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Gender Diversity, Corporate Governance, Financial Performance, and corporate value: Lesson from Indonesian Public Company Before Covid-19

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Abstract

This study attempted to uncover the role of gender in corporate leadership, corporate governance, and financial performance and its effect on creating corporate value. Companies listed on the Indonesia Stock Exchange with this research's 2009-2018 observation period. Samples were taken with strict criteria to find companies in the best food and beverage category and were obtained 50 observation data for ten years. The research considered this type of company directly related to basic human life and worthy of investment. The results showed that gender diversity and EPS could not create Corporate Value. Managerial Ownership, PBV, and DER were significantly able to develop Corporate Value. The results of this study were enjoyable to be examined from the perspective of the situation of organizational behavior and financial performance of public companies and be informed to potential investors or interested parties, especially the situation in Indonesia, the country with the fourth-largest population in the world or 3.51% of the total human population.

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INTRODUCTION

In increasingly fierce business competition and the crush of unemployment problems, such as the statement Gozali et al. (2017), companies must always do various strategic things to achieve business continuity and desired targets (Li, 2009). The market-oriented thinking attracts foreign investors to invest large amounts in the company (Lu & Abeysekera, 2014). Another effort is gender equality at the company's leadership level. The condition is changing at this time. Countries such as Australia, Sweden, and the United Kingdom, have regulations that threaten the company if the company refuses to appoint women as directors voluntarily (Liu, Wei, & Xie, 2013). Previous research on the value relevance of gender on the board produced mixed results. Ernest Gyapong (2016) stated that it supposes some theories suggest a relationship between board diversity and Corporate Value. Still, no single theory directly predicts the nature of relationships (Carter, Souza, Simkins, & Simpson, 2010). On the other hand, precisely, Cotter, College, & Hermsen (2001) stated that women have the skills and qualifications as members of the board of directors but are only discriminated against by stereotypical perspectives unrelated to their qualifications and experience. They can bring collaborative leadership, as stated by Vicki W. Kramer, Alison M. Konrad (2006), and provide different perspectives on the board of directors (Baranchuk & Louis, 2015).

Some empirical evidence shows that gender and ethnicity can be associated with increasing Corporate Value, Y. Liu et al. (2013); Ntim (2013). These conditions for companies also found in Italy (Niccolo Gordini, 2017). Different views also arise from several opinions, for example, Kesner (2014) which stated that uniqueness is not enough, but the gap in the competence of directors also considered. Therefore, if they are not competent, they must be rejected by the organization (Oakley, 2000). Minor views also occur, that women tend to invest less in education, according to, Tharenou, Latimer, & Conroy (2014), even they are also considered lacking expertise in the business field (Terjesen, Sealy, & Singh, 2009). This is based on the results of previous research which stated that there is a negative relationship between women board of directors with an increase in Corporate Value, as stated by Strom (2010); and Renee B. Adams (2009). Meanwhile, Carter et al. (2010) found no relation between them.

Schwarz (2015) stated that as part of a developing country, Indonesia also has the potential two main features that reduce shareholder rights and make them have difficult agency problems (Ernest Gyapong, 2016). First, in the structure board of directors or commissioners, they are trapped in the dominance of family relations, pressure from the government or the majority who tend to make changes, Marianne Bertrand, (2014) and also, Ntim, (2013). Second, internal regulations regarding environmental compliance that govern them are usually not strong enough and are considered to provide less protection for investors (Balasubramanian, Black, & Khanna, 2010). The Indonesian government needs to perform the regulation and detailed guidance on the content and the level of public company reporting. It aims to help the company in order to be able to communicate their conditions to the regulatory agency and other stakeholders (Setiawanta & Purwanto, 2019).

Share ownership held by company managers on the board of directors or commissioners is believed have an impact on the company's performance, this has become a research material in the company's finance (McConnell, 2010). Increasing managerial ownership helps not only connect to the interests of insiders and shareholders, but also leads to better decision making which leads to increased Corporate Value (Ruan & Tian, 2011). However, studies in Indonesia and Thailand on the relationship of debt, managerial behavior, and company performance, found that they need for specific institutional arrangements by the state in dealing with this problem. (Bunkanwanicha, Gupta, & Rokhim, 2008). It began with a study of the relationship between managerial ownership and Corporate Value and found a similar nonlinear relationship between managerial ownership and Corporate Value by Ruan & Tian (2011). The market reacts positively to the disclosure of estimates of income and ownership by insiders (the signaling effect), (Lee & Hwang, 2012). In the case of public companies in Indonesia, it is found a variety of things, that managerial ownership has no influence on Corporate Value which is proxied by various indicators such as Price book Value (PBV), Stock Prices and Tobin's Q found by Indrasti & Martini (2014);

Michelle Freshilia Welim (2015) and Yuslirizal (2018). While other researchers found an influence of managerial ownership with Corporate Value, although most are in a negative relationship, such as Monica Angelina Tandiyo & Stephanus (2014) and Rahma (2014). For research that found a positive influence for the manufacturing industry was found by Tedi Rustendi (2008).

Corporate reputation is an important asset that can be used as a competitive advantage and a source of financial performance (Tristiarini1, Utomo1, & Setiawanta1, 2019). Good financial performance in the investor's perspective is a good signal to investment. This is the trigger for the hypothesis that the better the financial performance, the higher value of the company (from the market response). Although it is stated as a key factor, some previous studies on the effect of financial performance on Corporate Value have not yet been concluded. Suppose that research is carried out by Bartlett, (2012); Sucuahi & Cambarihan (2016); Deswanto & Siregar, (2017); Ayuba, Bambale, Ibrahim, & Sulaiman, (2019), who found the relationship between financial performance and the market value of the company. On the other hand, several other studies have found that financial performance does not directly or indirectly affect the Corporate Value as stated by Hermawan & Maf'ulah, (2014); and also Zuhroh, (2019).

This study attempts to reexamine the influence of gender diversity, proxy for corporate governance with managerial ownership and financial performance on Corporate Value. The study selected food and beverage company that was listed on the Indonesian Stock Exchange, with all the weaknesses of organizational culture and regulation that might occur. This research is also expected to be able to provide information and description of the financial situation and organizational behavior of public commercial companies to potential investors from all over the world, especially who may have an interest investing in the Indonesian capital market.

Hypothesis Development

There is an opinion which stated that the existence of women on the company's board of directors can bring benefits such as ethical and economic issues, (Isidro & Sobral, 2014), besides bringing the idea of equality of opportunity and minority representation in organizing the organization (Walt & Ingley, 2003). These needs considered due to the under-representation of minority groups on the company's board (Burke, 2000). Women are also considered to bring unique skills and value in the board management and are able to improve positive performance for the Corporate Value (Hillman et al., 2002) and (Huse & Hagen, 2009). If the presence of women is considered capable to improve monitoring or control of the board in the framework of the company's operational effectiveness in terms of supervision, the agency concept is likely to offer women as representation on the board of directors that can have an impact on increasing Corporate Value (Isidro & Sobral, 2014). The attribution takes a contractual view between shareholders and company managers who sign contracts on how the company managers must use shareholder funds, and how returns are shared between them (Jensen & Meckling, 1976). The board of directors plays a critical function of the monitoring manager to avoid excessive residual management rights (Fama & Jensen, 1983). Effective monitoring of the board of directors can reduce misallocation of funds, thereby increasing shareholder welfare and stock value, Isidro & Sobral (2014), effective supervision is also reviewed by Gillan (2006) and (Karuna, 2009). On the other hand, Carter et al. (2003) stated that gender diversity increases the independence of the board in improving the monitoring of company goals.

Natural cognitive behavior that produces differences such as how men and women make decisions and influence the ability of each of them to gather information, process it and make decisions that can also be different. (Byoun, Chang, Kim, & Heights, 2011). Naturally, it also seems that women have a great curiosity so that their ability to transactional monitoring is also better than men (Carter et al., 2003). In this point of view of, it is believed that female directors are seen to be more capable in increasing Corporate Value through increased income and organizational governance, as stated by Renee B. Adams (2009); Srinidhi, Gul and Tsui (2011) and also Gul, S., M. Razzaq, and Afzal, 2012).

This situation certainly supports the expansion of Resource Dependence Theory in the present that will provide benefits to the company. As a result, providing more valuable resources should result in better company performance. Ethnically diverse abilities on the board of directors are able to legitimize the company. This is very important for the proportion of growth in the proportion of ethnic minority groups (Carter et al., 2010). Finally, it becomes appropriate or in accordance with the system of socially developed norms, values, beliefs and definitions (Suchman, 1995). It can be interpreted that legitimacy is threatened when the company's system is not in accordance with the social system (Lindblom, 1994). Legitimacy becomes a resource that companies can create with various corporate strategies, said, Woodward, Edwards, & Birkin (2001), it is also to legitimize its status in society Deegan, & Rankin (2002) and to get support from the general public and certain interest groups, Donovan (1999) and (Staden & Hooks, 2007).

Many definitions of corporate governance emphasize the potential for conflict of interest between insiders and outsiders, for this reason, it is necessary to regulate the mechanism of the relationship between the two in order to be balanced, which will affect Corporate Value (Garay & González, 2008). The practice of corporate governance must be disclosed in the form of an annual report, as stated by Lu & Abeysekera (2014); Orazalin, Mahmood, & Jung Lee (2016) and Mahmood, Kouser, Ali, Ahmad, & Salman, (2018). Managers of companies tend to use assets for their own benefit (Morck, Shleifer, & Vishny, 1988). Achieving company value can be maximized if the company's ownership is controlled by the majority of the board of directors (Jensen & Meckling, 1976), with majority ownership, control of the implementation of the achievement of company goals can be more optimal for managers. Ownership and control are rarely separate in any company, the level of ownership effectively has control over the company they have. Thus, the ownership structure is an element that plays an important role in corporate governance (McConnell, 2010).

The definition of financial performance is often associated with the company’s financial condition. Financial performance is the performance that has been achieved by the company in a certain period and contained in the financial statements of the company concerned. Financial performance information is needed to assess potential changes in economic resources that may be controlled in the future and to predict the production capacity of existing resources. According to Asante-Darko et al. (2018), measurement of financial performance from financial statements can be used as a measure of the growth of shareholder wealth (investors). Investors in assessing the management of a company can be seen from financial reports published annually. Company performance can be seen from the appearance of increased financial statements. With changes in financial position, this will affect the company’s market value (Kusumawardani, 2011).

Placement of men as a majority of ethnicity and women as ethnic minorities and expecting them to carry out tasks deemed not liked by the majority (Ernest Gyapong, 2016). In addition, there is evidence that women now increase social and ethical involvement. Hafsi & Turgut (2010) reported an increase in corporate social responsibility by increasing women’s representation on the board. Companies with more diverse gender leadership are also more involved in philanthropic activities and social responsibility (Williams, 2003). Although the theories presented in the previous section directly predict a positive relationship between the existence of women in corporate leadership and company value (Isidro & Sobral, 2014). The following is proof that the presence of women on the board has a positive effect on Corporate Value and financial performance, Erhardt, Werbel, & Shrader (2003) found a positive relationship between the percentage of female directors in large US companies and measures of financial performance (ROA and return on investment). Carter et al. (2003) study Fortune 1000 companies and conclude that the presence of women on the board is positively related to company value. Campbell & Mı (2008) showed that the proportion of women who are higher on Spanish corporate boards increases the value of the company. Francoeur & Sinclair-desgagne (2008) found the proportion of women who were higher at the director or commissioner level and above the management team experienced abnormal positive returns. Based on the description, the first hypothesis is:

H1: The existence of women in gender diversity company leadership has an influence on corporate value.

Company management is faced with negative and positive incentives and to ensure that they follow the goal of efforts to maximize shareholder wealth. The effectiveness of these incentives has the potential to relate the level of managerial ownership in the company (Davies, Hillier, & Mccolgan, 2005). The impact of this, the emerging view that ownership by insiders can bring the signal to the formation of Corporate Value, although there are other effects that revolve around insider ownership (Lee & Hwang, 2012). Jensen & Meckling (1976) predicts that ownership by people influences Corporate Value. They argue that Corporate Value increases because of management ownership, and they are involved in the company's income in the future. This is realized because greater ownership of managerial equity helps align incentives received by managers with outside shareholders, this happened because managers bear the consequences of wealth directly from their decisions (Lee & Hwang, 2012). Morck et al. (1988) empirically confirm this prediction before.

Cho (1998) raises the issue of endogeneity of insider ownership and show that company value determines insider ownership, not vice versa. If Corporate Value is higher, the manager maintains a higher portion of ownership to maximize their wealth (Lee & Hwang, 2012). Meanwhile, Morck et al. (1988) empirically explores the overall relationship between ownership structure and Corporate Value using Tobin's Q and finds a relationship between both. Based on the description, the second hypothesis is:

H2: Share ownership by the leadership of the company has an influence on corporate value.

Financial performance that operationally runs well in each company will certainly produce a good level of compliance with all expenditure and income budgets that have been agreed upon previously by the company's management. From these findings, arguably financial performance is a key factor that determines disclosures that influence investor reactions, (Refandi Budi Deswanto, 2017) which will lead to an increase in Corporate Value. This can be understood when company leaders are able to bring good growth from the financial side (asset growth) and reported in financial statements openly and informally, so that the reaction of stakeholders, especially investors, is very appreciative. Of course, this has an impact on increasing Corporate Value as measured by the increase in company value (return and Tobin's Q) on the trading floor. Here are researchers who found a positive relationship between financial performance and company value, Bartlett (2012); Setiawanta (2016); Sucuahi & Cambarihan (2016); Ratri & Dewi, (2017); Deswanto & Siregar, (2017); Nurdin & Kasim, (2017); Ayuba, Bambale, Ibrahim, & Sulaiman, (2019). Based on the description, the third hypothesis are:

H3a : Financial Performance (EPS) has an influence on corporate value.

H3b : Financial Performance (PBV) has an influence on corporate value.

H3c : Financial Performance (DER) has an influence on corporate value.

METHOD

The model developed in this study was to examine the effect of independent variables on the dependent variable, to examine the relationship between gender diversity, managerial ownership, financial performance, and Corporate Value that is proxied by Tobin's Q. The object of this research was food and beverage companies listed on the Indonesia Stock Exchange from 2009 to 2018, which met strict purposive sampling criteria, namely consecutive lists throughout the year of observation, all variable elements in this study are met, diversity in corporate leadership gender matters (gender diversity), company management is part of managerial ownership and other supporting data were recorded for financial performance such as EPS, PBV, and DER and data information for Tobin's Q.

Based on these criteria obtained 50 observational data arranged in a time series, the data were formulated in the usual multiple linear regressions using the SEM_PLS statistical tool. PLS is a statistical variant of an SEM-based variant designed to complete multiple regression when certain data problems occur, such as small sample sizes, lost data and multicollinearity (Imam Ghozali, 2012).

$$C.V_{tobins}\,q = a + b_1 GD + b_2 MO + b_3.\ EPS + b_4.PBV + b_5.DER + e_{1\text{-}5}$$

Where:
$C.V_{tobins}q$: Corporate Value (Tobins Q)
GD : Gender Diversity
MO : Managerial Ownerships
EPS : Earning per Shares
PBV : Price to Book Value
DER : Debt to Ewquity Ratio
e_{1-5} : Error coefficient of the regression equation

The following are shown dependent, independent, operational definitions and measurement variables of this study, which were taken from several kinds of literature used in this study, after processing in accordance with the provisions of each of these variables

Table 1. Research variables, operational definitions, and measurements

Dependent variable	Definition and Measurement
Corporate Value	Tobin's Q: The Tobin's Q ratio equals the market value of a company Divided by its asset's replacement cost $$\text{Tobin's Q} = \frac{(\text{Equity Market Value} + \text{Liabilities Market Value})}{(\text{Equity Book Value} + \text{Liabilities Book Value})}$$
Independent Variable	**Definition and Measurement**
Gender Diversity	Gender Diversity is an equitable or fair representation of people of different genders, for the example in the board composition. In this study measured by using a dummy variable, with statement of numbers, 1= if the sample company has a female board number, and 0 = if the sample company has not.
Managerial Ownership	Managerial ownership is the number of company shares owned or Controlled by the management or top management of the company $$\text{Managerial Ownership} = \frac{\text{Number of shares owned by management}}{\text{Number of all company shares}}$$
Earnings per Share (EPS)	EPS is part of the company's profits allocated to each outstanding share $$\text{Earnings per Share (EPS)} = \frac{(\text{Net Profit after Tax - Dividend})}{\text{Number of outstanding Shares}}$$
Price to Book Value (PBV)	Book value is the equity value divided by the number of shares available. It can be said that book value is the value of equity per share. Own equity is obtained from the difference in the number of assets minus liabilities. $$\text{Price to Book Value (PBV)} = \frac{\text{Stock Price per Share}}{\text{Book Value Per Share}}$$
Debt to Equity Ratio (DER)	DER is financial ratio that shows the relative proportion between Equity and Debt used to finance company assets. Total Debt

$$\text{Debt to Equity Ratio (DER)} = \frac{}{\text{Equity}}$$

Sources: from various literatures in this study are processed and restated

RESULT AND DISCUSSION

Descriptive statistics in this study include independent variables and dependent variables as shown in Table 2 below:

Table 2. Descriptive Statistics

Variable	Indicator	N	Minimum	Maximum	Median
Gender Diversity	Dummy	50	-0,473	2,012	-0,473
Managerial Ownership	MO	50	-0,581	2,460	-0,537
Fin.Perf	EPS	50	-0,568	2,938	0,470
Fin.Perf	PBV	50	-1,036	2,579	-0,243
Fin.Perf	DER	50	-1,393	1,893	-0,664

Source: PLS SEM processing

Based on the above table for the Gender Diversity independent variable, the minimum value is -0.473, the maximum value is 2012 and the median is -0.473 the mode value is -0.473. For Managerial Ownership variables, the minimum value is -0.581, the maximum value is 2.460 and the median value is -0.537 and -0.564. For the Financial Performance (EPS) variable, the minimum value is -0.568, the maximum value is 2.938 and the median value is -0.470 and the -0.557 mode. For the Financial Performance (PBV) variable, the minimum value is -1.036, the maximum value is 2.579 and the median value is -0.334 and the -1.035 mode. For the Financial Performance variable (DER) the minimum value is -1 -1.93, the maximum value is 1.893, the median value is -0.664 and the -1.176 mode. While the dependent variable Corporate Value minimum -1,210, maximum value 2,224 and median -0,001 and -1,210 modes.

The goodness of fit models is measured using R-square dependent latent variables with the same interpretation as regression. Q-Square predicts the relevance of structural models, measuring how well the observed value is generated by the model and also its parameter estimation. R-square value> 0 indicates the model has the opposite predictive relevance if the R-square value = 0 indicates the model lacks predictive relevance. The results of the inner model measurements with PLS are as follows:

Table 3. R. Square

	R Square	Adjusted R Square
Y1	0.900	0.867

Source: PLS SEM processing

From the R Square table above, the R Square value is 0.900. The R Square results can be explained that the influence of Gender Diversity (X1), Managerial Ownerships (X2), EPS Financial Performance (X3), PBV Financial Performance (X4) and DER Financial Performance (X5) gives a value of 0.900 which can be interpreted that Dependent latent variables can be explained by independent latent variables of 90%, while 10% is explained by other variables outside the study. From these descriptions, it can be categorized that the dependent variable can be explained by an independent variable with a moderate scale. Adjusted R Square value has a value with an interval between 0 to 1. If the Adjusted R Square value is getting closer to 1, it shows that the independent latent variable (X) explains the variation of the dependent latent variable (Y) getting better. In this study, the Adjusted R Square value was 0.867 or 86.7%. Then it can be concluded that 86.7% of the variations that occur in the Y variable can be explained by independent latent variables, while the rest can be explained by other variables

Inner model evaluation is done by testing the suitability of the model, path coefficient and R2. In the model match test, there are 3 test indices: the average path coefficient (APC), the average R-Squared (AVR) and average variance factors (AVIF), with the APC and AVR criteria accepted with more p-value <0.05 and AVIF smaller than <= 5. The following are presented in the results of the evaluation data processing inner model:

Table 4. Model fit and quality indices

Quality Indices	Result	P Value	Information
Average Path Coefficient (APC)	0.338	P = 0.001	Model Fit
Average R Squared (ARS)	0.900	P = 0.001	Model Fit
Average Block VIF (AVIF)	1.707	Acceptable if <=5, Ideally <=3.3	Model Fit

Source: PLS SEM processing

Based on these data it can be said that the APC p-value value is 0.001 and the ARS p-value value is 0.001 which means both are <0.05, thus the APC and ARS values meet the model fit requirements. The p-value of AVIF is 1,707 and is stated to meet if AVIF <= 5, thus the value of AVIF meets the requirements of the Fit model. Thus, it can be concluded that the model in this study meets the model fit rules.

The hypothesis, the value analyzed is the value that exists in the p-value generated from the PLS output, which is an estimation of the latent variable which is a linear aggregate of the indicator. The hypothetical significance level (α) of 5% is determined. If the p-value is <0.05, the hypothesis is accepted and If p-value> 0.05, the hypothesis is rejected. The output of Bootstrapping PLS to test the research all hypotheses will be displayed in table 5 below:

Table 5. Path Coefficient and P Values

Path coefficients					
	GD	MO	EPS	PBV	DER
Tobins	-0.160	0.189	0.084	0.677	-0.582
P Values					
	GD	MO	EPS	PBV	DER
Tobins	0.56	0.032**	0.198	<0.001*	<0.001*

Source: PLS SEM processing, P value : * Sig = 1% and ** Sig = 5%

Based on Table 5 above, it can be concluded the first hypothesis stated that the existence of women in the gender diversity of corporate leadership has an influence on the creation of Corporate Value, unacceptable. This can be seen from the GD P-Value value in the table above which is 0.056 or p-value> 0.05 and has a negative coefficient direction of -0.160. The second hypothesis stated that the ownership of shares by the leadership of the company has an influence on the creation of Corporate Value, acceptable. This can be seen from the value of P-Value MO in the table above is 0.032 or p-value <0.05 and has a positive coefficient of 0.189. The third hypothesis, (a) which states that EPS Financial Performance has an influence on the creation of company value is unacceptable. This can be seen from the P-Value EPS value in the table above which is 0.198 or p-value> 0.05 and has a positive coefficient of 0.084. The third hypothesis, (b) which states that PBV's Financial Performance influences the creation of company value is acceptable. This can be seen from the value of the PBV P-Value in the table above which is 0.001 or p-value <0.05 and has a positive coefficient of 0.677. The third hypothesis, (c) which states that DER Financial Performance has an influence on the creation of Corporate Value is acceptable. This can be seen from the P-Value DER value in the table above which is 0.001 or p-value <0.05 and has a negative coefficient direction of -0.582.

The results of this study indicate that the presence of women on the board of directors did not affect the value of the company. Allegedly because women don't like risk more than men, therefore women have a low percentage in some positions than men. Does this mean that men are more willing to take financial risks than women? The answer to this question has direct relevance to many economic problems. Charness & Gneezy (2012), found the results that were very consistent with previous studies he conducted in 2004 and 2007, that women did not invest, and thus seemed to avoid financial risks more than men. This finding is in accordance with the perspective from Kesner (2014) which states that uniqueness is not enough for the competence of the director. Likewise, a statement from, Tharenou, Latimer, & Conroy (2014), that women tend to invest less in education, according to them they are also considered to lack expertise in the business field (Terjesen et al., 2009). Supported by the research results there is a negative relationship between the board of directors of women with an increase in the value of the company which stated by Smith, Smith, & Verner (2006); Rose (2007); Renee B. Adams (2009); Strom (2010); Carter et al. (2010) and Ernest Gyapong (2016) for the case of companies in the United States.

The results of this study certainly do not support the existence of a partner in the direction of expanding Resource Dependence Theory in the present that will provide benefits to the company. As a result, providing more valuable resources, which should result in better company performance, is less than optimal in the case of companies in Indonesia. This result is surprising because the sample in this study is quite strict in representing companies that have female leaders among other male leaders for 10 years of observation of company resilience. The results of this study are also in line with research conducted in public companies in sectors other than food and beverage in Indonesia which found by, Astuti (2017); Kartikaningrum (2016) for the case of the *sharia* banking board of directors and Andhariani, (2013) for the case of all public companies in Indonesia.

The results of this study indicate that the company's share ownership in the board of directors turns out to have an influence on Corporate Value. This indicates that the function of the board of directors as a liaison of the company and external parties to overcome environmental dependence can run well, as revealed by, Jeffrey Pfeffer, (1978), the relationship between the two is balanced and has an impact on Corporate Value (Garay & González, 2008). Thus the function of monitoring and evaluating the performance of managers and controlling the level of compliance of all levels of staff to managers of any internal and external regulations imposed by the company, Carter et al. (2010) stated that it can run well with the ownership of shares by the managerial company. This is in line with the statement, Jensen & Meckling (1976) which stated that achieving company value can be maximized if the company's ownership is controlled by the majority of the board of directors. This happens because the ownership structure is an element that plays an important role in corporate governance (McConnell, 2010). As stated by, Holderness (2003), that the higher level of ownership the higher control of company decisions and control of managerial implementation, as well as, HT and Miftahurrohman (2014). The results of this study found a positive influence and this was in line with the results of research for the manufacturing industry by Tedi Rustendi (2008), Other researchers found the influence of managerial ownership on Corporate Value, although some were in negative relationships, such as, Pujiati & Erman Widanar (2008); Sri Sofyaningsih (2011); Sukirni (2012); Herni Ali HT (2014); Monica Angelina Tandiyo & Stephanus (2014) and (Rahma, 2014).

CONCLUSION AND RECOMMENDATION

Financial performance, it was found in this study an insignificant result, especially for EPS, this indicates that financial performance that operates well in each sample company in the book value of income on share ownership does not get a good response from investors. Information on company efficiency in using company profits can be a positive signal for investors, in order to raise Corporate Value through its stock price, Setiawanta (2016), become irrelevant in this study. The results of this study are in line with the research found by, Sigit Hermawan and Afiyah Nurul Maf'ulah (2014) and Refandi Budi Deswanto (2017), who find financial performance does not affect the value of the company. But this is different from the financial performance of PBV and DER which shows a significant influence on the value of the company. This shows that the financial performance of PBV and DER is seen as a perspective for investors and is a good signal to invest. This is the trigger for the hypothesis that the better the company's financial performance, the more Corporate Value (from the market response) will be proven. The better the change in the position of the company's financial performance, this will affect the market value as an impact of investor interest in investing which has an impact on the value of the company's shares. (Kusumawardani, 2011). This result is in accordance with the research conducted by, Sucuahi & Cambarihan (2016); Nurdin & Kasim (2017); Kuzey & Uyar (2017); Ayuba, Bambale, Ibrahim, & Sulaiman, (2019) who found the relationship between financial performance and the market value of the company.

By observing some of the findings the above research, it seems that for studies on food and beverage companies with good corporate status and leaders in their midwives, it can be said that investors still lack confidence in the participation of women in corporate leadership to bring better company performance, conversely investors believe precisely if the company is led by someone or a group of people who own company shares, it will be able to bring the company's performance to a better level, even though the financial performance that concerns investors is the value of PBV and DER in the food and beverage group. This is, of course, attractive to prospective investors who have not understood the conditions or organizational behavior in the group of companies, so the results of this study are really expected to help provide a picture of potential investors in a concise and focused manner before they make a decision to invest in sample companies in research this. For future research, it is possible to examine financial performance from a liquidity and profitability perspective so that it can provide more comprehensive results and information from the food and beverage industry group to potential investors.

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