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The Influence of Managerial Ownership and Financial Performance on Hedging Decisions

Fara Aulia Zalsabilla
Universitas Yapis Papua, Jayapura, Papua, Indonesia
Accounting Study Program Student, Universitas Yapis Papua, Jayapura, Papua, Indonesia
farahauliya17@gmail.com

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Abstract

This research analyses managerial ownership, liquidity, profitability, company size, and leverage in hedging decisions. This descriptive quantitative research uses secondary data from annual reports of food and beverage companies listed on the Indonesian Stock Exchange for 2020-2022. A sample of 15 companies was obtained using the purposive sampling technique, and E-views version 12 was used to analyze the data. The analysis technique used is logistic regression. The data analysis shows that the managerial ownership variable influences hedging decisions. In contrast, liquidity, profitability, company size and leverage do not influence hedging decisions in food and beverage manufacturing companies listed on the Indonesia Stock Exchange (BEI) for 2020-2022.

Introduction

In the current era of globalization, technological and information advances are accompanied by very strong international economic developments. All countries are taking advantage of this progress by increasing their market coverage and taking advantage of market opportunities at home and abroad by conducting trade transactions between countries (Wardoyo et al., 2022). Trade between countries carries out export activities by opening new market opportunities to other countries or importing products from another country to meet basic domestic needs.

According to Idris (2021), the difficulties that hinder international trade are import duties and tariffs, namely conditions where the government places taxes on imported goods entering its country. There are also import quotas, namely government regulations, that only allow imported goods to enter according to what has been determined.

Exchange rate fluctuations are changes in demand or supply in foreign exchange rates. Due to fluctuations in exchange rates, namely increases in foreign prices for imported goods, increases in domestic prices for exported goods, changes in structure and overall price levels, and capital flows, This will create a major risk for companies entering into export and import transactions. Risks from foreign exchange fluctuations directly or indirectly impact the company's trading activities. These risks will affect the company's condition directly or indirectly. This will, of course, bring risks that, if not done well, will result in losses for the state and the companies involved. Appropriate action is needed to avoid these risks. The risks

most frequently experienced by international trade actors in their transactions are fluctuations in exchange rates and interest rates (Bertumbuh et al., 2023).

According to Karina & Rahyuda (2019), *Hedging* is a strategy created to reduce the emergence of unexpected business risks while still making it possible to obtain profits from these investments, Putro & Chabachib (2012). *Derivative instruments* are used as a *hedging strategy* to minimize risk in certain financial transactions. *Derivatives* are a financial contract between two parties to transact an asset when the price is fixed on a date that will occur in the future Brigham & Houston (2011:347). According to Van Horne & Wachowicz (2005:125), hedging techniques with foreign exchange *derivative instruments can be carried out through forward contracts, future contracts, currency options and currency swaps. Hedging with derivative instruments* is used as an alternative to reduce financial risks that arise from foreign exchange fluctuations. Through *hedging using derivative instruments*, companies can minimize the risk of foreign exchange fluctuations so that they can have a positive influence on increasing company value. *Hedging* is one of the economic functions provided in futures trading. *Hedging* aims to protect an asset (*underlying asset*) from erratic price fluctuations through *derivative instruments* (Putro & Chabachib, 2012). Usually, this use of *hedging* is done by forming a portfolio with foreign currency *derivative instruments* so that international transactions carried out by the company can avoid the risk of foreign exchange fluctuations.

Hedging with foreign currency derivative instruments benefits companies that use foreign currencies. This can reduce the possibility of bankruptcy, improve the company's possibility of getting credit from creditors more easily, improve cooperation with suppliers, and allow the company to get loans at lower interest rates (because the risk experienced by lenders is lower). *Hedging* can also enable companies to forecast future cash expenditures and receipts more accurately, thereby improving the quality of cash budgeting decisions (Karina & Rahyuda, 2019).

Several sectors cut economic development, including manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange (BEI). Food and beverage companies are manufacturing companies, namely processing industrial companies, that process raw materials into semi-finished or finished goods. Manufacturing companies are synonymous with factories that use machines, equipment, engineering techniques and labour. This term can be used for human activities ranging from handicrafts to high-tech production. However, this term is often used in the industrial world, where raw materials are converted into finished goods on a large scale (Kayo, 2020).

The implementation of *hedging* creates differences in perception between shareholders and management. Shareholders are often suspicious when management makes hedging decisions. According to Brigham and Houston (2016), problems will arise quickly when corporate finance departments use hedging to gain relatively high profits by utilizing *derivatives* for speculation. In contrast to shareholders, Eiteman et al. (2016) explain that management prefers to implement hedging because hedging can reduce the risk of future cash flows and the possibility that the company's cash flow will be below an amount that is insufficient for debt payments and the company's operational activities (Aria et al., 2023). From the abovementioned factors, several factors influence hedging decisions: managerial ownership, financial performance, *financial distress*, liquidity, profitability, company size, and *leverage*.

Previous research used as a reference for this research, namely Anniyati (2019), said that managerial ownership positively affected hedging decisions, while Bertumumbu et al. (2023) said that managerial ownership hurt hedging activities. Then, in research by Karina & Rahyuda (2019), they say that financial performance has a positive effect on hedging decisions, while in the research of Tax et al. (2023), they say that financial performance hurts hedging decisions. Of course, Badshah et al. (2019) said that Policy Uncertainty also Impacts

Economic Correlation. The positive and negative influences on Hedging risk imply the implications.

Theoretical Framework and Hypothesis

Signaling Theory

Signalling theory was first put forward by Spence (1973), who explained that the sender (owner of information) provides a signal or signal in the form of information that reflects the condition of a company, which is beneficial for the recipient (investor). According to Brigham and Houston (2011), signal theory explains management's perception of the company's future growth, which will influence the response of potential investors to the company. This signal explains management's efforts to realize the owner's wishes. This information is an important indicator for investors and business people when making investment decisions.

Agency Theory

Agency theory was first coined by Jensen and Meckling (1976), who stated that agency theory is a theory of the inequality of interests between the principal and the agent. Agency theory bases the contractual relationship between shareholders or owners and management or managers. According to this theory, the relationship between owners and managers is difficult to create because of conflicting interests.

Managerial ownership

Manager ownership is when a shareholder from management is actively involved in company decision-making. Managers will try to reduce risks so the company does not experience losses (Anniyati et al., 2019).

One factor that can influence hedging decisions is managerial ownership. Because management wants to protect their investments from risk, companies hedge more if managerial ownership increases. This shows that managerial ownership influences hedging decisions (Aria et al., 2023)

Financial performance

Financial performance is an analysis carried out to see the extent to which a company has implemented financial implementation rules properly and correctly. Company performance is a description of a company's financial condition, which is analyzed using financial analysis tools so that it can be known about the good and bad financial condition of a company which reflects work performance in a certain period. This is very important so that resources are used optimally in facing environmental changes (Fahmi, 2011, p. 2); (Riadi, 2016).

Hedging Decisions

A Hedging Decision is a financial agreement used to protect or cover losses. The purpose of *hedging* is to reduce the risks in your business while maintaining the possibility of profit from the investment. *Hedging* is a financial way to ensure that changes in foreign exchange rates will not affect the value of the foreign currency used to pay or the amount of foreign money that will be received in the future (Karina & Rahyuda, 2019)

According to Bertumbuh et al. (2023), Hedging Decisions *are* used as a financial strategy to guarantee that the value of foreign currency used to pay (*outflow*) or received (*inflow*) will not be influenced by fluctuations in foreign exchange rates. The basic principle of this hedge is to commit to balancing in the same foreign currency. According to Situmeang & Wiagustini (2018), this hedging activity is presented by comparing total foreign currency

assets to foreign currency liabilities. By Bank Indonesia regulation No 14/21/PBI/2014, companies with external debt (foreign debt) must *hedge* with a minimum hedge ratio of 25% and a minimum liquidity ratio of 70% of their total foreign currency liabilities.

Liquidity

Liquidity is the ability of a company to meet financial obligations that may be paid or have to be paid. A company's ability to fulfil its obligations, when they fall due can be seen from its liquid value. A company can be liquid if it can fulfil its obligations on time. If the power to pay is linked to its financial obligations, it is called the liquidity of a business entity. The economic entity is a business's ability to provide assets to fulfil its financial obligations when billed (Triasiwi & Priantilianingtiasari, 2023).

Profitability

Profitability is a ratio that measures a company's ability to earn profits during a certain period at certain sales, assets and equity levels. A high-profit value symbolizes the company's high profitability and efficiency, reflected in income and cash flow. Profit ratios are most useful compared to similar companies, company history, or average ratios. Profitability ratios often measure a company's ability to generate profits (Gumay, 2021).

Company Size

Company size is a measure, scale or variable that describes the size of a company based on several things, such as total assets, *log size*, market value, shares, total sales, total income, total equity and others. Groups of companies, according to their business scale, are usually divided into three categories, namely large companies, medium companies and small companies. Company size is a scale that can be calculated based on total assets and sales. A business situation in which a larger business has an advantage in the funding sources it can obtain to finance its investment earnings. Company size can be used to describe the financial characteristics of a company. Large, established companies can obtain capital from the capital markets more easily than small companies because convenience like this means that large companies have more flexibility (Riadi, 2020).

Leverage

Leverage is a ratio that shows the company's ability to fulfil all its financial obligations if liquidated at that time (Rofingatun, 2021).

Leverage is a ratio used to measure how much a company fulfils its debt obligations. Companies with a high *leverage ratio* will face fewer risks due to tes, so management will minimize this risk by carrying out hedging activities (Rosalin et al., 2023).

Hypothesis

The Influence of Managerial Ownership on Hedging Decisions

With management, who are also company shareholders, it is hoped that it can improve the company's performance and increase investors' returns. According to Anniyat et al. (2020), managers try to minimize the risks that arise so that companies do not face unexpected losses, especially in international markets. One way to minimize risk is by *hedging*. The higher management ownership in the company, the greater its influence on hedging decisions. This is to the findings of Sprcic and Sevic (2012), Bodroastut et al. (2019) and Anniyat et al. (2020), who obtained results, namely management ownership. Positive effect on hedging decisions (Aria et al., 2023). Based on this framework, the following hypothesis can be developed:

H1: Managerial Ownership influences Hedging Decisions.

The Effect of Liquidity on Hedging Decisions

According to Brigham and Houston (2016: 127), liquidity is a ratio showing the relationship between a company's cash and other current assets and liabilities. The more liquid the company's position, the lower the risk of the company being unable to fulfil its periodic obligations, in short, to avoid the risk of financial difficulties. This condition impacts reducing hedging activities carried out by the company. On the other hand, liquid companies have better opportunities to develop their business. The funds taken are used for activities other than hedging with *derivatives* (Guniarti, 2014). This statement is based on the research findings of Ahmadi and Haris (2012), Aditya and Asandimitra (2019), and Sasmita and Hartono (2019), which state that liquidity hinders hedging decisions. mark (Aria et al., 2023) Based on the observations obtained, the following hypothesis can be established:

H2: Liquidity influences Hedging Decisions.

The Influence of Profitability on Hedging Decisions

According to Sartono (2017:122), profitability is a company's ability to use its balance sheet and capital to generate profits. Companies with high profitability grow their business faster. One of the goals of business expansion is to reach international markets. Besides providing opportunities, the global market also contains serious threats and risks that can harm the business world. Therefore, companies must always manage risk with a chairman (Jiwadhana & Triaryati, 2016). The above statement is proven by research by Jiwadhana and Triaryati (2016) and Fransisca and Natsiri (2019) that profitability influences hedging decisions (Aria et al., 2023). Based on this framework of thought, the following hypothesis can be built:

H3: Profitability influences Hedging Decisions.

The Influence of Company Size on Hedging Decisions.

According to Riyanto (2008:313), company size is a scale that measures size based on the company's total assets. Of course, large companies have a wider range of operations than small businesses. When large companies enter international markets, they face more complex risks than domestic ones. The larger the company's size, the greater the possibility of its implementation, so the greater the possibility of the company implementing the protection policy. Bodroastuti et al. (2019) and Anniyati et al. (2020) show that company size influences hedging decisions. This is in line with Guniart (2014) and Bodroastuti et al. (2019), which also show that company size influences hedging decisions (Aria et al., 2023). Based on this way of thinking, the following hypothesis can be built:

H4: Company size influences hedging decisions.

The Effect of Leverage on Hedging Decisions

According to Sartono (2017:120), *leverage* shows the proportion of a company's debt used to finance its investments. National and multinational companies use their capital to fund their activities and require additional money from external parties in the form of debt. Apart from domestic loans, foreign capital is also obtained from foreign loans. An increase in the debt will increase the company's risks, so this condition requires financial managers to balance the debt with the amount of capital. The higher the amount of debt owned compared to the capital, the higher the possibility of the company hedging to avoid the risks posed by debt. Sianturi and Pangestuti (2015) and Kurniawan and Asandimitra (2018) show that *leverage* influences hedging decisions. This is also in line with the findings of Windari and Purnawati (2019), who stated that *leverage* influences hedging decisions. Thus, it is found that the higher the level of debt of a company, the higher the level of hedging needs (Aria et al., 2023). Based on this way of thinking, the following hypothesis can be built:

H5: Leverage influences hedging decisions.

Research Method

This research aims to analyze the influence of Managerial Ownership and Financial Performance on Hedging Decisions using panel data for 2018-2022, covering 15 food and beverage companies listed on the Indonesian stock exchange with a total of 75 sample observations. In this research, the researcher used a purposive sampling technique; the data was obtained through *the annual report* on the official website www.idx.co.id or the official website of the company concerned.

According to Wardoyo et al. (2022), managerial ownership is the level of share ownership of company management active in company decision-making. Managerial ownership is the percentage or proportion of shares owned by management. Managerial ownership is formulated as follows (Aria et al., 2023).

According to Brigham and Houston (2016), a company's liquidity is a ratio that shows the relationship between its cash and other Current Assets (CA) and Current Liabilities (CL). CR is calculated based on this formula (Aria et al., 2023).

Profitability indicates a company's ability to manage and utilize all its resources to generate profits. Return on Assets (ROA) is calculated as follows: (Aria et al., 2023).

Suwito and Herawati (2005) stated that firm size is a scale where companies can be classified according to various ways, where company size is only divided into three categories: large companies, medium companies, and small companies (*small firms*). Company size can be measured by transforming the total assets owned by the company into natural logarithm form as follows (Karina & Rahyuda, 2019).

Karina Rahyuda (2019) states that leverage can be measured using the debt ratio (DER). DER is a ratio that compares debt and assets in company funding to determine the amount of debt used compared to the company's entire capital. *Leverage* measures a company's ability to fulfil all its obligations, proxied by the Equity Ratio (DER).

In this research, the related variable is the hedging decision (Y). *Hedging* is a risk management technique that may occur to reduce exposure to fluctuations in foreign exchange, which can cause losses or financial difficulties for a company. Users of hedges are usually called *hedgers* (Triasiwi & Priantilianingtiasari, 2023). The proxies used in this research are other variables to measure company value, such as dummy variables. 1 for companies that make hedging decisions and 0 for companies that do not make hedging decisions. Dummy Regression = $Y = b_0 + b_1X + b_2 d_2 + b_3 d_2 + e_1$

Results and Discussion

Descriptive Statistical Analysis

Table 1
Descriptive Statistical

	X1	X2	X3	X4	X5	Y
Mean	0.365919	2.914422	9.745259	18016.19	4.524753	0.493333
Median	0.252199	2.004213	8.722222	34.36715	4.264369	0.000000
Maximum	0.915239	13.30906	42.38818	1348182.	5.858533	1.000000
Minimum	0.000157	0.225761	0.011160	10.04250	2.571764	0.000000
Std. Dev.	0.369863	2.848290	8.385238	155669.9	0.753181	0.503322

Source: Data processing using Eviews 12 (2024)

Based on Table 1 above, it can be seen that from the 75 existing data, the managerial ownership variable measured using ownership shares divided by the number of outstanding shares has a minimum value of 0.00157 and a maximum value of 0.915. The average or mean value is 0.365, and the standard deviation is 0.369. The mean/average value is less than the

standard deviation, namely $0.365 < 0.369$, indicating that the distribution of managerial ownership values is not good.

Liquidity between cash and other Current Assets (CA) and Current Liabilities (CL). The Liquidity variable has a minimum value of 0.225 and a maximum value of 13.30. The average value is 2.91, and a standard deviation of 2.84. The mean/average value is greater than the standard deviation, namely $2.91 > 2.84$, indicating that the distribution of Liquidity values is good.

The variable has a minimum value of 0.0111 and a maximum value of 42.388. The average or mean value is 9.745, and the standard deviation is 8.385. The mean/average value is greater than the standard deviation, namely $9.745 > 8.385$, indicating that the distribution of profitability is good.

The Company Size variable has a minimum value of 10.04 and a maximum value of 13.48. The average or mean value is 1.80, and the standard deviation is 1.55. The mean/average value is greater than the standard deviation, namely $1.80 > 1.55$, indicating that the distribution of Company Size data is good.

The *Leverage* variable has a minimum value of 2.571 and a maximum value of 5.858. The average or mean value is 4.52, and the standard deviation is 0.75. The mean/average value is smaller than the standard deviation, $4.52 > 0.75$, indicating that the *Leverage data distribution* is Good.

Logistic Regression Analysis

Table 2
Logistic Regression

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.166796	1.578689	0.105655	0.9159
X1	1.458903	0.731192	1.995240	0.0460
X2	-0.086274	0.091611	-0.941740	0.3463
X3	0.043877	0.035481	1.236634	0.2162
X4	-6.78E-06	4.88E-05	-0.139084	0.8894
X5	-0.185350	0.336879	-0.550199	0.5822

Source: Data processing using Eviews 12 (2024)

Based on the determined regression formula, the regression model obtained is as follows:

From the results of the linear regression it can be interpreted as follows:

- 1) The constant value shows 0.166, meaning that the Hedging Decision will experience a change of 0.166 from the independent variables, namely Managerial Ownership and Financial performance.
- 2) The Managerial Ownership variable (X1) has a regression coefficient value of 1.458; this shows that the direction of the relationship is positive.
- 3) The Liquidity variable (X2) has a regression coefficient value of -0.086; this shows that the direction of the relationship is negative.
- 4) The Profitability variable (X3) has a regression coefficient value of 0.043; this shows that the direction of the relationship is positive.
- 5) The Company Size variable (X4) has a regression coefficient value of -6.78; this shows that the direction of the relationship is negative.
- 6) The leverage variable (X5) has a regression coefficient value of -0.185, which shows that the direction of the relationship is negative.

Hypothesis Test Results

Table 3
Coefficient of Determination Test (R²)

McFadden R-squared	0.088889
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Source: Data processing using Eviews 12 (2024)

The analysis results show that the coefficient of determination (Adjusted R²) is 0.088889 or 0.8 %. It can be concluded that the independent variables of managerial ownership and financial performance can explain hedging decisions by 0.8 %. Other variables outside this research explain the remaining 99.8 % of hedging decisions.

Table 4
Partial Test (T-Test)

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.166796	1.578689	0.105655	0.9159
X1	1.458903	0.731192	1.995240	0.0460
X2	-0.086274	0.091611	-0.941740	0.3463
X3	0.043877	0.035481	1.236634	0.2162
X4	-6.78E-06	4.88E-05	-0.139084	0.8894
X5	-0.185350	0.336879	-0.550199	0.5822

Source: Data processing using Eviews 12 (2024)

Based on the t-test results presented in the table above 4, it can be concluded as follows:

The value of Prob obtains managerial ownership. equal to $0.0460 < 0.5$ which means **H1 is accepted**. The value of Prob obtains liquidity. equal to $0.3463 > 0.5$ which means **H2 is rejected**. The value of Prob obtains profitability. equal to $0.2162 > 0.5$ which means **H3 is rejected**. For company size, the value of Prob is obtained. equal to $0.8894 > 0.5$ which means **H4 is rejected**. The value of Prob obtains leverage. equal to $0.5822 > 0.5$ which means **H5 is rejected**.

Discussion

The Influence of Managerial Ownership on Hedging Decisions

The statistical results of the t-test for the managerial ownership variable obtained a significance value of 0.0460, which is smaller than 0.05, so it can be concluded that this research has succeeded in proving the first hypothesis, which states "Managerial Ownership has a positive effect on Hedging Decisions". The research results prove that managerial ownership variables influence hedging decisions.

This shows that the lower the managerial ownership, the higher the hedging decision. Managerial ownership of the company shows that it can increase or decrease the value of the company's shares. This research supports previous research conducted by Aria et al. (2023), conducting research on "the influence of managerial ownership and financial performance on hedging decisions". However, this contradicts research from (Bertumbu et al. (2023), which states that managerial ownership does not affect hedging decisions. The research results show that the managerial ownership variable affects hedging decisions, which means that the higher managerial ownership, the more likely the decision will occur. Hedges are getting higher.

The Effect of Liquidity on Hedging Decisions

The statistical results of the t-test for the liquidity variable obtained a significance value of 0.3463, which is greater than 0.05, so it can be concluded that this research has not succeeded in proving the second hypothesis, which states, "Liquidity has a positive effect on Hedging Decisions". The research results prove that the Liquidity variable does not affect hedging decisions.

So, the lower the risk of failure to meet the company's short-term obligations and the lower the threat of decline, which results in the effect of hedging activities not being carried out by the company. The results of this research align with research conducted by Triasiwi & Priantilianingtiasari (2023), researching "The Influence of Leverage, Liquidity, Financial Distress on *Hedging Decisions*". However, this sharply contrasts with research from Idawati Redawati (2019), which states that liquidity influences hedging decisions. The research results show that the liquidity variable has no effect on hedging decisions, which means that the smaller the liquidity, the greater the use of *hedging*.

Profitability of Hedging Decisions

The statistical results of the t-test for the profitability variable obtained a significance value of 0.2162, which is greater than 0.05, so it can be concluded that this research has not succeeded in proving the third hypothesis, which states, "Profitability has a positive effect on Hedging Decisions". The research results prove that the Profitability variable does not affect Hedging Decisions.

If the company's profitability value increases, then this will affect the extent to which the company can generate profits by using the company's sources of income, such as the company's sales assets or the company's capital. The results of this research align with those conducted by Logam et al. (2021), researching "The Influence of Profitability, Leverage, and Firm Size on *Hedging Decision Making*". However, this is in sharp contrast to research from Wiwin Aminah Nurul Aiman Fiqararimmakin (2023), which states that profitability positively affects hedging decisions. The research results show that the Profitability variable has no effect on hedging decisions, which means that using assets to obtain profits from sample companies tends not to fluctuate.

The Influence of Company Size on Hedging Decisions

The statistical results of the t-test for the Company Size variable obtained a significance value of 0.8894, which is greater than 0.05, so it can be concluded that this research has not succeeded in proving the fourth hypothesis, which states, "Company Size has a positive effect on Hedging Decisions". The research results prove that the Company Size variable does not affect Hedging Decisions. This means that the greater the value of company size, the smaller the possibility of the company hedging; in other words, company size is inversely proportional to hedging decisions. The results of this research align with Yuliani et al. (2019), researching "The Influence of Company Growth, Leverage, Company Size and Liquidity on *Hedging Decisions*". However, this is in sharp contrast to research from Sari and Mahardika (2023), which states that company size positively affects hedging decisions. The research results show that the Company Size variable has no effect on hedging decisions, which means that if a company gets a high company size value, the possibility of hedging will also be smaller.

The Effect of Leverage on Hedging Decisions

The statistical results of the t-test for the Leverage variable obtained a significance value of 0.5822, which is greater than 0.05, so it can be concluded that this research has not succeeded in proving the fifth hypothesis, which states "Company size has a positive effect

on Hedging Decisions". The research results prove that the Company Size variable does not affect Hedging Decisions.

This means that the greater the value of company size, the smaller the possibility of the company hedging; in other words, company size is inversely proportional to hedging decisions. The results of this research align with Yuliani et al. (2019), researching "The Influence of Company Growth, Leverage, Company Size and Liquidity on *Hedging Decisions*". However, this sharply contrasts with research from Sari Mahardika (2023), which states that company size positively affects hedging decisions. The research results show that the Company Size variable has no effect on hedging decisions, which means that if a company gets a high company size value, the possibility of hedging will also be smaller.

Conclusions and recommendations

Based on the results of the analysis and discussion described in the chapter previously, the conclusions of this research are Managerial Ownership matters in Hedging Decisions, Liquidity does not affect Hedging Decisions, Profitability does not affect Hedging Decisions, Company size does not affect hedging decisions, and *Leverage* does not affect Hedging Decisions.

Some suggestions that researchers can convey based on the analysis that has been carried out are:

- 1) In this research, the independent variables used are Managerial Ownership and Financial Performance. It is hoped that future research will use a variety of variables.
- 2) In this study, the sample chosen was food and beverage companies listed on the Indonesia Stock Exchange. It is hoped that future research will increase the number of samples to improve the research carried out.
- 3) The research period is 2018-2022; further research should update and increase the research year period to make the results relevant.

In this research, the method used is logistic regression analysis using EViews 12 software and data processing using Microsoft Excel 2013. Future research is recommended to use a different method and newer software.

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