



THE EFFECT OF ASSET TANGIBILITY, COMPANY AGE, COMPANY SIZE, AND BOARD GENDER DIVERSITY ON FINANCIAL DISTRESS IN PROPERTY SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN THE PERIOD 2022-2024

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Abstract

Abstract. This study was conducted to determine the effect of Asset Tangibility, Company Age, Company Size, and Board Gender Diversity on Financial Distress in companies in the Property and Real Estate sector listed on the Indonesia Stock Exchange (IDX) for the period 2022–2024. Using purposive sampling, a total of 64 company samples were obtained for this study. Eviews 12 was used to process and analyze the data for panel data regression. The results showed that asset tangibility had no effect on financial distress. Meanwhile, company age, company size, and board gender diversity had an effect on financial distress. The contribution of the independent variables in explaining their effect on financial distress was 99.2%, while the rest was influenced by other variables outside the scope of this study.

INTRODUCTION

Financial distress is a significant issue in corporate finance that is receiving increasing attention in various countries, both developed and developing. Following the global financial crisis, many companies faced significant financial pressure, raising concerns among investors and creditors about their stability. This situation indicates that even large companies are not completely immune to the risk of business failure. Financial distress is understood as a condition when a company is

unable to meet its financial obligations to creditors, which can ultimately lead to debt restructuring or bankruptcy (Sehgal et al., 2021; Isayas, 2021). Therefore, identifying factors influencing the potential for financial distress is crucial as an early preventative measure against the risk of corporate bankruptcy. In modern business practices, a company's financial stability is not only determined by operational performance but also by the quality of corporate governance. Good corporate governance can improve transparency, accountability, and the effectiveness of oversight within an organization. A strong oversight mechanism can help companies detect potential financial difficulties early, thereby minimizing financial pressure while protecting the interests of investors and creditors (Chen et al., 2020; Tran, 2025). The phenomenon of financial distress has also been seen in several property companies in Indonesia in recent years.

One notable case occurred at PT PP Properti Tbk (PPRO). Based on financial reports published on the Indonesia Stock Exchange, the company recorded a current year loss of IDR 1.09 trillion in 2024, with accumulated losses reaching IDR 2.05 trillion. This situation was exacerbated by short-term liabilities of IDR 10.56 trillion, which far exceeded equity of IDR 2.19 trillion, and negative operating cash flow of IDR 866.56 billion, indicating the company's liquidity pressures (IDX, 2024). This pressure became even more apparent when, in October 2024, the company failed to meet its bond interest payment obligation of IDR 163.5 billion, resulting in a downgrade of the company's debt rating from selective default to default and prompting the company to file for a Suspension of Debt Payment Obligations (PKPU) with a restructuring value of IDR 15.2 trillion (FinancialReview.id, 2025; Detik.com, 2025).

Several other property companies, such as PT Adhi Persada Properti, PT Wijaya Karya Realty, and PT Waskita Karya Realty, are facing debt suspension lawsuits due to their inability to meet financial obligations to creditors (Kompas, 2024; Katadata, 2024; Kontan, 2025). This phenomenon indicates that the property sector is facing serious financial pressure due to an imbalance between debt burdens, project revenues, and management's ability to manage financial risks. In corporate finance literature, several factors are suspected of influencing the likelihood of financial distress. One such factor is asset tangibility, which is the proportion of tangible assets such as land, buildings, and equipment to a company's total assets. Tangible assets can be used as collateral in credit contracts, making it easier for companies to access funding (Farooq et al., 2021). Research conducted by Isayas (2021) and Ikpesu and Eboiyehi (2018) found that the higher the asset tangibility, the lower the likelihood of financial distress. However, other studies have shown different results, indicating that asset tangibility has no significant effect on financial distress (Farooq et al., 2021; Tong & Serrasqueiro, 2021).

Furthermore, company age is also suspected of influencing financial distress. Companies that have been operating for a longer period generally have more experience in managing operations and dealing with business risks (Shiu, 2004 in Kebede et al., 2024). Balasubramanian et al. (2019) and Isayas (2021) found that the older a company is, the lower the likelihood of financial distress. However, other studies show that company age has no significant relationship with financial distress (Brahmana et al., 2019; Ikpesu & Eboiyehi, 2018; Kebede et al., 2024). Firms have broader access to funding, thus having a greater capacity to overcome financial difficulties (Isayas, 2021; Sehgal et al., 2021). However, several studies have found that firm size has no significant effect on financial distress (Yazdanfar & Öhman, 2020; Brahmana et al., 2019).

In addition to internal company characteristics, corporate governance aspects are also suspected to influence a company's financial condition, one of which is through board gender diversity. Gender diversity on the board of directors is believed to improve the quality of decision-making and the effectiveness of oversight due to the availability of more diverse perspectives (Guizani & Abdalkrim, 2023). Research conducted by Tran (2025) and Abbas and Frihatni (2023) found that gender diversity significantly impacts financial distress. However, other studies indicate that board gender diversity does not significantly impact financial distress (Saima & Arefin, 2022; Yousaf et al., 2020).

These differing research results indicate an inconsistency in findings or research gap in the literature regarding the factors influencing financial distress. Therefore, this study aims to analyze the influence of asset tangibility, company age, company size, and board gender diversity on financial distress in property companies listed on the Indonesia Stock Exchange for the 2022-2024 period. This research is expected to contribute to enriching the literature on financial distress and serve as a reference for management, investors, and regulators in understanding the factors that influence a company's risk of financial distress.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Agency Theory

Agency theory, introduced by Michael C. Jensen and William H. Meckling, explains the contractual relationship between a company's owner (principal) and its manager (agent), where the manager is authorized to manage the company on behalf of the owner. Differing interests between the two parties can lead to agency conflicts, which result in agency costs and the risk of decision-making that is inconsistent with the owner's goals (Afrizal, 2018). In the context of financial distress, this theory is relevant because corporate governance mechanisms, such as the presence of independent directors and effective oversight, can mitigate agency conflicts and help minimize the risk of financial distress (Chen et al., 2020; Tran, 2025).

B. Signal Theory

The signaling theory introduced by Michael Spence explains that in conditions of information asymmetry, company management will send signals to external parties through financial information, such as financial reports, earnings, and company performance indicators. The publication of quality financial reports is a positive signal reflecting good corporate governance and conditions, thereby increasing investor and stakeholder confidence (Subroto & Endaryanti, 2024). Conversely, information indicating high risk or irregularities in financial reports can be a negative signal, indicating a company's increasing potential for financial distress (To, 2025).

C. Financial Distress

Financial distress is a condition of financial decline in a company before bankruptcy or liquidation occurs. This condition is characterized by difficulty meeting company obligations, such as salary payments, declining service quality, and late debt repayments (Syahrullah et al., 2020). Financial distress is important to study because it serves as an early signal of potential bankruptcy, allowing companies to take anticipatory measures to avoid such conditions (Saima & Arefin, 2022). In this

study, financial distress was measured using the Altman Z-Score model developed by Altman as a predictor of corporate bankruptcy (To, 2025), with the formula:

$$\text{Z-Score} = 6.56X1 + 3.26X2 + 6.72X3 + 1.05X4$$

D. Asset Tangibility

Asset tangibility refers to tangible assets used by a company in its operations, such as buildings, machinery, vehicles, and production equipment (Murniati, 2022). The asset tangibility ratio indicates the proportion of fixed assets to a company's total assets. A high proportion of fixed assets can reduce a company's flexibility in meeting short-term operational needs by reducing the portion of current assets (Isayas, 2021). Asset tangibility is measured using the following formula:

$$\text{Asset Tangibility} = \text{Fixed Assets} / \text{Total Assets}$$

E. Firm Age

Company age describes the length of time a company has been in operation and reflects its level of experience in managing operations, risks, and understanding market conditions. Longer-established companies generally have greater stability and adaptability than newer companies (Isayas, 2021). Furthermore, older companies tend to have greater experience in acquiring resources, understanding markets, and managing risks, thus improving overall company performance (Kebede et al., 2024). In this study, company age was measured by the number of years the company has been in operation.

F. Firm Size

Company size reflects the scale of a company's operations, as measured by total assets, revenue, and market capitalization (Siahaan et al., 2025). Small companies tend to face greater information asymmetry, making it more difficult to access funding, while large companies have greater stability and ability to weather financial difficulties despite greater management complexity (Farooq et al., 2021; Isayas, 2021).

G. Board Gender Diversity

Board gender diversity refers to the gender diversity within the board of directors, reflecting the involvement of women in corporate decision-making. The presence of women on the board is considered to improve the effectiveness of oversight and the quality of corporate decision-making (Saima & Arefin, 2022). Furthermore, women tend to be more cautious, disciplined, and sensitive to risk, thus helping reduce the potential for financial distress in the company (Guizani & Abdalkrim, 2023). This variable is measured by the proportion of female directors compared to the total board of directors using the formula:

$$\text{Board gender diversity} = \text{Number of Female Board Members} / \text{Total Board Members}$$

H. Conceptual Framework

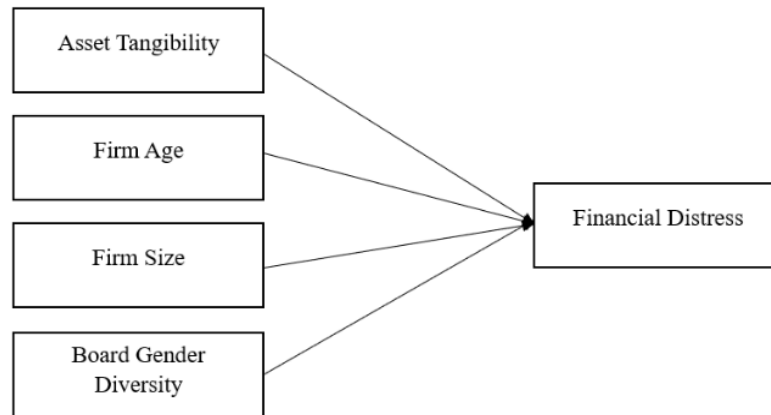


Figure. Conceptual Framework

Source: Collection of Research (2025)

I. Research Hypothesis

Companies with a high proportion of tangible assets tend to have easier access to external financing because these assets can be used as collateral for creditors (Farooq et al., 2021). Large ownership of tangible assets also provides a positive signal regarding a company's financial stability, thus lowering the risk of financial distress. Research by Kebede et al. (2024) and Ikpesu and Eboiyehi (2018) shows that asset tangibility influences financial distress. Therefore, the following hypothesis is proposed:

H1: Asset tangibility has an effect on financial distress.

Company age reflects a company's experience and ability to manage operations and maintain financial stability. Companies that have been operating for a long time generally have more mature control and governance systems, thus lowering the risk of financial distress (Isayas, 2021). From an agency theory perspective, older companies tend to be able to minimize conflicts of interest through better oversight mechanisms. Research by To (2025) and He et al. (2019) demonstrated that company age influences financial distress. Therefore, the following hypothesis is proposed:

H2: Company age influences financial distress.

Small companies tend to have higher failure rates than large companies due to limited experience, business networks, and funding capacity (Isayas, 2021). Agency theory also suggests that small companies have suboptimal oversight systems, increasing the risk of inefficient decision-making. Conversely, large companies generally have better governance and control systems, making them more resilient to financial distress. Research by Isayas (2021) and Farooq et al. (2021), and Sehgal et al. (2021) showed that company size influences financial distress. Therefore, the following hypothesis is proposed:

H3: Company size influences financial distress.

Gender diversity on the board of directors is considered capable of improving the quality of oversight and the effectiveness of corporate governance because women tend to be more cautious, disciplined, and sensitive to risk (Saima & Arefin, 2022). From an agency theory perspective, the

presence of women on the board can strengthen the monitoring function, while signaling theory views gender diversity as an indicator of good corporate governance. Research by Guizani and Abdalkrim (2023) and Tran (2025) proves that board gender diversity influences financial distress. Therefore, the following hypothesis is proposed:

H4: Board gender diversity influences financial distress.

METHODS

A. Research Type

This research employed a quantitative methodology with a positivist approach. A quantitative approach is used to examine a specific population or sample through data collection using standardized research instruments, which are then statistically analyzed to test the formulated hypotheses (Sugiyono, 2023). Positivism philosophy views phenomena as observable, measurable, relatively constant, and causally related. The research was conducted deductively, starting with theories and concepts to formulate hypotheses, which are then tested through field data collection and descriptive and inferential statistical analysis to determine the validity of the research hypotheses (Sugiyono, 2023).

B. Data Types and Sources

The type of data used in this study is secondary data. The data source for this study is the financial reports of healthcare companies listed on the Indonesia Stock Exchange (IDX) for the period 2021-2023. Data information can be obtained from the official Indonesia Stock Exchange website, www.idx.co.id, as well as from property companies' websites and other related websites.

C. Population and Sample

The population in this study was all property sector companies listed on the Indonesia Stock Exchange (IDX) for the 2022-2024 period, totaling 92 companies. Using purposive sampling, the sample obtained from the purposive sampling method was 64 companies, accessible through the IDX and their official websites.

D. Data Analysis Techniques

Data processing in this study was carried out through data analysis. Data analysis is the process of processing collected information to obtain a systematic and easily understood explanation. The data used is panel data, which combines cross-sectional and time-series data. In this study, the time series covers a three-year period, from 2022 to 2024, and the data comes from property companies listed on the Indonesia Stock Exchange. The analytical method used is panel data regression, conducted using Eviews 12. Before running the regression analysis, the data must pass four important checks: normality, multicollinearity, heteroscedasticity, and autocorrelation.

Company Category Classification

1. Property and real estate companies listed on the IDX during 2022-2024.
2. Property and real estate companies that presented consecutive financial reports for the 2022-2024 period.

3. Property and real estate companies that presented complete financial reports containing all required research variables, including sales, EBIT, and fixed assets data, consecutively for the 2022-2024 period.

Calculation Of Financial Distress

This calculation is done using the Altman Z-Score

$$\text{Z-Score} = 6.56X1 + 3.26X2 + 6.72X3 + 1.05X4$$

X1 : Working capital / total assets

X2 : Retained earning / total assets

X3 : EBIT / total assets

X4 : Book Value of Equity / total liabilities

The assessment criteria consist of a safe zone ($Z > 2.6$), a gray zone ($1.1 < Z < 2.6$), and a danger zone ($Z < 1.1$).

Table 1. Variables and Measurement

Variable	Code	Definition and Measurement
Financial Distress (To, 2025)	Y	A condition of declining financial health characterized by the company's inability to meet short-term and long-term obligations. Altman Z-Score = $6.56X1 + 3.26X2 + 6.72X3 + 1.05X4$
Asset Tangibility (Farooq et al., 2021)	X1	The proportion of tangible assets to total assets reflects the company's ability to provide credit guarantees. Asset Tangibility = Fixed Assets / Total Assets
Firm Age (Kebede et al., 2024)	X2	The length of time a company has been in operation reflects its experience, stability, and ability to face financial risks. Company age = Total years the company has been in operation
Firm Size (Siahaan et al., 2025)	X3	Company size is an indicator that reflects the size of a company based on various aspects, such as total assets, revenue, market capitalization, or number of employees. Company size = $\text{LN}(\text{total revenue})$
Board Gender Diversity (Tran, 2025)	X4	Gender diversity in the board of directors as an indicator of the effectiveness of governance and oversight mechanisms. Board gender diversity = Number of Female Board Members / Total Board Members

Hypothesis Testing

Hypothesis testing in this study is conducted using panel data regression analysis with the assistance of EViews software. The hypothesis testing consists of the coefficient of determination test (Adjusted R-Square) and partial test (t-test).

1. Coefficient of Determination Test (Adjusted R-Square)

The coefficient of determination test aims to measure the ability of the independent variables to explain the dependent variable. The higher the Adjusted R-Square value, the greater the contribution of the independent variables in explaining fraudulent financial reporting.

2. Partial Test (t-test)

The t-test is used to determine the effect of each independent variable individually on fraudulent financial reporting. The decision-making criteria are as follows:

- If the probability value < 0.05 , then the independent variable has a significant effect on fraudulent financial reporting.
- If the probability value > 0.05 , then the independent variable does not have a significant effect on fraudulent financial reporting.

RESULTS AND DISCUSSION

A. Result

Data Analysis Methods

1. Descriptive Analysis

Descriptive statistics is a statistical data analysis method that describes, provides a clear picture, and explains information as it is, without drawing conclusions or applying it to a broader population. Descriptive statistics helps understand how variables are connected by examining their relationships through correlation, predicting outcomes using regression, and comparing data by examining the mean difference between a sample and the entire population (Sugiyono, 2023).

Table 2. Result Of Descriptive Statistical Test

	Y	X1	X2	X3	X4
Mean	69395.38	875.7396	14.31250	256763.5	2105.547
Median	44729.50	421.0000	11.00000	257238.5	2000.000
Maximum	675998.0	7203.000	35.00000	304637.0	6667.000
Minimum	-874997.0	0.000000	1.000000	138424.0	0.000000
Std. Dev.	129258.8	1197.428	11.18180	27452.12	1978.045
Skewness	-0.384448	2.457885	0.463745	-1.086123	0.364801
Kurtosis	21.88222	10.20737	1.619860	6.355821	1.899824
Jarque-Bera	2857.035	608.8882	22.12020	127.8415	13.94164
Probability	0.000000	0.000000	0.000016	0.000000	0.000939
Sum	13323912	168142.0	2748.000	49298592	404265.0
Sum Sq. Dev.	3.19E+12	2.74E+08	23881.25	1.44E+11	7.47E+08
Observations	192	192	192	192	192

Source: Eviews 12 output, 2026

Selection of Panel Data Regression Models

1. Chow Test

Table 3. Results of the Chow Test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	7.502762	(63,124)	0.0000
Cross-section Chi-square	301.649157	63	0.0000

Table 3 shows a significant cross-section Chi-square value of 0.0000. This p-value is <0.05 . Thus, statistically, H_0 is rejected and H_1 is accepted. Therefore, based on the Chow test results, the most appropriate panel data regression model to use in this study is the Fixed Effect Model.

2. Hausman Test

Table 4. Results of the Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	11.737607	4	0.0194

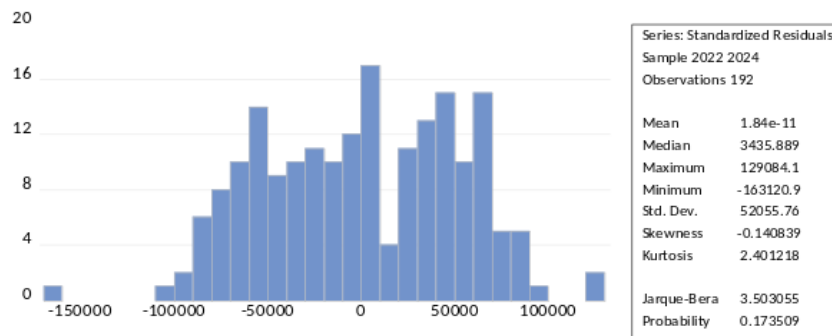
Table 4 shows the probability value of the random cross-section is 0.0194, which is lower than 0.05. Therefore, according to the specified criteria, the model used is a fixed effect model. Based on the results of the panel data model selection, it can be concluded that the model applied is a fixed effect model to test the panel data regression in the study.

2. Tests of Classical Assumptions

Normality Test

The normality test was performed using the Jarque-Bera method in the EViews 12 application. Data are declared normally distributed if the probability value is greater than 0.05, while a probability value less than 0.05 indicates the data is not normally distributed (Kusumaningtyas et al., 2022). Although the number of observations in this study is relatively large, namely 192 observations, which theoretically has approached a normal distribution based on the central limit theorem (Basuki & Prawoto, 2021), the normality test was still carried out to verify the classical assumption.

Figure 1. Results of the Normality Test



Source: Eviews 12 output, 2026

The image shows a Jarque-bera value of 3.503055 with a probability value of 0.173509, where this value is greater than 0.05 so it can be concluded that the research model has met the normality assumption.

Multicollinearity Test

Table 5. Results of the Multicollinearity Test

Variance Inflation Factors
Date: 05/09/26 Time: 11:45
Sample: 1 192
Included observations: 192

Variable	Coefficient Variance	Uncentered VF	Centered VF
C	7.71E+09	90.26782	NA
X1	64.97950	1.668582	1.085134
X2	709871.5	2.736239	1.033740
X3	0.117591	91.79670	1.032128
X4	23.78178	2.318122	1.083739

Source: Eviews 12 output, 2026

Based on table 5, it can be seen that the VIF value of the asset tangibility variable (X1) is 1.085134, the VIF value of the company age variable (X2) is 1.033740, the VIF value of the company size variable (X3) is 1.032128, and the VIF value of board gender diversity is 1.083739. Where all these variables have values below 10, so it can be concluded that the regression model in this study does not experience multicollinearity problems. This indicates that there is no relationship between the independent variables.

Heteroskedasticity Test

Table 6. Results of the Heteroskedasticity Test

Heteroskedasticity Test: White
Null hypothesis: Homoskedasticity

F-statistic	0.937803	Prob. F(14,177)	0.5195
Obs*R-squared	13.25843	Prob. Chi-Square(14)	0.5063
Scaled explained SS	135.3351	Prob. Chi-Square(14)	0.0000

Source: Eviews 12 output, 2026

The heteroscedasticity test in this study uses the White test by regressing the absolute residual value against the independent variable. If the probability value is greater than 0.05, there is no heteroscedasticity. However, if the probability value is less than 0.05, there is heteroscedasticity.

Autocorrelation Test

Table 7. Results of the Autocorrelation Test

Dependent Variable: Y
Method: Panel EGLS (Cross-section weights)
Date: 05/09/26 Time: 11:38
Sample: 2022 2024
Periods included: 3
Cross-sections included: 64
Total panel (balanced) observations: 192
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	302481.6	56106.80	5.391176	0.0000
X1	-2.316931	3.101020	-0.747151	0.4564
X2	-1054.174	231.3654	-4.556315	0.0000
X3	-0.902259	0.214752	-4.201399	0.0001
X4	7.455490	1.057686	7.048872	0.0000

Effects Specification

Cross-section fixed (dummy variables)

Weighted Statistics			
R-squared	0.994818	Mean dependent var	587177.6
Adjusted R-squared	0.992019	S.D. dependent var	1126791.
S.E. of regression	64606.27	Sum squared resid	5.18E+11
F-statistic	355.3233	Durbin-Watson stat	2.297493
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.798990	Mean dependent var	69395.38
Sum squared resid	6.41E+11	Durbin-Watson stat	1.753631

Source: Eviews 12 output, 2026

To detect autocorrelation, this study used the Durbin-Watson test (DW test):

- $DW = 2.297493$

- $DL = 1.7215$

- $4-DL = 2.2785$

- $DU = 1.8064$

- $4-DU = 2.1936$

$4-dl < dw < 4-du$ is the criterion for no autocorrelation: $2.2785 < 2.297493 < 4$ (no autocorrelation)

The table above shows that the DW value is between 4-dl and 4, indicating that autocorrelation did not occur in this study (Ghozali, 2023).

3. Partial Test (t-test)

Table 8. Result of Partial Test

Dependent Variable: Y
Method: Panel EGLS (Cross-section weights)
Date: 05/09/26 Time: 11:38
Sample: 2022 2024
Periods included: 3
Cross-sections included: 64
Total panel (balanced) observations: 192
Linear estimation after one-step weighting matrix

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X3	-0.902259	0.214752	-4.201399	0.0001
X4	7.455490	1.057686	7.048872	0.0000

Effects Specification

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Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.798990	Mean dependent var	69395.38
Sum squared resid	6.41E+11	Durbin-Watson stat	1.753631

Source: Eviews 12 output, 2026

a. Testing the First Hypothesis (H1)

Based on the results in Table 8, the asset tangibility variable has a significant probability value of $0.4564 > 0.05$, with a calculated t-value of -0.747151 , indicating that the calculated t-value is smaller than the t-value of -1.97273 . Based on these results, it can be concluded that the first hypothesis (H1) is rejected. This indicates that asset tangibility does not have a significant partial effect on financial distress.

b. Testing the Second Hypothesis (H2)

Based on Table 8, the company age variable has a significant probability value of $0.0000 < 0.05$, with a calculated t-value of -4.556315 , smaller than the t-value of -1.97273 . Based on these results, it can be concluded that the second hypothesis (H2) is accepted. This indicates that company age has a partial significant effect on financial distress.

c. Testing the Third Hypothesis (H3)

Table 8 shows that the company size variable has a significant probability of $0.0001 > 0.05$, with a calculated t-value of -4.201399 , which is smaller than the t-table value of -1.977796 . From this, it can be concluded that the third hypothesis (H3) is accepted, indicating that company size has a partial significant effect on financial distress.

d. Testing the Fourth Hypothesis (H4)

Table 8 shows that the board gender diversity variable has a significant probability of $0.0000 < 0.05$, with a calculated t-value of 7.048872, which is greater than 1.97273. Based on these results, it can be concluded that the fourth hypothesis (H4) is accepted, indicating that board gender diversity has a partial significant effect on financial distress.

4. Coefficient of Determination Test (R²)**Table 9. Results of the Coefficient of Determination (R²) Test**

Dependent Variable: Y
Method: Panel EGLS (Cross-section weights)
Date: 05/09/26 Time: 11:38
Sample: 2022 2024
Periods included: 3
Cross-sections included: 64
Total panel (balanced) observations: 192
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	302481.6	56106.80	5.391176	0.0000
X1	-2.316931	3.101020	-0.747151	0.4564
X2	-1054.174	231.3654	-4.556315	0.0000
X3	-0.902259	0.214752	-4.201399	0.0001
X4	7.455490	1.057686	7.048872	0.0000

Effects Specification

Cross-section fixed (dummy variables)

Weighted Statistics			
R-squared	0.994818	Mean dependent var	587177.6
Adjusted R-squared	0.992019	S.D. dependent var	1126791.
S.E. of regression	64606.27	Sum squared resid	5.18E+11
F-statistic	355.3233	Durbin-Watson stat	2.297493
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.798990	Mean dependent var	69395.38
Sum squared resid	6.41E+11	Durbin-Watson stat	1.753631

Source: Eviews 12 output, 2026

Based on Table 9, the results of the coefficient of determination test show that the Adjusted R-square value is 0.992019. This illustrates that the independent variables (asset tangibility, company age, company size, and board gender diversity) on the dependent variable (financial distress) are 99.2%, while the other 0.8% is explained by other variables that do not exist or are outside this study.

B. Result and Discussion**1. The Effect of Asset Tangibility on Financial Distress**

The results of this study indicate that asset tangibility does not significantly influence financial distress, therefore, H1 is rejected. Asset tangibility reflects the proportion of tangible assets owned by a company, such as land, buildings, machinery, and equipment. Although fixed assets can be

used as collateral for loans, these assets are generally not easily converted into cash and therefore may not be able to meet the company's short-term obligations (Farooq et al., 2021). This finding suggests that the proportion of tangible assets is not a primary factor in determining a company's financial distress. These results align with those of Farooq et al. (2021) and Tong & Serrasqueiro (2021), which found that asset tangibility does not significantly influence financial distress.

2. The Effect of Company Age on Financial Distress

The results of this study indicate that company age significantly influences financial distress, therefore, H2 is accepted. Company age reflects the company's experience in managing business activities, understanding market conditions, and facing various business risks. Companies that have been operating for a long time generally have more adaptability and a more mature management system, making them better able to maintain financial stability (Kebede et al., 2024). Therefore, the longer a company has been operating, the lower the likelihood of experiencing financial distress. The results of this study are consistent with those of To (2025), Isayas (2021), and Balasubramanian et al. (2019), which found that company age influences financial distress.

3. The Effect of Company Size on Financial Distress

The results show that company size has a significant effect on financial distress, thus supporting H3. Larger companies generally have better resources, access to funding, and operational stability than smaller companies. Conversely, smaller companies tend to face capital constraints, high information asymmetry, and difficulty obtaining financing when facing financial stress (Farooq et al., 2021). Therefore, company size is a factor that can influence the likelihood of financial distress. This finding aligns with research by Isayas (2021), Farooq et al. (2021), and Sehgal et al. (2021) stated that company size influences financial distress.

4. The Effect of Board Gender Diversity on Financial Distress

The results of this study indicate that board gender diversity significantly influences financial distress, thus accepting H4. Gender diversity on the board of directors is considered capable of improving the quality of oversight and the effectiveness of corporate decision-making. The presence of women on the board of directors tends to strengthen the monitoring function because women are considered more disciplined, cautious, and sensitive to risk in decision-making (Guizani & Abdalkrim, 2023). This condition can help companies maintain financial stability and reduce the likelihood of financial distress. These research findings are supported by research by Abbas & Frihatni (2023), Tran (2025), and Guizani & Abdalkrim (2023), which found that board gender diversity significantly influences financial distress.

CONCLUSION

This study aims to determine the effect of asset tangibility, company age, company size, and board gender diversity on financial distress in property and real estate companies listed on the Indonesia Stock Exchange for the 2022-2024 period. The results indicate that asset tangibility does not significantly influence financial distress. This suggests that companies with a high proportion of tangible assets are not necessarily immune to financial distress because fixed assets are generally not easily converted to cash quickly, making asset tangibility a less important indicator in

predicting financial distress. Furthermore, company age has been shown to significantly influence financial distress. Companies that have been operating for longer tend to have more experience in managing business activities, dealing with changing business conditions, and anticipating various financial risks, thus enabling them to maintain financial stability. Company size also significantly influences financial distress. Larger companies generally have broader resources and access to funding than smaller companies, making them more able to withstand economic pressures and maintain financial stability. Furthermore, board gender diversity significantly influences financial distress. Gender diversity on the board of directors is considered to improve the quality of oversight and decision-making through a more diverse perspective. The presence of women on boards tends to encourage more careful and risk-sensitive decision-making, thereby helping companies maintain financial stability and reducing the likelihood of financial distress.

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