

ABSTRACT

Financial distress is defined as a condition of difficulty experienced by the company with declining profits, the company's inability to pay its obligations which are presented based on a comparison of the current financial statements with the previous period. Financial distress occurs before the company goes bankrupt or fails. The average Altman Z-Score of agricultural sector companies in 2015-2019 was in a condition prone to bankruptcy (grey area) and in 2018 and 2019 the average Altman Z-Score continued to decline.

This study aims to determine the simultaneous and partial effect of firm size, managerial agency costs, capital structure, and gender diversity on financial distress in agricultural sector companies listed on the Indonesia Stock Exchange in 2015-2019.

The research method used is quantitative method with panel data regression technique using Eviews 10 software. Purposive sampling technique was used to obtain research samples and obtained 16 companies in the five-year research period, so 80 research samples were obtained. Altman Z-score method is used to calculate financial distress.

The results showed that simultaneously firm size, managerial agency costs, capital structure, and gender diversity influenced financial distress. Partially, firm size has a positive and significant effect on financial distress, capital structure has a negative and significant effect on financial distress, while managerial agency costs and gender diversity have no effect on financial distress.

Based on the results of the study, it is hoped that the results of this study can be a reference for further researchers, and it is recommended for further researchers to develop other independent variables to examine financial distress. Companies are expected to pay attention to the size of the company and the capital structure of the company to manage the company properly. Investors are advised to invest their funds in large companies and companies that have a capital structure with a low DER because these companies have low levels of financial distress.

Keywords: *capital structure, company size, financial distress, gender diversity, managerial agency cost*