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JOURNAL

THE EFFECT OF LEVERAGE, BOARD GENDER DIVERSITY AND OWNERSHIP STRUCTURE ON FIRM PERFORMANCE IN MANUFACTURING SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) PERIOD 2016-2020

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Abstract:

This study aims to determine the effect of leverage, board gender diversity, foreign ownership, and family ownership on firm performance in the Manufacturing Sector Listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 Period. The independent variables used in this study are leverage, board gender diversity, foreign ownership, and family ownership. The dependent variable used in this study is firm performance as measured by Return On Assets (ROA), and Tobin's Q. The control variables used in this study are frim size and liquidity. The data used as samples in this study are annual reports and financial reports of manufacturing companies listed on the IDX for the 2016-2020 period. The sampling method used in this study was purposive sampling technique. The model used in this study is panel data with a fixed effect model and random effect model approach. The results showed that Leverage has a negative and significant effect on each proxy of firm performance, namely ROA and Tobin's Q. Board gender diversity has a negative and significant effect on the firm performance proxy, namely ROA. Family ownership has a negative and significant effect on the proxy of firm performance, namely ROA.

Keywords*: *Leverage, Board Gender Diversity, Foreign Ownership, Family Ownership, Firm Performance

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Background

Manufacturing companies are business entities in the industrial sector that produce goods or products needed by consumers. The production process carried out by this industry is by changing raw materials into finished goods on a large scale, or creating more complex goods by selling basic goods to producers for the production of goods such as cars, airplanes or home appliances. stairs that have a high selling value. The company's efforts to improve firm performance are certainly inseparable from several influencing factors. The first factor that affects firm performance or company performance is leverage. Leverage is the use of loan funds that have interest on the loan, in order to increase the potential return (return) from a long-term or short-term investment. According to research from Iqbal & Usman., (2018) that leverage has a significant positive effect on firm performance.

The second factor that influences firm performance or company performance is board gender diversity. Board gender diversity is one application of good corporate governance (GCG) that can influence company performance. The role of women in companies has a big impact on companies, where the presence of women can help the process of improving company performance. Over the past few decades, women have played an increasingly important role in the workplace, as the proportion of female directors on corporate boards has steadily increased throughout the world. These developments lead to more diversity within boards due to a greater diversity of individual traits, experiences, and perspectives, which can consequently influence corporate policies and corporate performance (Bao & Lu, 2019).

The third factor that influences firm performance is foreign ownership. Foreign ownership is the percentage of share ownership held by foreign investors in a company. Foreign investors can help companies to expand control over managers in the decision-making process. They can provide foreign expertise that provides a clear picture of foreign investments. This, in turn, helps to improve company performance (Al-Matari et al., 2017). According to research conducted by Al-Matari et al., (2017) which states that foreign ownership has a significant positive influence on firm performance. In line with research conducted by Kao et al., (2019) which states that foreign ownership has a significant positive influence on firm performance as proxied by ROA. The fourth factor that influences firm performance or company performance is family ownership. Family ownership is the percentage of share ownership owned by the family in a company. Companies with a percentage of family ownership have family characteristics and high and strong family ties so that family members are committed to growing the company so that it can be passed on to their generations. According to research conducted by Kao et al., (2019), family ownership has a significant positive influence on firm performance.

Based on the differences in results from previous studies, it encourages the author to use this problem as research material with the title: "The Influence of Leverage, Board Gender Diversity and Ownership Structure on Firm Performance in Manufacturing Sector Companies Listed on the Indonesia Stock Exchange (BEI) for the 2016- 2020.

THEORETICAL FRAMEWORK

Agency Cost Theory

Agency theory is the principle used to explain and solve problems in the relationship between business people and their agents. Most commonly, the relationship is that between shareholders, as principals, and company executives, as agents. According to Okiro et al., (2015) agency theory is rooted in economic theory and developed by Jensen and Meckling

(1976) states that shareholders who are owners or principals of the company delegate the running of the business to managers or agents. Shareholders expect agents to act and make decisions in the interest of the principal but agents may make decisions that are contrary to their interests. In the concept of accounting theory, management as an agent should take actions that are in harmony with the interests of the principal, but management can take actions that only maximize their own interests (Purnama, 2017)

Pecking Order Theory

Pecking order theory states that companies have a perfect hierarchy for funding decisions. The best first option is to use internal funding which is retained earnings, and then issue debt securities if internal funding sources are insufficient to finance the company and issuing equity is the last resort to fund the company. Internal funds do not incur flotation costs and do not require additional recognition of proprietary financial information that can point the way towards tighter market regulations and possible losses from large competitive advantages (Rasian & Kim, 2011) in (Negasa, 2016).

Trade-Off Theory

The trade-off theory according to Banafa et al., (2015) states that the optimal capital structure is obtained where the net tax advantage of debt financing balances takes advantage of related costs such as bankruptcy. The trade-off theory actually supports leverage to build a capital structure by assuming the benefits of leverage. The trade-off theory assumes that there are benefits to leverage in the capital structure until an optimal capital structure is achieved. This theory recognizes the tax benefits of interest payments. Studies show, however, that most firms have less leverage than this theory would suggest optimal. Optimal leverage levels are achieved by balancing the benefits of interest payments and the costs of issuing debt. Financially, debt is considered profitable because of the debt-tax shield that helps minimize expected tax bills and maximize after-tax cash flow (Modigliani & Miller, 1958) in (Banafa et al., 2015).

Company performance

Company performance implies organizational performance, including the manufacture of products and services, the functions of the different units of the company, the performance of employees and their total work results. Company performance describes the financial condition of a company by using financial analysis tools, so that it can be known about the merits of the company's financial condition that reflects work performance in a certain period (Melawati et al., 2016). Company performance represents the progress and decline of a company (AS Dewi et al., 2018). According to (Nuzula et al., 2019) there are two indicators to measure company performance, namely accounting-based performance and market-based performance. According to accounting-based performance, company performance is measured using the calculation of the company's financial ratios. Financial performance is a subjective measure of how well a company can use the assets of its primary mode of business and generate revenue. Financial performance is the finding of financial achievements that show the company's ability to manage its assets and generate profits. Financial performance is the achievement of company achievements in a period that describes the condition of the company's health with indicators of capital adequacy, liquidity and profitability (Dewi & Candradewi, 2018). Financial

performance can be measured by various financial ratios, namely liquidity ratios, profitability ratios, activity ratios, leverage ratios. Apart from ROA, Tobin's Q is also considered to be used to measure the performance of a company.

Leverage

Leverage is an investment strategy using borrowed money specifically, the use of various financial instruments or borrowed capital to increase the potential return on investment. Leverage can also refer to the amount of debt a company uses to finance assets. Leverage results from using borrowed capital as a funding source when investing to expand a company's asset base and generate a return on risk capital. According to Bui (2020) Financial Leverage refers to how companies use their debt. In their use, companies experience the benefit of tax shields that lower the overall amount of income tax they have to pay to countries with reduced taxable income, thereby improving their performance. According to research (Mouna et al., 2017) Leverage can be measured by Debt to Asset (DAR).

Good Corporate Governance

Corporate Governance is the art of directing and controlling an organization by balancing the needs of various stakeholders. This often involves resolving conflicts of interest between various stakeholders and ensuring that the organization is well managed meaning that processes, procedures and policies are implemented in accordance with the principles of transparency and accountability. Whenever talking about corporate governance, it must be remembered that organizations have duties and responsibilities towards their shareholders and stakeholders and therefore they need to be governed in accordance with the law and taking into account the interests of stakeholders and shareholders. The next aspect of corporate governance is that the idea of economic efficiency must be followed when directing, managing and controlling the organization. For example, it is true that companies exist to generate profits and therefore profitability and revenue generation should be goals to strive for. Corporate governance means that companies must strive to generate profits in a transparent and accountable manner. This means that the way the corporation is managed and directed must be carried out in accordance with standard norms and procedures that apply to ethical and normative behavior.

Gender Diversity Board

According to Anggraeni et al., (2014) in Fathonah et al., (2019) gender diversity describes the distribution of men and women who occupy board member positions. According to Yogiswari & Badera (2019), there are not many women at the top management level. This could be because there is an assumption that the competence of men is considered better than that of women. However, women also have a cautious attitude and high accuracy so they tend to be risk adverse. This characteristic is what causes women not to be hasty in making decisions. Because of this, the presence of women on the board can make it easier to take careful and low risk steps. Huse and Solberg (2006) in Hassan et al., (2016) revealed that the decision-making process of women on the board starts from the point that decision-making does not only occur in the board room but also before, during and after meetings and outside meetings.

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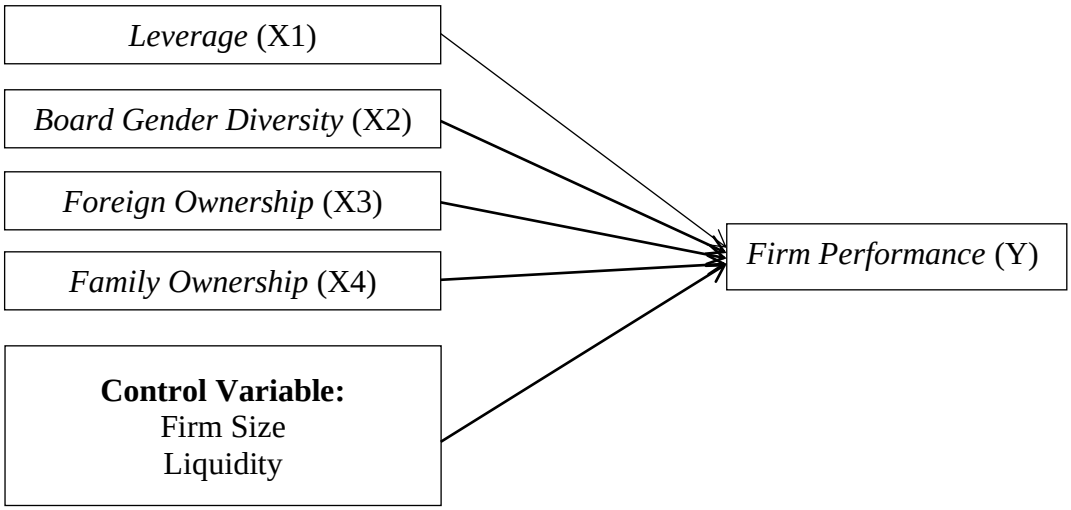
Foreign Ownership

Foreign ownership is control or ownership of foreign shares in a business or natural resources in a country by individuals who are not citizens of that country or by companies whose head offices are outside that country. In general, foreign ownership occurs when a multinational company doing business in more than one country injects long-term investment in a foreign country, usually in the form of foreign direct investment or acquisition. If a multinational company acquires at least half of the company, the multinational company becomes the parent company, and the company that accepts foreign investment becomes a subsidiary. According to Aydin, Sayim, & Yalama (2007) in Ciftci et al., (2019) foreign ownership can be measured by the percentage of total shares held by foreign shareholders to the total number of outstanding shares. The dummy variable takes a value of "1" if the company has foreign investors in its shareholding structure, and "0" if it does not have foreign investors (Bessonova & Gonchar, 2019).

Family Ownership

Family ownership is control or family ownership of a business or natural resources in a country by individuals who are usually the founders of the company. Most companies around the world are under the control or significant influence of individual shareholders (usually the founders) and/or their families. Such companies, often referred to as “family companies” include most public companies as well as, of course, most private companies (Burkart et al., 2003) in (Bessonova & Gonchar, 2019). In a broad sense, a family company is a company owned by several family members, from the same or different generations, who own a number of equity (shares) in the company. In this study, to measure family ownership by using a dummy variable that is equal to a value of "1" for companies with a concentration of family ownership above 20 percent and a value of "0" for companies with family ownership below this threshold (Schank et al. , 2017).

Based on the description of the relationship between each leverage variable, board gender diversity and ownership structure with company performance, a framework of thinking can be formulated as follows:



Theoritical Framework

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METHOD

In this study, researchers used quantitative research methods, because the research data used were in the form of numbers. This study also uses an associative method which aims to determine the relationship between the independent variables (leverage, board gender diversity, foreign ownership, and family ownership) to the dependent variable (company performance). Researchers used the panel data regression analysis method in this research, this is because the observations used consisted of several companies (cross sections) with a period of several years (time series). The method of determining the sample in this study is purposive sampling. The purposive sampling method is a method of determining which sample is appropriate based on certain criteria needed and determined by the researcher so that the results obtained are in accordance with the research objectives. The data used in this study are secondary data obtained from the financial reports and annual reports of manufacturing sector companies which are available on the websites of each company and the official website of the Indonesia Stock Exchange (IDX) https://www.idx .co.id/.

RESULT

Panel Data Regression Results Equation 1

The most appropriate model to use in this research is the fixed effect model, after conducting a panel data regression test. This test is carried out by regressing ROA (Return On Assets) and Tobin's Q as the dependent variable, leverage, board gender diversity, foreign ownership, and family ownership as independent variables, firm size and liquidity as control variables.

Tabel 4.8
Panel Data Regression Results Equation 1

Dependent Variable: ROA
Method: Panel EGLS (Cross-section random effects)
Date: 08/24/23 Time: 04:51
Sample: 2016 2020
Periods included: 5
Cross-sections included: 57
Total panel (balanced) observations: 285
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.258912	0.114032	2.270528	0.0239
LEVERAGE	-0.220750	0.028569	-7.726870	0.0000
BGD	-0.041680	0.058613	-2.711103	0.0437
FOROWN	0.005126	0.008500	0.603065	0.5470
FAMOWN	-0.006378	0.010575	-2.603076	0.0442
FIRM_SIZE	-0.004120	0.003966	-1.038941	0.2997
LIQUIDITY	0.001681	0.003530	0.476135	0.6344

Effects Specification	S.D.	Rho
Cross-section random	0.068389	0.5317
Idiosyncratic random	0.064184	0.4683

Weighted Statistics			
R-squared	0.380463	Mean dependent var	0.014830
Adjusted R-squared	0.362775	S.D. dependent var	0.069880
S.E. of regression	0.063941	Sum squared resid	1.136575
F-statistic	10.20265	Durbin-Watson stat	1.856132

Prob(F-statistic)	0.000000

Unweighted Statistics

Based on table 4.8, the regression results show the influence of leverage, board gender diversity, foreign ownership and family ownership as independent variables, firm size and liquidity as control variables, on ROA (Return On Assets) Q as the dependent variable, in manufacturing companies listed on the IDX for the 2016-2020 period, the following regression equation is obtained:

ROA = 0.258912413077- 0.220749906229*LEVERAGE - 0.0416799284128*BGD + 0.00512599445001*FOROWN - 0.00637773939796*FAMOWN - 0.00412042007342*FIRM_SIZE + 0.00168082310069*LIQUIDITY

The interpretation of the regression equation above can be explained as follows:

1. This equation produces a constant value (β) of 0.25891. Shows that if the independent variables leverage, board gender diversity, foreign ownership, and family ownership and the control variables firm size and liquidity are zero then the ROA value is -0.25891.
2. The negative leverage regression coefficient is 0.22074. Shows that every increase in leverage of 1, assuming the other independent variables are constant, will be followed by a decrease in ROA of 0.22074 units.
3. The negative gender diversity regression coefficient is 0.04167. Shows that every increase in gender diversity by 1, assuming the other independent variables are constant, will be followed by a decrease in ROA of 0.04167 units.
4. The positive foreign ownership regression coefficient is 0.00512. Shows that every increase in foreign ownership of 1, assuming the other independent variables are constant, will be followed by an increase in ROA of 0.00512 units.
5. The negative family ownership regression coefficient is 0.00637. Shows that every increase in family ownership by 1, assuming the other independent variables are constant, will be followed by a decrease in ROA of 0.00637 units.
6. The negative firm size regression coefficient is 0.00412. Shows that every increase in family ownership by 1, assuming the other independent variables are constant, will be followed by a decrease in ROA of 0.00412 units.
7. The positive liquidity regression coefficient is 0.00168. Shows that every increase in liquidity of 1, assuming the other independent variables are constant, will be followed by an increase in ROA of 0.00168 units.

Table Panel Data Regression Results Equation 2

Dependent Variable: TOBIN_S_Q
Method: Panel EGLS (Cross-section random effects)
Date: 08/24/23 Time: 06:32
Sample: 2016 2020
Periods included: 5
Cross-sections included: 57
Total panel (balanced) observations: 285
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.157051	2.323701	0.067587	0.9462
LEVERAGE	-1.036900	0.519920	-1.994344	0.0471
BGD	-0.586474	1.057900	-0.554376	0.5798
FOROWN	-0.021327	0.142374	-0.149795	0.8810
FAMOWN	0.024485	0.181475	0.134925	0.8928

FIRM_SIZE	0.070379	0.081433	0.864262	0.3882
LIQUIDITY	0.014711	0.064519	0.228003	0.8198

Effects Specification	S.D.	Rho
Cross-section random	1.479203	0.6563
Idiosyncratic random	1.070560	0.3437

Weighted Statistics			
R-squared	0.119533	Mean dependent var	0.481152
Adjusted R-squared	0.101628	S.D. dependent var	1.076259
S.E. of regression	1.077134	Sum squared resid	322.5407
F-statistic	0.923079	Durbin-Watson stat	1.391942
Prob(F-statistic)	0.478642		

Based on table 4.9, the regression results show the effect of leverage, board gender diversity, foreign ownership, and family ownership as independent variables, firm size and liquidity as control variables, on Tobin's Q as the dependent variable, the regression equation is obtained as follows:

TOBIN_S_Q = 0.157051084079 - 1.03689983488*LEVERAGE - 0.586474413346*BGD -
0.021326973167*FOROWN + 0.0244854484585*FAMOWN +
0.0703790995327*FIRM_SIZE + 0.0147105233194*LIQUIDITY

The interpretation of the regression equation above can be explained as follows:

1. This equation produces a constant value (β) of 0.15705. Shows that if the independent variables leverage, board gender diversity, foreign ownership, and family ownership and the control variables firm size and liquidity are zero, the Tobin's Q value is -0.15705.
2. The negative leverage regression coefficient is 1.03689. Shows that every increase in leverage by 1 assuming the other independent variables are constant will be followed by a decrease in Tobin's Q of 1.03689 units.
3. The gender diversity regression coefficient is negative at 0.58647. Shows that every increase in gender diversity by 1 assuming the other independent variables are constant will be followed by a decrease in Tobin's Q of 0.58647 units.
4. The foreign ownership regression coefficient is positive at 0.021326. Shows that every increase in foreign ownership by 1 assuming the other independent variables are constant will be followed by an increase in Tobin's Q of 0.021326 units.
5. Negative family ownership regression coefficient of 0.024485 Shows that every increase in family ownership by 1 assuming the other independent variables are constant will be followed by a decrease in Tobin's Q of 0.024485 units.
6. The firm size regression coefficient is positive at 0.070379. Shows that every increase in firm size by 1 assuming the other independent variables are constant, it will be followed by an increase in Tobin's Q of 0.070379 units.
7. The positive liquidity regression coefficient is 0.01471. Shows that every increase in liquidity by 1 assuming the other independent variables are constant will be followed by an increase in Tobin's Q of 0.01471 units.

Hypothesis Test Results

Hypothesis testing is carried out to determine the relationship or influence that occurs between the independent (free) variable and the dependent (dependent) variable simultaneously or partially. Ghozali (2016) said that basically the t statistical test shows the level of influence of one independent variable individually in explaining the dependent variable. The significance level used in this test is 0.05 ($\alpha = 5\%$). With the following criteria for accepting or rejecting the hypothesis: If the significant value is ≤ 0.05 then the hypothesis is accepted (significant regression coefficient). This means that partially the independent (free) variable has a significant influence on the dependent (dependent) variable. If the significant value is > 0.05 then the hypothesis is rejected (the regression coefficient is not significant). This means that partially the independent (free) variable does not have a significant effect on the dependent (dependent) variable).

DISCUSSION

1. The Effect of Leverage on Firm Performance.

Based on the results in table 4.10, the leverage coefficient value for firm performance as proxied by ROA is -0.2207 with a probability value of 0.0000. Then the results in table 4.11 of the leverage coefficient value on firm performance which is proxied by Tobin's q is -1.0369 with a profitability value of 0.0471. A probability value smaller than 0.05 indicates that leverage has a negative and significant influence on ROA and Tobin's Q, meaning that every increase in the leverage value will cause the company's performance to also decrease. This result is in accordance with the trade-off theory that high leverage in a company will result in decreased company performance because there is no motivation from the company to pay obligations to creditors which ultimately leads to a decline in company performance. This research is in line with Khodavandloo, Zakaria, Nassir. (2017) and Hossain & Nguyen (2016) which state that leverage has a negative and significant effect on company performance.

Leverage has a negative influence on company performance because the company uses too much debt, but does not have the ability to pay, so that its responsibilities as a creditor fail to be fulfilled. Failure to pay off debt can be a signal to investors that the company has unfavorable prospects in the future.

Thus, it can be concluded that the higher the leverage, the company's performance will decrease because it does not fulfill its obligations to creditors properly.

2. The Effect of the Gender Diversity Board on Firm Performance.

Based on the results in table 4.10, the coefficient value of the Gender Diversity Board is -0.0416 and the probability value is 0.0437. A probability value greater than 0.05 indicates that Board Gender Diversity has a negative and significant influence on ROA. The results of this research are not in line with trade off theory and agency cost theory which state that diversity in the board of commissioners or board of directors provides new ideas and breakthroughs which are of course very beneficial for the company.

This research is in line with research conducted by Dankwano & Hassan (2018) and Shehata et al., (2017) which said that Board Gender Diversity has a significant negative effect on company performance. This is due to women's lack of character in terms of decision making and lack of courage to take risks, so that opportunities to improve company performance are missed.

Based on the results in table 4.11, the coefficient value with the Board Gender Diversity coefficient is -0.5864 and the probability value is 0.579. A probability value greater than 0.05 indicates that Board Gender Diversity has a negative and insignificant influence on Tobin's Q. This means that if the Board Gender Diversity value increases it will not have an impact on Tobins'Q, this result is not in line with research conducted by Bao & Lu (2019) and Ahmadi et al., (2018) the results of this research are that gender diversity has a positive and significant effect on company performance as proxied by Tobin's Q.
If you look at the descriptive statistical data in table 4.1, the average composition of female board members is only 20% of the entire company sample, because there are too few female board members in the research sample, meaning they do not have a significant influence on company performance.

3. The Effect of Foreign Ownership on Firm Performance.
Based on the results in table 4.10, the Foreign Ownership coefficient is 0.0051 and the probability value is 0.547. A probability value greater than 0.05 indicates that Foreign Ownership has a positive and insignificant influence on ROA, while the results in table 4.11 of the Foreign Ownership coefficient value are -0.0213 and the probability value is 0.881. A probability value greater than 0.05 indicates that Foreign Ownership has a negative and insignificant influence on Tobin's Q, meaning that the presence of foreign shareholders in a company will not significantly influence the company's performance, this is in line with research by Ciftci et al., (2019) and Khan & Nouman (2017) foreign ownership does not have a significant effect on company performance as proxied by ROA, foreign investors usually have less relationships with insiders than domestic investors, this is caused by problems of language, culture, and also the lack of supervision by foreign investors. operational activities and also company decision making, so that their existence does not have a significant influence on company performance.

4. The Effect of Family Ownership on Firm Performance.
Based on the results in table 4.10, the family ownership coefficient is -0.0063 and a probability value of 0.044. A probability value smaller than 0.05 indicates that family ownership has a negative and significant effect on ROA, meaning that if there is an increase in family ownership value, it will affect the company's performance decline. This research is in line with the results of Razak & Palahuddin's (2017) Khan & Nouman (2017) research which states that family ownership has a significant negative effect on firm performance.
Companies that are mostly controlled by families show a tendency to have management who are members of the family, because this causes conflicts of interest within the company which can interfere with company performance. However, the results in table 4.11 have a family ownership coefficient value of 0.0244 and a probability value of 0.892. A probability value greater than 0.05 indicates that family ownership has a positive and insignificant effect on Tobin's Q, meaning that the size of a company will not affect company performance. These results are in line with the research of Rajverma et al., (2019) and SHOLIHAN (2018) family ownership has an insignificant effect on company performance.
According to Yopie & Lim (2021), family members may deliberately pay less attention and monitor the company's performance. High company performance tends to attract the attention of other investors so that other investors flock to buy shares and can take over the company.

5. The Effect of Firm Size on Firm Performance.

Based on the results in table 4.10, the firm size coefficient value is -0.0041 and the probability value is 0.299. A probability value that is greater than 0.05 indicates that firm size has a negative and insignificant effect on ROA, then in the results in table 4.11 it is found that the liquidity coefficient value is 0.0703 and the probability value is 0.388. A probability value greater than 0.05 indicates that firm size has a positive and insignificant effect on Tobin's Q. This means that this research is not in line with the trade of theory and agency costs because the size of a company will affect company performance, because assets in the company can be used to operational activities whose aim is to increase company profits. The results of this study are not in line with research conducted by Bangun et al., (2017) that firm size has a positive and significant effect on company performance and is in line with the research of Tonggano & Christiawan (2017) which says that firm size has no significant effect on company performance. According to (Nursatyani et al., 2014) the larger the firm size, the greater the company's total sales. However, increasing sales will not necessarily increase the company's profitability. There are companies whose sales are large but cannot generate maximum profits. This is because even though sales have increased, the costs that must be borne by the company have also increased so that the profits received are less than optimal.

6. The Effect of Liquidity on Firm Performance.

Based on the results in table 4.10, the liquidity coefficient value is 0.0016 and the probability value is 0.634. A probability value greater than 0.05 indicates that liquidity has a positive and insignificant influence on ROA. Based on table 4.11, the results show a liquidity coefficient value of 0.0147 and a probability value of 0.819. A probability value greater than 0.05 indicates that liquidity has a positive and insignificant effect on Tobin's Q. This means that any increase in the value of liquidity will not affect company performance. The results of this research are in line with the research by Leonardo & Nariman (2022) and Trisnawati & Lestari (2017), that a company's liquidity does not affect a company's performance in earning profits. Companies with the availability of more liquid funds to pay the company's short-term obligations cannot guarantee that the company's performance is better in obtaining profits and vice versa..

CONCLUSION

The following are the conclusions that will be presented in this study:

1. Leverage has a negative and significant influence on each of the company's performance proxies, namely ROA and Tobin's Q. This indicates that a high level of leverage will have a high risk, which is indicated by a larger debt cost. If the company does not pay attention to the proportion of leverage, this will cause a decline in company performance because the use of debt creates interest costs.
2. Board gender diversity has a negative and significant influence on ROA. This is due to the lack of women's characteristics in terms of decision making and lack of courage to take risks, so that opportunities to improve company performance are missed. However, board gender diversity has an insignificant influence on Tobin's Q. There is no influence on the Tobin's Q proxy due to the lack of gender diversity on the board of directors. This incident could be due to the tendency of women not to be chosen to be trusted to be on the board of directors in the company. As a result, women hold a smaller percentage of important positions compared to men.
3. Foreign ownership has a positive and insignificant influence on ROA, while the Tobin's Q proxy has a negative and insignificant influence, this is because foreign investors usually have less relationships with insiders than domestic investors, this is caused by problems of language,

culture, and also the lack of foreign investors in supervising operational activities and company decision making, so that their presence does not have a significant influence on company performance.

4. Family ownership diversity has a negative and significant influence on the firm performance proxy, namely ROA, which means that companies that are heavily controlled by families show a tendency to have management who are members of the family, because this causes conflicts of interest within the company which can disrupt company performance while on Tobin's Q proxy this independent variable is positive and not significant. There is a possibility that they deliberately did not improve the company's performance because they were afraid that the company would be taken over by purchasing shares by parties outside the family.

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