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GENDER DIVERSITY AND FINANCIAL DISTRESS: EVIDENCE FROM NON-FINANCIAL COMPANIES IN INDONESIA

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Abstract

This research aims to empirically test the influence of board gender diversity on the likelihood of financial distress in non-financial companies in Indonesia. The percentage of women on the board of directors and board of commissioners is used as a proxy for the board gender diversity variable. Financial distress is measured using the Altman Z-score ratio. 2553 total observations were used from 2018-2022 to measure the effect of board gender diversity on the likelihood of distress. The results of logistic regression show that the presence of women on the board of directors and board of commissioners reduces the possibility of financial distress. The research results also show that the increase in supervision is directly proportional to the number of members of the board of directors and board of commissioners. The results of these findings can be input for decision makers regarding regulations on the number of women in company top management.

Keywords: gender diversity; financial distress; Z-score

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INTRODUCTION

Women's involvement in top management businesses and organizations have increased in recent years (Boubaker, Cellier, Manita, & Saeed, 2020). One of them is their involvement in corporate governance. This is the result of policies made by the government regarding the improvement gender diversity in corporate governance. For example, in Europe, governments have issued mandates regarding the minimum number of female representatives on company boards of directors (García & Herrero, 2021). Meanwhile in Malaysia, the government also recommends that all companies going public must have at least 30% women at decision-making level (AL-Dhamari, Ku Ismail, & Al-Gamrh, 2016). In Indonesia there is no policy that regulates this gender diversity which results in the low involvement of women in corporate governance or decision making. Although the Ministry of State-Owned Enterprises of the Republic of Indonesia has encouraged at least 25% of women's involvement in leadership by 2023 (Silaban, 2022). Data from the International Labor Organization (ILO) shows that in Indonesia, only 32.4% of women were in managerial positions (ILO, 2023). In fact, the involvement of women in corporate governance is related to company performance, especially from a financial perspective (García & Herrero, 2021; Guizani & Abdalkrim, 2022; Li, Jia, & Chapple, 2022; Safiullah, Akhter, Saona, & Azad, 2022).

Relevant studies on gender diversity in governance found that women's involvement is associated with reduced corporate volatility and risk-taking (Li et al., 2022; Liu, Daly, & Mishra, 2022; Sattar, Biswas, & Roberts, 2022; Yarram & Adapa, 2022), better financial performance (Jabari & Muhamad, 2020; Safiullah et al., 2022; Singhania, Singh, & Aggrawal, 2022; Younas, UdDin, Awan, & Khan, 2021) and increased technical efficiencies (Boadi, Dziwornu, & Osarfo, 2022). Economic and socio-psychological studies show inherent differences in risk-taking behavior between men and women and how they interpret information to make decisions (Sattar et al., 2022). (Muthia, Saputri, & Andaiyani, 2022) found that women have a lower financial risk tolerance than men which can influence their decision making. In relation to company performance, the presence of women in corporate governance results in less risky financial decisions being taken (Safiullah et al., 2022; Yarram & Adapa, 2022). The existence of gender diversity in the board of commissioners (board gender diversity) can increase supervision which can reduce agency costs (Guizani & Abdalkrim, 2022).

Regarding the possibility of financial distress in the company, board gender diversity can increase supervision (García & Herrero, 2021) and with the characteristics of women who are assumed to not like risk, risk decision making will be lower so that it can reduce the possibility of financial distress (Guizani & Abdalkrim, 2022). Kowing what can influence the possibility of financial distress is very important as it will affect the company's investment and debt repayment and therefore need to be predicted accurately (Li et al., 2022). So far, research on financial distress focuses on financial ratios (Balasubramanian, Radhakrishna, Sridevi, & Natarajan, 2019; Li et al., 2022; Rachman, 2022; Saleem, Hussain, & Ibraheem, 2020), macroeconomic variables (Saleem et al., 2020), disclosure of corporate social responsibility (Boubaker et al., 2020) and corporate governance systems (Li et al., 2022; Younas et al., 2021). Research that discusses board gender diversity and financial distress specifically is still very small, especially in Indonesia. Topics related to gener diversity of board members in Idonesia are still very attractive because the strong patriarchal culture prefer men in strategic positions in companies (Hatane, Winoto, Tarigan, & Jie, 2022).

Gender diversity is a topic that is still interesting to research, especially related to corporate governance, one of them is on the board of directors. Through its functions, the board of directors supports the decision-making process, as well as other business areas. Many studies examine the relationship between board gender diversity and company performance. Research from (Chen, Chen, Kot, Zhu, & Wu, 2021; Gerged, Yao, & Albitar, 2022; Jabari & Muhamad, 2020; Singh, Singhania, & Aggrawal, 2022) found that board gender diversity has an influence on company financial performance, although the direction of the relationship between variables does not show the same direction. Furthermore, board gender diversity was also found to have an influence on corporate risk taking (Li et al., 2022; Safiullah et al., 2022; Yarram & Adapa, 2022) and organizational culture (Kim & Kim, 2022; Wongsinhirun, Chatjuthamard, & Jiraporn, 2023). These studies show that the presence of women on the board of directors is effective and has a significant influence. Therefore, it can be said that the existence of a gender diversity board can help companies adopt the right steps to achieve strong performance and continue operating smoothly. Some of these steps relate to the choice of an appropriate financial structure, thereby preventing the company's exposure to financial difficulties (financial distress).

This research will focus on board gender diversity and the possibility of financial distress in non-financial firms in Indonesia. Research related to gender diversity is important because the patriarchal culture in Indonesia is still very strong and men still dominate decision-making positions. Furthermore, in Indonesia a two-tier system is used which has different functions, namely the board of commissioners (supervisory board) and the board of directors (management board). This is different from previous research, where measurement of board gender diversity will use two variables, namely diversity (diversity) on the board of commissioners and board of directors. This research tries to fill the gap of how gender diversity affect the likelihood of financial distress especially those that have supervisory and management role.

This research will test the influence of gender diversity to the board of directors regarding the possibility of this financial distress on companies going public in Indonesia. The relationship between variables will be seen based on two theories: agency theory (agency theory) andresource dependence theory. The results of the research will provide input to policy makers regarding the involvement of women in corporate governance. The contributions of this research include: 1) adding to the literature on howgender diversity on corporate governance can influencefinancial distress, 2) can be input for the government to create regulations regarding the number of women in corporate governance.

Two theories are used to explain the influence of board gender diversity to financial distress, namely, agency theory (agency theory) and resource dependence theory. Agency theory argues that board gender diversity can reduce agency problems arising from the separation of management and ownership in the business world (Chen et al., 2021). According to agency theory, greater board diversity leads to reduced information asymmetry (García & Herrero, 2021; Singh et al., 2022), which is one of the main causes of agency problems. Boards of directors staffed by individuals from diverse backgrounds are inherently stronger in their monitoring capabilities (Liu et al., 2022), resulting in reduced agency costs (Loukil, Yousfi, & Yerbanga, 2019). Meanwhile based on resourced dependence theory, companies are in a dynamic environment and require a lot of resources to survive (Singh et al., 2022). Board gender diversity is believed to bring more resources into the company (García & Herrero, 2021). The company seeks to recruit a board of commissioners who can complement their current resource profile and can contribute to the social and human capital existing in the company. Women commissioners are believed to bring unique perspectives and experiences to the organization. These resources are assumed to be able to improve the function of the board of commissioners as a governance mechanism (Wongsinhirun et al., 2023). It is hoped that the existence of board diversity can make strategic decisions that are different from male-dominated boards and improve the company's financial performance (Jabari & Muhamad, 2020).

Several studies tested the effect of board gender diversity to financial distress. Research by (García & Herrero, 2021) examines the influence of female commissioners on capital structure and financial distress on non-banking companies in Europe from 2002 to 2019. The results of this study show that the likelihood of companies experiencing bankruptcy decreases with gender diversity (gender diversity). The greater the supervision, the lower overconfidence and greater risk aversion in women, leading to a lower likelihood of occurrence financial distress. Furthermore, using data from 367 companies on the Malaysian Exchange, (Guizani & Abdalkrim, 2022) tested the relationship between gender diversity and financial distress in Malaysia. This research shows that female commissioners reduce the likelihood of a company experiencing financial distress, where the presence of women in the composition of commissioners plays an important role in managerial supervision. Similar findings were also pointed out by (Lee & Thong, 2022) who researched the tourism industry in 30 countries and found that companies with a higher percentage of female commissioners had a lower tendency to experience financial distress. Research results from (Cho, Okafor, Ujah, & Zhang, 2021; Jia, 2019) found that women are better at supervision and reduce excessive corporate risk-taking behavior which can reduce the risk of financial distress. Thus, the hypothesis of this research is as follows:

H1: Board gender diversity has a negative influence on the likelihood of financial distress.

METHOD

This research uses annual panel data from all Indonesian companies listed on the Indonesia Stock Exchange (BEI) excluding financial companies. Observations were carried out from 2018 to 2022 with a total of 649 companies. All companies were used as research samples according to data availability, especially company annual reports. The total number of observations was 3245 of which 692 observations were deleted due to data availability. To test the effect board gender diveristy against the likelihood of financial distress, panel data logistic regression is used using STATA software.

Board gender diversity is the independent variable in this research which focuses on gender diversity within the board of commissioners and board of directors. So, the independent variable will be measured using two variables. First, the percentage of women on the board of commissioners (WBRD) is measured using the ratio of the number of female commissioners to the total number of directors. Furthermore, the percentage of women who are members of the board of directors (WMBRD) is measured using the ratio of the number of women board members to the total board members.

The dependent variable in this research is financial distress which is a condition where a company or individual cannot generate sufficient income or income, so it cannot fulfill or pay its financial obligations. Financial distress (FD) in this study was measured using the Altman Z-score with the following formula:

$$\text{Zscore} = 1.2X_1 + 1.4X_2 + 3.3X_3 + 0.6X_4 + 1.0X_5$$

Where X_1 = Working capital/total assets, X_2 = Retained earnings/total assets, X_3 = EBIT/total assets, X_4 = Market value equity/book value of total debt, X_5 = Sales/total assets.

It should be noted that there is an inverse relationship between the Zscore and financial distress where a small Zscore value indicates the possibility of the company going bankrupt. In this research, companies will be categorized into 2 groups: financial distresses and financially healthy. If the Z-score value is equal to or greater than 1.81 then the company is assumed to have good financial health (so it is given a value of 0). However, if the Z-score value is less than 1.81 then the company is experiencing financial difficulties (financially distressed), then it is given a value of 1 (Guizani and Abdalkrim, 2022).

To test the effect of gender diversity to financial distress Therefore, several ownership and firm-specific variables originating from previous research are used as control variables to control company conditions and prevent errors in the model (García and Herrero, 2021). Some of the variables used are as follows:

Company size is measured using the natural logarithm of total assets (García and Herrero, 2021; Guizani and Abdalkrim, 2022; Pham et al., 2022; Singhania et al., 2022). Larger companies tend to be more diversified in their operational activities and have a lower risk of bankruptcy (García and Herrero, 2021). So it can be assumed that the possibility of financial distress will decrease as the company size increases (Guizani and Abdalkrim, 2022).

Governance variables are also used as control variables in this research. The variables used are the size of the board of commissioners and independent commissioners. The size of the board of commissioners (COMSIZE) and board of directors (BSIZE) are measured by the number of members of the board of commissioners and board of directors respectively (García and Herrero, 2021; Gerged et al., 2022; Jia, 2019; Lee and Thong, 2022; Li et al., 2021; Singhania et al., 2022). Meanwhile, independent commissioners (COM_IND) are measured by the number of independent commissioners (García and Herrero, 2021; Guizani and Abdalkrim, 2022; Jia, 2019).

The financial ratios used as control variables in this research are leverage and profitability. Leverage (LEV) is calculated from the ratio of total debt to total assets (García and Herrero, 2021; Guizani and Abdalkrim, 2022; Jia, 2019). Leverage is an indication of company risk. Higher leverage has been proven to increase the possibility of financial distress and the risk of bankruptcy (Guizani and Abdalkrim, 2022). Meanwhile, profitability (ROA) is measured using the ratio of net profit divided by total assets (Chen et al., 2021; Gerged et al., 2022). Companies with high profitability tend to have funding through retained earnings rather than debt, which reduces leverage and the possibility of experiencing financial difficulties (García and Herrero, 2021).

Table 1. Variable Measurements

Variable	Definition
Dependent Variable	
Financial Distress (FD)	Measured using variables dummy. Companies with a Z-Score value less than or equal to 1.81 are given 1, others 0. (Guizani and Abdalkrim, 2022)
Independent Variable	
Gender Diversity in Board of Commisioners (WBRD)	The ratio of the number of female commissioners to the total number of directors (Guizani and Abdalkrim, 2022)
Gender Diversity in Board of Directors (WMBRD)	The ratio of the number of female directors to the total board of directors (Guizani & Abdalkrim, 2022; Jabari & Muhamad, 2020)
Variable Control	
Size of the Board of Directors (BSIZE)	Number of members of the board of directors (García and Herrero, 2021; Gerged et al., 2022; Jia, 2019; Lee and Thong, 2022; Li et al., 2021; Singhania et al., 2022)
Size of Board of Commissioners (COMSIZE)	Number of members of the board of commissioners
Size of the Board of Independent Commissioners (COM_IND)	Number of independent commissioners (García and Herrero, 2021; Guizani and Abdalkrim, 2022; Jia, 2019)
Leverage (LEV)	The ratio of total debt to total assets (García and Herrero, 2021; Guizani and Abdalkrim, 2022; Jia, 2019).
Profitability (ROA)	The ratio of net profit divided by total assets (Chen et al., 2021; Gerged et al., 2022).
Company Size (FSIZE)	Natural logarithm of total assets (García and Herrero, 2021; Guizani and Abdalkrim, 2022; Pham et al., 2022; Singhania et al., 2022).

RESULTS

Table 2 displays a summary of descriptive statistics for all variables used in the model. From the research sample, the average company Z-Score value is 3,752. This value is greater than 1.81, which indicates that the average company in the sample is in the safe zone and has good financial health. Gender diversity in this study was measured using two measurements, namely the presentation of women in members of the board of directors (WMBRD) and members of commissioners (WBRD). In this study, the average number of women who are members of the board of directors is 14.5% with a standard deviation of 19.4%, while the number of women on the board of directors is 13.6% with a standard deviation of 20.3%. Regarding the size of the board of commissioners, the average number of commissioners in the sample company is 3,857 with the maximum number of commissioners being 16 people. Meanwhile, the average proportion of the independent board of commissioners is 41.1% of the total board of commissioners. For the board of directors, the average number of board of directors in the sample company is 4.3 and the maximum number of directors is 15 people.

In terms of financial performance, the profitability of the sample company is quite high, namely 220.5%, this shows the company's ability to generate quite high profits. Apart from that, in terms of solvency, the average solvency ratio is 116.8%, where this figure indicates a fairly high debt figure and can indicate a fairly high level of company risk as well.

Table 2. Statistics Descriptive

Variable	Obs	Mean	Std. Dev.	Min	Max
FD	2553	3.752	17.242	-51.73	412.56
WMBRD	2553	.145	.194	0	1
WBRD	2553	.136	.203	0	1
ROA	2553	2.205	9.44	-45.1	43.61
LEV	2553	1.168	7.135	-137.471	149.869
FSIZE	2553	9.355	.769	6.718	11.616
BSIZE	2553	4.334	1.893	1	15
COM IND	2553	.411	.123	0	1
COMSIZE	2553	3.857	1.835	1	16

Note: FD is the Altman Z-Score value. WMBRD is the presentation of women as members of the board of directors and WBRD is the presentation of women as members of the board of commissioners. ROA is a measure of profitability. LEV is the ratio of total debt to capital. FSIZE is the size of the company. BSIZE is the size of the board of directors. COM IND is the presentation of the independent board of commissioners to the total board of commissioners and COMSIZE is the number of members of the board of commissioners.

Furthermore, Table 3 describes the correlation between variables used in the analysis. The results of the analysis show that financial distress is negatively and significantly correlated with the number of women on the board of directors and members of the board of commissioners at a significance level of 1%. This shows that companies with a significant presence of women have a lower likelihood of financial difficulties (financial distress). The correlation results also show that financial distress has a negative correlation with profitability and a positive correlation with leverage. Financial distress also correlates positively with company size, which indicates that the larger the company, the possibility of experiencing financial distress is also quite high. The negative correlation between financial distress and the size of the board of directors and commissioners shows that the role of members of the board of directors and commissioners in supervising the management of the company is quite evident by the decreasing possibility of financial distress as the number of members of the board of directors and commissioners increases.

Table 3. Correlation between Variables

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) FD	1.000								
(2) WMBRD	-0.100*	1.000							
	(0.000)								
(3) WBRD	-0.066*	0.079*	1.000						
	(0.001)	(0.000)							
(4) ROA	-0.460*	0.072*	0.022	1.000					
	(0.000)	(0.000)	(0.265)						
(5) LEV	0.074*	0.000	0.000	-0.047*	1.000				
	(0.000)	(0.990)	(0.983)	(0.018)					
(6) FSIZE	0.058*	-0.073*	-0.119*	0.187*	0.045*	1.000			
	(0.003)	(0.000)	(0.000)	(0.000)	(0.024)				
(7) BSIZE	-0.075*	0.010	-0.110*	0.154*	0.004	0.574*	1.000		
	(0.000)	(0.616)	(0.000)	(0.000)	(0.842)	(0.000)			
(8) COM_IND	0.010	0.067*	0.021	0.057*	-0.002	0.059*	0.006	1.000	
	(0.631)	(0.001)	(0.295)	(0.004)	(0.908)	(0.003)	(0.745)		
(9) COMSIZE	-0.054*	-0.053*	-0.111*	0.102*	0.043*	0.540*	0.540*	-0.095*	1.000
	(0.006)	(0.008)	(0.000)	(0.000)	(0.031)	(0.000)	(0.000)	(0.000)	

Note: FD is the Altman Z-Score value. WMBRD is the presentation of women as members of the board of directors and WBRD is the presentation of women as members of the board of commissioners. ROA is a measure of profitability. LEV is the ratio of total debt to capital. FSIZE is the size of the company. BSIZE is the size of the board of directors. COM IND is the presentation of the independent board of commissioners to the total board of commissioners and COMSIZE is the number of members of the board of commissioners.***p<0.01, ** p<0.05, * p<0.1

Table 4 displays the results of logistic regression on the possibility of financial distress. The results show that gender diversity in members of the board of directors (WMBRD) and board of commissioners (WBRD) has a negative influence on the possibility of financial distress. This shows that the research hypothesis is accepted. In terms of company financial performance, companies that have high profitability (ROA) tend to experience a lower likelihood of financial distress than companies with a low level of profitability. Furthermore, leverage (LEV) has a positive effect on the possibility of financial distress as well as company size. In terms of the characteristics of other members of the board of directors, the number of members of the board of directors (BSIZE) and commissioners (COMSIZE) has a negative influence on the possibility of financial distress. However, the percentage of independent commissioners (COM_IND) shows that there is no influence from the presence of independent commissioners on the possibility of financial distress.

Table 4. Logistic Regression Results

FD	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
WMBRD	-.803	.26	-3.08	.002	-1.313	-.292	***
WBRD	-.628	.242	-2.59	.01	-1.103	-.153	***
ROA	-.205	.01	-20.09	0	-.225	-.185	***
LEV	.03	.01	2.91	.004	.01	.051	***
FSIZE	.98	.088	11.10	0	.807	1.153	***
BSIZE	-.125	.034	-3.69	0	-.192	-.059	***
COM_IND	.35	.395	0.89	.376	-.425	1.125	
COMSIZE	-.166	.036	-4.66	0	-.236	-.096	***
Constant	-8.031	.737	-10.90	0	-9.476	-6.587	***
Mean dependent var		0.406		SD dependent var		0.491	
Pseudo r-squared		0.260		Number of obs		2553	
Chi-square		896.641		Prob > chi2		0.000	
Akaike crit. (AIC)		2570.162		Bayesian crit. (BIC)		2622.767	

Note: FD is the Altman Z-Score value. WMBRD is the presentation of women as members of the board of directors and WBRD is the presentation of women as members of the board of commissioners. ROA is a measure of profitability. LEV is the ratio of total debt to capital. FSIZE is the size of the company. BSIZE is the size of the board of directors. COM IND is the presentation of the independent board of commissioners to the total board of commissioners and COMSIZE is the number of members of the board of commissioners.***p<0.01, ** p<0.05, * p<0.1

Table 5 shows the results of the odds-ratio estimation from the logistic regression carried out. The odds-ratio value is used to see the probability of an event occurring based on the group. In this case, the occurrence of financial distress is based on the number of women on the board of directors and board of commissioners. The estimation results show that the possibility of financial distress will decrease by 44.8% and 53.4% in companies that have more female members on the board of directors and board of commissioners. A decrease in the likelihood of financial distress will also occur in companies with a high level of profitability (84.1%), with a large number of board members (88.2%) and a large board of commissioners (84.7%). Meanwhile, large companies (266.4%) with a high amount of debt (103.1%) tend to have a higher likelihood of financial distress.

Table 5. Odd-Ratio Estimation Results

FD	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
WMBRD	.448	.117	-3.08	.002	.269	.747	***
WBRD	.534	.129	-2.59	.01	.332	.858	***
ROA	.814	.008	-20.09	0	.798	.831	***
LEV	1.031	.011	2.91	.004	1.01	1.052	***
FSIZE	2.664	.235	11.10	0	2.241	3.167	***
BSIZE	.882	.03	-3.69	0	.825	.943	***
COM_IND	1.419	.561	0.89	.376	.654	3.08	
COMSIZE	.847	.03	-4.66	0	.79	.908	***
Constant	0	0	-10.90	0	0	.001	***
Mean dependent var		0.406		SD dependent var		0.491	
Pseudo r-squared		0.260		Number of obs		2553	
Chi-square		896.641		Prob > chi2		0.000	
Akaike crit. (AIC)		2570.162		Bayesian crit. (BIC)		2622.767	

Note: FD is the Altman Z-Score value. WMBRD is the presentation of women as members of the board of directors and WBRD is the presentation of women as members of the board of commissioners. ROA is a measure of profitability. LEV is the ratio of total debt to capital. FSIZE is the size of the company. BSIZE is the size of the board of directors. COM IND is the presentation of the independent board of commissioners to the total board of commissioners and COMSIZE is the number of members of the board of commissioners***p<0.01, ** p<0.05, * p<0.1

DISCUSSION

The results of hypothesis testing show that gender diversity influences the likelihood of financial distress. This shows that the presence of women as members of the board of directors and members of the commissioners has an important role in supervising managerial activities and reducing the possibility of financial distress (Guizani & Abdalkrim, 2022). This finding is in line with agency theory which provides evidence that female directors and commissioners increase supervision in an effort to reduce the occurrence of financial distress. These results are also in accordance with resource based theory which states that the presence of women on the board of directors and commissioners can be a resource to improve supervision and control in management (Guizani & Abdalkrim, 2022). These findings also indicate that the presence of women on the board of directors and board of commissioners can influence the company's risk appetite, thereby reducing the possibility of financial distress (Cho et al., 2021). Female directors and commissioners can bring different norms, perspectives and values into the functions of directors and commissioners so that greater gender diversity can improve financial performance and reduce the possibility of financial distress (Gerged et al., 2022). The size of the board of directors and board of commissioners has a negative relationship with the possibility of financial distress. This shows that the more members of directors and commissioners increase the supervisory role of company management and reduce agency problems, thereby reducing the possibility of bankruptcy. This is different from the findings of (Guizani & Abdalkrim, 2022), which stated that a large number of directors and commissioners slows down decision making, thereby increasing the possibility of bankruptcy. In terms of financial performance, companies that are more profitable have a lower likelihood of experiencing financial distress (Guizani & Abdalkrim, 2022). The research results also show that debt funding increases the possibility of financial distress, which confirms the relationship between profitability and company solvency where debt funding increases the risk and possibility of financial distress (Guizani & Abdalkrim, 2022; Pham, Talavera, Wood, & Yin, 2022). This research also found that company size has a positive relationship with financial distress, indicating that companies with large amounts of assets have a tendency to experience financial distress.

CONCLUSION

This research provides an overview of the gender diversity phenomenon in non-financial companies in Indonesia. The research results show that gender diversity on the board of directors and board of commissioners has a negative effect on the possibility of financial distress. The research focuses on women in supervisory and management role and both show their negative effect on the likelihood of financial distress. These results indicate that women increase their supervisory role in company management, thereby influencing the possibility of companies going bankrupt. Gender diversity in governance also proves agency theory and resource based theory, where women increase supervision and provide new resources that improve the function of the board of directors and commissioners in corporate governance. These findings underline the important role of women at the top of corporate governance, so that they can provide input for decision makers regarding regulations on the number of women in a company's top management. This research only looks at the influence of women's involvement in corporate governance and focus mainly in non-financial companies. Further research can expand research related to gender diversity by combining it with other characteristics of members of the board of directors and board of commissioners such as education, affiliation and so on and also explore its phenomenon in financial companies. Apart from that, further research can look at the influence of gender diversity in the implementation of ESG in companies.

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