulah, B. (2021). Analysis Of The Effect Of Profitability, Leverage And Firm Size On Firm Value. *Journal of Business, Management, & Accounting*, 3(2), 64-80. https://e-journal.stiekusumanegara.ac.id/index.php/jobma/article/download/290/257/1061

Jensen, M. C., & Meckling, W. H. (1976). Theory Of The Firm: Managerial Behavior, Agency Cost And Ownership Structure. *Journal of Financial Economics*, 3(4), 305–360. https://www.sciencedirect.com/science/article/pii/0304405X7690026X

Jihadi, M., Vilantika, E., Hashemi, S. M., Arifin, Z., Bachtiar, Y., & Sholichah, F. (2021). The Effect Of Liquidity, Leverage, And Profitability On Firm Value: Empirical Evidence From Indonesia. *The Journal of Asian Finance, Economics and Business,* 8(3), 423-431. https://www.koreascience.or.kr/article/JAKO202106438543370.pdf

Kasmir. (2021). *Analisis Laporan Keuangan.* Edisi Revisi. Depok : Rajawali Pers

Lubis, A., Dalimunthe, R., & Situmeang, C. (2019). Antecedents Effect of Financial Inclusion for the People of North Sumatera. *Budapest International Research and Critics Institute (BIRCI-Journal: Humanities and Social Sciences*, 2(4), 401–408 https://www.researchgate.net/publication/337107474_Antecedents_Effect_of_Financial_Inclusion_for_the_People_of_North_Sumatera

Lucas-Pérez, M. E., Mínguez-Vera, A., Baixauli-Soler, J. S., Martín-Ugedo, J. F., & Sánchez-Marín, G. (2015). Women on the board and managers' pay: Evidence from Spain. *Journal of Business Ethics*, 129, 265-280. https://www.researchgate.net/publication/261296491_Women_on_the_Board_and_Managers'_Pay_Evidence_from_Spain

Lumentut, F. G., & Mangantar, M. (2019). Pengaruh Likuiditas, Profitabilitas, Solvabilitas, Dan Aktivitas Terhadap Nilai Perusahaan Manufaktur Yang Terdaftar Di Indeks Kompas100 Periode 2012-2016. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 7(3). https://ejournal.unsrat.ac.id/v3/index.php/emba/article/view/23643

Nandita, A., & Kusumawati, R. (2018). *Profitabilitas, Leverage, Size Dan Kebijakan Deviden Terhadap Nilai Perusahaan: Pengaruh Profitabilitas, Leverage, Size Dan Kebijakan Deviden Terhadap Nilai Perusahaan (Studi Pada Perusahaan Manufaktur Yang Terdaftar Pada BEI 2012-2016).* (Skripsi, Universitas Muhammadiyah Yogyakarta). https://repository.umy.ac.id/bitstream/handle/123456789/22752/k.%20Naskah%20Publikasi.pdf?sequence=11&isAllowed=y

Novari, P. M., & Lestari, P. V. (2016). Pengaruh Ukuran Perusahaan, Leverage, Dan Profitabilitas Terhadap Nilai Perusahaan Pada Sektor Properti Dan Real Estate. E-Jurnal Manajemen Universitas Udayana, Vol. 5, No. 9. Https://Ojs.Unud.Ac.Id/Index.Php/Manajemen/Article/View/22690/15445

Panjaitan, I. V., & Supriyati, D. (2023). The Effect of Profitability and Leverage on Firm Value with Firm Size as a Moderating Variable. *Research of Finance and Banking*, 1(1), 34-46. https://sanscientific.com/journal/index.php/rfb/article/view/34/136

Rinahaq, R., & Widyawati, D. (2020). Pengaruh Kepemilikan Manajerial, Kepemilikan Institusional, Dewan Komisaris Independen, Profitabilitas Dan Leverage Terhadap Nilai Perusahaan. *Jurnal Ilmu dan Riset Akutansi,* 9(5), 1–19. https://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/2904/2914

Rudangga, I. G. N. G., & Sudiarta, G. M. (2016). Pengaruh Ukuran Perusahaan, Leverage, Dan Profitabilitas Terhadap Nilai Perusahaan. E-Jurnal Manajemen Universitas Udayana, Vol. 5, No. 7. Http://Jurnal.Unmuhjember.Ac.Id/Index.Php/PSNCFEB/Article/View/5210/3240

Rumokoy, L. J., Omura, A., & Roca, E. (2023). Geopolitical Risk And Corporate Investment In The Metals And Mining Industry: Evidence From Australia. *Pacific-Basin Finance Journal*, 79, 101991. https://www.sciencedirect.com/science/article/abs/pii/S0927538X23000574

Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta

Sumira, S., & Prihandini, W. (2022). Gender Diversity As The Moderating Factor In The Influence Of Financial Factors On The Firm Value: A Study On Companies Listed In Kompas 100 Index in 2015-2019. *International Journal of Economics, Business and Accounting Research (IJEBAR),* 6(1), 597-618. https://jurnal.stie-aas.ac.id/index.php/IJEBAR/article/view/4711

Zuhroh, I. (2019). The Effects Of Liquidity, Firm Size, And Profitability On The Firm Value With Mediating Leverage. *KnE Social Sciences*, 3(13), 203-230. https://knepublishing.com/index.php/KnE-Social/article/view/4206/8643