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EFFECT PROFITABILITY, HEDGING, AND GENDER DIVERSITY TOWARD FIRM VALUE

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ABSTRACT

Firm Value is an investor's assessment of the company's level of success which is often associated with stock prices. The high value of a company is determined by the value of a high stock price, high stock prices can result in a high rate of return to investors. The company's goal is to maximize the value of the company and increase shareholder wealth. This study aims to determine the effect of profitability, hedging, and gender diversity on firm value in coal mining subsector companies listed on the Indonesia Stock Exchange (IDX) for the period 2017 to 2021 simultaneously or partially. The data used in this study were obtained from annual reports and financial reports for 2017-2021. The population used in this study are coal mining sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2017 to 2021. The technique used in this research is purposive sampling. The statistical analysis used is panel data regression analysis. The research was conducted over a 5 year period with 13 companies obtained, so that a total of 65 observation data were processed.

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1. INTRODUCTION

Climate change that occurs is increasing every year has a dangerous impact on the world's population. One of the most significant causes of climate change is the excessive use of fossil energy that increases greenhouse gas (GHG) emissions beyond safe limits. Based on these conditions, countries in the world must take steps to overcome climate change by making a commitment to implement the *Net-zero Emission* policy by 2060 (Ministry of Energy and Mineral Resources, 2021).

In Indonesia, a new policy has been endorsed by President Joko Widodo in a Presidential Regulation (Perpres) on the Economic Value of Carbon (NEK). This policy is a form of Indonesia's first movement in contributing to climate change in the world (Putri, 2021). Head of the Fiscal Policy Agency of the Ministry of Finance (BKF-Kemenkeu) Febrio Kacaribu explained that the stipulation of the Presidential Regulation is an important foundation in determining Indonesia's policy direction towards the 2030 Nationally Determined Contribution (NDC) and Net Zero Emission 2060 targets.

Related to Net Zero Emission 2060 in Indonesia, throughout 2019 the largest contributor to greenhouse gas (GHG) emissions was found in the energy sector. The following is an infographic on the contribution of the energy sector to CO2 in greenhouse gas (GHG) emissions in Indonesia during 2019:

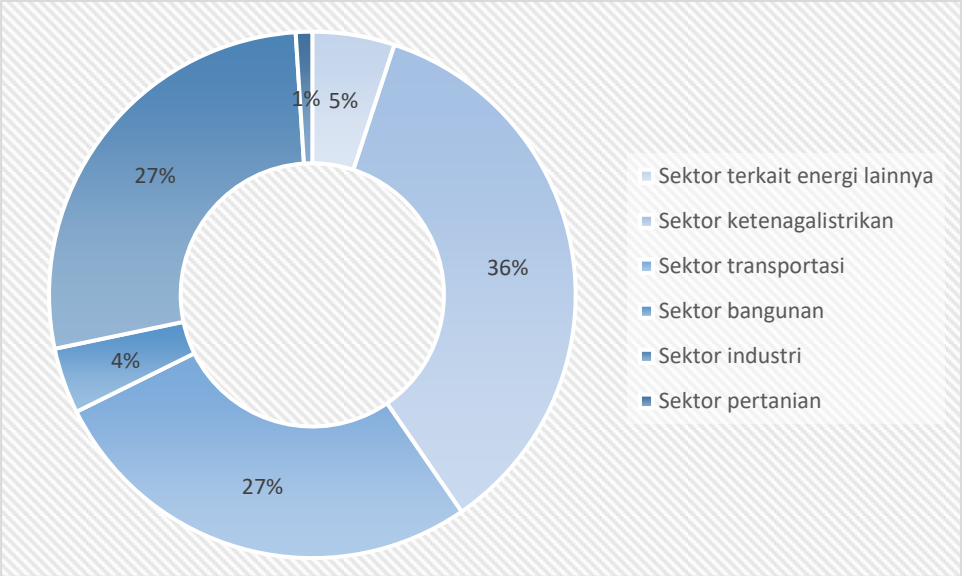

Figure 1. Energy-Related CO2 Emissions by Sector (2019)
Source: Climate Transparency Report (2021)

Based on figure 1, it is explained that the energy sector with the electricity generation subsector is responsible for 35% of GHG emissions, followed by transportation and industry at 27% each, other energy-related sectors at 5%, the building sector at 4%, and the agricultural sector at 1%. Overall GHG emissions are driven byCO2 emissions i.e. from fuel combustion. It is known that electricity generation is the largest contributor at 35%, followed by transportation and industry at 27% each.

In meeting the 2060 Net Zero Emission target , Indonesia certainly needs to reduce carbon emissions in the energy sector by switching to renewable energy with lower CO2 emissions. In addition, other solutions that are more effective are by closing the PLTU or by stopping the contract extension. However, Indonesia's electricity sector in electricity generation in 2020 was still dominated by fossil fuels at 82%, with coal accounting for the highest share at 62%. Related to this, the government has announced that it will not build new coal-fired power plants after 2023. However, at the same time, about 2 GW of coal capacity has started operating. In addition, in the NDC, Indonesia pledged to reduce coal by 30% by 2025 and 25% by 2050. Meanwhile, according to the Climate Transparency Report 2021 analysis, electricity generation from coal must even peak in 2020 and stop coal completely by 2037 to align with the path of limiting temperature rise to 1.5°C (Simanjuntak, 2021).

The Net-zero Emission 2060 policy that has been implemented by Indonesia will certainly have a major impact on the coal industry where the role of coal in the national energy system will continue to decline. Under such conditions, coal consumption and a sharp decline in national coal demand will consistently decline in the next 30 years. The decline in coal consumption in general will be concentrated in the power generation and industrial sectors with large emissions (Ministry of Energy and Mineral Resources, 2021). The reduced demand for coal will have an impact on the company's profit income. Low corporate profits will make investors turn away from the company and choose to invest in companies with more profitable sectors. On the other hand, the coal mining sector is one of the sectors with the highest GDP contribution. The following is an infographic on the GDP growth rate of the coal mining subsector for the 2017-2021 period:

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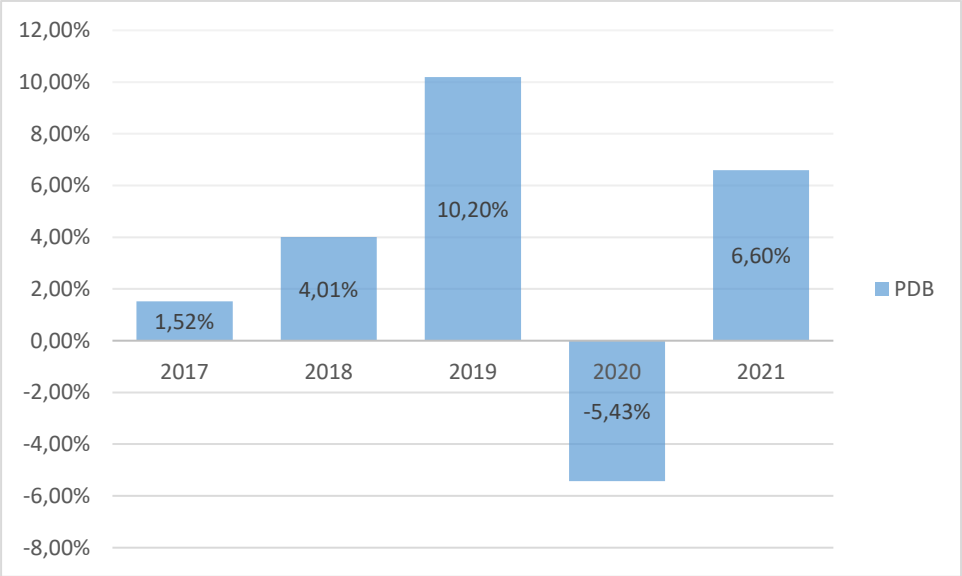

Figure 2. GDP Growth Rate of Coal Mining Subsector for the 2017-2021 Period**1**
Source: www.bps.go.id, data processed (2023)

Based on figure 2, it is explained that the coal mining subsector has an increased GDP growth rate for three years from 2017 to 2019. In 2020, due to global conditions that were experiencing a Covid-19 pandemic, the GDP value of the majority of sectors, including the coal mining subsector, fell. Until early 2021, it finally increased rapidly by 12.03%. This proves that the role of the coal mining subsector in the Indonesian economy is very important.

In the end, there is a dilemma faced by the coal mining sub-sector industry, with the Net-zero Emission 2060 policy which has a negative impact on companies where the amount of coal demand decreases in the future and the positive role of the subsector in the country's economy where the use of coal is still one of the largest energy used in most sectors, especially in the power sector and provides high GDP for the country's economic growth. Investors will avoid the coal mining subsector and choose other sectors to invest in with this dilemma. Lack of investment that goes into the company will reduce the value of the company's shares and the value of the shares becomes less stable. Stock prices that are stable and tend to increase attract investors to invest in the company so that later it affects the increase in company value, and vice versa (Kristina &; Wiratmaja, 2018). The value of the company is reflected in the company's share price. Corporate value refers to signaling theory. Signaling theory is information about a company's stock that is used by management to provide guidance to investors in making decisions. Signaling theory shows the existence of information relationships between company management and interested parties. The information used by investors in making decisions is the company's financial statements. Financial statements are used to see the current and future condition of the company. All information contained in the financial statements is listed on the company's stock price. Stock price is also a reference to the selling value of the company that will become the assessment of investors (Gitman, 2007).

Based on previous studies, there are several factors that affect company value including profitability, hedging and gender diversity. The first factor that affects the value of a company is Profitability. Profitability is one of the ratios to measure the company's ability to generate profits during a certain period both in terms of sales level, total assets and share capital (Sartono, 2016). This research uses the ratio of profitability proxied to return on equity (ROE). ROE is a measure of profitability from a company's capital point of view. The greater the ROE reflects the company's ability to generate profits on the rate of return from the company's capital gains (Almira &; Wiagustini, 2020). The better the company is at making a profit, the more interested investors are in investing so that the company's value will also increase. In previous research conducted by Marwa et al. (2017), Assyaari et al. (2018), Sasongko (2019), Antoro et al. (2020), and Damayanti & Sucipto (2022) showed that profitability has a significant positive effect on company value. Different results from research conducted by Hardianto & Muslih (2021) show that profitability has no effect on company value.

The second factor that affects the value of a company is *Hedging*. *Hedging* is one of the methods used by companies to reduce the risk of losses due to relatively unstable foreign exchange rates in the

financial market. *Hedging* is necessary for companies that conduct transactions using foreign currencies, especially companies with high export and import activities. Export-import activities can trigger currency risk because each country has a different currency. Currency differences will cause exchange rates between rupiah and foreign currencies, so prevention is needed by carrying out risk management. Mining companies are one of the economic sectors with high levels of exports and imports; therefore *hedging* is the right solution to reduce the impact of currency exchange rate fluctuations (Marjudin, 2018).

Hedging activities can also be interpreted as a form of contract for foreign currency sales or purchase transactions with the aim of reducing risks due to receivables or company debts in foreign currencies. According to information from Indonesia's External Debt Statistics (SULNI) released by Bank Indonesia, the mining sector is one of the sectors with the largest share of external debt, accounting for 77.2% of total private external debt, side by side with other sectors, namely the financial sector, service & insurance sector, electricity procurement sector, gas sector, and manufacturing industry sector. Therefore, the mining sector needs to hedge to avoid losses due to currency fluctuations that require companies to pay more than the amount they should. In previous research conducted by Pradana &; Naomi (2018) and Zamzamir et al. (2021) showed that hedging has a positive effect on company value. Different results from research conducted by Edwin et al. (2021) and Mispiyanti &; Junaidi (2022) show that hedging has no effect on company value.

The third factor that affects the value of the company is Gender diversity. Gender is a cultural concept used to distinguish roles, behaviors, mentalities, and emotional characteristics between men and women that have developed in society (Rokhmansyah, 2016). Gender diversity or gender diversity has a role in a company as a form of perception of different and latest decision making. The quality and accuracy of decision making carried out by the company will be aligned with the quality of the company's performance which will significantly affect the ups and downs of the company's value. Gender diversity in companies focuses on the existence of women's councils (Kristina &; Wiratmaja, 2018).

The existence of the female gender as a board in a company tends to make complex decisions effectively and efficiently, especially in processing information compared to the entire board consisting only of the male gender. In addition, the presence of female gender on the board of commissioners and directors will provide advantages where women are more independent and better understand the company's needs in terms of handling customers and opportunities (Fauziah, 2018). It can be concluded that gender diversity is one of the important factors that can influence the decision-making process in a company. In previous research conducted by Syamsudin et al. (2017), Syariati and Kadir (2019) and Panjaitan &Handayani (2019) showed that gender diversity has a positive effect on company value. Different results from research conducted by Saputra (2019) and Sumira & Prihandini (2022) show that gender diversity has no effect on company value.

Based on the phenomena that occur and inconsistencies in the results of previous research that the author has described above, the author feels the need to conduct further research to determine the factors or variables of profitability, *hedging*, and *gender diversity* against the value of the company with the object of research on PMining Sector companies listed on the Indonesia Stock Exchange during periode 201 7-2021.

Literature Review

Signaling Theory

According to Sintyana and Artini (2019) and Indriyani (2017), *signaling theory* is information about a company's stock that is used by management to provide guidance for investors in making decisions. *Signaling theory* shows that there is an information relationship between company management and interested parties. Information used by investors in making decisions is financial statements. *Signaling theory* explains why financial statement information is used by companies as encouragement to external parties. This encouragement is used because the company will better know the company's prospects in the future from outside parties. The publication of the company's annual financial statements can provide signals as a measure in looking at the company's value and company growth. This information is very important for investors and other business people because the financial statements have many records, details or pictures of the company's past, current and future state.

Company Value

Company value is a certain condition of the company that has been achieved as an illustration of public trust through the process of company activities from its establishment to the present (Palupi &; Hendiarto, 2018). The value of the company is used when the company is to be sold. The high value of a company is determined by the value of a high stock price, a high stock price can result in a high rate of return to investors. The company's goal is to maximize corporate value and increase shareholder

prosperity. Increasing the value of the company is an achievement, because the company has given what the shareholders want by maximizing the value of the company and the prosperity of shareholders.

Profitability

Profitability is the scale of the company's business in generating profits and assessing the scale of operational efficiency and efficiency in the assets used and owned by the company (Dhani &; Utama, 2017). Meanwhile, according to Hery (2018), the profitability ratio is a ratio that describes the company's ability to generate profits through all its capabilities and resources. Profit or loss affects a company's ability to obtain funding through debt and equity. This will affect the company's liquidity position and ability to grow. As a result, creditors and investors will be interested in evaluating the company's ability to generate profits.

Hedging

According to Bank Indonesia Regulation No.15/8/PBI/2013 concerning hedging transactions to banks, *hedging* is defined as a method used to minimize the risk that will occur caused by price fluctuations in the financial market. Meanwhile, according to Fahmi (2016) *hedging* is an activity to exchange foreign currency in the future with local currency to protect the money from changes in exchange rates. So, *hedging* is a way used to protect currencies from changes in exchange rates caused by price fluctuations in financial markets.

Gender Diversity

Gender diversity is the composition of women in the highest ranks of leadership in the company (Yuliana &; Kholilah, 2019). The existence of gender diversity can influence the company's decision making and policies. According to Majidah and Muslih (2019), "in decision making women tend to be more careful compared to men who tend to be pragmatic". The composition of women in the company has an important role. Women in the company can play a role in decision making and can serve in important positions in the company (Fauziah, 2018).

Frame of Mind

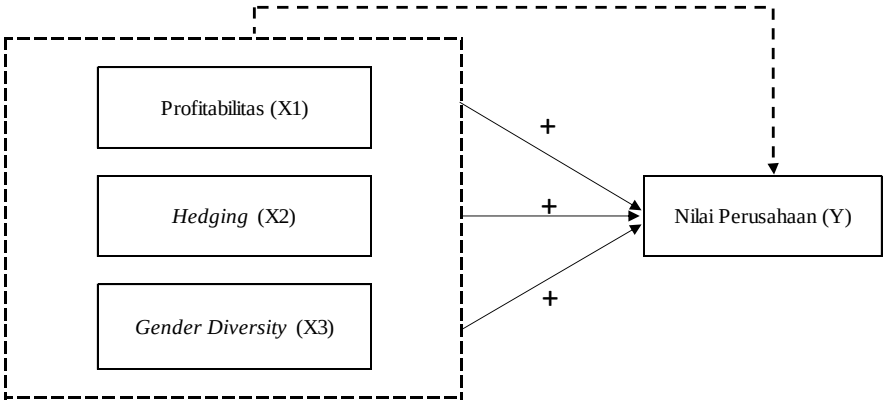

Figure 3.1 Framework of Thought
Source: Data processed by the author (2022)

Keterangan:
- - - - - - - → : Simultaneous Influence
——— → : Partial Influence

Research Hypothesis

Based on the framework described above, there is a formulation of research hypotheses that can be seen as follows:

H_1 : Profitability, *hedging*, and *gender diversity* simultaneously affect a company's value.
H_2 : Profitability has a significant positive effect on company value in Coal Subsector Mining Companies Listed on the Indonesia Stock Exchange Period 201 7-2021.
H_3 : *Hedging* has a significant positive effect on company value in Coal Subsector Mining Companies Listed on the Indonesia Stock Exchange for the Period 201 7-2021.
H_4 : *Gender diversity* has a significant positive effect on company value in Coal Subsector Mining Companies Listed on the Indonesia Stock Exchange for the Period 201 7-2021.

2. METHOD

According to Sugiyono (2018), research methods are a way used to obtain valid data with certain purposes and uses in accordance with scientific principles based on research characteristics, namely rational, empirical, and systematic. Based on the objectives,this research is carried out using descriptive research, which is a method to describe the facts and characteristics of the object or subject under study systematically and still(Hermawan, 2019). This research was also carried out based on the purpose of verification, namely a method to prove the truth that had been done before (Sulistiyo et al., 2020).

This approach to theory development inresearch is deductive because it applies general thinking to facts in other words applying an existing theory to a case (Dwiastuti, 2017). The method used in this study is quantitative method. According to Caroline (2019), the quantitative method uses a descriptive statistical testing method which consists of collecting and analyzing quantitative data. The strategy in this study uses case studies. According to Sekaran and Bougie (2017), the main focus of case studies is on collecting information on certain predetermined objects. This research focuses on collecting information on profitability, hedging and gender diversity on the value of coal subsector mining companies available on the Indonesia Stock Exchange (IDX).

This unit of analysis carried out by researchers is the group analysis unit. According to Sekaran and Bougie (2017), the unit of analysis is the level of unity of data collected during the next stage of data analysis. The data analysis unit collected involved the mining sector of coal subsectors listed on the IDX with a research period of 201 7-2021. The research background according to Sekaran and Bougie (2017) can be divided into two, namely contrived (research conducted in an artificial or unnatural environment) and non-contrived. This study did not intervene in the data because the research was conducted non-contrived where the research was carried out by direct observation with actual activities (Surmawan et al., 2018).

Based on the implementation time, this study used panel data. Panel data is a combination of time series data with cross section data (Basuki &; Prawoto, 2017). The research involved several companies with a time period of more than one year, therefore the research time used was time series and cross section. Time series data is a way of collecting data based on time to time with a constant time interval, this is used to provide an overview of an activity from time to time (Kurniawan, 2019). Cross section data is a way of collecting data in a certain period, this is used to describe the situation or activities in that period (Kurniawan, 2019). In this study, researchers collected data sequentially in the 2017-2021 time frame on one object, namely coal sub-sector mining companies listed on the IDX.

Based on the data collection method, this study included observational research. The observation method is used by observing the object to be studied, analyzing, and recording the results of the object under study (Jaya, 2020). The collection of information carried out by the author by observation is by observing and obtaining information related to the author's title. Related information is obtained by the author based on searches through the internet, books, and previous research. The research data itself uses secondary data in the form of financial statements obtained from the IDX or the company's website.

The technique used in this study is puposive sampling. According to Sekaran and Bougie (2017), sampling in purposive sampling is limited to certain types of people who can provide the desired information, either because they are the only party who owns it, or those who meet some of the criteria used by the researcher. Based on measurements and measures,this study also uses operational definitions. Doperational efficiency is an operational variable which is used as a complete guideline containing what must be observed and measuring a variable or concept to test its perfection (Salma, 2022). Based on data analysis, this study used hypothesis testing. Hypothesis is a temporary conjecture that is not final, which is a research construct on research problems related to two or more variables (Nurdin & Hartati, 2019).

3. RESULT AND DISCUSSION

Research Results

In this study, the results of the study used descriptive statistics and regression analysis of panel data. This study contained independent variables, namely profitability, *hedging* and *gender diversity*. And there is a dependent variable, namely the value of the company. The data used in this study is secondary data obtained from the financial statements of coal subsector mining sector companies that are consistently listed on the Indonesia Stock Exchange (IDX) for the period 201 7-2021. Based on the sample criteria determined in the previous chapter, there were 13 company samples and 65 observational data were obtained.

Panel Data Regression Analysis

The data analysis used in this study was regression panel data using *Eviews 12 software*. Apanel data regression analysis in this study was used because this study consisted of a combination of *cross section* and *timeseries* data. There are three types of technical models used to estimate regression panel data in choosing which model is better and appropriate for use in research, namely *the Chow Test, Hausman Test, and Langrage Multiplier Test*. Before the regression test, a classical assumption test is needed, namely testing the data used in this study including the Multicollinearity Test and the Heteros Testtodasticity.

Classical Assumption Test

The following are the results of classical assumption tests in this study, including Multicollinearity Test and Heteros todasticity Test.

Multicollinearity Test

This test is carried out to test whether or not there is a linear relationship between independent variables tested, here are the results of the multicollinearity test that has been carried out by researchers through the *Eviews 12* application.

Table 1. 1Multicollinearity Test Results

	ROE	HEDGING	GENDIV
ROE	1.000000	-0.230929	-0.038661
HEDGING	-0.230929	1.000000	0.447758
GENDIV	-0.038661	0.447758	1.000000

Source: Output Eviews 12 (2023)

Based on the output results in table 1. above, results were obtained that showed that the entire correlation value between profitability (ROE), *hedging* (HEDGING) and *gender diversity* (GENDIV) variables was less than 0.9. So it can be concluded that there is no multicollinearity problem in this research data.

Heteroskedasticity test

The Heteroskedasticity test in this study was conducted to test whether or not there is a deviation from the classical assumption of heteroscedasticity, namely the presence of variance inequality between observations, by assessing the resulting probability. This study used the heteroscedasticity test through the *Breusch-Pagan-Godfrey* test, here are the results of the heteroskedasticity test that has been carried out by researchers through Eviews 12.

Table 2.2 Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
Null hypothesis: Homoskedasticity			
F-statistic	1.890609	Prob. F(3,61)	0.1406
Obs*R-squared	5.529604	Prob. Chi-Square(3)	0.1369
Scaled explained SS	4.571930	Prob. Chi-Square(3)	0.2060

Source: Output Eviews 12, Data processed by the author (2023)

In Table 2. It can be seen that the heteroscedasticity test with the *Breusch-Pagan-Godfrey* test has a probability value of 0.1369 > greater than 0.05. Thus it can be concluded that overall variable data in the regression model is free from heteroscedasticity problems.

Panel Data Regression Model Testing

Panel data regression analysis is carried out with three types of technical models used to estimate panel data regression in choosing which model is better and appropriate for use in research, namely the *Chow* Test and *the Hausman Test*. The following are the results of testing using *Eviews 12* in this study.

Test Chow

This test is carried out to determine which model is better and appropriate to use, namely between *the common* effect model and *fixed effect*, while the criteria used are the following hypotheses.

H_0 : Model *common effect*

H_1 : Model *fixed effect*

Conditions for model selection:

1. If the probability value (Chi-square cross-section) < 0.05 then $_{H0}$ is rejected and the panel data regression uses the *Fixed Effect Model.*
2. If the probability value (Chi-square cross-section) > 0.05 then $_{H0}$ is accepted and the panel data regression uses *the Common Effect Model.*

Table 3.3 Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	6.492660	(12,49)	0.0000
Cross-section Chi-square	61.858745	12	0.0000

Source: Output Eviews 12, Data processed by the author (2023)

Results from the chow test in table 3. indicates that the probability value of the *Chi-Square cross section* in the model is 0.0000 which means it is smaller than alpha (0.05), so the decision is H 0 is accepted. Therefore the chosen model is the *fixed effect model* (FEM). So that a hausman test was carried out on the *fixed effect* model to determine the best regression model.

Uji Hausman

This test is carried out to determine which model is better and appropriate to use, namely between the *fixed* effect model and *random effect*, while the criteria used are the following hypotheses.

H_0 : *Random Effect Model*

H_1 : *Fixed Effect Model*

Conditions for model selection:

1. If the probability value (*cross-section ran dom*) < 0.05 then $_{H0}$ is rejected and the regression panel data uses the *Fixed Effect Model.*
2. If the probability value (*random cross-section*) > 0.05 then H0 is received and the regression of the panel data uses the *Random Effect Model.*

Table 4.4 Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	24.331796	3	0.0000

Source: Output Eviews 12, Data processed by the author (2023)

The results of the hausman test in table 4. 0 show that the probability value of *random cross-section* in the model is 0.0000 which means it is smaller than alpha (0.05), so the decision is H 0 is accepted. Therefore the chosen model is the *fixed effect model* (FEM). So it is stated that the *fixed effect* model (FEM) is the best model for this regression.

Panel Data Regression Model Selection Results

The following are the results of panel data regression model testing has been carried out and the results used in this study are *fixed effect model.*

Table 5. 5Fixed Effect Model Test Results

Dependent Variable: PBV
Method: Panel Least Squares
Date: 05/23/23 Time: 20:24
Sample: 2017 2021
Periods included: 5
Cross-sections included: 13
Total panel (balanced) observations: 65

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.828578	0.104128	7.957324	0.0000
ROE	2.724143	0.333505	8.168213	0.0000
HEDGING	0.012887	0.140224	0.091900	0.9271
GENDIV	-1.332978	0.871859	-1.528893	0.1315

Root MSE	0.462599	R-squared	0.549363
Mean dependent var	1.220469	Adjusted R-squared	0.527200
S.D. dependent var	0.694477	S.E. of regression	0.477526
Akaike info criterion	1.419166	Sum squared resid	13.90988
Schwarz criterion	1.552975	Log likelihood	-42.12291
Hannan-Quinn criter.	1.471962	F-statistic	24.78794
Durbin-Watson stat	1.347898	Prob(F-statistic)	0.000000

Source: Output Eviews 12, Data processed by the author (2023)

Based on table 5. After conducting the equation regression model panel data that explains the effect of profitability, *hedging* and *gender diversity* on company value in coal subsector mining sector companies listed on the Indonesia Stock Exchange (IDX) in 201 7-202 1, The regression equation can be formulated as follows:

(Y) = 0,829 + 2,724 ROE + 0,013 HEDGING – 1,333 GENDIV+ ε

The analysis of the regression equation above is as follows:

1. Based on the results of the regression equation above, a constant value of -0.829 is obtained. This means, if the condition of all independent variables Profitability (ROE), *Hedging*, *Gender Diversity* (GENDIV) is considered constant or 0, then the resulting company value (Y) is 0.829.
2. Based on the regression equation above the Profitability (ROE) variable, *Hedging* has a positive regression coefficient. Assuming that other variables are constant, if the variable Profitability (ROE), *Hedging* increases by one unit, then the value of the company (Y) will increase by its regression coefficient.
3. Based on the regression equation above, the *Gender Diversity* (GENDIV) variable has a negative regression coefficient. Assuming that other variables are constant, if the *Gender Diversity* variable (GENDIV) decreases by one unit, then the value of the company (Y) will increase by its regression coefficient.

Hypothesis Testing

The following are the results of hypothesis testing in this study, including the Coefficient of Determination Test (R2), Simultaneous Test or F Test, and Partial Test or t Test.

Coefficient of Determination (R2)

According to Ghozali (2018), *Adjusted R Square* is used to determine the magnitude of variation of the dependent variable that can be explained by the variation of the remaining independent variable that cannot be explained is part of the variation of other variables that are not included in the model. The result of the coefficient of determination test is determined by the value of *Adjusted R Square.*

Adjusted R Square calculates each addition of a variable and estimates the *R square* value of the addition of that variable. If there is an addition to the new pattern that turns out to improve the regression result model better thanthe estimate, then the addition of these variables will increase the value of the *Adjusted R Square*. However, if the new pattern of adding variables shows results that are less than the estimate, then the *Adjusted R Square* will decrease in value. Therefore, the Adjusted R Square value is more recommended by researchers because the Adjusted *R Square* value can go up or down when there is one independent variable added to the model.

Table 6.6 Coefficient of Determination Test Results

Root MSE	0.462599	R-squared	0.549363
Mean dependent var	1.220469	Adjusted R-squared	0.527200
S.D. dependent var	0.694477	S.E. of regression	0.477526
Akaike info criterion	1.419166	Sum squared resid	13.90988
Schwarz criterion	1.552975	Log likelihood	-42.12291
Hannan-Quinn criter.	1.471962	F-statistic	24.78794
Durbin-Watson stat	1.347898	Prob(F-statistic)	0.000000

Root MSE	0.462599	R-squared	0.549363
Mean dependent var	1.220469	Adjusted R-squared	0.527200
S.D. dependent var	0.694477	S.E. of regression	0.477526
Akaike info criterion	1.419166	Sum squared resid	13.90988
Schwarz criterion	1.552975	Log likelihood	-42.12291
Hannan-Quinn criter.	1.471962	F-statistic	24.78794
Durbin-Watson stat	1.347898	Prob(F-statistic)	0.000000

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.828578	0.104128	7.957324	0.0000
ROE	2.724143	0.333505	8.168213	0.0000
HEDGING	0.012887	0.140224	0.091900	0.9271
GENDIV	-1.332978	0.871859	-1.528893	0.1315

Source: Output Eviews 12, Data processed by the author (2023)

The independent variables in this study are independent profitability (X1), *hedging* (X2), and *gender diversity* (X3) on company value as dependent variables. Based on table 6, the results of the t test in this study can be explained as follows:

1. The Profitability Variable (X1) test results of regression analysis show a probability value of 0.0000, meaning smaller than 0.05, then H_{01} is rejected. This means that the variable Profitability (X1) has a positive influence individually on the Value of the Company.
2. *Hedging* variable (X2) hresult of regression analysis testing shows a probability value of 0.9271 meaning greater than 0.05 then H 02 is accepted. This means that the *Hedging* variable (X2) does not have a significant influence individually on the Value of the Company.
3. The *variable Gender Diversity* (X3) hresult of regression analysis testing shows a probability value of 0.1315 meaning greater than 0.05 then H_{03} is accepted. This means that the *variable Gender Diversity* (X3) does not have a significant influence individually on Company Value.

Discussion of Hypothesis Testing

The following is a discussion of the results of hypothesis testing in this study.

The Effect of Profitability on Company Value

Based on the results of tests that have been conducted by researchers, when viewed based on table 6 shows that profitability has a prochapter value of 0.0000, the value is smaller than 0.05 which means that H 01 is rejected or profitability affects the value of the company. In addition, the profitability variable has a coefficient value of 2.7241. This shows that profitability has a significant positive influence on the value of the company.

This result is in accordance with the hypothesis made by the author, namely profitability has a positive effect on company value in mining companies in the coal sub-sector listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. This shows that the highvalue of profitability can affect the value of the company. The profitability ratio describes the level of net profit earned by the company during the period. The higher the profitability achieved by the company, for investors, the more interested in considering investing in the company. The large profit that can be generated by the company will indicate that the company has excellent performance and prospects (Susila &; Prena, 2019). The higher the profit of a company, the greater the return expected by investors, thus making the company's value better as well. The results of this study are in line with the research of Marwa et al. (2017), Assyaari et al. (2018), Sasongko (2019), Antoro et al. (2020), and Damayanti & Sucipto (2022) which shows that profitability has a positive effect on company value.

The Effect of *Hedging* on Company Value

Based on the results of tests that have been carried out by researchers, when viewed based on table 6 shows that hedging has a prochapterilitas value of 0.9271, the value is greater than 0.05 which means that H 01 is accepted or hedging has no partial effect on company value. In addition, the hedging variable has a coefficient value of 0.0129, this shows that hedging does not have a significant effect on the value of the company.

This result is not in accordance with the hypothesis made by the author, namely that hedging has a positive effect on company value in the coal sub-sector mining companies listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. This shows that hedging is not always a solution for companies in reducing risks in receiving profits, it can happen because the company may carry out other risk controls in stabilizing the profits obtained which will later affect the value of the company. This result is in line with research conducted by Agustina *et al* (2019) which states that hedging has no effect on company value.

The *Effect of Gender Diversity* on Company Value

Based on the results of tests that have been conducted by researchers, when viewed based on table 6 shows that gender diversity has a prochapter value of 0.1315, the value is greater than 0.05 which means that H01 is accepted or gender diversity does not have a partial effectagainst the value of the company. Inaddition, the gender diversity variable has a coefficient value of -1.3330, which shows that gender diversity has a significant negative influence on company value.

This result is not in accordance with the hypothesis made by the author, namely that gender diversity has a positive effect on company value in mining companies in the coal sub-sector listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. This shows that increasing gender diversity in the board of commissioners and board of directors is not always accompanied by growth in company value. Gender diversity does not have a significant effect on company value because the role of a man is considered to have a better impact because he has a high ability in terms of intelligence compared to women (Saputra, 2019). These results are in line with research conducted by Hassan and Marimuthu (2016) which states gender *diversity* has no effect on company value.

4. CONCLUSION

Based on research on the effect of profitability, *hedging*, and *gender diversity* on company value in coal sub-sector mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021, this study includes 13 company samples with a period of 5 years and a total of 65 research sample observation data. Based on the results of the analysis and discussion described in the previous chapter, the following conclusions were obtained: Based on the results of the descriptive analysis test, it is concluded that: The Profitability variable has a variable value of 0.170922 and has a standard deviation value of 0.184463, this shows that average the average value is smaller than the standard deviation value. This means that the data on the bonus compensation variable in this study varies or the data is not grouped**.** In the Hedging variable , this variable uses a *dummy* variable with criteria 1 if there is a company hedging policy and 0 if there is no company *hedging* policy . This variable shows that there were 36.92% of 6.5 samples that had company hedging policies during 201 7-202 1 and 63.08% of 6 5 samples that did not carry out company *hedging* policies during 201 7-2021. The *Gender Diversity* variable has a variable average value of 0.059026 and has a standard deviation value of 0.076781, this shows that the average value is smaller than the standard deviation value. This means that the data on the *gender diversity* variable in this study varies or the data is not grouped. The Company Value variable has a variable average value of 1.220469 and has a standard deviation value of 0.694477, this shows that the average value is greater than the standard deviation value . This means that the data on the company value variables in this study do not vary or group data. Based on the results of simultaneous tests, profitability, *hedging* and *gender diversity* have a simultaneous effect on company value in coal sub-sector mining sector companies listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. Based on partial test results, profitability has a positive influence on company value in coal sub-sector mining sector companies listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. Based on the partial test results, *hedging* has no influence on company value in coal sub-sector mining sector companies listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. Based on the partial test results, *gender diversity* has no influence on company value in coal sub-sector mining sector companies listed on the Indonesia Stock Exchange (IDX) in 201 7-2021. Based on the research, the author provides advice on this research, covering theoretical aspects and practical aspects as follows:

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