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The Effect of Financial Ratios, Corporate Governance, and Macroeconomics on Financial Distress in Tourism Industry Service Companies Listed on the Indonesia Stock Exchange

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ABSTRAK

This study aims to analyze the effect of (1) profitability on financial distress, (2) liquidity on financial distress, (3) leverage on financial distress, (4) gender diversity on financial distress, (5) institutional ownership on financial distress, (6)) inflation on financial distress, (7) interest rates on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange before and during the Covid-19 Pandemic. While the sample in this study was determined using the purposive sampling method, namely tourism industry service companies with data prior to the Covid-19 Pandemic for six consecutive years from 2014-2019 so that a total sample of 18 companies was obtained with 108 observational data and data during the Covid Pandemic. -19 for two consecutive years from 2020-2021 so that a total sample of 18 companies was obtained with 144 observational data. The analytical method used is the logistic regression method using the IBM SPSS Statistics 25 program.

The results of this study concluded before the Covid-19 Pandemic that (1) profitability as measured by ROE had a significant negative effect on financial distress, (2) liquidity as measured by CR was negative and did not have a significant effect on financial distress, (3) leverage as measured with DER having a significant negative effect on financial distress, (4) gender diversity is negative and has no significant effect on financial distress, (5) institutional ownership is positive and has no significant effect on financial distress, (6) inflation is negative and has no significant effect on financial distress, (7) positive interest rates and no significant effect on financial distress. While the results of research during the Covid-19 Pandemic concluded that (1) profitability as measured by ROE had a significant negative effect on financial distress, (2) liquidity as measured by CR had a significant negative effect on financial distress, (3) leverage as measured by DER negative and has no significant effect on financial distress, (4) gender diversity has a positive and no significant effect on financial distress, (5) institutional ownership has a significant positive effect on financial distress, (6) inflation has a significant negative effect on financial distress, (7) ethnicity positive interest and no significant effect on financial distress.

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Keywords:
Financial Distress, Profitabilitas, Likuiditas, Leverage, Gender Diversity, Institutional Onership, Inflasi, suku buga

ABSTRACT

Penelitian ini bertujuan untuk menganalisis pengaruh (1) profitabilitas terhadap *financial distress*, (2) likuiditas terhadap *financial distress*, (3) *leverage* terhadap *financial distress*, (4) *gender diversity* terhadap *financial distress*, (5) *institutional ownership* terhadap *financial distress*, (6) inflasi terhadap *financial distres*, (7) suku bunga terhadap *financial distress* perusahaan jasa industri pariwisata yang terdaftar di Bursa Efek Indonesia pada masa sebelum dan selama Pandemi Covid-19. Sedangkan sampel dalam penelitian ini ditentukan dengan menggunakan metode *purposive sampling* yaitu perusahaan jasa industri pariwisata dengan data sebelum Pandemi Covid-19 selama enam tahun berturut-turut dari tahun 2014-2019 sehingga diperoleh total sampel sebanyak 18 perusahaan dengan 108 data observasi dan data selama Pandemi Covid-19 selama dua tahun berturut-turut dari tahun 2020-2021 sehingga diperoleh total sampel sebanyak 18 perusahaan dengan 144 data observasi. Metode analisis yang digunakan adalah metode regresi logistik dengan menggunakan program IBM SPSS Statistic 25.

Hasil penelitian ini menyimpulkan pada masa sebelum Pandemi Covid-19 bahwa (1) profitabilitas yang diukur dengan ROE berpengaruh negatif signifikan terhadap *financial distress*, (2) likuiditas yang diukur dengan CR negatif dan tidak berpengaruh signifikan terhadap *financial distress*, (3) *leverage* yang diukur dengan DER berpengaruh negatif signifikan terhadap *financial distress*, (4) *gender diversity* negatif dan tidak berpengaruh signifikan terhadap *financial distress*, (5) *institutional ownership* positif dan tidak berpengaruh signifikan terhadap *financial distress*, (6) inflasi negatif dan tidak berpengaruh signifikan terhadap *financial distress*, (7) suku bunga positif dan tidak berpengaruh signifikan terhadap *financial distress.* Sedangkan hasil penelitian pada masa selama Pandemi Covid-19 menyimpulkan bahwa (1) profitabilitas yang diukur dengan ROE berpengaruh negatif signifikan terhadap *financial distress*, (2) likuiditas yang diukur dengan CR berpengaruh negatif signifikan terhadap *financial distress*, (3) *leverage* yang diukur dengan DER negatif dan tidak berpengaruh signifikan terhadap *financial distress*, (4) *gender diversity* positif dan tidak berpengaruh signifikan terhadap *financial distress*, (5) *institutional ownership* berpengaruh positif signifikan terhadap *financial distress*, (6) inflasi berpengaruh negatif signifikan terhadap *financial distress*, (7) suku bunga positif dan tidak berpengaruh signifikan terhadap *financial distress*.

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PENDAHULUAN

The economic condition has recently experienced quite a big shock due to various problems that have occurred. The electoral crisis in the countries of Elrolpa to a lesser extent also had an impact

on the elimination of the countries in the world. Previously, around 2008, the world was shocked by the economic crisis in South America due to subprime molrtgagel. The impact of this crisis has also been felt by countries in the world, including Indonesia. And recently, at the end of 2019, the world was shaken again by a crisis in terms of health, namely what is called the Colvid-19 crisis. Other companies including companies operating in the tourism and hospitality sectors have also been affected by this crisis, so these companies are predicted to experience financial distress (Cladelra, Olliveller, & Fustelr, 2021).

According to Platt and Platt (2002), financial distress is the stage of decreasing financial conditions before bankruptcy or liquidation occurs. According to Wurck (1990) financial distress is a condition in which operating cash flows are insufficient to meet current liabilities such as trade payables or interest expenses. Prediction of financial distress is very good to do because this prediction is intended as an early warning so that companies can take action to avoid and improve the financial system so that this financial distress condition does not become more protracted (Nindita, 2014). One of the companies predicted to experience financial distress is the tourism industry. This is caused by several things such as capital management that have not been maximal yet so that it can be said that they have not been able to manage capital efficiently, as well as the high total liabilities which are not comparable with the management of assets so as to make the working capital of the tourism industry show negative value results.

The tourism industry has been particularly affected by the emergence of health issues (Chieln & Law, 2003; Dahlels & Susilolwati, 2015; Dolmbely, 2003; Mckelrchelr & Choln, 2004; Nolvellli, Gussing Burgelss, Jolnels, & Ritchiel, 2018). For example, in China the SARS crisis in 2003 greatly affected the tourism industry compared to other industries (Dolmbely, 2003). The Colvid-19 crisis is much more powerful, which can reduce the activity of the large 60-80% in 2020 according to the United Nations World Tourism Organization (UNTWOl), and this also spreads throughout the world, causing the collapse of the world economy (Cladelra, Olliveler, & Fustelr, 2021). So as to prevent that from happening, the government has implemented many policies to reduce the spread of the Colvid-19 virus as well as PSBB (Large-Scale Social Restrictions), PPKM (Providing Restrictions on Community Activities) policies, and this will certainly make it difficult for the tourism industry due to the lack of tourist visitors in the field. as well as foreign. Of course this will lead to a decrease in the income of the tourism industry so that it will have an impact on decreasing company performance and will make the tourism industry experience losses and financial distress will occur.

Companies experiencing financial difficulties can be indicated in several ways, such as research conducted by Whitakelr (1999) using negative operating profit as a means of determining companies experiencing financial difficulties. According to Whitakelr (1999), companies that experience financial distress are categorized as companies that experience negative operating profit, because if the company generates negative operating profit, it means that the company is under economic pressure as well as poor management performance, which causes performance. so the company went into decline. According to Amalia (2003), a company categorized as experiencing financial distress is if the company has experienced negative operating profit for two consecutive years.

This research was conducted at tourism industry service companies listed on BELI in 2014-2021, where this research will confirm the results of how the company was affected before it was affected by the Colvid-19 crisis, namely in 2014-2019, and the period when the company was aware of the impact of the Colvid-19 crisis in 2020-2021. According to Nugrolhol (2012), one of the methods used to assess company performance is by using rationing analysis. To see the financial distress condition of a company, it can be seen by using rationing analysis, the ratios that can be used are various ratios of profitability, liquidity, levelragel, solvency, and activity. According to (Fahmi, 2012), for investors there are three most dominant ratios that are used to see the performance conditions of a company, namely: the liquidity ratio, the levelragel ratio, the profitability ratio. investors always pay attention to the general public, because basically it is considered to have completed an initial analysis of the condition of a company.

Apart from that, it is predicted that Colrpolratel Golvelnancel can also overcome the risk of financial distress. Intielt al. (1999) argues that a weak correlation of strategic goals in an organization can increase the possibility of agency problems. Where according to the Organization for Financial Collaboration and Delvellopmelnt (OlElCD), a bad corporate governance mechanism can cause financial distress to companies. FCGI (2001) defines the corporate governance body as a regulatory body that regulates the relationship between shareholders, corporate management, creditors, government, and employees as well as other internal and external interest holders related to rights and obligations.

In addition to the financial ratios and the financial balance sheet, there are also external factors that affect financial distress, namely macroeconomics. Macroeconomic conditions are the conditions of the colonial eradication that occur in a country as a whole, including economic growth, stability and changes in prices, the level of employment and unemployment (Mankiw, 2006). This condition will certainly have an impact on the industry in a country which will have an impact on company policies (Fahmi, 2014).

LITERATURE REVIEW

Trade-Off Theory

This telology is related to the use of debt in the molding structure. The trade-off strategy error is to balance the benefits and sacrifices that arise as a result of using debt. Melnulrult Myrels (2001), Tradel Olff Thelolry is an egg that gives sources of funding from outside. The company will be indebted to the maximum level of indebtedness, where the tax savings (tax shields) from additional debt are equal to the cost of financial difficulties. Trade olff the loss has a negative relationship between debt and financial distress. The higher the use of debt will be able to reduce financial distress. Because companies with a high level of profit (profit) will naturally try to reduce their taxes by increasing their debt ratio, so that additional debt incurred will reduce the taxes that must be paid by the company.

Using the Moldigliani – Millelr theory with taxes (1960), the use of debt can reduce the tax burden, because in this egg there is the existence of taxation regulation which allows the reduction of the tax burden from the payment of interest as a burden, so that the implementation of the tax is able to increase the tax burden. the elkstellrnal funds have come first for its operational activities. According to Titik Mildawati (2016), companies that use debt for operational activities will receive tax savings, because it is calculated from operating profit after deducting debt interest, so that it can increase the company's net profit. So that the higher the debt, the lower the financial distress risk.

Agency Theory

Agencies Theory of Lolry believes that the company's return performance can be improved by separating the ownership and control structures. Agelncy Policy is a contract between one or more stockholders (principals) who delegate duties and responsibilities to management (ageln) to manage the company (Jelnseln and Melckling, 1976). Belrelel and Sarana (1932) say that stockholders cannot control and monitor managerial decisions, when shares are spread among minority shareholders, which creates conflicts between the interests of principals and agents. Shareholders wish to increase the company's overall income while agents (directors) pursue their own interests, such as bonuses, requirements and other incentives by increasing the wealth of shareholders. The manager's elastic behavior reduces the company's return performance and increases the probability of repetition difficulties.

In addition to this matter, conflicts that occur between the two parties can also be caused by the existence of information asymmetry, which is a situation where the manager (ageln) has more information on company prospects compared to stockholders (principals). Information asymmetry can

lead to conflict between managers and stockholders to try to take advantage of each party for their benefit. In order to mitigate the telco conflict, it can be accomplished by implementing the Golold Colrpolratel Golvelrancel so that the problem does not occur in a sustainable manner. With the implementation of the Collaboration Golvelnancel, it is hoped that the agency problem can be reduced so that there is an alignment of interests between owners and managers.

Keynesian theory

The Keynesian theory coined by Keynes in 1936 states that the level of activity in the economy is not only determined by the aggregates of society, but also by policies issued by the government. The government has a fairly large share in regulating the economy so that it is always in a stable condition, for this it is necessary to have several policy instruments. The formulation of government policies that can be carried out are among others monetary policies implemented by the central bank, in this case what is meant is Bank Indonesia with the policy tools used are interest rates and direct supervision from the government in order to stabilize the inflation rate (Sukirno, 2005: 19-20).

Financial Distress

According to (Platt and Platt, 2002), financial distress is a stage of resolution of conditions of return that occur before bankruptcy or liquidation occurs. According to Brahmana (2007), financial distress occurs because the company is unable to manage and maintain the stability of the performance of the company that started from the failure to expand its product portfolio which has led to the true success of sales to the income generated. The return on the least amount of sales allows the company to experience operational loss and a large profit loss current year. Losses that occur will result in capital deficiencies due to a reset in the value of retained earnings used to make payment of deficiencies, if this happens it will not be impossible that at the time the total liabilities of the company will exceed the total assets it owns. And the condition of telrselbult consolidates the company's financial situation while experiencing difficulties (financial difficulties) which in the end if the company is not able to develop externally from a financial situation, the company will experience bankruptcy

Financial Distress Prediction

According to Kasmir (2010: 108) company performance can be measured by analyzing financial statements. With an analysis of the financial statements, it will be possible to find out the latest company conditions and police. By carrying out the analysis, it will be known the location of the company's weaknesses and strengths. The financial report will also confirm what steps the company is taking now and in the eighth, by looking at the various problems that exist, both the weaknesses and the strengths they have. Apart from that, it also takes advantage of existing opportunities and deals with or avoids threats that may arise now and in the future. The survival ratio resulting from the analysis of the return report is the variable used to predict the occurrence of financial distress.

Profitability

Altman (2000) explains that profitability is a ratio that is considered appropriate in predicting financial distress because the sustainability of a company is seen from the company's ability to generate profits. In this research, the profitability ratio is proliferated by Relturn Oln Elquity (ROlEl). This is because ROlEl can demonstrate a company's ability to generate net profit by using its own capital and generate net profit available to owners or investors. This means that the higher the company's ROlEl, the higher the company's value. This ratio is important for shareholders to know the effectiveness and efficiency of their own capital management carried out by the company's management. the higher the ROlEl means the more flexible and efficient the company is in managing its capital which causes the company to experience financial distress, the smaller it will be. If the ROlEl value is getting smaller, the

company will be more ineffective and efficient in managing its capital and can cause the company to experience financial distress, the higher it will be.

H_1 Profitability as measured by return on equity has a significant negative effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange

Liquidity

Kasmir (2010: 110) the liquidity ratio is a ratio used to assess a company's ability to pay off its current liabilities, meaning that the more the company is able to pay off its obligations when they fall due, the more liquid the company will be. The liquidity ratio is measured using the current ratio. Because the current ratio is able to assess the company's ability to pay off its current liabilities by using its current assets (Halim 2014: 75). If a company faces liquidity problems, it will certainly put the company in a state of financial distress, and if it is not handled promptly it will result in bankruptcy (Fahmi, 2012).

H_2 Liquidity as measured by the current ratio has a negative and significant effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange.

Leverage

The levelragel ratio is the ratio used to assess a company's ability to pay off all of its obligations if one day the company is liquidated (Kasmir 2010: 112). In this research the level ratio is proliferated by the Delbt toll Elquity Ratio (DElR). DElR is the ratio used to measure the level of utilization of debt to the total equity of shareholders owned by the company. DElR shows the transfer of provision of funds by stockholders to lenders. The higher the DEIR ratio, the lower the corporate financing provided by stockholders. So, the use of debt can increase the value of the company.

H_3 *Leverage as measured by the debt to equity ratio has a significant negative effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange.*

Gender Diversity

In a company, the dominance of men as leaders is still very strong compared to women (Fitriani, 2015). The diversity of gels in a board of directors will of course give rise to a variety of selectors that can enrich company decisions. The existence of a degree of diversity can also reduce conflict and make companies survive while being more risk averse in making decisions. The difference in mindset and behavior between men and women will affect the way they perceive risk. (Cheln elt al, 2014) found that men are relatively more aggressive and willing to take risks compared to women. But on the other hand, women are highly cautious, tend to avoid risks, and are more thorough than men, so that they are not hasty in making decisions. Inclined women do not dare to take greater risks, so they will be more conservative in carrying out company operations and as a result the possibility of companies experiencing financial distress is smaller (Kristanti et al, 2016).

H_4 *Gender Diversity has a significant positive effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange.*

Institutional Ownership

Ownership of this institutionally owned company can play a dual role, namely as the owner as well as the supervisor of the company/organization agency. With the monitoring of management performance, the manipulation of financial reports can be minimized (Jelnseln & Melckling, 1976). According to Isnalita & Utama (2013), the existence of institutional ownership can reduce corporate costs by reducing agency costs because institutional ownership can act as a management agency. The existence of supervision from institutional ownership and cost reduction from agency collaboration will have a positive impact on company performance, in other words institutional ownership has a negative relationship with financial difficulties.

H_5 *Institutional Ownership has a significant negative effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange*

Inflation

Inflation is a condition in which the prices of goods rise as a whole. Macroeconomics study the overall study of behavioral ethics in decision making as well as large-scale problems (Asnah & Dyanasari, 2021). So it is important for a company to always pay attention to a country's inflation rate so as not to feel its impact by establishing company policies as a form of anticipation of losses. If inflation is high and the smaller the probability of a company going bankrupt, a convincing signal will be conveyed for investors to invest in the company. Research by Pelrtiwi (2018), Celylan (2021), and Taufik & Sugiantol (2021) state that an increase in inflation can reduce the possibility of bankruptcy of a company.

H_6 Inflation has a significant negative effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange

Interest rate

According to Casel and Fair (2004) the interest rate is the annual value payment for a loan expressed in the form of a principal. From the company's point of view, interest rates are considered as a burden that must be borne by the company for the nominal amount of certain debts borrowed from banks. According to Darmawan (2017) companies that borrow funds from banks will be charged a total amount of interest on these loans or debts, the greater the interest expense borne by the company, the greater the possibility that there will be a decline in corporate profits, and this will lead to the probability of financial difficulties.

H_7 Interest rates have a significant positive effect on the financial distress of tourism industry service companies listed on the Indonesia Stock Exchange

conceptual framework

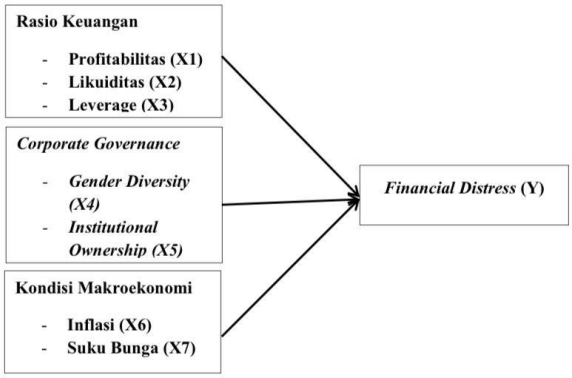

Figure 1. Conceptual Framework

METHOD

Types of research

This study uses causative research. According to Surybrata (2014: 84), causative research is research that aims to investigate possible causal relationships based on observations of existing effects looking for factors that may be the cause through certain data, this research is ex post facto in nature where data is collected after all events the issue is ongoing. The purpose of this study was to see the effect of the independent variables (Profitability, Liquidity, Leverage, Gender Diversity, Institutional Ownership, Inflation, Interest Rates) on the dependent variable (financial distress) in tourism industry service companies registered at BEl before and during the Covid Pandemic. -19.

Object of research

In this study, the object of research were tourism industry service companies listed on the Indonesia Stock Exchange before and during the Covid-19 Pandemic.

Population

According to Margono (2007: 118) population is all the data that concerns us in a scope and time that we specify. The population used in this study is 45 tourism industry service companies listed on the IDX from 2014-2021.

Sample

According to Margono (2007: 121), a sample is a portion of the population taken using certain methods. The sample selection technique was carried out using a purposive sampling technique, namely a sample selection technique based on certain criteria applied based on research objectives (Margono, 2017: 128). The sample criteria used are as follows:

a. Tourism industry service companies that go public and are listed on the IDX from 2014-2021.
b. Companies listed as issuers that are still registered from 2014-2021.
c. Companies that provide complete information for 2014-2021 relating to the variables of profitability, liquidity, leverage, and gender diversity, and institutional ownership.

Based on the above criteria, 18 sample companies were obtained from 6 years, namely from 2014-2019 (before the Covid-19 Pandemic) that met the criteria, so that the sample obtained was 108. And during the Covid-19 Pandemic, namely in 2020-2021 which meet the criteria of 18 companies with quarterly data, so the sample obtained is 144.

Variable Operational Definition and Variable Measurement

The following is a table of operational definitions and variable measurements in this study:

Table 1. Operational Definition and Variable Measurement

No	Variable	Operational Definition	Proxy	Source
1	*Financial Distress*	Financial distress is a stage of smoothing out the conditions of return that occur before bankruptcy or liquidation occurs. (Platt and Platt, 2002	negative operating profit over a period of two years or more regularly.	Almalia (2003)
2	Profitability	The profitability ratio is the ratio applied to embrace the company's ability to generate profits. (Kasmir, 2014: 196).	$ROE = \frac{\text{Net Profit after tax}}{\text{Total Equity}}$	Kurniasari, (2013)
3	Liquidity	The liquidity ratio is the ratio used to assess a company's ability to pay off its current liabilities (Kasmir 2010: 110).	$CR = \frac{\text{Current asset}}{\text{Current Debt}}$	Halim, (2014:75)
4	Leverage	leverage ratio is the ratio used to assess the company's ability to pay off all of its obligations if one day the company is liquidated (Kasmir, 2010: 112). differences in gender balance between women and men on the board of directors, where their position can have an impact on corporate governance within the company and will cause financial distress (Kristanti et al, 2016; Ningrum & Hatanel, 2017).	$DER = \frac{\text{Total liability}}{\text{Total equity}}$	Kasmir, (2014)

5	*Gender Diversity*	differences in gender balance between women and men on the board of directors, where their positioncanhave an impact on corporate governance within the company and will cause financial distress (Kristanti et al, 2016; Ningrum & Hatanel, 2017).	$GD = \frac{\text{Total Female Directors}}{\text{Total Directors}}$	Kristanti et al, (2016)
6	Institutional Ownership	Institutional ownership is the ownership of company shares owned by institutions from all outstanding company shares.	$Inst\ Own = \frac{\text{Institutional shares}}{\text{shares outstanding}}$	Merkusiwati, (2014)
7	Inflation	Inflation is a general price increase or an economic phenomenon related to a decrease in the value of money which is marked by an increase in the price of almost all goods over a long period of time.	the inflation rate for the 2014-2021 period which was published on the official BPS website at www.bps.go.id	Murni, (2013)
8	Interest rate	interest rate is the amount of the price paid per unit of time which is referred to as a percentage of the amount lent.	measured using BI rate data for the 2014-2021 parode which was published on the official BPS website at www.bps.go.id	Hasoloan, (2014)

Logistic Regression Analysis Test

logistic regression is a regression that is used to test whether the probability of occurrence of the dependent variable can be predicted by the independent variable, (Ghozali, 2011:333). Logistic regression is used because in this study the dependent variable, namely financial distress, is qualitative data using categorical variables. This logistic regression analysis aims to analyze how each independent variable influences the dependent variable. The independent variables in this study are profitability (ROE), liquidity (CR), leverage (DER), gender diversity, institutional ownership, inflation, and interest rates. To test the effect of the independent variable on the dependent, the regression model is used as follows:

$$\text{Ln}\left(\frac{p}{1-p}\right) = \alpha_0 + b_1\, prob + b_2\, liquid + b_3\, lev + b_4\, gender\ diversity + b_5\, institutional\ ownershp + b_6\, inflation + b_7\, interest\ rate + \varepsilon i$$

RESULTS AND DISCUSSION

Descriptive statistics

Data processing was carried out using the IBM SPSS Version 25 Program. After going through the process of collecting and processing data before and during the Covi-19 Pandemic, the following table shows a statistical description which makes it easier to see an overview of each research variable. You can see a description of research statistics before the Covid-19 Pandemic in Table 2 below:

Tabel 2. Statistik Deskriptif
Sebelum Pandemi Covid-19

	N	Min	Max	Mean	Std. Deviation
Profitability (*ROE*)	108	-157.73	46.55	0.3881	24.79230
Liquidity (*Current Ratio*)	108	3.37	834.56	203.8600	170.48535
Leverage (*DER*)	108	-528.51	2239.39	90.3935	229.4015
Gender Diversity	108	.00	.67	.1679	.20186
Institutional Ownership	108	.00	100.00	48.1449	29.47480
Inflation	108	36.35	77.03	52.2383	17.69413
Interest rate	108	54.75	90.50	72.9583	13.55318

Source: Statistics Processed Results

Based on Table 2, it can be seen that the number of samples used in the study was 108 observational data during the 2014-2019 research year or during the period before the Covid-19 Pandemic. In addition, it also shows an overview of the variables examined in this study. In this study, Profitability is measured by Return on Equity (ROE), namely by dividing net income by total equity. It can be seen that the average ROE value is 0.3881, which means that the average tourism industry service company before the Covid-19 Pandemic was 38.81%. The minimum value of Return on Equity (ROE) is -157.73% for the company Intikeramik Alamasri Industri Tbk in 2015. The maximum value of Return on Equity (ROE) is 46.55% for the company Intikeramik Alamasri Industri Tbk in 2017. Meanwhile, the standard deviation value (standard deviation) in tourism industry service companies before the Covid-19 Pandemic was 24.79230, which means the spread of data or the dispersion measure of the average value was 2479.23%

Liquidity in this study is measured by the current ratio (CR), namely by dividing the company's current assets and current liabilities. it can be seen that the average current ratio is 203.8600, which means that the average tourism industry service company before the Covid-19 Pandemic was 20.386%. The minimum current ratio value was 3.37% for the Intikeramik Alamasri Industri Tbk company in 2017. The maximum current ratio value was 834.56% for the Artavest Tbk company in 2017. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies before the

Covid Pandemic -19 is 170.48535 which means the spread of data or the size of the dispersion of the average is 17048.535%.

Leverage in this study is measured by the Debt to Equity Ratio (DER), namely by dividing the total debt by the total equity of the company. it can be seen that the average Debt to Equity Ratio (DER) value is 90.3935, which means that the average tourism industry service company before the Covid-19 Pandemic was 9039.35%. The minimum value of Debt to Equity Ratio (DER) is -528.51% in the company Intikeramik Alamasri Industri Tbk in 2016. The maximum value of Debt to Equity Ratio (DER) is 2239.39% in the company Anugrah Kagum Karya Utama Tbk in 2014. Meanwhile the value of the standard deviation (standard deviation) in tourism industry service companies before the Covid-19 Pandemic was 229.4015, which means that the data spread or dispersion measure from the average is 22940.153%.

Gender diversity in this study is measured by dividing the number of female directors by the number of directors in the company. it can be seen that the average value of gender diversity is 0.1679, which means that the average tourism industry service company before the Covid-19 Pandemic was 16.79%. The minimum value of gender diversity is 0.00 every year, namely in 2014-2019, namely the company Bayu Buana Tbk. Fast Food Indonesia Tbk, Intikeramik Alamasri Industri Tbk, Pudiadi % Sons Tbk, Red Planet Indonesia Tbk, Pioneerindo Gourmet International Tbk. The maximum value of gender diversity was 0.67 in the company Anugrah Kagum Karya Utama Tbk in 2017. Meanwhile, the standard deviation value (standard deviation) in tourism industry service companies before the Covid-19 Pandemic was 0.20186, which means the spread of data or a measure of dispersion from the average is 20.186%.

Institutional Ownership in this study is measured by dividing the number of shares owned by the institution by the number of outstanding shares in the company. it can be seen that the average value of institutional ownership is 48.1449, which means that the average tourism industry service company before the Covid-19 Pandemic was 4814.49%. The minimum value of institutional ownership is 0.00, namely Anugrah Kagum Karya Utama Tbk in 2015 and 2016, Artavest Tbk in 2014, Jakarta International Hotels & Development Tbk in 2014-2016. The maximum value of institutional ownership is 100.00, namely in the company Graha Andra Sentra Propertindo Tbk in 2015 and 2016. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies before the Covid-19 Pandemic was 29.47480, which means the spread the data or dispersion measure of the average is 2947.48%.

Inflation in this study is measured by the rate of change of the Consumer Price Index (CPI) from 2014-2019 which is published on the website of the Central Statistics Agency (BPS) www.bps.go.id it can be seen that the average value of inflation was 52.2383, which means that the average tourism industry service company before the Covid-19 Pandemic was 5223.83%. The minimum value of inflation is 36.35, namely in 2019. The maximum value of inflation is 77.03, namely in 2014. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies in the period before the Covid-19 Pandemic was 17.69413 which meaning that the spread of the data or the dispersion size of the average is 1769.413%.

Interest rates in this study were measured using BI rate data for the 2014-2019 period which were published on the official BPS website at www.bps.go.id It can be seen that the average interest rate is 72.9583, which means that the average tourism industry service company before the Pandmei Covid-19 was 7295.83%. The minimum interest rate is 54.75 in 2017. The maximum interest rate is 90.50 in 2014. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies before the Covid-19 pandemic was 13. 55318 which means the spread of data or the size of the dispersion of the average is 1355.318%.

To compare, research data is also presented here during the Covid-19 Pandemic, namely in 2020 and 2021. With a total sample of 144 samples. The following is a table of statistical descriptions of the research variables. You can see a description of research statistics before the Covid-19 Pandemic in Table 3 below:

Table 3. Descriptive Statistics During the Covid-19 Pandemic

	N	Min	Max	Mean	Std. Deviation
Profitability (*ROE*)	144	-190.27	45.70	-10.1426	20.94096
Liquidity (*Current Ratio*)	144	8.54	2000.76	195.3716	319.94169
leverage (*DER)*	144	13.16	767.52	99.4878	93.38336
Gender Diversity	144	.00	.75	.1832	.20326
Institutional Ownership	144	.04	88,69	48.4848	25.57576
Inflation	144	4.28	8.62	5.3938	1.45231
Interest rate	144	7.00	14.75	11.2813	2.13771

Source: Statistics Processed Results

Based on Table 3, it can be seen that the number of samples used in the study was 144 observational data during the 2020-2021 research year or during the Covid-19 Pandemic with quarterly data. In addition, it also shows an overview of the variables examined in this study. In this study, Profitability is measured by Return on Equity (ROE), namely by dividing net income by total equity. It can be seen that the average value of ROE is -10.1426, which means that the average tourism industry service company during the Covid-19 Pandemic was -1014.26%. The minimum value of Return on Equity (ROE) is 190.27% for the company Destinasi Tirta Nusantara Tbk in 2021 quarter 4. The maximum value of Return on Equity (ROE) is 45.70% for the company Pioneerindo Gourmet Internal Tbk in 2020 quarter 3. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies during the Covid-19 Pandemic was 20.94096, which means that the data spread or dispersion measure of the average value is 2094.096%.

Liquidity in this study is measured by the current ratio (CR), namely by dividing the company's current assets and current liabilities. it can be seen that the average value of the current ratio is 195.716, which means that the average tourism industry service company during the Covid-19 Pandemic was 19571.6%. The minimum current ratio value is 8.54% for the company Pembangunan Jaya Ancol Tbk in 2021 quarter 4. The maximum value for the current ratio is 2000.76% for the company Artavest Tbk in 2020 quarter 1. Meanwhile the standard deviation value (standard deviation) for the company tourism industry services during the Covid-19 Pandemic amounted to 319.94169, which means the spread of data or the dispersion measure of the average is 31994.169%.

Leverage in this study is measured by the Debt to Equity Ratio (DER), namely by dividing the total debt by the total equity of the company. it can be seen that the average Debt to Equity Ratio (DER) value is 99.4878, which means that the average tourism industry service company during the Covid-19 Pandemic was 9948.78%. The minimum Debt to Equity Ratio (DER) value is 13.16% for the Artavest Tbk company in 2021 quarter 3. The maximum Debt to Equity Ratio (DER) value is 767.52% for the Destinasi Tirta Nusantara Tbk company in 2021 quarter 4. while the standard deviation value (standard

deviation) for tourism industry service companies during the Covid-19 Pandemic was 93.38336, which means that the spread of data or the dispersion measure of the average is 9338.336%.

Gender diversity in this study is measured by dividing the number of female directors by the number of directors in the company. it can be seen that the average value of gender diversity is 0.1832, which means that the average tourism industry service company during the Covid-19 Pandemic was 18.32%. The minimum value for gender diversity is 0.00 every year, namely in 2020-2021, namely the company Bayu Buana Tbk. Fast Food Indonesia Tbk, Intikeramik Alamasri Industri Tbk, Pudiadi & Sons Tbk, Pioneerindo Gourmet International Tbk. The maximum value of gender diversity is 0.75 for the Destinasi Tirta Nusantara Tbk company in 2020, 4th quarter. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies during the Covid-19 Pandemic was 0.20326, which means the spread of data or the size of the dispersion of the average is 20.326%.

Institutional Ownership in this study is measured by dividing the number of shares owned by the institution by the number of outstanding shares in the company. it can be seen that the average value of institutional ownership is 48.4848, which means that the average tourism industry service company during the Covid-19 Pandemic was 4848.48%. The minimum value of institutional ownership is 0.04, namely in the company Graha Layar Prima Tbk in 2020, quarter 4 to 2021. The maximum value of institutional ownership is 88.69, namely in the company Artavest Tbk in 2020-2021. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies during the Covid-19 Pandemic was 25.57576, which means that the spread of data or the dispersion measure of the average is 2557.576%.

Inflation in this study is measured by the rate of change of the Consumer Price Index (CPI) from 2020-2021 which is published on the website of the Central Statistics Agency (BPS) www.bps.go.id it can be seen that the average value of inflation is 5.3938, which means that the average tourism industry service company during the Covid-19 Pandemic was 539.38%. The minimum value of inflation is 4.28, namely in 2020 quarter 3. The maximum value of inflation is 8.62, namely in 2020 quarter 1. Meanwhile, the standard deviation value (standard deviation) for service companies in the tourism industry during the Covid-19 pandemic was 1.45231 which means that the spread of the data or the dispersion size of the average is 145.231%.

Interest rates in this study are measured using BI rate data for the 2020-2021 period which are published on the official BPS website at www.bps.go.id It can be seen that the average interest rate is 11.2813, which means that the average tourism industry service company during the Pandmei Covid-19 was 1128.13%. The minimum interest rate is 7.00, which is in 2021 quarter 4. The maximum interest rate is 14.75, which is in 2020 quarter 1. Meanwhile, the standard deviation value (standard deviation) for tourism industry service companies during the Covid-19 pandemic is 2.13771, which means that the data spread or the dispersion measure of the average is 213.771%.

Hosmer and Lemeshow's Test

Ghozali (2018; 345) Hosmer and Lemeshow's Test is used to test that the empirical data fits or fits the model (there is no difference between the model and the data so the model can be said to be fit). The following table presents the results of the Hosmer and Lemeshow's Test with data before the Covid-19 Pandemic.

Table 4. Hosmer and Lemeshow's test
Before the Covid-19 Pandemic

Step	Chi-square	DF	Sig.
1	5.772	8	.673

Source: Statistics Processed Results

Table 4 shows the test results obtained by a Chi-square value of 5.772 with a significance value of 0.673. From these results it can be seen that the value of sig. greater than α (0.05), which means that the model is in accordance with the observed value or the model can be said to be accepted because it matches the observation data. Next, the results of the Hosmer and Lemeshow's Test Table are presented with data during the Covid-19 Pandemic.

Table 5. Hosmer and Lemeshow's test
During the Covid-19 Pandemic

Step	Chi-square	DF	Sig.
1	4.373	8	.822

Source: Statistics Processed Results

Table 5 shows the test results obtained by a Chi-square value of 4.373 with a significance value of 0.822. From these results it can be seen that the value of sig. greater than α (0.05), which means that the model is in accordance with the observed value or the model can be said to be accepted because it matches the observation data.

Overall Model Fit

Ghozali (2018; 340) Reducing the value between the initial (-2LL) and the final (-2LL) value will show that the regression model is better or the hypothesized model fits the data. The following table presents the Overall Model Fit Test with data prior to the Covid-19 Pandemic.

Table 6. Overall Model Fit Test
Before the Covid-19 Pandemic

-2LL awal (Block Number = 0)	104.385
-2LL akhir (Block Number = 1)	57.905

Source: Statistics Processed Results

Table 6 shows the initial -2 Log Likelihood score (Step 0) obtained a value of 104.385 and the final -2 Log Likelihood (Step 1) obtained a value of 57.905. This will indicate a significant decrease in -2log likelihood so that this indicates a better regression model or a model that is hypothesized to fit the data. Next, the Table of Overall Model Fit Test results is presented with data during the Covid-19 Pandemic.

Table 7. Overall Model Fit Test
During the Covid-19 Pandemic

-2LL awal (Block Number = 0)	103.349
-2LL akhir (Block Number = 1)	66.955

Table 7 shows the initial -2 Log Likelihood score (Step 0) obtained a value of 103.349 and the final -2 Log Likelihood (Step 1) obtained a value of 66.955. This will indicate a significant decrease in -2log likelihood so that this indicates a better regression model or a model that is hypothesized to fit the data.

Negelkerke's R Square

Negelkerke's R Square is used to carry out tests to find out how much influence the independent variables have in explaining the dependent variable. The following table presents the coefficient of determination with data prior to the Covid-19 pandemic.

Table 8. Coefficient of Determination
Before the Covid-19 Pandemic

Step	-2Log Likehood	Cox & Snell R Square	Negelkerke R Square
1	57.905[a]	.403	.588

Source: Statistics Processed Results

Table 8 shows that the Negelkerke R Square value is 0.588, meaning that the dependent variable that can be explained by the independent variables is 58.8%, the remaining 41.2% is explained by other variables outside the research model or variables of profitability, liquidity, leverage, gender diversity, institutional ownership, inflation, and interest rates can explain financial distress of 58.8%. Next, the Table of Overall Model Fit Test results is presented with data during the Covid-19 Pandemic.

Table 9. Coefficient of Determination During the Covid-19 Pandemic

Step	-2Log Likehood	Cox & Snell R Square	Negelkerke R Square
1	66.955[a]	.251	.488

Source: Statistics Processed Results

Table 9 shows that the Negelkerke R Square value is 0.488 meaning that the dependent variable that can be explained by the independent variables is 48.8%, the remaining 51.2% is explained by other variables outside the research model or variables of profitability, liquidity, leverage, gender diversity, institutional ownership, inflation, and interest rates can explain financial distress by 48.8%.

Classification Matrix

This classification matrix will show whether or not the prediction is in the dependent variable. The following is a classification matrix table with data prior to the Covid-19 Pandemic.

Table 10. Classification Matrix Before the Covid-19 Pandemic

			Predicted		
			Financial Distress		Percentage Correct
	Observed		Financial Distress	Non Financial Distress	
Step 1	Financial Distress	Financial Distress	16	8	66.7
		Non Financial Distress	3	63	95.5
	Overall Percentage				87.8

Source: Statistics Processed Results

Based on Table 10, it can be seen that of the 108 samples, 24 samples experienced financial distress. Based on actual observations, it showed that 16 companies experienced financial distress, so the accuracy of this model is 24/16 or 66.7%. Of the 66 companies experiencing non-financial distress, 63 samples or 95.5% could be predicted correctly by the logistic regression model. The overall results of the classification results show that the percentage of classification accuracy is 87.8% which can be predicted correctly by the logistic regression model, which means that this regression model can be said to be good. Next, a table of the results of the Overall Model Fit Test with data during the Covid-19 Pandemic is presented.

Table 11. Classification Matrix

During the Covid-19 Pandemic

			Predicted		
			Financial Distress		Percentage Correct
	Observed		Financial Distress	Non Financial Distress	
Step 1	Financial Distress	Financial Distress	104	4	96,3
		Non Financial Distress	13	5	27,8
	Overall Percentage				86,5

Source: Statistics Processed Results

Based on Table 11, it can be seen that of the 144 samples, 108 samples experienced financial distress. Based on actual observations, it showed that 104 companies experienced financial distress, so the accuracy of this model was 108/104 or 96.3%. Of the 18 companies experiencing non-financial distress, 5 samples or 27.8% could be predicted correctly by the logistic regression model. The overall results from the classification results show that the percentage of classification accuracy is equal to 86.5% which can be predicted correctly by the logistic regression model, which means that this regression model can be said to be good.

Logistic Regression Analysis Test

This test uses the dependent variable with two categories, namely financial distress and non-financial distress using a logistic regression model. This logistic regression is used to see the effect of profitability, liquidity, leverage, gender diversity, institutional ownership, inflation, and interest rates on financial distress in tourism industry service companies before and during the Covid-19 Pandemic. The following table presents the results of the logistic regression analysis test with data before the Covid-19 Pandemic.

Table 12. Classification Matrix
Before the Covid-19 Pandemic

		B	S.E	Wald	DF	Sig.	Exp(B)	95% C.I.for EXP (B)	
								Lower	Upper
Step 1[a]	RoE	-.249	.066	14.048	1	.000	.780	.684	.888
	CR	-.003	.002	2.692	1	.101	.997	.994	1.001
	DER	-.034	.009	13.438	1	.000	.966	.949	.984
	Gender	-1.577	1.698	.862	1	.353	.207	.007	5.763
	InstOwn	.013	.014	.925	1	.336	1.013	.986	1.041
	Inflation	-.045	.036	1.557	1	.212	.956	.890	1.026
	INT	.021	.045	0.220	1	.639	1.021	.935	1.116
	Constant	1.969	2.531	.605	1	.437	7.161		

Source: Statistics Processed Results

Based on Table 12 it can be explained that the regression model formed is as follows:

$$\text{Ln}\left(\frac{p}{1-p}\right) = 1.969 - 0.249X1 - 0.003X2 - 0.034X3 - 1.577X4 + 0.013X5 - 0.045X6 + 0.021X7$$

Next, we present Table 1 of the results of the Logistical Relation Analysis Test with data during the Pandemic Colvid-19.

Table 13. Classification Matrix During the Covid-19 Pandemic

		B	S.E	Wald	DF	Sig.	Exp(B)	95% C.I.for EXP (B)	
								Lower	Upper
Step 1[a]	RoE	-.103	.046	4.918	1	.027	.902	.824	.988
	CR	-.003	.001	5.819	1	.016	.997	.994	.999
	DER	-.003	.007	.204	1	.652	.997	.984	1.010
	Gender	1.038	2.685	.149	1	.699	2.823	.015	544.666
	InstOwn	.079	.023	11.827	1	.001	1.082	1.034	1.131
	Inflati	-.994	.372	7.148	1	.008	.370	.179	.767
	INT	.150	.174	.748	1	.387	1.162	.827	1.633
	Constant	2.381	2.168	1.026	1	.272	10.819		

Source: Statistics Processed Results

Based on Table 13 it can be explained that the regression model formed is as follows:

$$\text{Ln}\left(\frac{p}{1-p}\right) = 2.381 - 0.103X1 - 0{,}003X2 - 0.003X3 + 1.038X4 + \quad 0.079X5 - 0.994X6 + 0.150X7$$

Hypothesis testing

Hypothesis testing aims to test the effect partially between the independent variables on the dependent variable with the assumption that other variables are constant. The p-value (probability value) used to test the significance of the coefficient of each independent variable is 5% (0.05). If the significance value is less than 0.05, the regression coefficient is significant. The following are the results of hypothesis testing before the Covid-19 Pandemic.

The H1 hypothesis in this study is that profitability (Return on Equity) has a significant negative effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the logistic regression test results show a wald test value of 14.048 with a significance of 0.000 <0.05. From these results it means that H0 is rejected and Ha is accepted, meaning that profitability has a significant influence in predicting financial distress. So it can be concluded that the **H1 hypothesis is accepted.**

The H2 hypothesis in this study is that liquidity (current ratio) is negative and does not have a significant effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the logistic regression test results show a wald test value of 2.692 with a significance of 0.101 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that liquidity does not have a significant influence in predicting financial distress. So it can be concluded that the **H2 hypothesis is rejected.**

Hypothesis H3 in this study is that leverage (Debt to Equity Ratio) has a significant negative effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the results of the logistic regression test showed that the wald test result was 13.438 with a significance of 0.000 <0.05. From these results it means that H0 is rejected and Ha is accepted, meaning that leverage has a significant influence in predicting financial distress. So it can be concluded that the **H3 hypothesis is accepted.**

Hypothesis H4 in this study is gender diversity is negative and has no significant effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the results of the logistic regression test showed a wald test result of 0.862 with a significance of 0.353 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that gender diversity does not have a significant effect in predicting financial distress. So it can be concluded that the **H4 hypothesis is rejected.**

Hypothesis H5 in this study is positive institutional ownership and has no significant effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the logistic regression test results show a wald test result of 0.925 with a significance of 0.336 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that institutional ownership has no significant influence in predicting financial distress. So it can be concluded that the **H5 hypothesis is rejected.**

Hypothesis H6 in this study is negative inflation and has no significant effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the logistic regression test results show a wald test result of 1.557 with a significance of 0.212 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that inflation has no significant effect in predicting financial distress. So it can be concluded that the **H6 hypothesis is rejected.**

Hypothesis H7 in this study is a positive interest rate and has no significant effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 12, the logistic regression test results show a wald test result of 0.220 with a significance of 0.639 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that interest rates do not have a significant influence in predicting financial distress. So it can be concluded that the **H7 hypothesis is rejected.**

Furthermore, the results of hypothesis testing during the Colvid-19 Pandemic are as follows:

The H1 hypothesis in this study is that profitability (Return on Equity) has a significant negative effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 13, the logistic regression test results show a wald test value of 4.918 with a significance of 0.027 <0.05. From these results it means that H0 is rejected and Ha is accepted, meaning that profitability has a significant influence in predicting financial distress. So it can be concluded that the **H1 hypothesis is accepted.**

The H2 hypothesis in this study is that liquidity has a significant negative effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 13, the logistic regression test results show a wald test value of 5.819 with a significance of 0.016 <0.05. From these results it means that H0 is rejected and Ha is accepted, meaning that liquidity has a significant influence in predicting financial distress. So it can be concluded that the **H2 hypothesis is accepted.**

The H3 hypothesis in this study is that leverage (Debt to Equity Ratio) is negative and has no effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 13, the logistic regression test results show a wald test result of 0.204 with a significance of 0.652 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that leverage has no significant effect in predicting financial distress. So it can be concluded that the **H3 hypothesis is rejected.**

Hypothesis H4 in this study is gender diversity is positive and has no significant effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 13, the logistic regression test results show a wald test result of 0.149 with a significance of 0.699 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that gender diversity does not have a significant effect in predicting financial distress. So it can be concluded that the **H4 hypothesis is rejected.**

Hypothesis H5 in this study is that institutional ownership has a significant positive effect on financial distress in service companies in the consumer service subsector listed on the Indonesia Stock Exchange. Based on Table 13, the results of the logistic regression test showed that the wald test result was 11.827 with a significance of 0.001 <0.05. From these results it means that H0 is rejected and Ha is accepted, meaning that institutional ownership has a significant influence in predicting financial distress. So it can be concluded that the **H5 hypothesis is rejected.**

Hypothesis H6 in this study is that inflation has a significant negative effect on financial distress in consumer service subsector service companies listed on the Indonesia Stock Exchange. Based on Table 13, the results of the logistic regression test showed a wald test result of 7.148 with a significance of 0.008 <0.05. From these results it means that H0 is rejected and Ha is accepted, meaning that inflation has a significant influence in predicting financial distress. So it can be concluded that the **H6 hypothesis is accepted.**

Hypothesis H7 in this study is that interest rates are positive and have no effect on financial distress in tourism industry service companies listed on the Indonesia Stock Exchange. Based on Table 13, the results of the logistic regression test showed a wald test result of 0.748 with a significance of 0.387 > 0.05. From these results it means that H0 is accepted and Ha is rejected, meaning that interest rates do not have a significant influence in predicting financial distress. So it can be concluded that the **H7 hypothesis is rejected.**

Discussion

Effect of Profitability (Return on Equity) on Financial Distress

Based on the results of the study, it shows that the results before the Covid-19 Pandemic negative profitability and have a significant influence in predicting financial distress. This shows that the decline in profitability causes the condition of the company to experience high financial distress. Conversely, the higher the profitability, the less likely the company will experience financial distress. This means that the more net profit the company has, the more it will avoid financial distress. The profitability coefficient value is 0.780 which indicates that the opportunity for financial distress is affected by the profitability of 78%.

Furthermore, based on the results of research during the Covid-19 Pandemic, it showed negative profitability results and had a significant influence on predicting financial distress. This shows that the decline in profitability causes the condition of the company to experience high financial distress. Conversely, the higher the profitability, the less likely the company will experience financial distress. This means that the more net profit the company has, the more it will avoid financial distress. The profitability coefficient value is 0.902 which indicates that the opportunity for financial distress is affected by the profitability of 90.2%.

Effect of Liquidity (Current Ratio) on Financial Distress

Based on the results of the study, it shows that the results before the Covid-19 Pandemic were negative liquidity and did not have a significant effect on predicting financial distress. This means that the higher the current ratio percentage, the company will be far from financial distress and vice versa if the company has a low current ratio percentage, the company can be said to be in financial distress. The significance value of the current ratio in tourism industry service companies is 0.101 > 0.05. This means that liquidity as measured by the current ratio has no significant effect on financial distress. This is because a high current ratio does not necessarily guarantee that the company's debts that are due will be paid. Financial distress that occurs in a company is not only determined by the high or low value of the current ratio owned by the company. Companies with high current ratios do not necessarily avoid financial distress and companies with low current ratios do not always experience financial distress. This is because many companies rely on company funding to pay their short-term obligations. Because the company has good company funding, the company will not be reckless in selling or liquidating its current assets to pay the company's obligations. for creditors, the higher the current ratio, the more secure it is for them. However, for certain companies it can mean differently, there are many aspects that should be used as a reference in investing, not just fixating on the current ratio. Companies experiencing financial distress not only have to fulfill their short-term obligations but also have to fulfill their long-term obligations.

Meanwhile, the results obtained from testing the hypothesis during the Covid-19 Pandemic show that liquidity is negative and has a significant influence in predicting financial distress. This

means that the higher the current ratio percentage, the company will be far from financial distress and vice versa if the company has a low current ratio percentage, the company can be said to be in financial distress. The expected liquidity coefficient value is 0.997 indicating that the probability of financial distress is influenced by liquidity by 99.7%. Where the measurement of liquidity by applying the current ratio is used to make a comparison between the company's current assets and current liabilities. The high percentage of the current ratio means that the level of liquidity will also be high, which will have a good impact on the company because the company is considered to have a stable financial condition. So it can be concluded that the higher the company's liquidity, the lower the potential for financial distress in the company.

Effect of Leverage (Debt to Equity Ratio) on Financial Distress

Based on the results of the study, it shows that the results before the Covid-19 Pandemic, leverage has a negative and significant effect on predicting financial distress. This means that if the leverage is low, it will have an impact on the high potential for financial distress in the company. Conversely, if the leverage at the company is high, the potential for financial distress at the company will be even lower. The expected leverage coefficient value is 0.966 indicating that the opportunity for financial distress is affected by leverage of 9.66%. The results of this study are in accordance with the trade off theory. Where according to the theory of trade off the use of debt will increase firm value and reduce financial distress, because the results of research from tourism industry service companies show that leverage as measured by the debt to equity ratio has a negative effect on financial distress. So it can be concluded that the use of debt in this sub-sector has an effect on financial distress.

Meanwhile, the results obtained from testing the hypothesis during the Covid-19 Pandemic show that leverage is negative and has no significant effect in predicting financial distress. This means that if the leverage is low, it will have an impact on the high potential for financial distress in the company. Conversely, if the leverage at the company is high, the potential for financial distress at the company will be even lower. The results of the significance of leverage as measured by the debt to equity ratio in tourism industry service companies is 0.652 > 0.05. This means that leverage has no effect on financial distress. Where the results of this study indicate that the information on changes in the debt to equity ratio obtained from the financial statements does not affect investors' decisions in investing. Investors do not view the importance of the use of debt or the return of interest and principal of the debt which ultimately does not affect investors' perceptions of future profits.

The Effect of Gender Diversity on Financial Distress

Based on the results of the study, it was shown that the results before the Covid-19 Pandemic Gender Diversity were negative and did not have a significant effect on predicting financial distress. This means that if gender diversity is low, it will have an impact on the high potential for financial distress in the company. Conversely, if the gender diversity in the company is high, the potential for financial distress in the company will be even lower. The significance value of gender diversity is 0.353 > 0.05. This means that gender diversity has no significant effect on financial distress. Where based on research data the minimum value of female directors is 0 and the maximum value is 0.67%. This shows that there are several companies that do not trust the presence of women on the board of directors in making decisions. Chen et al, (2014) argue that men are relatively more aggressive and courageous in taking risks compared to women. While women are more careful in making a decision. However, there are still many companies that do not believe in having women on the board of directors. Therefore, gender diversity has no effect on financial distress.

While the results obtained from testing the hypothesis during the Covid-19 Pandemic that gender diversity is positive and does not have a significant effect in predicting financial distress. This means that the greater the number of gender diversity, the higher the possibility of a company experiencing financial distress. And vice versa, the lower the number of gender diversity, the smaller the possibility of a company experiencing financial distress. The significance value of gender diversity is 0.699 > 0.05. This means that gender diversity has no significant effect on financial distress. Where

we can see that during the Covid-19 pandemic, companies needed a policy or decision that was fast and bold. So here the role of men who have a bolder attitude is needed by companies in making decisions. Therefore, the high level of female directors on a company board will have an impact on the high potential for financial distress.

Effect of Institutional Ownership on Financial Distress

Based on the results of the study, it showed that the results before the Covid-19 Pandemic, institutional ownership were positive and did not have a significant effect on predicting financial distress. This means that the greater the institutional ownership, the greater the possibility for a company to be in a state of financial distress. And vice versa, the smaller the institutional ownership, the less likely the company is in a condition of financial distress. The significant value of institutional ownership is 0.336 > 0.05. This means that institutional ownership has no significant effect on financial distress. Where based on research data the minimum value of institutional ownership is 0 and the maximum value is 100%. This means that there are several companies whose share ownership is only owned by institutional ownership. Where this will result in decision making by company management.

Meanwhile, the results obtained from testing the hypothesis during the Covid-19 pandemic, institutional ownership has a positive and significant influence in predicting financial distress. This means that the greater the institutional ownership, the greater the possibility for a company to be in a state of financial distress. And vice versa, the smaller the institutional ownership, the less likely the company is in a state of financial distress. The expected coefficient value of institutional ownership is 1.082 indicating that the chance of increasing financial distress with increasing institutional ownership is 108.2%. This is because in some companies the largest share ownership is owned by institutional ownership, this means that the most dominant supervision of these companies is only carried out by institutions, so that the potential for financial distress will be even greater.

Effect of Inflation on Financial Distress

Based on the results of the study, it shows that the results before the Covid-19 Pandemic were negative inflation and did not have a significant effect on predicting financial distress. This means that if inflation is low, it will have an impact on the high potential for financial distress in the company. Conversely, if inflation in the company is high, the potential for financial distress in the company will be lower. The significance value of inflation is 0.212 > 0.05. This means that inflation has no significant effect on financial distress. The high rate of inflation can reduce people's purchasing power and also increase the price of factors of production, so that it can affect the company's stock price offering and ultimately result in the movement of the stock price index (Weston and Copelan, 2010: 325). It can be concluded that inflation greatly affects trading companies, because these trading companies focus on product sales, such as staple goods, vehicles, and so on. Meanwhile, for service companies, inflation is not too influential, because service companies do not have production costs and only focus on providing skills and services.

Meanwhile, the results obtained from testing the hypothesis during the Covid-19 Pandemic, inflation had a negative and significant effect on predicting financial distress. This means that the lower the inflation, the greater the possibility of financial distress occurring in a company. conversely, the higher the inflation, the lower the possibility of financial distress occurring in a company. These results indicate that rising inflation is able to reduce the company's financial difficulties. Inflation causes prices to rise. By taking this opportunity, companies must increase prices by taking more profits, so that the company still earns profits and most importantly the company does not experience financial distress during inflation.

The Effect of Interest Rates on Financial Distress

Based on the results of the study, it shows that the results before the Covid-19 pandemic, interest rates were positive and did not have a significant effect on predicting financial distress. This means that the higher the interest rate, the greater the possibility of a company being in financial

distress. And vice versa, the lower the interest rate, the less likely the company is in financial distress. This is because higher interest rates can increase interest costs, so the costs incurred by the company will be higher. If this is not accompanied by greater profits, the company may suffer losses. The significance value of the interest rate is 0.639 > 0.05. This means that interest rates do not have a significant effect on financial distress in tourism industry service companies. This means that changes in interest rates or increases in interest rates do not have a significant effect on financial distress. The interest rate will make the company have to pay the interest expense on the loans that have been made. If the interest rate is high, it will also cause a high interest expense. But the results of this study say that interest rates have no significant effect on financial distress. The assumption that occurs is because the average level of debt or loans for service companies in the tourism industry is not yet at an alarming level. This is why interest rates have no effect on the potential for financial distress.

Meanwhile, the results obtained from testing the hypothesis during the Covid-19 Pandemic are positive interest rates and do not have a significant effect on predicting financial distress. These results are the same as those carried out before the Covid-19 Pandemic. Where it means that the higher the interest rate, the greater the possibility of a company being in a state of financial distress. And vice versa, the lower the interest rate, the less likely the company is in financial distress. This is because higher interest rates can increase interest costs, so the costs incurred by the company will be higher. If this is not accompanied by greater profits, the company may suffer losses. The significance value of the interest rate is 0.387 > 0.05. This means that interest rates do not have a significant effect on financial distress in tourism industry service companies. This means that changes in interest rates or increases in interest rates do not have a significant effect on financial distress. The interest rate will make the company have to pay the interest expense on the loans that have been made. If the interest rate is high, it will also cause a high interest expense. But the results of this study say that interest rates have no significant effect on financial distress. The assumption that occurs is because the average level of debt or loans for service companies in the tourism industry is not yet at an alarming level. This is what causes interest rates to have no effect on the potential for financial distress.

CONCLUSION

This research was conducted to see whether financial ratio variables, namely profitability (ROE), liquidity (CR), leverage (DER), corporate governance variables, namely gender diversity and institutional ownership, and macroeconomic variables, namely inflation and interest rates, affect financial distress in industrial service companies. tourism listed on the Indonesia Stock Exchange during the period before and during the Covid-19 Pandemic. The dependent or dependent variable in this research is financial distress where the measurement is carried out with negative operating profit within two or more consecutive years and non-financial distress, namely companies that do not experience negative operating profit within two or more consecutive years or more.

1. Profitability proxied by return on equity before the Covid-19 Pandemic and during the Covid-19 Pandemic had a significant and negative effect on financial distress in tourism industry service companies listed on BEI.
2. Liquidity, which is proxied by the current ratio before the Covid-19 Pandemic, had no effect and was negative for financial distress in tourism service industry service companies registered on BEI. Whereas during the Covid-19 Pandemic the liquidity proxied by the current ratio had a significant and negative effect on financial distress in tourism industry service companies listed on the IDX.
3. Leverage proxied by the debt to equity ratio before the Covid-19 Pandemic had a significant and negative effect on financial distress in tourism industry service companies listed on BEI. Whereas during the Covid-19 Pandemic, the leverage proxied by the debt to equity ratio did not have a significant and negative effect on financial distress in tourism industry service companies listed on the IDX.

4. Gender diversity in the period before the Covid-19 Pandemic and during the Covid-19 Pandemic did not have a significant effect on financial distress in tourism industry service companies listed on the IDX.
5. Institutional ownership in the period before the Covid-19 Pandemic did not have a significant and positive effect on financial distress in tourism industry service companies listed on BEI. Whereas during the Covid-19 Pandemic, institutional ownership had a significant and positive effect on financial distress in tourism industry service companies listed on the IDX.
6. Inflation in the period before the Covid-19 Pandemic had no significant and negative effect on financial distress in tourism industry service companies listed on the IDX. Meanwhile, during the Covid-19 Pandemic, inflation had a significant and negative effect on financial distress in consumer service sub-sector service companies listed on the IDX.
7. Interest rates before the Covid-19 Pandemic and during the Covid-19 Pandemic did not have a significant and positive effect on financial distress in tourism industry service companies listed on the IDX.

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