Jurnal Akuntansi dan Keuangan, Vol. 26, No. 1, May 2024, 18-28 DOI: https://doi.org/10.9744/jak.26.1.18-28
ISSN 1411-0288 print / ISSN 2338-8137 online

Board Size and Firm Performance: The Moderating Role of Female Representation

Hendra Wijaya[1*], Gesti Memarista[2]
[1] Accounting Department, Widya Mandala Surabaya Catholic University
Jalan Dinoyo 42-44, Surabaya 60265, Indonesia
[2] Management Department, Widya Mandala Surabaya Catholic University
Jalan Dinoyo 42-44, Surabaya 60265, Indonesia
*Corresponding author; Email: hendrawijayagoei@gmail.com

ABSTRACT

This research aims to investigate the commissioner's number of boards on the Indonesian go-public company's performance. The disparity in types of gender begs the question of whether the applicability of women's governance may lead to firm performance. So, the women's presence on that effect as the moderating factor is also examined and analyzed using panel data regression and ordinary least squares in this research. The study's samples are non-financial firms from 2015 until 2019, with 1210 observations. The commissioner's number of boards significantly affects Tobin's q and the market-to-book value ratio as the business performance measurement. Yet, the women's board of commissioner's proportion as the moderating factor did not affect the relationship between the commissioner's number of boards and the Indonesian go-public company's performance because of the small number of women on the board. It remains negligible since the dominant gender in the board of commissioners is men in Indonesian non-financial go-public companies, so the women directors may not improve the company's performance. This study will help various businesses in various sectors by shedding light on the ideal board size for boosting productivity. It also acknowledges the significance of gender diversity on boards so that companies may make educated decisions about their boards' makeup and governance procedures. Given that women make up the minority of CEOs, policymakers will utilize these findings to create rules and directives that support gender diversity on boards and enhance business performance.

Keywords: Board size; females in the board; firm performance; board of commissioners.

INTRODUCTION

Corporate governance is the most crucial issue that needs to be resolved to improve a company's success. It indicates the system to guarantee investors' required returns [45]. Corporate governance is necessary to solve agency issues [51]. There are two levels of corporate governance in Indonesia. The management and supervisory roles are divided by a two-tiered structure. In Indonesian corporations, the board of directors and commissioners have different assignments. They must oversee management and monitoring, respectively. As corporate governance's crucial portion, the board's commissioners will oversee the choices and policies that the board's directors make [45].

Moreover, the essential aspects of corporate governance for good performance include the board's commissioners. It is due to the board of commissioners contributing to the company's effectiveness management, so it must be crucial for them [8][44]. The number of people on the board of commissioners reflects the effectiveness of supervisory board duties [15]. The go public companies will improve their performance with management effectiveness by the board of commissioners [31]. Based on agency theory, a smaller board should ensure better control [14]. There may be a limit to the number of board sizes that can enhance company performance [19]. Ineffective operations, moral dangers, and a lack of commitment might come from boards with more than seven members [19].

On the other hand, the organization's large board size is essential in resource dependence theory [6]. The more significant number of boards, the more diversity of expertise in the organization [10]. This variety of knowledge is anticipated to provide management with guidance on how to run the business [49]. A larger board size shows that a company has more connections and access to resources. The company will also show good performance reporting, which will be shown in the

corporate internet reporting with this connection [41]. A more giant board of commissioners will imply a more decisive influence than a smaller board of commissioners and it is necessary to increase organizational effectiveness [15].

Previous research on the determinant of company success by the number of commissioners on board has produced mixed results—a beneficial relationship between board size and business success [7][40]. Previous studies also demonstrate that board size can enhance company performance [4][37]. The last result research shows a contrary outcome discovering that there is no significant impact of the board size on the business success [6]. The contrary outcome is the finding that the number of commissioners on the board has a detrimental effect on a firm's financial condition [35].

Furthermore, a critical problem that needs to be addressed is how the board is made up of men and women. The board of commissioners will lead the managerial inclusive decision based on their cognitive attitude and behavioural characteristics. Gender is also strengthening the board's independence [17]. Having women around lessens conflict [33]. Gender diversity can serve as a stand-in strategy for organizations with poor governance [32]. This study seeks to determine how the presence of women in the commissioner of the board and non-financial public firm performance interact.

According to agency theory, the company's performance will be improved when the commissioner of the board has women there. This is because women have higher ethical standards and are better able to enhance the role of monitoring. Having more women on the board can improve governance and boost monitoring activities [1]. Having more women on a board can improve its performance in terms of collaboration, active engagement in corporate social responsibility, market competition, good investment, and its function as a watchdog [22][27][30] how the principal's and agent's interests align the gender diversity in the leadership, significantly impact on the board of commissioners [3].

Women's presence in organizations is very essential in resource dependence theory to build relationships with external networking [6]. The female board demonstrates the company's resources which are not exclusively owned by male traits [9]. It also indicates the expansion of board capital held by the company. This is because businesses now have access to resources with various specialities, such as counsel, credibility, and communication channels [46]. This broad experience can increase business performance and lessen reliance on outside factors. Women on the board of commissioners are a rare and important resource. It is a crucial resource that links the organization, the outside world, and the resources it depends on [37].

According to prior studies, the organization's performance gets better if the company has women as the supervisor [13]. Having women supervisors lends support to the company's management [37]. The accuracy and details of firm performance are guaranteed based on the women's attitudes regarding financial [11][28][36]. So, gender diversity and company performance are positively correlated [48].

This study will contribute to the body of financial knowledge regarding the female representation impact on the commissioners on the board size that is investigated in Indonesia. Agency theory stated that there are board size limits that can enhance company performance [19]. On the other hand, more diversity of expertise is shown in larger board sizes. This study investigates large board sizes when accompanied by the presence of women on the board [10]. This is brought on by the fact that more women are entering the workforce each year [38]. Women on corporate boards data, Indonesia is rated sixth, behind Hong Kong, India, Singapore, Japan, and South Korea [23].

The board of commissioners oversees supervision under a two-tiered board structure. An internal corporate governance tool to lessen agency conflicts is commissioners of the board [39][43]. Their responsibility is to oversee company policy based on Financial Services Authority Rules No. 33/POJK.04/2014. The number of board members increases with the size of the board of commissioners. It can be more effectively overseen by the company's decision-makers due to the size and diversity of its membership.

According to the resource dependence theory, businesses rely on their internal resources to make strategic decisions more successfully [5]. Large board sizes are also recommended by resource dependence theory for firms to interface with their external environment [6]. More board members should explain the board's diversity, which can lead to better strategic decision-making [24][42]. The diversity of knowledge should result in management receiving better advice [49]. It is hoped that the board of commissioners' varied professional backgrounds will improve the company's performance. Based on the resource dependence theory, a larger size of the board can boost the company's success [4][16][37][40]. The first hypothesis in this study is:

H_1: The size of commissioners on the board has a favourable effect significantly on the success of a corporation.

The proportion of women present on the board significantly affects how the board's size affects the company's performance. The resource dependence theory states that women's presence with a higher proportion of boards of directors will increase the

board capital [20]. It signifies stronger board capital for the company [18]. This is a result of the firm's diverse knowledge, which, when women are present, can enhance firm performance by lowering dependence on external sources. Prior studies have been conducted on them. The research result found that women led the company's success commissioners [11][16][28][37]. Women on the commissioners on board also improve the management's capacity for oversight [1][27]. Women are more adept at monitoring and displaying ethical behaviour than men, which lends credence to this [25]. Having women in leadership positions can result in the development of new capabilities that improve a company's success [37]. According to a prior study, women can make the board environment more comfortable by being amiable, offering a unique and warm interaction style, deliberating, and not being hesitant to ask questions. Women are more ethical and conservative than men, which will help strengthen corporate governance [25]. Women are less risk-taking than men [21]. The performance of the company is anticipated to increase as the number of commissioners expands and the inclusion of more women is supported [50]. The talents of women, diversity, and backgrounds represented on the board of commissioners are responsible for this. The second assumption made in this research is based on the resource dependence theory, and the first hypothesis is:

H_2: The size of the commissioners on the board has an impact on company performance and it is positively moderated by the presence of women on the commissioners on board.

RESEARCH METHOD

The subject of this research is non-financial enterprises that are listed on the Indonesia Stock Exchange (IDX). All non-financial firms listed on the IDX from 2015 until 2019 whose data supported this research and were not delisted between 2015 and 2019 comprised the study's sample. Information for this study was acquired from the company's website and the Indonesia Stock Exchange website (www.idx.co.id). In this study, there were 1210 observations and 261 sample companies.

The performance of the firm serves as the dependent variable. It is evaluated by using its market performance. To calculate the market performance, the researchers used the market-to-book ratio.

For the second measurement, the market company performance is also calculated by Tobin's q [4][48]. In addition, the number of commissioners on the board is the measurement of the board of commissioner size for this research [6]. It shows our independent variable.

Women's proportion on the board of commissioners reflects the moderating factor for this paper. The female participation in it was evaluated using the Blau index, female proportion, and dummy factors [3]. This research uses three measurements of female representation to investigate the consistency of female representation on the relationship between board size and company performance.

Table 1. Variables Measurement and Explanation

Variables	Acronym	Definition
Dependent Variables		
Firm Performance 1	MBV	The equity market value divided by the equity book value
Firm Performance 2	TOBINS'Q	The sum of the equity market value and the debts book value and then divided by the total assets
Independent Variable		
Size of Commissioners on Board	BCSZ	The number of commissioners on a board each year.
Moderated Variables		
Female Representation 1	FBLAU	$1-\sum_{i=1}^{2} Pi2$, where P_i shows the proportion of each gender as the percentage and n = 2 Women (men)]
Female Representation 2	FPROP	Total women of commissioners on board in a year that is divided by the whole number of commissioners on a board in a year
Female Representation 3	FDUMM	If the board of commissioners contains at least one female member, the dummy variable is 1; otherwise, it is 0.
Control Variables		
Firm Debt	LEV	Debt scaled by the whole company's assets
Firm Size	FSIZE	Natural logarithm of total assets
Firm Age	FAGE	Natural logarithm of difference between period minus incorporation year

This research also uses the variables control. There are age, company size, and company leverage. First, the company leverage is calculated by comparing the debt-to-assets ratio [48]. Second, the firm's size was calculated using the Ln of the company's total assets [6]. Third, another one used

the natural logarithm of the time interval between the observation year and the firm's founding year to calculate the age of the firm [48]. Table 1 is a summary of the measurements used in this investigation.

For this study, the researchers will use regression to run the data. This research takes the ordinary least squares and panel data regression. The study has three research models as the statistical equations as follows:

Model I

$$\textbf{FP (MBV, TOBINS'Q)}_{it} = \alpha + \beta_1 BCSZ_{it} + \beta_2 FBLAU_{it} + \beta_3 BCSZ*FBLAU_{it} + \beta_4 LEV_{it} + \beta_5 FSIZE_{it} + \beta_6 FAGE_{it} + \varepsilon$$

Model II

$$\textbf{FP (MBV, TOBINS'Q)}_{it} = \alpha + \beta_1 BCSZ_{it} + \beta_2 FPROP_{it} + \beta_3 BCSZ*FPROP_{it} + \beta_4 LEV_{it} + \beta_5 FSIZE_{it} + \beta_6 FAGE_{it} + \varepsilon$$

Model III

$$\textbf{FP (MBV, TOBINS'Q)}_{it} = \alpha + \beta_1 BCSZ_{it} + \beta_2 FDUMM_{it} + \beta_3 BCSZ*FDUMM_{it} + \beta_4 LEV_{it} + \beta_5 FSIZE_{it} + \beta_6 FAGE_{it} + \varepsilon$$

To quantify company performance, this study employs two proxies: market-to-book value (MBV) and Tobins'q (TOBINS'Q). The Blau index (FBLAU), female percentage (FPROP), and female dummy (FDUMM) are used as proxies for female participation on the board of commissioners in this study.

RESULTS AND DISCUSSION

According to Table 2, the average MBV value is 1.4196. It indicates that the average of a firm's equity market value is 141.96 per cent of its book value. Second, the value of 1.2163 is the average MBVA value. This shows that the average equity as the average market value of the stock with debt is 121.63 percent of the total book value of the company's assets. Table 2 reveals that the average BCSZ is 4.2810. The majority number of commissionners members is four women. FBLAU, on average, is 0.1473, while FPROP, on average, is 0.1287. This demonstrates that there are still highly few female commissioners members.

According to Table 2, the FDUMM shows 37.95 per cent of all observations. It indicates that the go public company in this sample at least has one woman as the commissioner on the board. On the contrary, 62.05 per cent of all observations lack a women member. According to Table 2, the average LEV is 0.4407, indicating that debt accounts for 44.07 percent of the company's whole assets. The company's average whole assets (SIZE) are 10,917.2831 billion rupiahs, and its average age (FAGE) is 33.3148 years.

Table 2. Descriptive Data Analysis

Variables	Number of Observations	Mean	Standard Deviation	Maximum	Minimum
Firm Performance 1 (MBV)	1210	1.4196	1.1867	5.9998	0.0547
Firm Performance 2 (TOBINS'Q)	1210	1.2163	0.6731	3.6701	0.1228
Board Size (BCSZ)	1210	4.2810	1.9013	22.0000	2.0000
Female Representation 1 (FBLAU)	1210	0.1473	0.1980	0.5000	0.0000
Female Representation 2 (FPROP)	1210	0.1287	0.1962	1.0000	0.0000
Female Representation 4 (FSHAN)	1210	0.2164	0.2871	1.0000	0.0000
Firm Debt (LEV)	1210	0.4407	0.1929	0.9113	0.0076
Firm Size (FSIZE)	1210	28.7051	1.6556	33.4945	24.5683
Firm Size (FSIZE) (in Billion Rupiahs)	1210	10,917.2831	27,262.9823	351,958.0000	46.7609
Firm Age (FAGE)	1210	3.4193	0.4405	4.5643	1.7918
Firm Age (FAGE) (in a year)	1210	33.3148	13.2291	96.0000	6.0000
Dummy Variable					
Female Representation 3 (FDUMM)	1210	At least one female member		458 (37.95%)	
		No female member		749 (62.05%)	

Table 3. The Results of Regression Analysis

Model	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
		MBV			TOBINS'Q	
BCSZ	0.0679	0.0591	0.0637	0.0412	0.0361	0.0380
	(2.8107)**	(2.5349)*	(2.5746)*	(2.9936)**	(2.7238)**	(2.6980)**
FBLAU	0.1220			0.0246		
	(0.2706)			(0.0959)		
BCSZ*FBLAU	-0.0109			-0.0147		
	(-0.1050)			(-0.2473)		
FPROP		-0.4202			-0.2622	
		(0.3562)			(-1.0116)	
BCSZ*FPROP		0.0766			0.0270	
		(0.6557)			(0.4059)	
FDUMM			-0.0297			-0.0562
			(-0.1699)			(-0.5647)
BS_C*FDUMM			0.0078			0.0059
			(0.2122)			(0.2795)
LEV	0.3223	0.3215	0.3246	-0.1624	-0.1645	-0.1627
	(1.8178)	(1.8139)	(1.8320)	(-1.6074)	(-1.6296)	(-1.6119)
SIZE	0.0642	0.0632	0.0640	0.0459	0.0450	0.0460
	(2.6392)**	(2.5986)**	(2.6334)**	(3.3135)**	(3.2460)**	(3.3169)**
FAGE	-0.3961	-0.3976	-0.3948	-0.1408	-0.1416	-0.1411
	(-5.1305)**	(-5.1409)**	(-5.1167)**	(-3.2003)**	(-3.2158)**	(-3.2108)**
Constant	0.4879	0.5848	0.5133	0.2805	0.3477	0.3000
	(0.6966)	(0.8326)	(0.7326)	(0.7028)	(0.8696)	(0.7516)
F-Statistics	10.4339**	10.5934**	10.4030**	8.5134**	9.0074**	8.5999
Adj R Squared	0.0447	0.0454	0.0446	0.0359	0.0382	0.0363

(**) shows significance at a 1% level, and (*) shows significance at a 5% level

In this study, the panel data regression was utilized, and determined that the model with fixed effects was the optimal result. The outcomes of panel data regression use MBV and Tobins' q to measure the company's performance, shown in Table 3 for Model 1. The researchers use the women's proportion in the board for the second model, whereas Model 3 utilizes a dummy variable.

According to Table 3, the commissioners on board size (BCSZ) has a significant positive effect on company performance when assessed using the MBV (BCSZ = 0.0679, t = 2.8107; BCSZ = 0.0591, t = 2.5349; BCSZ = 0.0637, t = 2.5746). The study's findings consistently show that the commissioners on board size (BCSZ) has a significant positive effect on company performance when assessed using the Tobins'q (BCSZ = 0.0412, t = 2.9936; BCSZ = 0.0361, t = 2.7238; BCSZ = 0.0380, t = 2.6980). As a result, the study's initial hypothesis cannot be disregarded. A lot of researchers corroborate this consistent result [4][37][40].

Model 1 in Table 3 uses the Blau index (FBLAU) to assess the presence of female commissioners on the board. The second model uses the women proportion in the board, and model 3 uses a dummy variable to quantify female presence on the commissioners. According to Table 3, the study's findings suggest that women's presence on the board of directors does not influence business performance. when measured with MBV (BCSZ*FBLAU = -0.0109, t = -0.1050; BCSZ*FPROP = 0.0766, t = 0.0.6557; BCSZ*FDUMM = 0.0078, t = 0.2122). Consistently, the study results indicate that the presence of women on the board of commissioners does not influence business performance when assessed using Tobin's q. (BCSZ*FBLAU = -0.0147, t = -0.2473; BCSZ*FPROP = 0.0270, t = 0.4059; BCSZ*FDUMM = 0.0059, t = 0.2795). As a result, the second hypothesis of this investigation was rejected. This study's conclusions are corroborated by previous research findings [47]. That research discovered that having women on the board did not affect the firm's performance. According to Table 3, the three measurements of female representation show consistent results.

The outcomes of this research corroborate the agency theory and resource dependency theory. Those theories imply that the commissioners on board will get better at the public firm's performance [34][43]. This study backs up the resource dependency hypothesis, which states that the bigger the the board size, the better the public firm's performance. This is owing to the vast number of members on the board of commissioners, whose broad competence allows them to monitor the firm's management more effectively in decision-making.

The inclusion of women in this study contradicts both agency theory and resource dependency theory. The women's inclusion did not have a moderating effect because there are still few female

members on the go-public firm's commissioners. According to descriptive data, the ratio of women is just 12.87 percent, implying that men continue to dominate Indonesian firm boards of directors. Because males outnumber women in Indonesian enterprises, the benefits of women's traits cannot affect the firm's performance optimally and hence cannot boost the go-public company's performance. The modest number of women on the board of commissioners is partly a reflection of Indonesian society, which continues to rely on males to provide for their families, and most women on company boards in Indonesia are likewise from the owners' families.

Results with Other Techniques and Measurement

This research also uses control variables, such as leverage (LEV), firm size (FSIZE), and firm age (FAGE), according to the conclusions of this study. The result shows that the leverage did not significantly affect business performance. That result is consistent with the previous findings [29]**.** This demonstrates that debt cannot be utilized to improve business performance as a control tool. According to this study, FSIZE has a beneficial influence on company performance. These findings are consistent with prior studies. Larger enterprises run more effectively and have more substantial market power [2][12]. FAGE also has a detrimental effect on business performance. This is because older organizations have fewer prospects for expansion [26]. The research results for this study addressing the consistent relationship between company age (FAGE) and go-public company performance are compared with those of previous studies [28].

Table 4 displays the data analysis performed with the data regression panel and a fixed effect estimation model. The fixed effect model utilized covers the firm's fixed impact as well as the year's fixed effect. The significant outcomes of this study were analyzed using OLS, although OLS has endogeneity issues. OLS does not consider the firm's and year's characteristics. According to Table 4, the data analysis yielded consistent results. Table 4 shows that the commissioners on the board size have a substantial beneficial influence on go-public company's performance when assessed using MBV (BCSZ = 0.0827, t = 2.5686; BCSZ = 0.0811, t = 2.5063; BCSZ = 0.0818, t = 2.5438) and TOBINS 'Q (BCSZ = 0.0418, t = 2.4709; BCSZ = 0.0411, t = 2.4149; BCSZ = 0.0402, t = 2.3765). The data analysis results in Table 4 also indicate consistent results indicating female participation of the commissioners on the board does not attenuate the influence of board size on go-public firm performance when assessed using MBV (BCSZ*FBLAU = -0.1546, t = -1.7116; BCSZ*FPROP = -0.1650, t = -1.4632; BCSZ*FDUMM = -0.0493, t = -1.6008) and TOBINS'Q (BCSZ*FBLAU = -0.0615, t = -1.2957; BCSZ*FPROP = -0.0603, t = -1.0180; BCSZ*FDUMM = -0.0173, t = -1.0718).

Table 4. Regression Results (FEM)

Model	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
		MBV			TOBINS'Q	
BCSZ	0.0827	0.0811	0.0818	0.0418	0.0411	0.0402
	(2.5686)*	(2.5063)*	(2.5438)*	(2.4709)*	(2.4149)*	(2.3765)*
FBLAU	0.5657			0.2927		
	(1.4502)			(1.4274)		
BCSZ*FBLAU	-0.1546			-0.0615		
	(-1.7116)			(-1.2957)		
FPROP		0.5711			0.2198	
		(1.2874)			(0.9429)	
BCSZ*FPROP		-0.1650			-0.0603	
		(-1.4632)			(-1.0180)	
FDUMM			0.1946			0.0977
			(1.2192)			(1.1646)
BS_C*FDUMM			-0.0493			-0.0173
			(-1.6008)			(-1.0718)
LEV	1.6935	1.6918	1.6946	0.7266	0.7253	0.7269
	(6.4184)**	(6.4078)**	(6.4213)**	(5.2394)**	(5.2260)**	(5.2389)**
SIZE	-0.6431	-0.6426	-0.6452	-0.3142	-0.3109	-0.3135
	(-5.9410)**	(-5.9519)**	(-5.9668)**	(-5.5223)**	(-5.4778)**	(-5.5152)**
FAGE	-0.4935	-0.4264	-0.4562	-0.2019	-0.1569	-0.1705
	(-0.7454)	(-0.6478)	(-0.6923)	(-0.5800)	(-0.4534)	(-0.4923)
Constant	20.4813	20.2429	20.4137	10.4220	10.1843	10.2997
	(5.1531)**	(5.1239)**	(5.1566)**	(4.9889)**	(4.9041)**	(4.9488)**
F-Statistics	14.1356**	14.1206**	14.1314**	17.0339**	17.0121**	17.0191**
FFE			The Firm Fixed Effect (Yes)			
YFE			The Year Fixed Effect (Yes)			
Adj R Squared	0.7458	0.7455	0.7457	0.7817	0.7814	0.7815

(**) shows significance at a 1% level, and (*) shows significance at a 5% level

Table 5. Gender Diversity Measure with Shannon Index

Model	OLS		FEM	
	MBV	TOBINS'Q	MBV	TOBINS'Q
BCSZ	0.0680	0.0412	0.0827	0.0414
	(2.7913)**	(2.9672)**	(2.5682)*	(2.4481)*
FSHAN	0.0896	0.0141	0.3814	0.1965
	(0.2905)	(0.0801)	(1.4284)	(1.4000)
BCSZ*FSHAN	-0.0085	-0.0090	-0.1021	-0.0394
	(-0.1212)	(-0.2246)	(-1.7122)	(-1.2555)
LEV	0.3222	-0.1627	1.6936	0.7264
	(1.8176)	(-1.6105)	(6.4190)**	(5.2381)**
SIZE	0.0641	0.0459	-0.6439	-0.3145
	(2.6375)**	(3.3143)**	(-5.9483)**	(-5.5278)**
FAGE	-0.3961	-0.1409	-0.4929	-0.1994
	(5.1310)**	(-3.2030)**	(-0.7448)	(-0.5733)
Constant	0.4886	0.2806	20.50009	10.4235
	(0.6976)	(0.7031)	(5.1595)**	(4.9908)**
F-Statistics	10.4360**	8.5093**	14.1358**	17.0321**
Firm FE			Yes	Yes
Year FE			Yes	Yes
Adj. R Squared	0.0447	0.0359	0.7458	0.7817

(**) shows significance at a 1% level, and (*) shows significance at a 5% level

The findings of data analysis including different methodologies for determining the women presence of the commissioners on the board are shown in Table 5. The Shannon index is employed in Table 5 to assess the participation of women on the commissionaires on the board. The Shannon index was measured with the - $\sum_{i=1}^{n} PilnPi$ formula and examined with OLS and panel data regression with a fixed effect estimation. The findings of OLS regression in Table 5 also show that the commissioners on the board size influence the company's performance when assessed using MBV (BCSZ = 0.0680, t = 2.7913) and TOBINS'Q (BCSZ = 0.0412, t = 2.9672). When measured using MBV, the presence of women as the commissioners do not minimize the influence of board performance metrics on the firm's performance. (BCSZ*FSHAN = -0.0085, t = -0.1212) and TOBINS'Q (BCSZ*FSHAN = -0.0090, t = -0.2246). Consistent findings are obtained when the data is analyzed using a fixed effect estimation regression panel data model. Table 5 and the fixed-effect model show that the size of the board of commissioners affects company performance when measured using MBV (BCSZ = 0.0827, t = 2.5682) and TOBINS'Q (BCSZ = 0.0414, t = 2.4481;) Thus the women present of the commissioners on board did not effect on the firm's performance as evaluated by MBV (BCSZ*FSHAN = -0.1021, t = -1.7122) and TOBINS'Q (BCSZ*FSHAN = -0.0394, t = -1.2555).

CONCLUSION

The board of Commissioners is a monitoring mechanism, and the firm's representation of women on the board of commissioners is fascinating. This research investigates and analyzes the link between commissionaire on the board size and go-public business performance, as well as the significance of female representation in that relationship. According to agency theory, the women's presence on the board is supposed to reduce agency conflict. Furthermore, based on the resource dependency hypothesis, the presence of women is a valuable resource that will improve the company's performance. The research also shows that the size of a company's board of commissioners can enhance its effectiveness. Because it represents shareholders' wealth, the firm's performance is judged by its market performance.

A bigger board of commissioners can increase firm oversight and performance. Including a female commissionaire on the board does not minimize the influence of board size on the firm's performance based on this research result. Because men still control Indonesia. The number of women as leaders is very concentrated. They are to be underrepresented on the board of commissioners. As a result, women's influence on the board of commissioners remains small, and they cannot boost the company's success.

This study has some critical implications. The first implication is female representation in the effect of the commissionaire size on the board and go-public business performance. The second contribution is to examine the connection in Indonesia, which has a culture different from that of the West. This study has consequences for regulators, notably that regulators can implement policies that boost the number of women on corporate boards. The corporation must be able to increase the number of

women on its board of commissioners as a result of this. This study solely looks at gender as a moderator of the effect of board size on firm performance. In Indonesia, the average presence of women on the boards of non-financial enterprises is low.

This research result shows the other hand. So, this study will give new insights and implications. The presence of women in boardrooms may not always directly impact financial performance. A company's performance may be attributed to various factors, including the representation of women on boards. Financial success can also be influenced by other elements such as market dynamics, corporate culture, board dynamics, and general governance structure. In some other cases, there could not be enough women on boards to substantially impact how decisions are made or how business plans are developed. Female directors' ideas and contributions could not be fully appreciated if they are underrepresented or encounter obstacles to active engagement. Therefore, the impact on financial performance may be limited when women's voices are not adequately heard, or their influence is diminished.

Thus, the implication for society is that if diversity initiatives are merely symbolic and do not include genuine efforts to promote inclusion, women on boards may not have the opportunity to contribute fullyositively impact financial performance fully. If women in boardrooms face prejudice or their ideas are undervalued, their impact on financial performance may be undermined. Achieving gender diversity on boards is a gradual process, and the benefits may take time to materialize. Therefore, the impact on financial performance may not be immediately evident and could require longitudinal studies to assess accurately for the go public companies.

The implication for future studies should investigate other characteristics of the commissioners, such as their age, job tenure, educational background, and the influence of board size on business performance. Because the Board of Commissioners' older age reflects a higher risk tolerance, management is better overseen. A company's performance can be improved with better oversight. The Board of Commissioners' term demonstrates the board's significant experience. Greater experience can improve a company's success by allowing for better oversight. A diverse board of commissioners will give better advice to business management to get decision-making and financiasl performance from the organization.

REFERENCES

[1] Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94(2), 291–309. https://doi.org/10.1016/j.jfineco.2008.10.007

[2] Adinegara, G., & Sukamulya, S. (2021). The effect of good corporate governance on the market value of financial sector companies in Indonesia. *Jurnal Akuntansi dan Keuangan*, 23(2), 83–94. https://doi.org/10.9744/jak.23.2.83-94

[3] Ain, Q. U., Yuan, X., Javaid, H. M., Usman, M., & Haris, M. (2020). Female directors and agency costs: evidence from Chinese listed firms. *International Journal of Emerging Markets*, *16*(8), 1604–1633. https://doi.org/10.1108/IJOEM-10-2019-0818

[4] Al Farooque, O., Buachoom, W., & Sun, L. (2020). Board, audit committee, ownership and financial performance – emerging trends from Thailand. *Pacific Accounting Review*, *32*(1), 54–81. https://doi.org/10.1108/PAR-10-2018-0079

[5] Arora, A., & Sharma, C. (2016). Corporate governance and firm performance in developing countries: evidence from India. *Corporate Governance (Bingley)*, *16*(2), 420–436. https://doi.org/10.1108/CG-01-2016-0018

[6] Assenga, M. P., Aly, D., & Hussainey, K. (2018). The impact of board characteristics on the financial performance of Tanzanian firms. *Corporate Governance (Bingley)*, *18*(6), 1089–1106. https://doi.org/10.1108/CG-09-2016-0174

[7] Bansal, D., & Singh, S. (2022). Does board structure impact a firm's financial performance? Evidence from the Indian software sector. *American Journal of Business*, *37*(1), 34–49. https://doi.org/10.1108/ajb-08-2020-0125

[8] Butar Butar, S. (2019). Board of commissioners composition, governance committee, and stock price synchronicity. *Jurnal Akuntansi dan Keuangan*, *21*(1), 1–11. https://doi.org/10.9744/jak.21.1.1-11

[9] De Masi, S., Słomka-Gołębiowska, A., & Paci, A. (2020). Women on boards and monitoring tasks: an empirical application of Kanter's theory. *Management Decision*, *59*(13), 56–72. https://doi.org/10.1108/MD-10-2019-1450

[10] Doni, F., Corvino, A., & Bianchi Martini, S. (2022). Corporate governance model, stakeholder engagement and social issues evidence from European oil and gas industry. *Social Responsibility Journal*, *18*(3), 636–662. https://doi.org/10.1108/SRJ-08-2020-0336

[11] Duppati, G., Rao, N. V., Matlani, N., Scrimgeour, F., & Patnaik, D. (2020). Gender diversity and firm performance: evidence from India and Singapore. *Applied Economics*, *52*(14), 1553–

1565. https://doi.org/10.1080/00036846.2019.1676872

[12] Dwaikat, N., Qubbaj, I. S., & Queiri, A. (2021). Gender diversity on the board of directors and its impact on the Palestinian financial performance of the firm. *Cogent Economics and Finance*, *9*(1), 1-15. https://doi.org/10.1080/23322039.2021.1948659

[13] Fairuzi, A., & Tjahjadi, B. (2022). Women directors and firm profitability: The role of corporate environmental responsibility engagement. *Jurnal Akuntansi dan Keuangan*, *24*(2), 106-116. https://doi.org/10.9744/jak.24.2.106−116

[14] Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *Journal of Law and Economics*, *26*(2), 301–325. https://doi.org/10.1086/467037

[15] Florackis, C. (2008). Agency costs and corporate governance mechanisms: Evidence for UK firms. *International Journal of Managerial Finance*, *4*(1), 37–59. https://doi.org/10.1108/17439130810837375

[16] Gallego-Álvarez, I., García-Sánchez, I. M., & Rodríguez-Dominguez, L. (2010). The influence of gender diversity on corporate performance. *Revista de Contabilidad-Spanish Accounting Review*, *13*(1), 53–88. https://doi.org/10.1016/S1138-4891(10)70012-1

[17] Hillman, A. J., & Dalziel, T. (2003). Boards of Directors and Firm Performance: Integrating Agency and Resource Dependence Perspectives. *Academy of Management Review*, *28*(3), 383–396. https://doi.org/https://doi.org/10.2307/30040728

[18] Hossain, S., Galbreath, J., Hasan, M. M., & Randøy, T. (2023). All in the family? The impact of founder directors and family governance on microfinance institutions' social performance. *Corporate Governance: An International Review*., *32*(2), 249-274. https://doi.org/10.1111/corg.12528

[19] Jensen, M. C. (1993). The Modern Industrial Revolution, Exit, and the Failure of Internal Control Systems. *The Journal of Finance*, *48*(3), 831–880. https://doi.org/10.1111/j.1540-6261.1993.tb04022.x

[20] Jirásek, M. (2023). Corporate boards' and firms' R&D responses to performance feedback. *Journal of Strategy and Management*, *16*(1), 173–185. https://doi.org/10.1108/JSMA-06-2021-0132

[21] Joecks, J., Pull, K., & Scharfenkamp, K. (2023). Women directors, board attendance, and corporate financial performance. *Corporate Governance: An International Review, 32*(2), 205-227. https://doi.org/10.1111/corg.12525

[22] Kontesa, M., Brahmana, R. K., & Memarista, G. (2020). Does market competition motivate corporate social responsibility? Insight from Malaysia. *Jurnal Ekonomi Malaysia*, *54*(1), 167–179. https://doi.org/10.17576/JEM-2020-5401-12

[23] Korn Ferry Diversity Scorecard. (2016). Building Board Diversity in Asia Pacific. *Governance Newsletter*.

[24] Kramarić, T. P., Aleksic, A., & Pejic-Bach, M. (2018). Measuring the impact of board characteristics on the performance of Croatian insurance companies. *International Journal of Engineering Business Management*, *10*(2018), 1–13. https://doi.org/10.1177/1847979018765864

[25] Lakhal, F., Aguir, A., Lakhal, N., & Malek, A. (2015). Do women on boards and in top management reduce earnings management? Evidence in France. *Journal of Applied Business Research*, *31*(3), 1107–1118. https://doi.org/10.19030/jabr.v31i3.9236

[26] Lee, J. (2006). Family firm performance: Further evidence. *Family Business Review*, *19*(2), 103–114. https://doi.org/10.1111/j.1741-6248.2006.00060.x

[27] Lucas-Pérez, M. E., Mínguez-Vera, A., Baixauli-Soler, J. S., Martín-Ugedo, J. F., & Sánchez-Marín, G. (2015). Women on the Board and Managers' Pay: Evidence from Spain. *Journal of Business Ethics*, *129*(2), 265–280. https://doi.org/10.1007/s10551-014-2148-1

[28] Martín-Ugedo, J. F., Mínguez-Vera, A., & Rossi, F. (2019). Female directors and firm performance in Italian and Spanish listed firms: Does masculinity matter? *Academia Revista Latinoamericana de Administracion*, *32*(3), 411–436. https://doi.org/10.1108/ARLA-06-2018-0124

[29] Mayur, M., & Saravanan, P. (2017). Performance implications of board size, composition and activity: empirical evidence from the Indian banking sector. *Corporate Governance (Bingley)*, *17*(3), 466–489. https://doi.org/10.1108/CG-03-2016-0058

[30] Memarista, G., & Kusuwati, M. (2022). How do financial experts choose stocks? *Jurnal Manajemen Teori dan Terapan | Journal of Theory and Applied Management*, *15*(1), 50–61. https://doi.org/10.20473/jmtt.v15i1.34480

[31] Mohd Ghazali, N. A. (2020). Governance and ownership in Malaysia: their impacts on

corporate performance. *Asian Journal of Accounting Research*, *5*(2), 285–298. https://doi.org/10.1108/AJAR-03-2020-0017

[32] Nguyen, T., Locke, S., & Reddy, K. (2015). Does boardroom gender diversity matter? Evidence from a transitional economy. *International Review of Economics and Finance*, *37*(2015), 184–202. https://doi.org/10.1016/j.iref.2014.11.022

[33] Nielsen, S., & Huse, M. (2010). The contribution of women on boards of directors: Going beyond the surface. *Corporate Governance: An International Review*, *18*(2), 136–148. https://doi.org/10.1111/j.1467-8683.2010.00784.x

[34] Nowland, J. (2016). Measuring board of director performance: An overview and future research opportunities. *Asian Journal of Accounting Research 1*(2), 39-43. http://www.ecgi.org/codes/all_codes.php

[35] Orozco, L. A., Vargas, J., & Galindo-Dorado, R. (2018). Trends on the relationship between board size and financial and reputational corporate performance: The Colombian case. *European Journal of Management and Business Economics*, *27*(2), 183–197. https://doi.org/10.1108/EJMBE-02-2018-0029

[36] Prashar, A., & Gupta, P. (2020). Corporate boards and firm performance: a meta-analytic approach to examine the impact of contextual factors. *International Journal of Emerging Markets*, *16*(7), 1454–1478. https://doi.org/10.1108/IJOEM-10-2019-0860

[37] Pucheta-Martínez, M. C., & Gallego-Álvarez, I. (2020). Do board characteristics drive firm performance? An international perspective. *Review of Managerial Science*, *14*(2020), 1251-1297. https://doi.org/10.1007/s11846-019-00330-x

[38] Rubino, F. E., Tenuta, P., & Cambrea, D. R. (2021). Five Shades of Women: evidence from Italian listed firms. *Meditari Accountancy Research*, *29*(7), 54–74. https://doi.org/10.1108/MEDAR-10-2020-1057

[39] Salim, S., Lioe, J., Harianto, S., & Adelina, Y. E. (2022). The impact of corporate governance quality on principal-agent and principal-principal conflict in Indonesia. *Jurnal Akuntansi dan Keuangan*, *24*(2), 105. https://doi.org/10.9744/jak.24.2.91−105

[40] Scholtz, H., & Kieviet, S. (2018). The Influence Of Board Diversity On Company Performance Of South African Companies. *Journal of African Business*, *19*(1), 105–123. https://doi.org/10.1080/15228916.2017.1356065

[41] Sia, C. J., Brahmana, R., & Memarista, G. (2018). Corporate internet reporting and firm performance: Evidence from Malaysia. *Contemporary Economics*, *12*(2), 153–164. https://doi.org/10.5709/ce.1897-9254.269

[42] Singh, A., & Kansil, R. (2018). Institutional ownership and firm performance: evidence from Indian panel data. *International Journal of Business and Emerging Markets*, *10*(3), 250. https://doi.org/10.1504/ijbem.2018.10013055

[43] Soesanto, S., & Wijaya, H. (2022). The effect of readability of annual Reports and value relevance of financial information on agency costs with analyst coverage as a moderating variable. *Jurnal Akuntansi dan Keuangan*, *24*(1), 46–55. https://doi.org/10.9744/jak.24.1.46−56

[44] Subhan, M. (2017). Implementasi GCG terhadap kinerja sosial perusahaan tambang batu bara pada masyarakat Lokal. *Jurnal Akuntansi dan Keuangan*, *19*(1), 48-58. https://doi.org/10.9744/jak.19.1.48-58

[45] Suhadak, Kurniaty, Handayani, S. R., & Rahayu, S. M. (2019). Stock return and financial performance as moderation variables in the influence of good corporate governance towards corporate value. *Asian Journal of Accounting Research*, *4*(1), 18–34. https://doi.org/10.1108/AJAR-07-2018-0021

[46] Terjesen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review*, *17*(3), 320–337. https://doi.org/10.1111/j.1467-8683.2009.00742.x

[47] Unite, A. A., Sullivan, M. J., & Shi, A. A. (2019). Board Diversity and Performance of Philippine Firms: Do Women Matter? *International Advances in Economic Research*, *25*(1), 65–78. https://doi.org/10.1007/s11294-018-09718-z

[48] Vieira, E. S. (2018). Board of directors characteristics and performance in family firms and under the crisis. *Corporate Governance (Bingley)*, *18*(1), 119–142. https://doi.org/10.1108/CG-01-2017-0010

[49] Wang, J., Chen, M. H., Fang, C. Y., & Tian, L. (2018). Does Board Size Matter for Taiwanese Hotel Performance? Agency Theory or Resource Dependence Theory. *Cornell Hospitality Quarterly*, *59*(4), 317–324. https://doi.org/10.1177/1938965517735906

[50] Wei, X. (2007). Wage compensation for job-related illness: Evidence from a matched employer and employee survey in the UK. *Journal of Risk and Uncertainty*, *34*(1), 85–98. https://doi.org/10.1007/s11166-006-9000-7

[51] Widiyanti, A. (2017). Implementation of local participation as part of good governance principles: Galengdowo village Wonosalam Sub-District, Jombang. *Jurnal Akuntansi dan Keuangan*, *19*(2), 59-66. https://doi.org/10.9744/jak.19.2.59-66