UNIVERSITAS ANDALAS

FACULTY OF ECONOMICS AND BUSINESS

ACCOUNTING DEPARTMENT

UNDERGRADUATE THESIS

THE EFFECT OF GENDER DIVERSITY IN THE BOARDS OF COMMISSIONERS AND DIRECTORS ON FIRM PERFORMANCE AND ESG DISCLOSURE IN INDONESIA

By:

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Submitted in partial fulfilment of the requirements for the degree of Bachelor in Accounting

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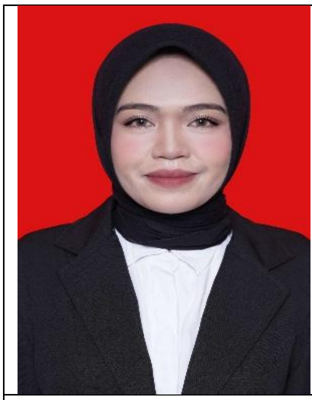

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THE EFFECT OF GENDER DIVERSITY ON THE BOARDS OF COMMISSIONERS AND DIRECTORS ON FIRM PERFORMANCE AND ESG DISCLOSURE IN INDONESIA

Thesis By: Tessa Putri Fahira

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ABSTRACT

This study examines the effect of gender diversity on the Board of Commissioners (BOC) and the Board of Directors (BOD) on firm performance and ESG disclosure among non-financial companies listed on the Indonesia Stock Exchange during the 2020–2024 period. Grounded in Agency Theory, Gender Socialization Theory, and Resource-Based Theory, this study addresses Indonesia's two-tier governance system by examining the gender diversity of the BOC and BOD separately. The sample consists of 45 non-financial companies selected through purposive sampling, yielding 225 firm-year observations. Firm performance is measured by Return on Assets (ROA), while ESG disclosure is measured using Refinitiv ESG scores. Data were analyzed using panel data regression with the Random Effect Model, selected based on the Chow and Hausman tests, with firm size, leverage, firm age, and board size included as control variables. The results show that gender diversity on the BOC has no significant effect on either firm performance or ESG disclosure, while gender diversity on the BOD has no significant effect on firm performance. Gender diversity on the BOD has a statistically significant negative effect on ESG disclosure, contrary to the hypothesized positive relationship. All four hypotheses are therefore rejected. These findings suggest that female board representation alone has not consistently contributed to improved firm performance or ESG disclosure among Indonesian non-financial companies.

Keywords: board gender diversity, board of commissioners, board of directors, firm performance, ESG disclosure, two-tier governance, Indonesia

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