



Breaking the Glass Ceiling: Women on Board Boost Performance of Cosmetic Companies

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Abstract. This study aims to can corporate governance, women on board, and political connections affect profitability? (Study on Manufacturing Companies listed on the IDX for the 2016–2020 period). This research uses quantitative research methods. The findings of this study include: 1) Corporate governance variables have no significant effect on the performance of cosmetic companies on the IDX for the 2016–2020 period. 2) The Women on board variable has a significant effect on the performance of cosmetic companies on the IDX for the 2016–2020 period and 3) The political connection variable has a significant effect on the performance of cosmetic companies on the IDX for the 2016–2020 period. Companies must pay attention to corporate governance, women on board and maintain healthy political relations, because based on research results all three have an influence on company performance.

Keywords: corporate governance · women on board · political connection and company performance

1 Introduction

Growth awareness from Public about beauty good from external as well as internal individuals is one _factor use more cosmetics growing. Especially with style life modern generation millennials moment this is more prioritize physical as nurse skin face and body, because moment this is the most important is can looks good looking. Inside something company really need reach good performance to keep endure in the midst of high and constant competition can reach every purpose. However sector this still potentially for strengthened supported by the rate need society. Because that study this in a manner special will take object study sector cosmetics [1]. Every company obtain ratio different profitability though companies the own magnitude same asset, type same effort, even produce working product same, because many factors good from in nor outside company that can influence ratio profitability [2].

There are several possible factor influence profitability company among them addition set, restrictions total loan, raise number comments, execution policy issued finances

governance, factor age, productivity, number workers, number of hours worked and so on [2]. There are three desired factor researched in study this is influence corporate governance, Women on board, and political connection.

Governance (corporate governance). Corporate governance is influential system company for could manage company with good with arrange connection between the commissioners (boards of commissioners), holder stockholders and management other. In the manage something company, corporate governance becomes something means Among party management and parties holder stock so you can regulate and control something management business also included in it management risk. Corporate governance can give means for determine technique. In the company for could choose technique Settings something company then it is very necessary governance role _ for complete all decree purpose from company the.

If dig facts about governance cases _ firms and their significance, we find that continuity life company big and industrial rely on governance principles effective company governance good company minimize crisis, the cost of capital, neglect transaction, deliver protection and support of capital markets. Efficient governance system and effective control on problem finance leads to growth house business [3].

Research on corporate governance has been conducted by, [3–6] which states that corporate governance variables affect company performance. But in contrast to [7, 8] states that corporate governance variables have no effect on company performance.

Women on board is found many proportion woman in office as the board of commissioners. With exists which women on the board of commissioners We know that woman tend have more properties be careful, be very careful so that could avoid and get handle every risk with careful compared with man [3]. Found it phenomenon of Adam Levine a Maroon 5 vocalist set self for Becomes a house dad stairs. Incident this no something new _ proven with already many research, literacy books, and other media that study about a father decides for stay at home as case a Mother house ladder [2].

Research on women on board has been conducted by [3, 9–15] which states that the variable women on board influences company performance.

Political connections are holder authority or officials company is as member parliament, minister or heads of state, related with state officials, institutions statehood. Companies that have connection political is company that has connection close with government could said company owned by government covers companies in the form of BUMN or can also BUMD. Whereas company that has connection close with government is company which is figure political famous. Connected company political more low quality of accounting information than with companies that don't connected political [16].

Study about political connection made [17, 18] state that influential political connection variable to performance company. But different with study from [16, 17, 19–21] which stated political connection variable no influential to performance company. Following performance company cosmetics During 2016–2020 (Table 1).

Table 1. Performance of Cosmetic Sub Companies Year 2016–2020 (ROA Presentation)

Company name	2014	2015	2016	2017	2018	2019
Mandom Indonesia Tbk	9.40%	26.20%	13%	14%	12%	10%
PT. Martina Berto Tbk.	0.68%	-2.17%	1.29%	-3.61%	-17.61%	-11.33%
Kino Indonesia Tbk	5.59%	8.19%	1.54%	3.39%	4.18%	10.98%
PT. Akhasa Wira International Tbk	6%	6%	7.29%	4.55%	6.01%	10.20%
PT. Enseval Son Megatrading Tbk	8.25%	8.11%	7.85%	6.97%	7.85%	6.67%
Unilever Indonesia Tbk	56.10%	50.50%	39.40%	39.30%	46.30%	36.10%
PT. Mustika Ratu Tbk	1.40%	0.20%	-1.50%	-0.30%	-0.44%	0.02%

2 Methodology

2.1 Type Study

Study this use type study quantitative use _ variable free and bound. Research data sources this using secondary data. Study this carried out at cosmetic sub - companies listed on the Indonesia Stock Exchange (IDX) for the 2014–2019 period.

2.2 Population and Sample

Population in study this is sub sector companies cosmetics listed on the Indonesia Stock Exchange in 2016–2020. There are 7 sub - cosmetic manufacturing companies listed on the IDX 2016–2020, with period study for five years, then total sample to be observed _ as many as 35 samples company. Everything made sample in study this. Sample study this chosen with saturated sampling method. Saturated sampling is all member population used as sample. Through the help of Statistical Product and Service Solutions software (SPSS.26) is used for processing data. Method analysis used _ in study this that is analysis multiple linear regression. From exposure on so researcher will explain The influence of corporate governance (X1), Women on Board (X2), and Political Connection (X3) on Profitability (Y) (Table 2).

2.3 Indicator Variable

Variable bound (Y) in research this is performance company. Company performance used as index for measure ability company in maintain continuity effort [19]. Company performance in research this be measured with ratio as following:

$$ROA = \frac{\text{Profit clean}}{\text{Total Assets}}$$

Variable free in research this is Corporate governance (X1). Systems and mechanisms company that can organize, manage and supervise connection Among various

Table 2. Cosmetic Companies

No.	Code Company	Company name
1.	TCID	PT. Mandom Indonesia Tbk.
2.	MBTO	PT. Martina Berto Tbk.
3.	KINO	PT. Kino Indonesia Tbk.
4.	ADES	PT. Akhasa hero International Tbk.
5.	UNVR	PT. Unilever Indonesia Tbk.
6.	MRAT	PT. Mustika Queen Tbk.
7.	KPAS	PT. Cottonindo Ariesta Tbk.

interested parties in company. The corporate governance mechanism adds up the board of commissioners, the board of directors and the company’s audit committee [7].

Women on board (X2) is found many proportion woman in office as the board of commissioners and board of directors of Women on board in be measured with formula [9].

$$\begin{aligned}
 & \text{Women on Board of Commissioners} \\
 &= \frac{\text{Total Board of Commissioners of Women}}{\text{Total All Member of the Board of Commissioners}} \\
 & \text{Women on Board of Directors} \\
 &= \frac{\text{Total Board of Directors of Women}}{\text{Total All Member of the Board of Directors}}
 \end{aligned}$$

Political connection (X3) in be measured with formula commissioner independent owning _ connection inside politics _ study this is members of the board of directors and commissioners who are member parliament or minister, and ever served or retired military officer or Polri. The proportion who sits as commissioner independent company that owns connection political [20]. Deep political connection be measured with formula:

$$\frac{\text{Amount commissioner independent owning_connection political}}{\text{Total membership commissioner}}$$

2.4 Data Analysis Techniques

Deep data analysis study this is analysis of stated quantitative data in numeric form. Through the help of Statistical Product and Service Solutions software (SPSS.26) is used for processing data [1]. Method analysis used _ in study this that is analysis multiple linear regression.

a. Analysis Multiple Linear Regression

As for the similarities multiple linear regression in study this as following:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Table 3. Multiple Linear Analysis Test Results

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	3,076	5,354		,574	,569		
	Corporate Governance	4,625	14,226	.049	,325	,747	,971	1,030
	Women on Board	117,122	45,176	,389	2,593	,013	,967	1.034
	Political Connection	-7,529	6,871	-,162	-1,096	,280	,992	1.008

a. Dependent Variable: Company Performance

Source: SPSS Output Results, 2022.

2.5 Testing Hypothesis

Testing hypothesis in study this includes:

The t-test was used for test is every independent variable separately Partial influential significant or no to variable dependent. Test it could conducted with compare t count with t table or with look column the significance of each t arithmetic, the t test is a test that measures difference of two or some inter mean group [19].

Testing coefficient determination this conducted with meaning measure proportion contribution variable free in a manner together (simultaneously) against fluctuation variation variable bound, which can be indicated by the value of adjusted R. Coefficient determination data seen through R-square value (R2) in the Summary model table [19].

3 Results and Discussion

3.1 Research Results

Testing coefficient correlation double according to [6] “is for count level closeness the relationship that exists Among variable independent and variable dependent.

Based on formula calculation above, then equality multiple linear regression is as following:

$$\text{Profitability} = 3,076 + 4,625 \text{ CG} + 117,122 \text{ WOB} + -7,529 \text{ PC} + e$$

From the results linear equation Table 3, then can be interpreted that:

$$\alpha = \text{value constant of } 3.076$$

The constant value is 3.076 with score positive. It means if all variable independent value considered constant then the average variable dependent ie of 3.076.

$$\beta 1X1 = 4.625 \text{ CGs}$$

Coefficient value regression corporate governance variables namely of 4.625 with score positive showing _ that, every increase one unit of people (1) corporate governance then profitability will too also increased by 4.625%, with assumption that variable independent other is stay. Coefficient worth positive meaning _ happen influence positive between corporate governance (gc) to Profitability. The more big independent corporate governance values, then score profitability the more high.

$$\beta 2X2 = 117.122 \text{ WOB}$$

Coefficient value regression variable Women on board namely of 117.122 with score positive showing _ that, every increase one unit of persons (1) Women on board then profitability will also increase by 117.122%, with assumption that variable independent other is stay. Coefficient worth positive meaning _ happen influence positive between Women on board (wob) against Profitability. The more big independent Women on board score, then score profitability the more high.

$$\beta 3X3 = -7.529 \text{ PCs}$$

Coefficient value regression political connection variable namely amounted to - 7.529 with score negative showing _ that, every increase one unit person (1) political connection then profitability will down of 7.529%, with assumption that variable independent other is stay. Coefficient worth negative meaning _ that happen influence negative between the political connection (pc) to profitability the more big value of political connection then score profitability the more low.

From the results of the t (partial) test in Table 4, you can explained as following:

- 1) Corporate governance variable in general Partial no influential significant to performance company.
- 2) Variable women on board Partial influential significant to performance company.
- 3) Variable political connection Partial influential significant to performance company.

3.2 Discussion

The Influence of Corporate Governance on the Performance of Cosmetic Companies on the IDX in 2016–2020

Application good corporate governance activities, very necessary enforced in achievement performance economy something maximum company. _ Corporate governance is carried out in order to achieve it management something more company _ open for whole user report. If the concept of corporate governance can applied with good so expected growth economy will increase in line with clarity management growing company _ well and will profitable many party [3].

Table 4. T test

Unstandardized Coefficients				Standardized coefficients	t	Sig.	Collinearity Statistics	
Model	B	std. Error	Betas				Tolerance	VIF
1	(Constant)	4,605	4,887		,942	,353		
	corporate Governance	-12,818	10,049	-,177	-1.276	,212	,963	1.039
	women on boards	110,413	48,281	,350	2,287	,029	,796	1.257
	political Connection	16,335	6,757	,363	2,418	,022	,823	1.214

a. Dependent Variable: Company Performance

Source: SPSS Output Results, 2022.

In research [7], and [8] “stated that no there is influence between corporate governance and performance company”. Whereas according to [3–6] state there is influence positive between corporate governance and performance company.

From the results data analysis, obtained information that corporate governance is not influential significant to performance company cosmetics on the Indonesia Stock Exchange for the 2016–2020 period. It means with there is governance good company, then _ performance company will experience improvement.

The Effect of Women on Board on the Performance of Cosmetic Companies on the IDX in 2016–2020

Gender equality in the company moment this help in develop performance company. With this explain that women ‘s role in company could help reduce habit frequent men _ take decision high risk _ for company. There is difference thinking Among men and women who can give innovation and education as well as will appearance innovation that can push company get a new opportunity [22].

In research [22] say that “women on board are not influential to performance company”. Whereas according to [3, 9, 10, 12–15] state there is influence positive between women on board and performance company.

From the results data analysis, obtained information that women on board have an effect significant to performance company cosmetics on the Indonesia Stock Exchange for the 2016–2020 period.

The Effect of Political Connection on the Performance of Cosmetic Companies on the IDX in 2016–2020

In research this political connection is interpreted as the relationship that exists Among party company with politician or holder share biggest in tune with research conducted that obtains _ results that political connections have an effect to performance

company. Company that owns connection political of course own impact positive and negative [16].

4 Conclusion

Corporate governance no own influence in a manner significant to performance companies sub cosmetics on the IDX for the 2016–2020 period. Women on board are influential significant to performance cosmetic sub companies on the IDX for the 2016–2020 period. Political connections are influential significant to performance company cosmetics on the IDX for the 2016–2020 period.

Suggestions regarding this research, for future researchers to add more factors studied, further research can increase the length of the observation period and adjust to the latest phenomena, so that the research results obtained are more accurate. Then, the researcher provides several suggestions regarding this research for further companies, including suggesting that companies are more open in providing information, management continues to maintain professionalism in carrying out business activities, and pays more attention to company performance both financially and, implementing good governance, women's councils and maintain healthy political relations, because based on research results the three have an influence on company performance.

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