

## THE EFFECT OF TOTAL ASSET TURNOVER AND GENDER DIVERSITY ON FIRM VALUE

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### Abstrak

Penelitian ini bertujuan untuk meneliti dan menganalisis pengaruh rasio perputaran aset total (TATO) serta keragaman gender terhadap nilai perusahaan di sektor properti selama empat tahun, yaitu periode 2021 hingga 2024. Sumber data yang digunakan berasal dari laporan keuangan dan laporan tahunan yang diambil dari situs resmi Bursa Efek Indonesia serta website masing-masing perusahaan. Penelitian ini menggunakan pendekatan kuantitatif. Populasi dalam penelitian ini meliputi seluruh perusahaan yang tercatat di Bursa Efek Indonesia periode 2021-2024. Untuk mendapatkan sampel, peneliti menggunakan metode purposive sampling yaitu dengan mengambil 72 perusahaan dan mengumpulkan 288 titik data melalui analisis regresi linier berganda. Data tersebut kemudian dianalisis menggunakan perangkat SPSS versi 25. Hasil penelitian menunjukkan bahwa rasio TATO berdampak positif terhadap nilai perusahaan, serta keragaman gender juga memberikan dampak positif terhadap nilai perusahaan.

**Kata Kunci:** Total Asset Turnover, Gender Diversity, Nilai Perusahaan.

### Abstract

This study aims to examine and analyze the effect of the total asset turnover ratio (TATO) and gender diversity on company value in the property sector over four years, from 2021 to 2024. The data sources used were financial reports and annual reports taken from the official website of the Indonesia Stock Exchange and the websites of each company. This research uses a quantitative approach. The population includes all companies listed on the Indonesia Stock Exchange for the 2021-2024 period. To obtain the sample, the researcher used a purposive sampling method, namely by selecting 72 companies and collecting 288 data points through multiple linear regression analysis. The data were then analyzed using SPSS version 25. The results showed that the TATO ratio had a positive impact on company value, and gender diversity also had a positive impact on company value.

**Keywords:** Total Asset Turnover, Gender Diversity, Firm Value.

### A. INTRODUCTION

When investors want to invest in a company or sell a company, they need to calculate its value. Enterprise value is the amount that investors are ready to pay to buy a company. It can show how much a company is worth, including things like its assets and other securities. A company's value is important because when a business has a high value, it leads to greater wealth for its shareholders. Firm value will indicate prosperity for shareholders; if the company value is high, shareholder prosperity will also be high (Yusmaniarti, Sauma, et al., 2021). Rising share prices can make a company more valuable in the market, which in turn boosts investor confidence. This confidence isn't just about the company's present performance, but also gives investors a positive outlook on its future potential (Sukma Palupi & Hendiarto, 2018).

One of the companies that has seen a drop in its value is Hanson International Company (MYRX). The company is owned by Benny Tjokrosaputro, also known as Bentjok, who is part of the Asabri-Jiwasraya corruption case. PT Hanson International Tbk (MYRX) is scheduled to have its shares delisted from the Indonesia Stock Exchange (IDX). This happens because the shares have been suspended from trading for 48 months. According to information from the IDX, MYRX was previously warned on January 16, 2020, about the temporary suspension of its shares as outlined in Exchange Regulation Number II, which deals with the delisting and relisting of shares. The IDX has the authority to remove securities from listed companies. Another instance of a company losing value is PT Forza Land Indonesia (FORZ), which led to losses for its shareholders. PT Forza Land Indonesia went bankrupt. The IDX suspended FORZ's shares due to concerns about the company's ability to continue operating, citing issues with information disclosure. The bankruptcy came about because PT FORZ was unable to pay its debts that were due. The company's financial report disclosed debts totaling Rp 305 billion.

A factor that might affect a firm value is the TATO (Total Asset Turnover) ratio. According to a study by Rambe, Elwisam, and Digdowiseiso (2023), the TATO ratio is used to measure how well a company's assets are doing in making money, or in simpler terms, it shows how much revenue is made from every rupiah that is part of the

company's balance sheet. A higher TATO ratio shows that a company is better at using its assets to generate profits, which can also make it more appealing to investors. When a company's stock price goes up, it also increases the price to book value. Research by Ulfah and Abbas (2020) and Rinaldi and Oktavianti (2022) found that the TATO ratio has a positive impact on company value. If the company has a higher asset value, it indicates that it is managing its resources effectively. This increases potential investors' confidence and motivates them to purchase the company's shares.

Gender diversity among board members and commissioners is seen as important for a company's success and long-term growth. However, a study by Nurlaela and Arim (2021) suggests that having female board members may send mixed signals to management, as it might not significantly boost company value and could even be linked to lower value compared to male board members. As a result, having male board members might be viewed more favorably by investors.

## **B. LIRATURE THEORY**

### **a. Signalling Theory**

Signaling theory discusses how signals (information) regarding management success and failure should be conveyed to company owners (Sari, 2022). These signals, which are pieces of information, can come from the company's financial statements. Managers share information through these statements by using accounting policies that are cautious, which help create reliable profits. This type of accounting policy is a rule that stops companies from making their profits look too high and makes sure the financial statements show profits and assets that are accurate. The information that investors get can be positive or negative. Positive news happens when the company's profits go up, while negative news comes when profits go down.

### **b. Firm Value**

Company value provides real proof for investors to measure returns by showing a positive firm value, which shows how valuable the company shares are and helps increase the wealth of shareholders (Seprina, Kuntadi, et al., 2023). Company value reflects the current condition of a company. One

indicator is the stock price. This of course also applies to listed companies. The high or low share price will impact the company (Inayah, 2022). This stock price is an indicator for potential investors before deciding to invest in a company. Furthermore, to achieve good company value, one can use a method, namely determining a combination of funding sources that can be used as a foundation for capital formation. A good company's worth depends on how much money is invested, how much profit it makes, and how much money it gives back to its shareholders.

### c. **Total Asset Turnover**

Total Asset Turnover describes asset turnover as measured by sales volume (Cahyani, 2024). A higher total fixed asset turnover rate shows that assets are being used more effectively to create income. According to Kasmir's (2013) research, a higher total current assets (TATO) result in higher selling prices and expected profits. As the total current assets (TATO) increase, profitability also increases. By checking the total current assets, you can see how well the company is using all its assets to make money (Kaharudin & Wahyono, 2024). The activity ratio is calculated using the total asset turnover measure. According to Adjie & Mulyono (2021), Total Asset Turnover, or TATO, is a measure that shows how efficiently a company uses its assets to generate sales. It indicates how much sales are produced for every rupiah of assets the company has. A higher TATO means the company is more effective at using its assets to generate sales.

**H1 : Total Asset Turnover has a positive effect on Firm Value.**

### d. **Gender Diversity**

Gender diversity is a resource that can expand an organization's capacity to absorb information, understand broader markets, and drive innovation (Nainggolan, 2024). Furthermore, having women on a company's supervisory board is thought to make the company more valuable. This is because women can become board members without facing any limits or restrictions. Gender is a status formed by social, cultural, and psychological factors based on personal

characteristics (Kartana, Eryani, *et al.*, 2024). Rosiana *et al.*, (2013) when there are female leaders in a company, it often leads the company to focus more on social responsibility. Having more female directors on the board makes it work better and affects how stakeholders view the company. The way the board is structured, as part of corporate governance, also helps in deciding how much the company is worth.

**H2 : Gender Diversity has a positive effect on Firm Value.**

### C. METHOD

This research uses a quantitative approach. The data used are secondary data from the annual and quarterly reports of real estate companies listed on the Indonesia Stock Exchange between 2021 and 2024. The data was collected from [www.idx.co.id](http://www.idx.co.id) and the official websites of the companies. A total of 72 companies were studied, with a sample size of 288 over the four-year period. The researchers used purposive sampling, which means they carefully selected companies based on certain criteria:

**Table 1 Research Sampling Criteria:**

No	Sample Selection Criteria	Amount
1	Property and real estate companies listed on the Indonesia Stock Exchange in 2021-2024 consecutively	92
2	Property and real estate companies listed on the Indonesia Stock Exchange but inconsistently published annual reports and sustainability reports during the 2021-2024 research period	(20)
Total Company		72
Research Year		4
Total number of research samples		288

### D. RESULTS AND DISCUSSION

#### Descriptive Test

Descriptive statistics is a way of analyzing data to give a clear summary and explanation of the information that has been gathered. This type of statistics provides a clear picture of the information gathered, but it is not intended to draw overall conclusions or make generalizations about a larger population (Handayani, 2020).

**Table 2 Descriptive Analysis  
Descriptive Statistics**

	N	Min	Max	Mean	Std. Deviation
Firm Value	288	0,07	165,17	15,4088	117,14480
Ratio TATO	288	0,08	44,00	0,3906	2,68595
Gender Diversity	288	0,08	0,75	0,2472	0,13036
Valid N (listwise)	288				

*Source: SPSS output 25*

#### Classical Assumption Test

The findings from the classical assumption test in this study:

**Table 3 Normality Test Results  
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		194
Normal Parameters <sup>a,b</sup>	Mean	0,000000
	Std. Deviation	0,11570148
Most Extreme Differences	Absolute	0,063
	Positive	0,063
	Negative	-0,046
Test Statistic		0,063
Asymp. Sig. (2-tailed)		0,061 <sup>c</sup>

a. Test distribution is Normal.

*Source: SPSS output 25*

According to Table 3, the outcome of the normality assessment employing the Kolmogorov-Smirnov technique reveals a Kolmogorov-Smirnov figure of 0.061, which exceeds 0.05. This suggests that the data in this research adheres to a normal distribution.

**Table 4 Multicollinearity Test Results**

Model		Unstandardized Coefficients		Std. Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,181	,009		20,265	,000		
	Ratio TATO	,031	,012	,104	2,605	,010	,903	1,107
	Gender Diversity	,067	,011	,226	5,851	,000	,969	1,032

a. Dependent Variable: Firm Value

Source: SPSS output 25

According to Table 4, the findings from the multicollinearity assessment of the independent variables show values exceeding 0.10, while the VIF values remain under 10. This indicates that the regression model employed in this research is free from multicollinearity.

**Table 5 Heteroscedasticity Test Results**

Model		Unstandardized Coefficients		Std. Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,229	,056		5,786	,000		
	Ratio TATO	,077	,102	,081	3,984	,183	,903	1,107
	Gender Diversity	,085	,098	,076	5,655	,885	,969	1,032

a. Dependent Variable: Firm Value

Source: SPSS output 25

According to Table 5, the findings from the study suggest that the significance values for every independent variable exceed 0.05. This means the variables used in the regression model of this study do not have any signs of heteroscedasticity.

**Table 6 Autocorrelation Test Results**

Model Summary <sup>b</sup>					
Model	R	R-Square	Adj. R Square	Std. Error	DW
1	0,852 <sup>a</sup>	0,081	0,070	0,11692	1,825

a. Predictors: (Constant), Ratio TATO, Gender Diversity.

b. Dependent Variable: Firm Value

Source: SPSS output 25

According to Table 6, the DU value is 1.7965 and the DL value is 1.7337. The Durbin-Waston (DW) result,  $D < 4 - DU$ , is 2.2035. This indicates that there is no positive or negative autocorrelation in this study.

## Hypothesis Testing

The outcomes of testing the hypothesis in this study are as follows:

### F Test (Simultaneous)

**Table 7 F Test Results**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,844	4	1,711	125,169	0,000 <sup>b</sup>
	Residual	2,584	189	0,014		
	Total	9,428	193			

a. Dependent Variable: Firm Value

b. Predictors: (Constant), Gender Diversity, Ratio TATO

Source: SPSS output 25

According on Table 7, the calculated F-value is 125.169 With a significance level of 0.000, which is less than 0.05, it can be concluded that the variables total asset turnover, ESG disclosure, and investment policy simultaneously influence firm value and are worthy of testing.

### t-Test (Partial)

**Table 8 t-Test Results**

Model		t	Sig.
1	(Constant)	20,228	0,000
	Ratio TATO	3,000	0,003
	Gender Diversity	4,375	0,001

Dependent Variable: Firm Value

Source: SPSS output 25

According on table 8 shows that the variable “total asset turnover” exhibits in t-statistic of 3.000 and a p-value of 0.003. Given the t-statistic threshold of 1.653, the calculated t-statistic exceeds it, with  $3.000 > 1.653$ , and the p-value is at  $0.003 < 0.05$ . Based on these results, we agree with H1, which shows that total asset turnover has a positive effect on company value. The variable “gender diversity” exhibits a t-statistic of 4.375 with a p-value of 0.001. Since the t-statistic threshold is 1.653, the resulting t-statistic exceeds this level, indicated by  $4.375 > 1.653$ , and the p-value is recorded at  $0.001 < 0.05$ . Thus, we validate H2 which states that gender diversity has a large and beneficial effect on firm value.

**R<sup>2</sup> Determination Coefficient Test****Tabel 9 R<sup>2</sup> Determination Coefficient Results**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,852 <sup>a</sup>	0,081	0,070	0,11692	1,825
a. Predictors: (Constant), Gender Diversity, <u>Rasio TATO</u>					
b. Dependent Variable: Nilai Perusahaan					

Source: SPSS output 25

Looking at Table 9, the adjusted R-squared value is 0.070. This means that 7% of the firm's value is explained by factors like asset turnover and gender diversity. The other 93% is affected by other factors that were not considered in this study.

**E. DISCUSSION****The Effect of TATO Ratio on Firm Value**

The study's findings indicate that a higher total capital turnover rate is linked to an increase in the company's value. This supports the findings of research conducted by Azzahra (2023), Son (2024), Rambe (2023), and Hasangapon et al., (2021), this also means that the total asset turnover ratio helps increase the value of the company. Total Asset Turnover, or TATO, is an activity ratio that shows how effectively a company uses its assets and resources. A higher TATO ratio indicates that a company is using its assets efficiently and can quickly return the invested money. Investor confidence in a company's ability to use its assets well to make a lot of money can influence how much the company is worth. Using assets efficiently can increase profits, thus enabling the company to fulfill its social and economic responsibilities to stakeholders. Furthermore, this study's findings back up the signaling theory, which sends a positive signal to investors that the company's leadership is good at managing assets and making profits. Both theories suggest that operational efficiency influences not only internal performance but also external opinion, which is important in determining a company's value in the eyes of the public and investors.

**The Effect of Gender Diversity on Firm Values**

Research shows that gender diversity in a company positively impacts its value. This aligns with the findings of studies conducted by Pramesti & Nita (2022), Winasis, Nur, et al., (2017), Sjahputra & Sujarwo (2022), which showed that gender diversity drives company value. When diverse genders are involved, this brings diverse perspectives, experiences, and leadership styles that can improve the quality of key decisions made by the company. Furthermore, gender diversity can act as a constructive message (part of signaling theory) to investors, demonstrating that the company practices good governance, behaves ethically, and is committed to sustainability. This aligns with signaling theory, which explains that when there is information inequality, company leaders send a message to demonstrate the quality of their operations to external parties, especially investors. The credibility of this message increases when the company's board of directors also emphasizes gender diversity. Furthermore, this research is directly related to stakeholder theory. Gender diversity reflects a company's dedication to inclusion and social accountability to its internal stakeholders, especially women. This shows that the company not only values productivity but also fairness and ethics in managing its workforce.

## F. CONCLUSION

### **The conclusions obtained from the results:**

Firm value is positively influenced by TATO, indicating that higher asset turnover increases firm value. Furthermore, gender diversity increases firm value, meaning higher firm value is associated with more women in management and supervisory positions. This study exclusively examines real estate companies listed on the Indonesia Stock Exchange.

### **As for suggestions for further researchers:**

Future researchers should consider other independent factors not included in this study when evaluating company value. They also recommend expanding the number of participants and considering businesses from various other sectors, not just the property sector.

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