BOARD DIVERSITY AGAINST FIRM VALUE IN CORPORATE GOVERNANCE PERSPECTIVE

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Abstract:
Research Purposes: The study aims to find out the impact of board diversity on the firm value from the perspective of corporate governance for food and beverage industry manufacturing companies listed on the Indonesia Stock Exchange in 2016–2022.
Methods: Sampling in this study used the purposive sampling method taken from the annual reports of companies in the food and beverage manufacturing sector for 2016–2022.
Finding: It was found that the term and nationality of the board of directors has an effect on firm value. While gender diversity, age and educational background of the board of directors has no effect on firm value.
Novelty: In this study the authors focus on board diversity with complete indicators. Previous research only uses gender, nationality, and education as free variables. In this study, authors add two free variables that is tenure and age. And unlike previous studies that used chemical sector companies as research objects, this study used food and beverage industry manufacturing companies as the research object.

Keywords: Board Diversity, Firm Value, Corporate governance

1. Introduction

The global economic crisis that is taking place not only in Indonesia but also in many other countries, caused by the emergence of the COVID-19 virus, which makes the economy of the country slander due to the implementation of the system of social restriction of public activities. Few countries are still able to achieve positive economic growth in the first trimester of 2020, though at a much lower rate than in previous years. Indonesia also belongs to a number of countries in this category. The second trimester in 2020 is even worse and will be the deepest point of the pandemic. All countries are experiencing very heavy economic pressures that result in a crisis that has never happened before. According to the World Bank, this is a worse crisis situation than any other crisis in the last 150 years (Kementrian Keuangan, 2021)

The high value of the company will have a good impact on its future prospects. The value of the company can increase when the company is able to create a working environment that

is conducive to the positive, effective, efficient, and profitable operational continuity of the enterprise. Increasing the value of a company's shares is one way to increase the profits of investors, so shareholders are enthusiastic to invest capital in the company (Setyasari et al., 2022).

The company's value is also called the market value (Isyfa Fuhrotun, 2022). The market value or the value of a company's shares is considered to be an estimate of the actual value of the company's assets. One attempt to increase corporate value is by implementing corporate governance (Astuti, 2017).

At present, investors tend to avoid companies that implement poor corporate governance, especially in emerging market sectors. The price of a company's shares is the value of the company that is reflected in the application of corporate governance. According to (Hamdani, 2016), "Good corporate governance is a system of governance that applies the principles of openness, accountability, responsibility, and professionalism."

In the management process, it is required to establish and implement the principles of good corporate governance. With the application of various universal principles, it is expected to be able to guarantee the achievement of performance and sustainability of the company so that the company can provide benefits to all stakeholders, and the obligation to implement good governance on the company is with the composition of the board of directors of the enterprise. The board of directors is an internal mechanism in corporate governance. Diverse corporate boards and governments will have relationships in top management because the corporate board is the leader of the company, responsible for every decision, and determines the company's goals. The diversity of the board is believed to have a positive impact because the more diverse the backgrounds of the council members, the more problems will arise. However, the diversity of the board of directors can also provide a reference for the choice of solutions to a problem, and this diversity can also add value and characteristics to the company (Hassan & Marimuthu, 2018).

Board diversity, or board diversity, is the diversity of the background and characteristics of the board of directors of a company that covers age, gender, nationality, race, and educational background. Board diversity is also a parameter of accountability and independence in determining a decision, so the diversity of the board is important to be used as a consideration in the election of the Board of Commissioners of the company and the easiest to observe. Diversity is also believed to be able to influence the short- and long-term monetary value of the company (Yogiswari & Badera, 2019)

One indicator of the problem of diversity in the council is the proportion of women on the board of directors, considering that not a few countries, including Indonesia, still stigmatize men as being superior to women. In Indonesia itself, there is still quite a lot of belief that men can occupy more influential positions in the company. Although women have already contributed substantially to companies, they are less represented in decision-making. In addition, age is also an important factor that indirectly influences a person's behavior, abilities, and skills. The older the board of directors, the more knowledge and experience they have related to the company's environment. Another factor that also influences the value of the company is the educational background of the employees. The background of education affects the knowledge and skills that the board of directors possesses. Although there are no regulations that stipulate that the board of directors must have an educational background that is aligned with their current field of work, it would still be better if the board members had a corresponding educational background so that they would have better competence to make business decisions taking into account the knowledge they already have (Pramesti et al., n.d.).

Another consideration to measure the impact of the board of directors on the value of the company is the term of office. The duration of a board member's office also affects the understanding of the skills and knowledge of the field that is overshadowed. The longer the board of directors serves in the company, the more they understand the conditions and environment of the company. The board of directors with a longer term of office will also be very aware of the business opportunities that will be taken to increase the value of the company. And another factor is national diversity; the more foreign-national board members, the more it will show investors that the company looks professional and is open to international information. It also affects the application of corporate governance in companies where foreign-citizen boards can provide diverse assessments and advice on the effectiveness of companies in decision-making and problem-solving.

Based on the signaling theory, board diversity can provide a positive indicator of the implementation of corporate governance in the company (Wijaya & Suprasto, 2015). The theory reveals that the corporate governance will publish an announcement as a signal to investors to make investment decisions, and as an attempt to mitigate the occurrence of information asymmetry, the company governance will voluntarily publish various corporate information on the market. In the research conducted by (Susanti et al., 2019) that corporate governance is a proposed concept to improve the company's performance through supervision or monitoring of management performance and to ensure management accountability to stakeholders.

Some studies link board diversity with company value. Results of (Astuti, 2017) research it shows that age, education, and gender don't affect the value of the company. Results of (Putri, 2020) research that tenure, education, and citizenship do not affect the value of the company. But (Yogiswari & Badera, 2019) showed gender, education, and nationality influence the value of a company.

This study replicates (Yogiswari & Badera, 2019)'s research, which only uses gender, nationality, and education as free variables. In this study, we will add two free variables: the time of day and age. And unlike previous studies that used chemical sector companies as research objects, this study used food and beverage industry manufacturing companies listed on the Indonesia Stock Exchange in 2016–2022 as the research object.

Companies operating in the food and beverage industry are very appropriate to be the subject of this research because the sector is a basic need that cannot be excluded from the daily activities of humans because it is a primary need. The food and beverage sector is also a very stable sector; however, given the current economic conditions of the country, people must continue to eat and drink to meet their basic needs in order to survive (Ismawati, 2019). The food industry is also one of the sectors that supported the improvement of the value of national investment, which in 2018 contributed up to Rp56.60 trillion. The realization of the amount of investment value in the manufacturing industry throughout 2021 reached Rp 222,3 trillion (RI, 2019).

The study aims to find out the board diversity of food and baverage industry sector companies listed on the Indonesian Stock Exchange in 2016–2022. The aim is to know the impact of board diversity on the value of the company from the perspective of corporate governance for food and beverage industry manufacturing companies listed on the Indonesia Stock Exchange in 2016–2022. The results of this research are expected to be beneficial and can be considered by the company to improve and increase the value of the company so that it is beneficial for the development of corporate governance. And it is also expected to help investors consider the decision to invest in the capital market.

A comparison of the proportion of women in the board of directors in a company is a necessary thing for the company because various statements related to the proportion or the presence of women within the board can be concluded to mean that gender is a concept used to find out the differences between men and women seen from a social-cultural perspective (Aluy et al., 2017). According to (Saputra, 2019) gender diversity in the executive ranks of a company is an important step in the implementation of good corporate governance that has a strong influence on the change in the value of the company. Diversity is needed within a company to be able to boost the innovation of the company. Women are thought to be able to give greater attention to the management of a company. The higher the proportion of women on the board of directors, the higher the value the company produces (Armas, 2016). There is a positive relationship between the presence of women on the board and the value of the company. With the presence of women on the board of directors, the company will be able to have better performance than companies that do not have female members on their board. Compared to men, women make fewer investments in high-risk assets (Yogiswari & Badera, 2019).

H1 : Gender diversity has an effect on firm value

Board members with a long term of office will have greater commitment, competence, and experience because they already have a lot of knowledge about the corporate and business environment. According to (Ikhyanuddin, 2021) it will take new leaders, such as managers and corporate directors, about 3–5 years to adapt and gain a proper understanding of the knowledge related to the corporate environment.

H2 : Tenure has an effect on firm value

Age is an indicator of board diversity that has an impact on company value. It can be used as a measure of the level of experience, social network, skill, and ability of a person to make decisions and take risks. Signal theory reveals that the young age of the board of directors is a good or positive thing according to investors because of the courage to take new risks and innovations for the continuation of the company, while the older members of the board of directors will pay more attention to the company's career and financial security. Age diversity also correlates with one's wisdom; the more mature a person's age, the more it will affect the nature of one's wisdom (Pramesti & Nita, 2022). This is also reinforced by the results of (Putri, 2020)'s research, which states that the age of the board of directors has a positive and significant effect on company value. Based on this description, the hypothesis obtained is as follows :

H3 : Age diversity has an effect on firm value

The presence of foreign nationals on the board of directors of a company will create diversity in the contribution of ideas, innovations, and experiences that will have a positive impact on company performance. In addition, the existence of a board of directors with foreign nationality is believed to be able to enrich business knowledge and provide alternative solutions to company problems because they bring different perspectives and professional experiences (Astuti, 2017). Board of directors with foreign nationality also bring information disclosure that can increase the company's credibility. The board of directors, who have access to investors, indirectly gives them confidence in investing in the company. Members of the board of directors who are foreign nationals indicate that the company is managed professionally, thereby reducing the level of doubt among foreign investors. But (Putri, 2020)'s research shows that a board of directors with foreign nationality has no effect on firm value. Based on this description, the temporary hypothesis is as follows :

H4 : Nationality diversity has an effect on firm value

Education is a provision for the workforce, which means an activity to guide students to have basic competencies for work. Decision-making by the board of directors is influenced by the level of education that has been taken (Rismawati, 2019). The diversity of the educational background of the board of directors will be beneficial for the company as they complement each other in their opinions to advise and supervise the leadership. Variations in educational levels will be expected to provide appropriate and constructive advice to the board of directors with the aim of increasing firm value (Pramesti et al., n.d.). This is also reinforced by the results of (Pradana & Khairusoalihin, 2021)'s research, The higher the level and proportion of the board of directors who have an educational background in economics and business, the higher the resulting firm value.

H5 : Educational Background has an effect on firm value
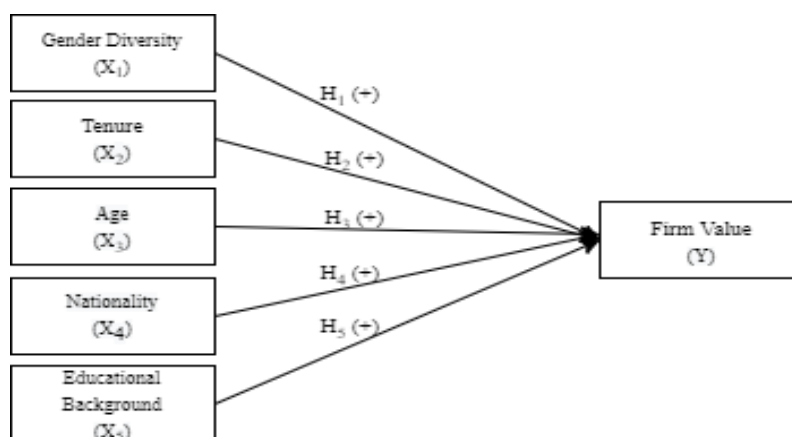
2. Method

Based on the type of research, this is a type of quantitative research that is intended to show the magnitude of the influence or relationship between variables. The data source for this research uses secondary data taken from the annual reports of manufacturing companies obtained from the official website of the Indonesia Stock Exchange. food and beverage industry manufacturing companies listed on the Indonesia Stock Exchange in 2016–2022 are the population in this study. This study has as its sample 10 companies with a total of 66 annual reports. This study used a purposive sampling method, which is a sampling technique based on the subjective considerations of the researcher, with the following criteria:

Table 1. Sample Selection

No	Criteria	Amount
1.	The company uses the Rupiah currency unit in its financial statements	27
2.	Did not experience delisting or new listing during the 2016-2022 observation period	(12)
3.	The company publishes a complete 2016–2022 annual report	(12)
	Companies that meet the criteria as a research sample	11
	Observation Year	7
	Final amount if samples	**77**

Based on the criteria above, there are 27 companies that use the rupiah currency unit in their financial reports that are listed on the Indonesia Stock Exchange during the 2016-2022 period. There were 13 companies that experienced new listings during that period, that is PT. Prasidha Aneka Niaga Tbk (PSDN), PT Prima Cakrawala Abadi Tbk (PCAR), PT Buyung Poetra Sembada Tbk (HOKI), PT Campina Ice Cream Industry Tbk (CAMP), PT Pratama Abadi Nusa Industri Tbk (PANI), PT Garudafood Putra Putri Jaya Tbk (GOOD), PT. Sentra Food Indonesia Tbk (FOOD), PT Wahana Interfood Nusantara Tbk (COCO), PT Siantar Top Tbk (STTP), PT Palma Serasih Tbk (PSGO), PT Mulia Boga Raya Tbk (KEJU), PT Era Mandiri Cemerlang Tbk (IKAN), PT Diamond Food Indonesia Tbk (DMND), PT Sariguna Primatirta Tbk (CLEO) dan PT. Kino Indonesia Tbk (KINO). And there are three companies that do not publish complete annual data and reports in that period, that is PT Nippon Indosari Corpindo Tbk, PT Prasidha Aneka Niaga Tbk (PSDN) dan PT Ultrajaya Milk Industry & Trading Co Tbk (ULTJ) so it can't be used as a sample in this study.

3.   Operational Definition and Variable Measurement

Table 2. Variable Indicator

Variable	Operational Definition	Proxy	Reference
Firm Value (Y)	Firm value is the dependent variable in this study, which is represented using the Tobin's Q ratio used to calculate the firm value variable in this study (Saputra, 2019).	Tobin's Q = MVE + Debt / Total Assets	(Pramesti et al., n.d.), (Pradana & Khairusoalihin, 2021)
Gender (X1)	Represents the diversity of the composition of the company's boardnamely the presence of directors of female gender (Joevanty & Suzan, 2022)	Dummy value 0 = There are no women on the board of directors. Dummy value 1 = There are women on the board of directors.	(Fauzan & Khairunnisa, 2019), (Suzan & Septiane, 2021)
Tenure (X2)	The tenure variable will be measured using the calculation of the proportion of the number of boards with a term of more than 5 years divided by the number of existing board members (Putri, 2020).	Tenure% = $\frac{\text{Board of directors with a term} > 5 \text{ years}}{\text{All of board members in the company}}$	(Elsa et al., 2020), (Pramesti et al., n.d.)
Age (X3)	The calculation of the variable age of the board of directors is done by counting the number of directors who are over 40 years old (Putri, 2020).	Age% = $\frac{\text{Board of directors is} > 40 \text{ years old}}{\text{All of board members in the company}}$	(Pramesti et al., n.d.), (Ramadhan, 2021), (Pramesti & Nita, 2022)
Nationality (X4)	The calculation of the nationality variable is based on the total proportion of board members who are foreign nationals divided by the total number of board members who are in the company (Pramesti et al., n.d.).	Nationality% = $\frac{\text{Total Board of Directors foreign nationality}}{\text{All of board members in the company}}$	(Putri, 2020), (Pramesti & Nita, 2022)

Educational Background (X5)	The educational background variable of the board of directors is measured using the proportion of the board of directors who have an educational background in economics and business (Yogiswari & Badera, 2019).	Educational Background% = Total of board of directors with education in economics and businessll of board members in the company	(Pramesti & Nita, 2022), (Ramadhan, 2021), (Pradana & Khairusoalihin, 2021)

4. Results

This study uses multiple linear regression analysis techniques using the Statistical Product and Service Solution (SPSS) program. The multiple linear regression analysis model is used to see the effect of the independent variables on the dependent variable. The equation for multiple linear regression testing in this study is as follows :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e...$$

Y	=	Firm Value
α	=	Constant
β1, β2, β3, β4, β5	=	Regression Coefficient
X1	=	Gender Diversity
X2	=	Tenure
X3	=	Age
X4	=	Nationality
X5	=	Educational background
e	=	Error

4.1 Descriptive Statistics Analysis

Table 3 shows the total sample (N) in this study, namely 54 samples consisting of 9 manufacturing companies in the food and beverage industry that were listed on the Indonesia Stock Exchange for a period of 6 years, namely from 2016 to 2022. This study used company value as a dependent variable and gender diversity, diversity of terms of office, age diversity, nationality diversity, and diversity of educational backgrounds of the board of directors as independent variables.

The gender diversity (GENDER) variable is gender diversity using a dummy variable for the total number of boards of directors in the company studied. The results of the descriptive statistical analysis on the gender diversity variable show that the highest value for this variable is 1.00; the minimum value is 0; the average value is 0.4630; and the standard deviation is 0.50331.

The term of office variable (TENURE) is how long a member holds office as a board of directors at the company. This variable is calculated by dividing the total number of board of directors members with a term of 5 years by the total number of board members at the company. The results of the descriptive statistical analysis on the tenure variable show the highest value or maximum value of 1; the lowest value or minimum value of 0; the mean value is 0.5646, and the standard deviation is 0.30022.

The age variable (AGE) in this study was calculated by dividing the number of members of the board of directors aged 40 years by the total number of members of the board of directors in the company. The results of descriptive statistical analysis on the age variable have the highest value, or maximum value, of 1, the lowest value, or minimum value of 0, the mean value of 0.9139, and the standard deviation of 0.12389.

The nationality variable (NAT) in this study is calculated by comparing the number of board members who are foreign nationals to the total number of board members on the company's board of directors. The results of the descriptive statistical analysis on the nationality variable have the highest value or maximum value of 0.80, the lowest value or minimum value 0, the mean value of 0.1139, and the standard deviation of 0.25172.

The educational background variable (EDU) in this study was calculated by counting the number of board of directors members who have an educational background in economics and business among all members of the board of directors at the company. The results of the descriptive statistical analysis on the educational background variable have the highest value or maximum value of 1; the lowest value or minimum value is 0; the mean value is 0.7598, and the standard deviation is 0.24890.The results of the descriptive statistical analysis show that the firm value variable calculated using the Tobins Q ratio has the highest value or maximum value of 3.96, the minimum value of 0.77, the average value of 1.9413, and a standard deviation of 1.06204.

Table 3 . Descriptive Statistics Analysis Result

	N	Minimum	Maximum	Mean	Std. Deviation
NP	54	,77	3,96	1,9413	1,06204
GENDER	54	,00	1,00	,4630	,50331
TENURE	54	,00	1,00	,5646	,30022
AGE	54	,60	1,00	,9139	,12389
NAT	54	,00	,80	,1139	,25172
EDU	54	,00	1,00	,7598	,24890
Valid N (listwise)	54				

Source: data processed, 2023

4.2   Classic Assumption Test

The discussion of the classic assumption test is as follows:

Table 4. Normality Test

		Unstandardized Residual
N		54
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,82938495
Most Extreme Differences	Absolute	,108
	Positive	,108
	Negative	-,066
Test Statistic		,108
Asymp. Sig. (2-tailed)		,171[c]

Source: Data processed, 2023

The results of the normality test are 60 initial data points that show an abnormal model, as indicated by the asymptotic value. Sig (2-tailed) of 0.000 Then it is necessary to improve the data by eliminating outliers (data that is too extreme) so that normal results are found with a significance of 0.171 > 0.050 by eliminating as many as 6 samples so that there are 54 samples remaining. Thus, it was concluded that the residual values in this study were normally distributed.

4.3   Multicollinearity Test Result

Shows that tolerance values for gender diversity (GENDER), tenure (TENURE), age (AGE), nationality (NAT) and educational background (EDU) ≥ 0.10 and VIF values for gender diversity (GENDER), tenure (TENURE) , age (AGE), nationality (NAT) and educational background (EDU) ≤ 10.00. This shows that this study has no symptoms of multicollinearity.
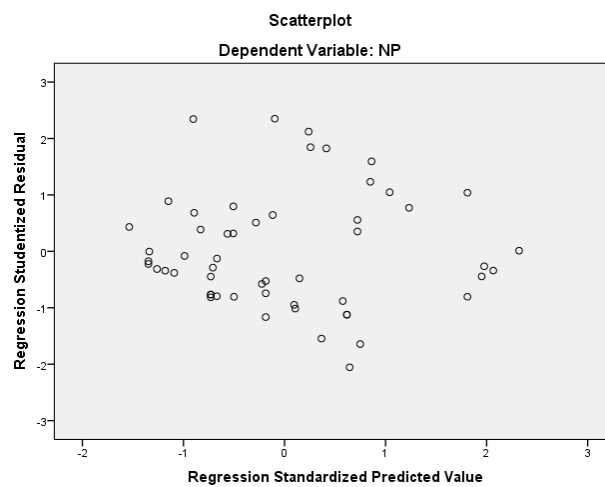

Figure 2. Heteroscedasticity Test Result
Source: Data processed, 2023

The value of Durbin Watson is 1.126, which indicates that Durbin Watson's value is not between the value of du = 1,7684 and less than 2,2316 (4-du). So, there is no symptom of autocorrelation.

Table 5. Results of Multiple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.	Collinearity Statistics	
		B	Std. Error	Beta		Tolerance	VIF
1	(Constant)	2,247	1,082		,043		
	GENDER	-,532	,266	-,252	,051	,798	1,254
	TENURE	1,066	,436	,301	,018	,836	1,197
	AGE	-,847	,991	-,099	,397	,950	1,052
	NAT	1,760	,545	,417	,002	,762	1,312
	EDU	-,115	,511	-,027	,823	,884	1,131

Source: Data processed, 2023

Multiple linear regression tests are used as an explanation of the direction and strength of the influence of a number of independent variables on one dependent variable. The equation of this model is as follows:

$Y = \alpha + \beta1\ X1 + \beta2\ X2 + \beta3\ X3 + \beta4\ X4 + \beta5\ X5 + e$

Tobins Q = 2,247 - 0,5321 + 1,0662 - 0,8473 + 1,7604 - 0,1155 + e

A constant value of 2.247 indicates that if gender diversity, term of office, age, and nationality are considered constants or zero, then the firm value variable will increase by 2.247. The regression coefficient value is X1–0.532, which means that if the gender diversity variable decreases by 1, then the firm value variable is expected to increase by 0.532. The value of the regression coefficient X2 is 1.066, which means that if the tenure variable increases by 1, it is expected that the firm value variable can increase by 1.066.

The regression coefficient X3 value is -0.847, which means that if the age variable decreases by 1, it is expected that the variable value can increase by 0.847. The regression coefficient X4 value of 1.760 means that if the nationality variable increases by 1, then it is expected that the variable value can increase by 1.760. The X5 regression coefficient value is -0.115, which means that if the educational background variable decreases by 1, then it is expected that the company value variable increases by 0.115.

An adjusted R square value of 0.327 indicates that 32.7% of fluctuations in firm value are influenced by variations in gender diversity, tenure, age, and nationality. Based on Table 6, the significance value of F, or p-value, is 0.000. This value is less than the significance level of 0.05, which means the model used is feasible to test.

4.4 Hypothesis Test Results

Table 6. T Test

Model	Hypothesis	t	Sig.	Result	Inference
	(Constant)			2,076 0,043	
GENDER	Berpengaruh	-1,999	0,051	No Effect	H1 Rejected
TENURE	Berpengaruh	2,444	0,018	Effect	H2 Accapted
AGE	Berpengaruh	-0,854	0,534	No Effect	H3 Rejected
NAT	Berpengaruh	3,230	0,002	Effect	H4 Accapted
EDU	Berpengaruh	-0,225	0,823	No Effect	H5 Rejected

Source: Data processed, 2023

5.   Discussions

5.1   Gender on Firm Values

The results of the regression test that has been carried out is that gender diversity has no effect on firm value, this is because the value of $t_{count} \leq t_{table}$ with a significance level of 0.025 and df 49 is 2.009; from the results of this study $t_{count} \leq$ of t_{table} (-1.999 < 2.009) and at a probability value of 0.051 shows that this value is greater than the predetermined significance value of 0.025. Therefore, the first hypothesis which states that gender diversity affects firm value in this study is rejected.

The results of this study are in line with research conducted by (Astuti, 2017) and (Fauzan & Khairunnisa, 2019) which states that gender diversity has no effect on firm value. In the first hypothesis, gender diversity is proxied to have an influence on firm value because women are considered capable of giving attention, being conscientious as well as prudent and having better performance than men (Yogiswari & Badera, 2019). However, the results of this study indicate

that gender diversity has no effect on firm value. These results are different from the initial hypothesis because women tend to have multiple roles and also divide their time between careers and households, so this can be expected to affect their performance.

5.2 Tenure on Firm Values

The results of the regression test that has been carried out are tenure has an effect on firm value, this is because the value of t_{count} is bigger than t_{table} with a significance level of 0.025 and df 49 which is equal to 2.005; in the results of this study t_{count} is bigger than t_{table} (2.444 > 2.009) and a probability value of 0.018 indicates a value that is smaller than the predetermined significance value of 0.025. Therefore, the second hypothesis which states tenure has an effect on firm value in this study is accepted.

The second hypothesis states that new leaders, such as company directors, will need at least 3–5 years to adapt and gain proper understanding regarding corporate environmental knowledge (Ikhyanuddin, 2021). The results of this study are in line with the results of research conducted by (Putri, 2020) which states that tenure affects firm value. Members of the board of directors with a long tenure will have greater commitment, competence, and experience to manage a company well because they already have a lot of knowledge about the company and business environment (Pramesti et al., n.d.). In accordance with the signaling theory, which states that the implementation of good corporate governance will provide a positive signal to increase the firm's value (Yogiswari & Badera, 2019).

5.3 Age on Firm Values

The results of the regression test that has been carried out are that age has no effect on firm value, this is because the t_{count} is smaller than t_{table} with a significance level of 0.025 and df 49 which is equal to 2.009; in the results of this study t_{count} is smaller than t_{table} (-0.854 < 2.009) and the probability value of 0.534 explains the value is bigger than the predetermined significance value which is equal to 0.025. Therefore, the first hypothesis which states that age has an effect on firm value in this study is rejected.

The third hypothesis states that the more mature a person's age, the more it will affect their wisdom (Pramesti et al., n.d.). In this study, members of the board of directors who are more than 40 years old have no effect on performance, which has an impact on company value. Boards of directors with a young age level tend to be quicker and more responsive and able to accept suggestions well, but boards of directors with an older age do not rule out the possibility of having strong motivation with more experience. The results of this study are in line with research conducted by (Astuti, 2017) and (Pramesti et al., n.d.) which shows that age does not affect firm value.

5.4 Nationality on Firm Value

The results of the regression test that has been carried out that nationality has an effect on firm value, this is evidenced by the value of t_{count} bigger than t_{table} at a significance level of 0.025 with a df of 49 which is equal to 2.009; in the results of this study t_{count} is bigger than t_{table} (3.230 > 2.009) and a probability value of 0.002 indicates a value that is smaller than the predetermined significance level value of 0.025. Therefore, the first hypothesis which states that nationality has an effect on firm value in this study is accepted.

The fourth hypothesis states that the existence of foreign nationals brings diversity in the contribution of ideas, innovations, and experiences that have a positive impact on firm value (Astuti, 2017). With the background, knowledge, and business experience of the board of directors in different countries, they bring alternative solutions to problems and solutions with a broader perspective that have an impact on good corporate governance, in accordance with the signaling theory, which states that the implementation of good corporate governance will give a positive signal to increase the firm value. (Yogiswari & Badera, 2019). The results of this study are in line with research conducted by (Astuti, 2017) and (Kesaulya & Febriany, 2019) which states that the nationality of the board of directors has an effect on firm value.

5.5   Educational Background on Firm Value

The results of the regression test that has been carried out that tenure has no effect on firm value, this is evidenced by the calculated t_{count} which is smaller than t_{table} with a significance level of 0.025 and df 49 which is equal to 2.009; in the results of this study t_{count} is smaller than t_{table} (-0.225 < 2.009) and the probability value is 0.823 which means the value is greater than the predetermined significance value which is equal to 0.025. Therefore, the fifth hypothesis which states that educational background influences firm value in this study is rejected.

The fifth hypothesis states that the higher the proportion of the board of directors with an educational background in economics and business, the higher the firm value generated by (Pradana & Khairusoalihin, 2021). The results of this study are in line with the results of research conducted by (Elsa et al., 2020) which states that educational background has no effect on firm value. The combination of board members who have business and non-business educational backgrounds is actually able to make board members competent, so they can give a positive signal that the company is well managed (Rahindayati et al., 2015).

6.   Conclusions

This study aims to analyze the effect of the diversity of the board of directors on firm value from a corporate governance perspective in **food and beverage industry manufacturing companies listed on the Indonesia Stock Exchange in 2016–2022**. From the results of this study and the previous discussion, conclusions are obtained, that is :
1. Gender diversity has no effect on firm value
2. Tenure influences the firm value
3. Age has no effect on firm value
4. Nationality influences the firm value
5. Educational Background has no effect on firm value

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