

Original Research Article
Female Directors and Firm Performance: Evidence of Family Firm in Indonesia

ABSTRACT

The purpose of this study is to determine the effect of female board of directors on company performance. Using a sample of 144 family firms in Indonesia in the period 2018 to 2020. This study examines the relationship between female directors and corporate accounting (ROA and ROE) and market-based performance (Tobin's Q). This study uses a panel data approach with OLS measurements and fixed effects model measurements. This study found that female ownership significantly lowers Tobin's Q. While female CEOs have a negative effect on ROA. Studies on the relationship between gender diversity and financial performance in the context have been carried out in developed economies. This study contributes to the literature related to corporate governance in family companies, especially gender diversity in countries with developing economies such as Indonesia.

Keyword: Female directorship, firm performance, gender diversity, family firms

1. INTRODUCTION

Most companies ignore the influence of certain managers on decision-making, focusing on company characteristics rather than managerial characteristics (Huang & Kisgen, 2013). However, traditionally women in family businesses are very few leaders of the company, and more often play a role in the household (Bjuggren et al., 2018). The position as a traditional company leader is closer to male members (Arijs, 2013). Studies show that Asian women are usually confined to domestic and family roles, the impact of women's board representation on corporate financial performance may not be the same as that shown in research in developed countries (Low et al., 2015).

Gender diversity within the Board of Directors is a motivational driver for effective company performance and can lead to a broader knowledge base (Dowling & Aribi, 2013). The idea to increase the proportion of female directors is based on the belief that the role of women will provide benefits for the management of the company, and have a positive impact on the company's financial performance (Green & Homroy, 2018). However, the results of the study indicate that the role of women in companies is changing, women are becoming more visible and more

involved in executive roles (Bjuggren et al., 2018).

Female directors in a company have a good influence on the company's financial performance (Green & Homroy, 2018). Currently, gender issues emphasize the inclusion of gender diversity in the board of directors, and this has been proven in many developed countries. For example, for the first time in 2012 women held more than one in ten council seats globally. Particularly in developed countries in general, the proportion of women on boards rose from 5% in 2001 to 12.2% in 2012 (Saeed et al., 2017).

The presence of women in the company's top managers can provide more support for low-risk projects (Mustafa & Jizi, 2016). Furthermore, female directors are more diligent and demand more audit effort than male directors (Adams & Ferreira, 2009; Liu et al., 2014), this effort is a form of transparency that can increase investor confidence in the company in carrying out organizational activities. In addition, female directors bring different perspectives and experiences into the boardroom, which helps to improve the quality of board decisions and increase the legitimacy of the practice (Gulamhussen & Santa, 2015). According to Chen et al. (2018), female directors have more innovation than male directors, so that company productivity

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increases and provides greater returns to investors.

Research shows that the company's financial performance is influenced by the presence of women's boards. Women's boards in the corporate governance mechanism were found to be able to improve the company's financial performance (Conyon & He, 2017). However, other studies have shown that female directors do not increase firm value (Bennouri et al., 2018; Nguyen & Faff, 2007). Meanwhile, according to Darmadi (2013), the proportion of female boards has a negative impact on the company's financial value.

This study uses firm age, firm size, and leverage as control variables. Furthermore, this research develops from the research that has been described. However, there are some differences between this research and previous research. First, this study uses various female proxies as variables that affect the company's financial performance, which in research in Indonesia is still very rarely found. Furthermore, the object of this study refers to family companies listed on the Indonesia Stock Exchange.

2. LITERATURE REVIEW

2.1 Corporate Governance

Corporate governance experts have also suggested that diversity among board members can provide different perspectives, resulting in more solutions and alternatives for strategic decisions (Lukviarman, 2016; Zhang, 2012). According to Wicks et al. (1994) that women emphasize the relationship (social) in doing a task. This is different from the masculinist view which emphasizes the rights and obligations personally (individually) in a task. Therefore, the presence of women on the board will provide a better working atmosphere. The debate about the impact of gender diversification on corporate leadership has been around for several years. The glass ceiling phenomenon is often one of the reasons behind the emergence of the issue of gender diversification (Zhang, 2012). This phenomenon states that there are obstacles for minority groups (women) to achieve top-level management in an organizational structure even though based on their abilities they have

met the criteria. found that the phenomenon could be explained by the fact that female directors may be tougher when monitoring management in firms that already have high-quality governance, this toughness may lead to excessive monitoring, thereby reducing the quality of board work and firm performance (Adams & Ferreira, 2009). But on the other hand gender diversity in the board of directors is an effective driver of company performance and can lead to a wider knowledge base (Dowling & Aribi, 2013).

2.2 Family Firm Management

This study focuses on the role of women leaders in managing family businesses. Family companies have different characteristics and characteristics from non-family companies. For example, a family company is a company managed by a family or descendant of a family who occupies a strategic position, and at least the family owns 5% ownership of the company (Panwar et al., 2013). Other sources describe a family company as a company run by the founder or members of the founding family (McConaughy et al., 2001).

There are two popular views regarding the success of leadership in the family. The first is related to leadership without looking at the aspects of women's professional performance. A second look at the more recent literature highlighting women's professional careers in family firms and family firm management (Bjuggren et al., 2018). Many of these studies are experimental. For example, a study by Niederle and Vesterlund (2004) examines differences between men and women in the type of compensation scheme they prefer to work for. The study found that beliefs and preferences regarding competition differ between men and women. Men are inherently more competitive and more confident than women. The skills that women directors bring to boards provide new perspectives and valuable advice to other board members (Anderson et al., 2011). Huang and Kisgen (2013) state that male directors make more acquisitions and incur more debt than female executives. In other words, male directors tend to make more high-risk decisions than female directors.

2.3 Female CEOs and Firm Performance

Family members who are included on the board have an impact on family business experience, knowledge and abilities especially those who

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are formatted to become CEOs in family businesses (Bjuggren & Sund, 2002). The specialty of knowledge and skills acquired in family firms is certainly different from external resources that run organically (Habbershon et al., 2003; Zahra & Sharma, 2004). The distinction between family and non-family firms, with a focus on gender issues, also has an impact on top managers in the succession of family firms. Current research links the influence between executives and company performance and only focuses on one characteristic, namely gender (Peni, 2014).

Women in top managers especially CEOs are a rare achievement because they have to face challenges and have the competence to enter a male-dominated boardroom. However, these achievements provide psychological benefits, such as rewards for the position (Darmadi, 2013). Studies in Singapore show that investors with good gender insight are optimistic about the presence of women on the board (Kramer et al., 2006; Mustafa & Jizi, 2016). Another finding states that companies led by female CEOs have superior performance than companies led by male CEOs (Peni, 2014). In other words, female CEOs can improve the decision-making quality of the board of directors and consequently positively affect the company's performance (Bennouri et al., 2018; Nekhilli et al., 2017; Peni, 2014). Based on the description of these findings, the hypothesis in this study is as follows:

H1: Female CEOs have a positive effect on the firm performance

2.4 Female Directors and Firm Performance

Banks in OECD (Organization for Economic Co-operation and Development) countries reveal that empirical evidence of women's participation across boards has a positive influence on accounting and market performance as well as risk-taking (Gulamhussen & Santa, 2015). In general, the presence of women on the board affects the performance of market-based organizations and accounting (Bennouri et al., 2018; Nguyen & Faff, 2007). More specifically, female directors have a stronger quantitative impact on high-performing firms compared to low-performing firms (Conyon & He, 2017).

Having women in line can help in making more informed decisions and at lower risk. The presence of women in support can also support wider, transparent, and ethical information so that it can provide a good reputation for the company which will add value to the company (Gulamhussen & Santa, 2015). Several

previous studies stated that it had a positive effect on firm value and performance from the accounting aspect (Bennouri et al., 2018; Gulamhussen & Santa, 2015). Then the research hypothesis is as follows:

H2: Female Directors have a positive effect on firm performance

2.5 Women's Ownership and Corporate Financial Performance

Empirical evidence on the relationship between concentrated ownership and firm performance is also mixed. Several studies have provided evidence that there is a significant positive relationship between large investor share ownership and firm performance, such as Haniffa and Hudaib (2006), and Joh (2003), using samples of Malaysian and Korean companies, respectively. High concentrations of family ownership in publicly traded companies are common in Indonesia, as in other East Asian markets (Claessens et al., 2000). Based on evidence from Malaysia and Korea, we expect that concentrated ownership (as measured by the proportion of shares held by shareholders and largest block holders) will improve company performance.

The alignment between ownership and leadership makes it easier for female CEOs to make a difference. The privileged knowledge gained by growing up in the family business can also be important here. A higher proportion of female ownership is likely to result in higher profitability (Bjuggren & Sund, 2002; Jabeen et al., 2015). With the existing ownership proportions, women can have authority in managing the company. Then the research hypothesis is formulated as follows:

H3: Female ownership has a positive effect on the firm performance.

3. METHODOLOGY

3.1 Data and Sample

This study uses a quantitative approach. The data used in this study is data that comes from secondary data. The data sources include the financial statements of family companies listed on the Indonesia Stock Exchange (IDX) for 2018-2020. The determination of the sample in this study is sampling with a purposive sampling model to obtain a representative sample by the specific criteria. Based on table 1 panel A of all companies listed on the IDX, in

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2020 of 627 companies listed on the IDX, according to observations made in this study, it was found that around 51.99% or 326 companies are family-owned companies. From 326 family companies based on purposive

sampling, it can be seen that the sample used in this study is 146 companies or about 23.29% of the population and 44.78% of the total number of family companies listed on the Indonesia Stock Exchange.

Table 1. Characteristics of Sample

Panel A: Data dan sample	
Description	Total Sample
Companies listed on the Indonesia Stock Exchange	627
Elimination:	
Family firm in Indonesia based on ownership and management by family members	326
Finance and utility company	(103)
Incomplete companies in their financial statements	(76)
Data Sample	146
Panel B: Industrial distribution	
Industry	%
<i>Agriculture</i>	6,1%
<i>Mining</i>	10,2%
<i>Basic industry & chemicals</i>	14,3%
<i>Miscellaneous industry</i>	12,9%
<i>Consumer goods industry</i>	12,9%
<i>Property, real estate & building construction</i>	15,0%
<i>Infrastructure, utilities & transportation</i>	4,1%
<i>Trade, services & investment</i>	24,5%
<i>Total</i>	100%

In table 1, panel B explains that, the distribution of samples is spread across various types of industries. The number of industrial distribution is dominated by the trade, service and investment industries by 24.5%, this data provides information that family companies are dominated by the trade, service and investment industries. Furthermore, the family companies that are the sample and the data in this study are dominated by the property and real estate industry with a proportion of 15%. This data shows that Indonesia as a developing country is an opportunity for the growth of the property industry.

Furthermore, the data sample in this study, the lowest proportion came from the infrastructure and transportation industry, which was 4.1%, and 6.1% for agriculture. The data explains that even though Indonesia is a big country, the dominance of family businesses in the industry.

3.2 Dependent Variable

The company's financial performance variables in this study were measured by Tobin's q, ROA and ROE. Tobin's q can be used as the ratio of the closing price of shares at the end of the financial year multiplied by the number of

shares outstanding in total and the book value of debt to total assets. This proxy describes the market's expectations about the company's future earnings. The selection of Tobin's q, ROA, and ROE as proxies of the company's financial performance is judged to be less influenced by accounting conventions and by documented strategic manipulations of earnings (Bennouri et al., 2018; Detthamrong et al., 2017; Green & Homroy, 2018).

3.3 Independent Variable

Female CEOs use a dummy variable, namely if there is a CEO in the company, one point will be given, whereas if there is no female CEO in the company, 0 points are given (Bjuggren et al., 2018; Gulamhussen & Santa, 2015).

Female directors are measured by the proportion of female directors in total in the company's board of directors (Bjuggren et al., 2018; Chen et al., 2018; Conyon & He, 2017; Darmadi, 2013). Furthermore, for female directors, it is also measured by the presence of a female board of directors. Proxies of female directors are considered as recognition of women from outside the company who could build the company.

Women's ownership is measured by the number of shareholdings in companies owned by women. This proxy is considered to describe women as determinants of the direction of company policies (Bjuggren et al., 2018; Chen et al., 2018; Gulamhussen & Santa, 2015).

3.4 Control Variable

In this study, the size of the board of directors is used as a control variable, namely calculating the total number of members of the board of directors (Bansal & Sharma, 2016; Bjuggren et al., 2018; Conyon & He, 2017;

Roanne, 2013). While the size of the company uses the natural logarithm of total assets, this is used to reduce the significant difference between the size of the company that is too large and the size of the company that is too small, so that the total asset value is formed into a natural logarithm. assets are normally distributed (Aldamen et al., 2011; Bennouri et al., 2018; Bjuggren et al., 2018; Kallamu & Saat, 2015; Wang & Sarkis, 2017). Furthermore, the Leverage control variable is measured by the ratio of long-term debt to company assets (Bjuggren et al., 2018)

Table 2. Description of Variables

Variable	Description
<i>Dependent variable</i>	
TQ	Market value of assets over book value of assets
ROA	Return on average assets
ROE	Return on average equity
<i>Independent variable</i>	
FECEO	Dummy variable, equal to one if CEO is female, zero otherwise
FEBOARD	Percentage of women on the board of directors
DBOARD	Dummy variable that takes a value of 1 if there is at least one woman on the board of directors of the bank and 0 otherwise
FEOWN	The proportion of shares owned by female shareholders
<i>Control Variable</i>	
BS	Number of board members
SIZE	Logarithms natural of total assets
LEV	Debt to total asset ratio

3.5 Research Model

Data analysis in this study uses panel data (data pool) so that data testing is done by panel data regression test. The data processing tool in this study uses statistical software Eviews 11. This study uses the Hausman-test to decide whether the fixed effect model or the random effect model. Hausman-test results show that the fixed effect model is preferred or better than the random effect model. The panel data regression equation can be formulated as follows:

$$TQ_{it} = \alpha + \beta_1 FECEO_{it} + \beta_2 FEBOARD_{it} + \beta_3 DBOARD_{it} + \beta_4 FEOWN_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 BS_{it} + \varepsilon_{it} \quad (1)$$

$$ROA_{it} = \alpha + \beta_1 FECEO_{it} + \beta_2 FEBOARD_{it} + \beta_3 DBOARD_{it} + \beta_4 FEOWN_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 BS_{it} + \varepsilon_{it} \quad (2)$$

$$ROE_{it} = \alpha + \beta_1 FECEO_{it} + \beta_2 FEBOARD_{it} + \beta_3 DBOARD_{it} + \beta_4 FEOWN_{it} + \beta_5 SIZE_{it} + \beta_6 LEV_{it} + \beta_7 BS_{it} + \varepsilon_{it} \quad (3)$$

4. RESULTS AND DISCUSSIONS

4.1 Descriptive Statistics

Table 3 presents descriptive statistics of the variables used in this study for the final sample of 438 observations during the 2018-2020 period. The mean TBQ value is 1,218, this number shows that the market value ratio of family companies in Indonesia is relatively high. While the mean value of financial performance is 0.0245 on ROA and 0.0504 on ROE this ratio indicates that the average company in obtaining profit is quite stable and performs well.

The mean value of female attribute variables such as female CEOs or commissioners shows that about 12.79% of the average companies

are led by women, then about 15% of the sample company boards of directors are filled by women. female directors, and 2.28% average ownership of companies controlled by

women. This shows that the role of women in managing the company is quite large and continues to grow.

Table 3. Descriptive statistics

Variable	Mean	Median	Maximum	Minimum	Std. Dev.
TQ	1,2187	0,9340	9,5013	0,0111	0,9446
ROA	0,0245	0,0250	2,0443	-1,0498	0,1536
ROE	0,0504	0,0495	14,2201	-3,7738	0,8443
FECEO	0,1279	0,0000	1,0000	0,0000	0,3343
FEBOARD	0,1523	0,0455	0,7500	0,0000	0,1837
DBOARD	0,5091	1,0000	1,0000	0,0000	0,5005
FEOWN	0,0228	0,0000	0,8237	0,0000	0,1011
LEV	0,4546	0,4404	1,9888	0,0007	0,2382
SIZE	29,1005	29,0541	33,4945	24,6067	1,7349
BS	4,9361	5,0000	11,0000	2,0000	2,0274

Observations : 438

The definition of variable code can be seen in table 2.

4.2 Regression Results

Table 4-6 shows the results of the regression tests on ROA, ROE, and Tobin's Q, respectively. For completeness of the test, each table contains the results of OLS estimation and fixed effect estimation. We include a set of control variables thought to affect firm performance. The first control variable is related to the board structure, namely the number of members of the board of directors in each company. The second control variable is related to the risk and growth potential of the company as measured by leverage. And finally, this study includes the size of the company, measured by the natural logarithm of its total assets.

The results of the model 1 test in table 4 show that the OLS estimation on the overall relationship of the independent variables is found that, only the presence of women as directors has a significant negative effect at the

1% significance level on firm value as measured by Tobin's q. Meanwhile, female CEOs and female ownership were not found to have a significant relationship. As for the control variables, firm size and the number of members of the board of directors have a positive significant effect on Tobin's q, but for leverage in this study, no relationship effect was found with Tobin's q.

The estimation results of model 1 with fixed effects are in table 4 where this estimation model is the most recommended model based on the estimation model selection test. Fixed effect estimation shows that of all independent variables tested on Tobin's q, only the female ownership variable has an influence relationship with negative significance at the 10% level. As for the control variable, it is known that leverage and firm size have a negative relationship at a significance of 10% and 5%.

Table 4. Regression of Tobin's Q on Female Directorship

Variables	OLS		Fixed effect	
	Coefficient	t-Statistic	Coefficient	t-Statistic
FECEO	-0,08497	-1,30245	-0,08497	-3,69429
FEBOARD	-0,66553	1,191926	-0,66553	1,136171
DBOARD	0,092894***	-1,8656	0,092894	0,287958
FEOWN	-4,65992	-0,87343	-4,65992 ⁺	-0,17908
LEV	0,576579	-0,08276	0,576579 ⁺	-4,54231
SIZE	-0,09183***	1,8463	-0,09183**	-5,66606

BS	0,016852***	1,683168	0,016852	1,204486
Number of observations	438		438	
R-squared	0,048158		0,89296	
Adjusted R-squared	0,032663		0,835872	
Prob(F-statistic)	0,003291		0	

The definition of variable code can be seen in table 2. This table shows the results of data processing on OLS and Fixed effect models. *, **, ***, representation of significance at the 10%, 5%, and 1% levels.

The test results with the company's financial performance as measured by ROA as the dependent variable can be seen in table 5 through the OLS estimation shows the results that there is a positive significant effect on women's leadership on company performance at a significance of 5%. Meanwhile, the variables of the presence of women on the board of directors, the proportion of women on the board of directors, and the ownership of women in the company show that there is no significant relationship with financial performance as measured by ROA. Meanwhile, on the control variable, it was found that leverage and the size of the board of directors had a significant effect on ROA.

The fixed effect estimation for the second model in this study shows the same results as the OLS model estimate, namely there is a significant negative effect between ROA on women's leadership at the 1% significance level. Meanwhile, the variables of the presence of women on the board of directors, the proportion of women on the board of directors, and the ownership of women in the company show that there is no significant relationship with financial performance as measured by ROA. As for the control variable, it is known that leverage and firm size have a negative relationship at 1% significance.

Table 5. Regression of ROA on Female Directorships

Variables	OLS		Fixed Effect	
	Coefficient	t-Statistic	Coefficient	t-Statistic
FECEO	0,053529**	2,313074	-0,23697***	-3,69429
FEBOARD	-0,08879	-1,29683	0,178176	1,136171
DBOARD	0,026767	1,080244	0,018055	0,287958
FEOWN	-0,08767	-1,1931	-0,08029	-0,17908
LEV	-0,19103***	-6,5021	-0,30887***	-4,54231
SIZE	0,002457	0,498877	-0,09037***	-5,66606
BS	0,009047**	2,123832	0,0147	1,204486
Number of observations	438		438	
R-squared	0,125114		0,533689	
Adjusted R-squared	0,110872		0,284989	
Prob(F-statistic)	0		0	

The definition of variable code can be seen in table 2. This table shows the results of data processing on OLS and Fixed effect models. *, **, ***, representation of significance at the 10%, 5%, and 1% levels.

In the model 3 test with ROE as the second proxy for the company's financial performance, the results can be seen in Table 6. In the OLS estimation it was found that of all independent variables, only female leadership has a positive influence on financial performance as measured by ROE at a significance level of 1

%. While the control variable leverage has a significant positive effect on ROE with a level of 1%. And the size of the board of directors has a positive effect with a significance level of 5% on ROE.

Different results were found in the fixed effect estimation, all independent variables were found to have no significant effect on ROE.

Furthermore, on the control variable, only the leverage variable has a positive effect with a significance of 1%.

Table. 6 Regression of ROE on Female directorship

Variables	OLS		Fixed effect	
	Coefficient	t-Statistic	Coefficient	t-Statistic
FECEO	0,394444**	2,970224	-0,28836	-0,72079
FEBOARD	-0,34222	-0,87102	-0,06975	-0,07131
DBOARD	0,087093	0,612508	0,140579	0,359487
FEOWN	-0,50186	-1,19014	-0,77563	-0,27738
LEV	0,06063***	0,35963	1,6329***	3,850223
SIZE	-0,03052	-1,07999	-0,05847	-0,58781
BS	0,069445**	2,840851	-3,29E-05	-0,00043
Number of observations	438		438	
R-squared	0,046437		0,399617	
Adjusted R-squared	0,030914		0,079412	
Prob(F-statistic)	0,004471		0,056087	

The definition of variable code can be seen in table 2. This table shows the results of data processing on OLS and Fixed effect models. *, **, ***, representation of significance at the 10%, 5%, and 1% levels.

4.3 Discussion

The results of hypothesis testing in this study are presented in Tables 4-6. To complete the analysis in this study, each table is equipped with the results of the estimated OLS data and the estimated fixed-effect model. Overall, the results of the estimation tests carried out produce effects that are not too different. Almost all variables of female directors are not significantly correlated with variations in performance from year to year.

The female CEO variable in this study had a negative effect on Tobin's Q and ROE but was not significant. While a significant negative correlation was found in ROA. This finding supports the research conducted by Singhathep and Pholphirul (2015). Until now very few companies in Indonesia had women at the CEO level, so the panel's estimates of the performance effects of female CEOs were determined with great statistical uncertainty. In addition, investor concerns in family companies in Indonesia are more related to skills than gender factors in company leaders (Bennouri et al., 2018). This negative impact on market performance can also be explained by intra-group conflicts, slower decision-making processes, and different responses to risk but this remains to be investigated further (Darmadi, 2013).

This finding lends support to the paradigm that female-led firms are less successful in terms of financial performance because female owners/leaders tend to have less financial capital and human resources (and their previous work experience was often limited to family businesses) when starting operations (Singhathep & Pholphirul, 2015). Furthermore, women are usually more risk-averse than men in terms of investing, and this difference increases with increasing investment ambiguity and uncertainty (Khan & Vieito, 2013).

Companies appointing female directors to the board of directors is a positive message to current and prospective female employees, thereby increasing the legitimacy of the organization as a whole (Saeed et al., 2017). The effect of the presence of women on the board simultaneously did not get significant results on the value performance as measured by Tobin's Q and the company's accounting performance as measured by ROA and ROE (Adams & Ferreira, 2009; Green & Homroy, 2018; Liu et al., 2014). It can be explained that there is a distortion from families who tend to avoid including women on the board, however, when these companies are forced to increase the representation of women in the boardroom (in the case of internationalization), they include women as independent directors mainly to demonstrate good governance practices.

international equivalent (Saeed et al., 2017). Thus, larger firms tend to have better-connected boards, and thus measures of female board connectedness tend to be associated with larger firms (Green & Homroy, 2018).

The next finding that can be explained in this study is that there is a negative effect on firm performance, but only firm value as measured by Tobin's Q has a significant effect. This finding supports previous research which views that women tend to be more conscientious and difficult to make risky decisions so that companies have the potential to lose growth opportunities because of this process (Adams & Ferreira, 2009). The ownership structure by female directors has an impact on the breadth of competence in making company policies. The decision-making is assumed to be hampered because of the nature of prudence and tends to avoid risk. So this is a signal for potential investors to prefer companies that have the potential to grow faster and can provide optimal returns. Furthermore, this study provides another assumption that larger family ownership makes women's ownership unable to have an impact on the direction of company policy, the impact of women's ownership in the company is only an investment.

5. CONCLUSION

A family company is a management that has been going on for a long time. With a succession of strict leadership to maintain the sustainability of the company following the wishes of the family. Corporate governance is at the centre of attention in public policy debates around the world, including family companies in Indonesia. The representation of women in top management is one of the interesting issues to be raised in the discussion room. The involvement of women in setting the direction of company policies and efforts to encourage companies to be responsive to gender diversity issues.

This study provides the latest evidence regarding the role of women on the board of directors on company performance. By observing 144 companies for 3 years. The results of all tests show that there is a negative but not significant effect on the entire company's financial performance. In particular, female CEOs have a significant negative effect on company performance as measured by ROA, and female ownership has a negative effect on Tobin's Q. Interestingly, the presence of women on the board has a positive but not

significant effect on all measures of company performance. In terms of company value performance, it seems that investors do not care about the gender aspect of the board of directors. For investors, the most important thing is the company's opportunity to survive and be able to grow well is one of the factors of interest in investment decisions. Furthermore, the lack of women's participation in the board is thought to be the cause of the insignificant results of this study.

These contrasting results highlight the importance of considering the different attributes of board members (female) contributing to the board's two main missions namely direction and control. The need to strengthen this mission depends on the legal and regulatory system, the business environment, and the particular characteristics of the company. Future research will be interesting to explore whether the attributes of female directors are influenced by the urgency of mergers, acquisitions, innovation, risk, and others. And whether female directors and board attributes affect company performance in different ways. Several other research questions related to implementing gender quotas can help to understand the interaction between board composition and board effectiveness.

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Comment [u7]: Recommendation is missing from the work, is good to have recommendation for further write up and advises.

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