Effect of Gender Moderation in Influencing Capital Structure on Firm Value of Consumer Goods Industry Listed on Indonesia Stock Exchange

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Abstract  
The objective of this research is to analyze the effect of gender moderation in influencing capital structure on firm value of consumer goods industry listed on Indonesia Stock Exchange. The sample was determined based on purposive sampling technique and 27 companies were obtained as research sample. Capital structure was measured using debt to total asset ratio as an independent variable, gender diversity as a moderating variable, and firm value was measured using price earnings ratio as dependent variable. The multiple regression analysis showed that capital structure had a significant positive effect on firm value and gender diversity could strengthened the relationship of capital structure to firm value. This result indicated that female directors in top management could contribute to capital structure decisions that increase firm value.

Keywords: gender diversity, firm value, capital structure

INTRODUCTION

Financial markets have an important role in promoting Indonesia’s economic growth. Variations of instruments in the financial market have aspects of financing and risk management, as well as diverse investors who can make a positive contribution to alternative sources of economic financing (Bank Indonesia, 2018). This makes funds amounting to 49.98% of the financial market targeted to support infrastructure development in 2020–2024, which is one of the pillars of the Indonesian economy (Bank Indonesia, 2018).

The financial market consists of the money market and the capital market. Capital market as a facilitator in trading long-term securities, one of which is the shares that are listed by the company (Gitman et al., 2016). Offering of shares by the company can be made through private placements and public offerings. Most companies opt for a public offering, where the shares will be sold publicly. This allows individual and group investors who are in the public to buy the shares.

Investors will choose investments based on knowledge of the company that makes the stock offering, investment objectives and others (Gitman et al., 2016). In general, investments made by investors aim to get profits in the future, so investors will choose companies that are able to provide profits in accordance with their goals (Gitman et al., 2016).

Financial information is obtained by investors through financial statements published by the company (Scott, 2015). Such information can help investors to form perceptions of company value (Margaret & Hidayat, 2016). A good company value indicates that the company has a good financial condition (Dhani & Utama, 2017).

Companies can have good corporate value through determining the composition of the capital structure consisting of equity and debt (Heng et al., 2012; Gitman & Zutter, 2014). Mudijjah et al. (2019) and Sinaga and Kurniawati (2016) who measured the value of the company using price to book value (PBV) and Ningrum et al. (2019) which calculates the value of the company using the price earning ratio (PER) shows the result that the capital structure has a positive and significant effect on the value of the company. This happens because the company is able to carry out operational activities properly using additional funds derived from debt. The use of these debts obtains benefits in the form of tax shields at
adequate costs so as to increase the value of the company. However, Pasaribu et al. (2016) and Sihaloho and Erawati (2019) using PBV as an indicator of company value found that the capital structure had a negative and significant effect on the value of the company. This happens because the company uses debt beyond the company's optimal limit so that it can reduce the value of the company.

An optimal capital structure can be obtained by the company when the value of the company increases with minimal capital costs. That way each company will determine the right point of debt use in accordance with the characteristics and policies of the company, so that each company will have a different estimate of the optimal capital structure (Arias et al., 2011; Sundari, 2016). Furthermore, each company will consider the conditions of the company's industry, where a well-run industry allows the company to avoid the risk of bankruptcy due to the use of debt, and vice versa (Gitman & Zutter, 2014).

Risiko is an uncertainty that can result in losses (Ramadiyah, 2014), so that the perception of risk that management has can influence financial decisions in the nature of the company (Abdeldayem & Sedee, 2018). Risk aversion management has an impact on the capital structure with low debt use, so that it has minimal risk and benefits (Dethamrong et al., 2017). The difference in perceptions of risk tolerance can be explained by gender (Peltomaki et al., 2019). Genders consisting of women and men are considered to have different responses and responses in risk-limiting (Grant Thornton, 2016). Men are considered to have a higher risk tolerance than women (Pan & Statman, 2012; Marlow & Swail, 2014).

The presence of women and men can make the management ranks have gender diversity that encourages more ideas, solutions and broader thinking in the management ranks (Hillman, 2014). These differences in perspectives provide benefits in the form of decision making with many alternatives to determine the capital structure (Suherman, 2017; Adusei & Screwdriver, 2019). The Grant Thornton report (2017) states that men are the most numerous gender in the company's management. Yilmaz (2012) stated that some experts believe that adding women in management can make the company more effective in dealing with risks.

Creary et al. (2019) and Loop and Denicola (2019) found that many companies are driving gender diversity within the management ranks that are expected to deliver good performance. This is in accordance with the Grant Thornton Report (2019) which shows that Indonesia is one of the countries that has experienced an increase in the number of women in the economic field. Furthermore, Berita Satu (2017) reported the results of Women In Business research which stated that 46% of women in Indonesia have occupied the management ranks. This is supported by Table 1 which shows that the increase in female directors in Indonesia by the World Economic Forum began to experience a trend since 2015 (2013, 2014, 2015, 2016, 2017, 2018).

Thus, it is interesting to study in order to find out whether the increase in women in the management ranks in Indonesia is able to influence capital structure decisions on the value of companies in the consumer goods industry. The consumer goods industry trades daily household needs, one of which is basic human needs (Central Statistics Agency, n.d; Maylor, 2010). In addition, researchers want to re-examine the influence of capital structure on company value due to differences in research findings by Mudijjah et al., (2019), Ningrum et al., (2019) and Sinaga and Kurniawati (2016) who found significant and positive results. However, Pasaribu et al., (2016) and Sihaloho and Erawati (2019) found significantly negative results.

Table 1. Indonesia Economic Participation and Opportunity: Legislators, Senior Officials, and Managers.

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>21</td>
</tr>
<tr>
<td>2014</td>
<td>21</td>
</tr>
<tr>
<td>2015</td>
<td>23</td>
</tr>
<tr>
<td>2016</td>
<td>20</td>
</tr>
<tr>
<td>2017</td>
<td>22</td>
</tr>
<tr>
<td>2018</td>
<td>27.5</td>
</tr>
</tbody>
</table>

This research is expected to provide benefits for companies to consider gender diversity in management structures that have an impact on capital structure decisions that can increase company value, for investors to make investment considerations related to capital structure, gender diversity and company values. Then it is hoped that this research can increase the knowledge of academics, researchers and subsequent researchers as a research reference.

**Library Review and Hypothesis Development**

**Agency Theory**

Agency theory explains the relationship between the agent as the party who runs the company and the principal as the owner of the company. In this case, shareholders as principals entrust management as agents to run the company in accordance with the principal's goals (Scott, 2015). The agent's goal is to improve the health of principals as much as possible (Gitman & Zutter, 2014). This theory illustrates that the actions of management as agents to make optimal capital structure decisions will increase the value of the company which has an impact on increasing shareholder health.

**Signaling Theory**

Signaling theory can explain funding actions by companies that reflect the company's performance (Gitman & Zutter, 2014). When a company uses debt as funding, it believes it will have good performance prospects so that it can afford to repay obligations from the use of debt. This can be used as a signal to investors how the company views the company's prospects (Anita & Sembiring, 2016; Naibaho et al., 2015; Nur & Siahaan, 2016).

**Glass Ceiling Theory**

The glass ceiling theory explains that it is difficult for women to achieve senior management positions, which is an inequality of opportunity between women and men that occurs in some countries (Wesarat & Matthew, 2017). Glass ceilings occur due to transparent barriers caused by gender stereotypes that occur in society regarding the differences in characteristics that men have and (Bruckmuller et al., 2014). However, women's tensions create barriers—these transparent barriers can be passed by women known as breaking the glass ceiling theory (Sahoo & Lenka, 2016).

**Capital Structure**

The capital structure consists of two components, namely debt capital and equity capital. The capital structure can be measured using the Debt to Total Asset Ratio (DTAR). Dhani and Utama (2017) state that DTAR describes the debt used by the company to buy assets to help the company's operational activities. Weygandt et al. (2014) states that DTAR is a ratio that calculates the percentage of asset provided by debt.

**Gender Diversity**

Gender diversity is gender diversity between women and men. Loop and Denicola (2019) recommend several things for companies to do, one of which is to have more than one woman in the company's management ranks on the grounds that one woman is not enough to support change in the company. Gender diversity in this study was measured by the percentage of the number of female directors divided by the total number of board members following Farag and Mallin (2016), Suherman (2017), and Winasis and Yuyetta (2017).

**The value of the company**

Company value has a relationship with investor perception in seeing the company's success rate (Herawati, 2013). A high company value indicates that the company is able to provide high profits to investors so that investors' wealth can increase (Gitman & Zutter, 2014). The value of the company is calculated using the Price Earnings Ratio (PER) which measures how much profit is obtained from the price of shares in the market. According to Weygandt et al. (2014) PER can reflect investors' assessment of the value of the company.
Hypothesis

An optimal capital structure can increase the value of the company. The use of debt in the capital structure can provide benefits in the form of a tax shield, so that profits can be greater and thus increase the value of the company. Furthermore, the research conducted by Pasaribu et al. (2016) and Sihaloho and Erawati (2019) who found that the capital structure and value of the company had a significant and negative effect, and Mudjjiah et al., (2019), Ningrum et al., (2019) and Sinaga and Kurniawati (2016) found that the capital structure had a significant and positive effect on the value of the company. Then formulated the hypothesis as follows:

H₁: The capital structure has a significant and positive effect on the value of the company.

The risk perspective of management affects how much risk can be accepted by management in making decisions (Grable, 2016). Genders consisting of women and men are considered to have a risk-related response in different ways, so gender diversity makes management have more ideas and alternatives to determine capital structure decisions. Rovers (2011) found that companies that have women in the management ranks can make better decisions that have a positive impact on the company. Likewise with Kuen et al. (2017) and Adusei and Screwwdriver (2019) also stated that the presence of women can help consideration better capital structure decisions that have an impact on increasing the value of the company. Furthermore, Charness and Gneezy (2012), Huang and Kisgen (2013) and Graham et al. (2013) found that women who had feminine characteristics tended to use less debt. Then formulated the following hypothesis:

H₂: Gender diversity can strengthen the influence of capital structure on company value.

METHOD

This study used a causal descriptive design using time-series quantitative data. Descriptive design is a form of research data analysis that provides a mathematical description of the phenomenon investigated based on existing data (Nasution, 2017; Kanita, 2014). Causal design is used to investigate causal relationships and the influence of one variable on another (Masruroh et al., 2016).

The data used in this research is secondary data obtained from financial and annual reports published on the Indonesia Stock Exchange (IDX) for the period 2015 to 2018. Financial and annual reports are obtained by downloading from the official website of the IDX, namely www.idx.co.id.

The population and sample in this study were consumer goods industry companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2018. Samplelois is selected based on purposive sampling according to the criteria that have been determined i.e. all companies that operate in the field of consumer goods industry and are consistently registered in the IDX and published financial and financial reports from 2015 to 2018. A total of 10 companies were expelled for inconsistently being registered during the four-year research period and 12 companies were expelled for inconsistently publishing annual reports and financial. Thus, 27 samples of companies that met the criteria were obtained, so that the number of observations for the four-year observation period was 108 data.

The data were analyzed using multiple regression to test hypotheses. The hypothesis test is preceded by a classical assumption test that includes the heteroskedasticity and multicholinearity tests. Uji heteroskedasticity using Breusch-Pagan-Godrey produces a variable value of > 0.05 indicating no heteroskedasticity occurs. The multicholinearity test provides results with a VIF value of < 10 so that there is no multicholinearity problem in this research model.
Research Variables

Independent Variables
The structure of capital as an independent variable uses the formula:

\[ \text{Debt to Total Asset Ratio (DTAR)} = \frac{\text{Total debt}}{\text{Total asset}} \]

Moderation Variables
Gender diversity as a moderation variable uses the formula:

\[ \text{Diversitas Gender (DG)} = \frac{\text{Direksi wanita}}{\text{Total jumlah direksi}} \]

Dependent Variables
The value of the company as a dependent variable uses the formula:

\[ \text{Price Earning Ratio (PER)} = \frac{\text{Market Price per Share}}{\text{((Net income– Preference dividends) / Weighted Average Number of Ordinary Shares Outstanding)}} \]

Data Analysis Techniques
The data analysis technique used in this study is multiple linear regression analysis. The following is the regression equation in this study:

1. \( H_1 \) → Regression equation I:
   \[ \text{PER} = \beta_0 + \beta_1 \text{DTAR} + \beta_2 \text{DG} + \epsilon \]

2. \( H_2 \) → Regression equation II:
   \[ \text{PER} = \Gamma_0 + \Gamma_1 \text{DTAR} + \Gamma_2 \text{DG} + \Gamma_3 \text{DTAR} \times \text{DG} + \epsilon \]

Where:

\( \text{PER} = \text{Price Earning Ratio} \)
\( \beta_0 = \text{Constant } H_1 \)
\( \beta_1 = \text{First regression coefficient } H_1 \)
\( \beta_2 = \text{Second regression coefficient } H_1 \)
\( \Gamma_0 = \text{Constant } H_2 \)
\( \Gamma_1 = \text{First regression coefficient } H_2 \)
\( \Gamma_2 = \text{Second regression coefficient } H_2 \)
\( \Gamma_3 = \text{Third regression coefficient } H_2 \)
\( \text{DTAR} = \text{Debt to Asset Ratio} \)
\( \text{DG} = \text{Gender Diversity} \)
\( \epsilon = \text{Error term} \)

The established criteria for decision making in relation to the hypothesis are:

- If the value of \( \beta_1 \leq 0.05 \) then \( H_0 \) is rejected or \( H_a \) is accepted indicates that the independent variable has a significant and positive influence on the dependent variable.
- If the value of \( \Gamma_3 \leq 0.05 \) then the moderation variable can reinforce the independent variable against the dependent.

RESULTS AND DISCUSSION

Table 2. Descriptive Test Results

<table>
<thead>
<tr>
<th></th>
<th>Obs</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Median</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTAR</td>
<td>108</td>
<td>0.0047</td>
<td>0.9765</td>
<td>0.1395</td>
<td>0.0643</td>
<td>0.1617</td>
</tr>
<tr>
<td>DG</td>
<td>108</td>
<td>0</td>
<td>1</td>
<td>0.1961</td>
<td>0.1548</td>
<td>0.2273</td>
</tr>
<tr>
<td>FOR</td>
<td>108</td>
<td>-1044.03</td>
<td>1242.4242</td>
<td>29.6469</td>
<td>16.4985</td>
<td>282.1446</td>
</tr>
</tbody>
</table>

Source: SPSS data processing

Table 2 shows that the minimum value of DTAR is only 0.0047 owned by PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2016. Then the maximum value of DTAR, which is 0.9765, owned by Bentoel Internasional Investama Tbk in 2015, the mean value of the industry, which is .1395, indicates that the average consumer goods industry company uses debt of 13.95% to fund company assets. Furthermore, the mean value of .1395 > the median value of 0.0643 indicates that the average company uses high debt data
in the consumer goods industry. However, the mean value of .1395 < the standard deviation value of 0.1617, so the mean value cannot represent the average use of debt to fund asset company.

Table 2 states the minimum value of DG is 0 by 14 of the 27 companies sampled or 38 of the 108 observations that did not have a female director during or between 2015 and 2018. Then the maximum value of DG is 1 by the company Inti Agri Resources Tbk., which indicates that the company uses women as the entire management board. Then the average value of DG .1961 indicates that on average the company has 19.61% of female directors in the company. Furthermore, the mean value of .1961 > the median value of 0.1548. This reflects that the average company has a high female board of directors in the management ranks. However, the mean value of .1961 < the standard deviation value of 0.2273, so the mean value cannot represent the data.

Table 2 shows that the minimum value of PER is -1044.03 owned by the company Inti Agri Resources TBK in 2015. A negative PER value indicates that the company has negative earnings per share, resulting in a negative PER value indicating that investors are willing to pay 1044.03 times more than earnings per share even if the company has a negative profit. Then the maximum value of PER of 1242.42 was owned by Bumi Teknokultura Unggul Tbk in 2016. This reflects that investors are willing to buy shares of the company 1242.42 times greater than the earnings per share offered by the company. The mean value of PER is 29.6469. This reflects that the average investor is willing to buy shares 29.6469 times greater than the earnings per share owned by the company. Furthermore, in Table 2 there is a mean value of 29.6469 > a median value of 16.4985 which reflects that the average investor is willing to pay higher to acquire shares of the company. However, the standard deviation value of 282.1446 > the mean value of 29.6469 indicates that there is a data deviation so that the average value cannot represent the overall average PER of companies in the consumer goods industry from 2015 to 2018.

**Correlation Analysis**

<table>
<thead>
<tr>
<th>Table 3. Correlation Test Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTAR</td>
</tr>
<tr>
<td>DTAR</td>
</tr>
<tr>
<td>DG</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>FOR</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS data

Table 3 shows significant values of DTAR and PER of 0.041 < 0.05 which indicates that the DTAR and PER variables have a positive significant correlation. This indicates that companies that have high corporate values also have a high DTAR value. DTAR and DG have an insignificant positive correlation, since the significant values are 0.982 > 0.05. This indicates insignificantly that more and more female directors in the management ranks are likely to use debt to fund assets.

DG and PER have significant values of 0.019 < 0.05 indicating DG and PER have significant and negative correlations. DG measures the percentage of women in the management ranks so this indicates that management that has too many women will have an impact on reducing the fundamental value of the company. Table 2 of the descriptive analysis shows that the lowest PER of -1044.03 by Inti Agri Resources TBK in 2015 was a company that had 100% female directors in 2015. The company has negative earnings per share indicating the company's fundamental value is not good, but investors pay 1044.03 times more than the negative earnings per share offered. The correlation between DG and PER - 0.225 indicates the correlation between the variables is not very close because it is not close to 1.
Hypothesis Test

Table 4. Regression Test Results I

<table>
<thead>
<tr>
<th>Free variables</th>
<th>Unstandardized Coefficients</th>
<th>t</th>
<th>itself</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>37.680</td>
<td>41.310</td>
<td>0.912</td>
</tr>
<tr>
<td>DTAR</td>
<td>351.792</td>
<td>162.212</td>
<td>2.169</td>
</tr>
<tr>
<td>DG</td>
<td>-287.472</td>
<td>115.643</td>
<td>-2.486</td>
</tr>
<tr>
<td>Rsquare=</td>
<td>0.093</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted square=</td>
<td>0.075</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-Value</td>
<td>5.363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob. (F)</td>
<td>0.006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of data=</td>
<td>108</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Bound variable = PER  
*Source: SPSS data processing*

Table 4 shows the *p-value* of DTAR 0.032 < 0.05 indicates that H1 is accepted where the capital structure had a significant positive effect on the value of the company in the consumer goods industry from 2015 to 2018. Furthermore, the adjusted value of Rsquare is 0.075, where the percentage of contribution of the influence of the capital structure on the value of the company is 7.5%. Table 4 shows positive coefficient results reflecting that companies that experience an increase in DTAR by 1 will make PER increase by 351.792. This is in line with the analysis in Table 3 of the correlation test between DTAR and PER which has a positive correlation. This is in accordance with research conducted by Mudjijah et al., (2019), Ningrum et al. (2019) and Sinaga and Kurniawati (2016) who found that the capital structure had a significant effect on company value and was not in accordance with research conducted by Sihaloho and Erawati (2019) and Pasaribu et al. (2016) which found that capital structure has a significant negative effect on company value.

Table 5. Regression Test Results II

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>t</th>
<th>itself</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>B</td>
<td>Std. Error</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>94.527</td>
<td>39.986</td>
<td>2.364</td>
</tr>
<tr>
<td>DTAR</td>
<td>-310.283</td>
<td>209.050</td>
<td>-1.484</td>
</tr>
<tr>
<td>DG</td>
<td>-571.919</td>
<td>123.511</td>
<td>-4.631</td>
</tr>
<tr>
<td>DTAR*DG</td>
<td>3256.944</td>
<td>169</td>
<td>4.516</td>
</tr>
<tr>
<td>Rsquare=</td>
<td>0.241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted square=</td>
<td>0.220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-value=</td>
<td>11.034</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob. (F) =</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of data=</td>
<td>108</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Bound variable = PER  
*Source: SPSS data processing*

Table 5 shows that the interaction between DTAR and DG variables has a *p-value* of 0.000 < 0.05 with a positive correlation indicating that the interaction between DTAR and DG can moderate the relationship between capital structure and company value to be stronger. This corresponds to the value of Adjusted R 2 in the second regression equation which is greater than Adjusted R 2 in the first regression sequence (0.220 > .075). Furthermore, the influence of DTAR and DG interaction variables by 1 number increased PER by 3256.944. These results showed a higher improvement compared to the increase without DG in Table 4 Regression test results 1 (3256.944 > 351,792).

This result answers the formulation of the second problem, namely how the effect of moderation on the influence of capital structure on the value of the company. This is in accordance with Rovers (2011) which found that companies that have women in the
management ranks can make better decisions that have a positive impact on the perusahaan. Further Kuen et al. (2017) and Adusei and Screwdriver (2019) also stated that the presence of women can help consideration better capital structure decisions that have an impact on increasing the value of the company. Furthermore, Table 5 and Table 3 show a positive relationship between DTAR and DG indicating an increase in women has an impact on increasing debt, so this is inconsistent with Charness and Gneezy (2012), Huang and Kisgen (2013) and Graham et al. (2013) which states women who have feminine characteristics tend to use less debt.

CONCLUSION

The results of the first hypothesis test show that the capital structure proxied using DTAR has a significant and positive effect on the value of companies proxied using PER. This indicates that the company uses debt funds to fund the needs of assets used to make its operations run smoothly, so as to increase the value of the company. This result is also in accordance with the agency theory where management will make decisions that have an impact on improving shareholder welfare through increasing the value of the company. In addition, this is also in accordance with signaling theory where companies that use debt give a signal that the company has a good financial condition prospect to replace the debt, so investors consider the information as a positive signal given by the company.

The results of the second hypothesis test show that gender diversity moderation can strengthen the relationship between capital structure and company value. This indicates that the presence of female directors in the management ranks can have a good impact through capital structure decisions that affect the value of the company. Furthermore, the results of the correlation test between DTAR and DG also show that insignificantly more women can increase debt use. These insignificant positive correlation results do not correspond to perceptions of the feminine characteristics of women who tend to use little debt. Thus the results of the second hypothesis test received and the positive correlation between DTAR and DG do not correspond to the perception of the characteristics of women in the glass ceiling theory regarding gender stereotypes because the results indicate that women are also capable of leading and even making a positive contribution in the management ranks.

Limitations and Suggestions

The limitations in the research sample only used consumer goods industry companies, the capital structure only used debt to total asset ratio, gender diversity proxies only used the percentage of female directors in management ranks where if the result is zero or 1, then there is no gender diversity. Then, the value of the company only uses the price earning ratio as a proxy where if there is a negative earnings per share, it will affect the descriptive analysis so that it cannot reflect which observations show the availability of investors in buying the lowest stocks, and it does not perform non-linear relationship tests due to the limited number of observations. A non-linear relationship test is necessary given that the influence of the capital structure on the value of the company has a maximum level that can change the direction of the relationship.

The proposed suggestion is that researchers can then test non-linear relationships by using a larger number of observations to find out where the optimal point of capital structure is that can increase the value of the company, considering the use of capital structure at the optimal point can provide tax benefits and debt costs that increase the value of a particular company, if it passes that point at lowering the value of the company. In addition, this research uses only one independent variable which has a not strong correlation with the moderation variable after the results of the correlation test Table 3, so it is recommended that subsequent researchers add other independent variables that allow having a correlation with stronger gender diversity. Then investors who will invest in the consumer goods industry on the Indonesia Stock Exchange can consider gender diversity in the company as additional qualitative information for investment considerations, and companies in the consumer goods industry can consider the presence of female directors in order to have gender.
diversity in the management ranks, where the results of this study indicates that women are also capable of making a good contribution to the value of the company.

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