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Does Gender Diversity among the Board of Directors Significantly Affect a Company's Financial Performance?

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ABSTRACT

In recent years, the issue of women's representation on corporate boards has gained considerable attention. The presence of women on boards is believed to enhance their effectiveness. This study aims to investigate whether the gender composition of corporate boards plays a crucial role in the financial performance of the manufacturing sector, which is a significant contributor to Indonesia's economic growth. Purposive sampling led to the selection of 85 companies that met the criteria, resulting in a total sample of 680 companies over an eight-year period. Gender diversity is assessed using the proportion of female directors, while financial performance is measured by Tobin's Q. Additionally, six control variables are included in this study, namely the board of commissioners, board size, firm size, leverage, age, and market value. The analytical data calculations were conducted using STATA 13 software to ensure more precise results. The results from the regression tests reveal a significant positive impact of gender diversity on financial performance, both with and without the control variables. Furthermore, these findings provide support for two prominent theories: agency theory and resource dependence theory. This research makes a major contribution to the literature in three key areas. Complements the literature, presents empirical evidence regarding how the level of women's representation affects the company's financial performance in Indonesia, and provides economic justification for existing gender diversity regulations.

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1. INTRODUCTION

One of the primary objectives sought by every company is the capacity to thrive in a competitive landscape. Consequently, the company plays a crucial role in enhancing its performance by formulating, executing, and sustaining suitable strategies (Alarussi & Alhaderi, 2018). According to Hastuti (2018), company performance encompasses the execution of company initiatives to attain its objectives, vision, mission, and targets, subsequently allowing for the evaluation and appraisal of the company's performance. From a financial performance angle, this can mirror the effectiveness of the company's resource management by its management (Ditta et al., 2019).

The progress of a company will be intricately linked to its corporate governance (Kyere & Ausloos, 2021). Corporate governance actively safeguards the well-being of stakeholders, acknowledging its potential impact on the company (Septiana et al., 2022). This encourages companies to modify their corporate governance practices to enhance shareholder goals, as there is evidence suggesting that in firms with robust corporate governance, investors are willing to pay a substantial premium for company shares. Thus, this emphasizes the correlation between corporate governance and corporate performance (Al-Homaidi et al., 2019).

Carmo et al. (2022) show that the board of directors plays a crucial and intrinsic role in enhancing corporate governance, as it frequently oversees and offers opinions and advice on company resources (Ntim et al., 2015). Serving as a vital mechanism within a company, the board of directors is tasked with supervising and safeguarding the interests of the company's shareholders. These responsibilities position the board of directors as a significant internal control mechanism for corporate governance within an organization (Murhadi et al., 2021).

The efficiency of the board of directors can be improved through the inclusion of women (Cortés et al., 2018). The presence of women in leadership positions within corporations has a notable impact on business performance. Gender diversity brings a wider range of experiences and expertise to a team (Murhadi et al., 2021). The specific participation of women on corporate boards of directors, especially in developing nations, can significantly contribute to cognitive diversity, ultimately leading to an improvement in business performance (Palaniappan, 2017).

The issue of women's representation on corporate boards of directors has attracted significant attention recently. This increased focus is a reaction to the noticeable and consistent increase in the percentage of women in managerial positions each year (Utami & Risfandy, 2023). This is supported by data from the Badan Pusat Statistik (BPS) which shows an increase in the proportion of women occupying managerial positions in Indonesia as seen in the Figure 1 below.

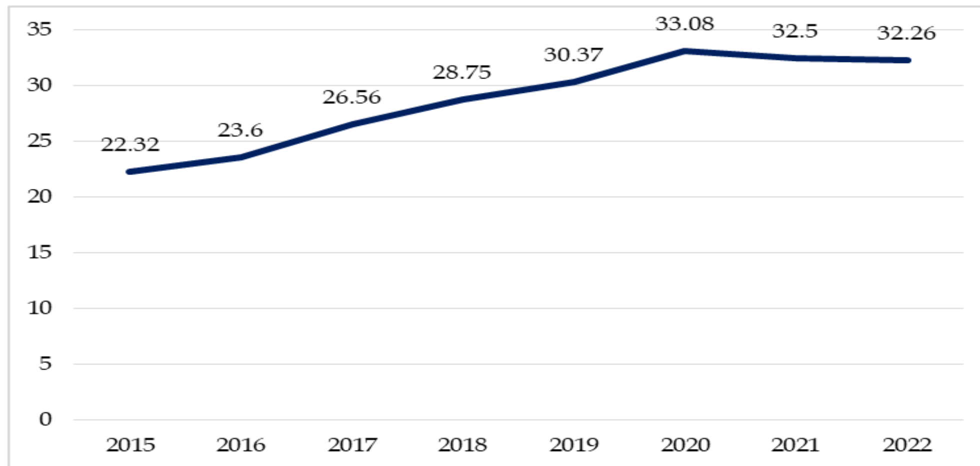

Figure 1. The Proportion of Women in Managerial Positions 2015-2022
Source: BPS, 2023

The Indonesian Stock Exchange (BEI) participating in Ring the Bell for Gender Equality 2023 for the fourth consecutive time demonstrates Indonesia's alignment with 110 other exchanges in promoting gender equality awareness and development. However, data from the Women in Executive Leadership Team census, which utilized the IDX200 unveiled a persistent issue. The representation of women in leadership roles remains notably low, standing at a mere 15%. This statistic has remained unchanged from 2019 to 2021 (IBCWE, 2022).

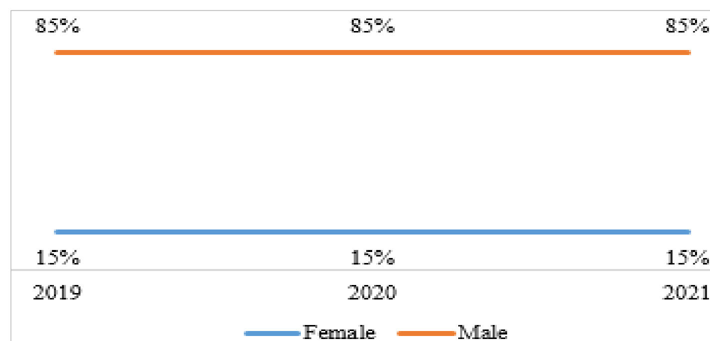

Figure 2. IDX200 Managerial Gender Composition
Source: IBCWE, 2022

This study aims to examine whether the composition of a female board of directors has an impact on the financial performance of the manufacturing sector, which is often dominated by men. Nowadays, women are notably underrepresented in the manufacturing industry. As per a press release from Women in Manufacturing (WiM) (2020), only 33% of women apply for positions in manufacturing companies, and only 26% of women succeed in obtaining leadership roles in the industry. This research will provide new insights into the role of women in

manufacturing companies which are the main driver of economic growth in Indonesia. Given its substantial 16.77% contribution to the economy in the first quarter of 2023, this research holds significant relevance (Kemenperin, 2023).

Gender diversity is supported by two main theories, namely agency theory and resource dependency theory, which are the main basis for analysis of the board of directors to date (Fernández-Temprano & Tejerina-Gaite, 2020). The agency theory elucidates the dynamics between agents who act on behalf of principals. When the objectives of the agent are at odds, it can lead to conflicts. Agency theory pioneered by Jensen and Meckling (1976) emphasizes that agency problems stem from the separation of ownership roles and company management functions, which is driven by differences in interests between principals and agents. Through agency theory, it is revealed that there are great benefits from a diverse board of directors in a company by being sensitive to ethical issues, providing different views on complex problems, and increasing manager supervision and accountability (Arvanitis et al., 2022) so that it can mitigate existing information disparities, which indirectly influences the financial performance of the company (Biduri et al., 2023). Pfeffer and Salancik (1978) highlighted the significance of an organization's resource management from its external environment. This emphasizes the crucial role of company board members as intermediaries between the company and external entities. Nowadays, boards of directors underscores the effectiveness of resource dependence theory as a comprehensive framework for comprehending and researching board dynamics. Furthermore, Reddy and Jadhav (2019) expanded upon the foundations of resource dependence theory by contending that more diversified boards represent a valuable reservoir of resources, capable of contributing to enhanced economic outcomes. The resource dependency theory framework furnishes compelling arguments in favor of fostering board diversity. Additionally, diverse directors offer distinct perspectives that have the potential to bolster the board's advisory role to managers and facilitate more robust decision-making processes.

Gender Diversity Towards Company Financial Performance. The holistic financial well-being and performance of a company over a specific time frame is defined as the company's financial performance (Dankwano & Hassan, 2018). This encompasses the company's capability to efficiently utilize resources stemming from its core operations to generate revenue. However, various external factors, such as governance structures, financial scandals, financial crises, and government intervention, can moderate these effects on company's financial performance (Nguyen et al., 2020). The issue of gender diversity within companies and its impact on the financial performance of the firm has garnered considerable interest (Ferrary & Déo, 2023). There are regulatory developments around the world that suggest companies should increase women's participation on boards of directors. Although the number of women pursuing managerial careers has increased, female representation on boards of directors remains low, even in developed countries (Wellalage & Locke, 2013) (Brahma et al., 2021).

There are inconsistencies in the results of previous research regarding gender diversity on company's financial performance. Gender diversity stimulates innovation in strategy development, broadens the business's perspective, and enhances communication on topics that may

be overlooked by boards, especially in companies with weaker governance structures. Augmenting gender diversity helps reduce agency costs and enhances company's financial performance (Dankwano & Hassan, 2018). Ditta et al. (2019) also assert that the financial performance of a company is significantly affected by the presence of women on the board of directors. Furthermore, the inclusion of women on the board introduces diverse viewpoints, experiences, and alternative perspectives. According to Carmo et al. (2022), these findings align with the expectations of resource dependency theory and agency theory, suggesting that gender diversity exerts a positive influence on financial performance, contingent on the attainment of a critical mass of women.

On the other hand, there are negative results by Aripin et al. (2016), Ciavarella (2017), Tarigan et al. (2018), Mohd Amin & Mohd Nor (2019), Wang et al. (2020), González et al. (2020) which argue that significant gender diversity can lead to increase conflict, complicate the decision-making process, and incur costs in resolving the conflict. Another possibility is that increasing the number of women on boards of directors could result in excessive oversight. Therefore, it will have an impact on the company's financial performance. Ujunwa et al. (2012) revealed that women selected to serve on boards of directors may not have the same level of competence as their male counterparts to enchance company's financial performance, because they may have been selected because of family ties or ties to the company.

Moreover, some research has indicated no correlation whatsoever Sitthipongpanich & Polsiri (2014), Romano & Guerrini (2014), Hassan & Marimuthu (2016), Kagzi & Guha (2018), Saha & Kabra (2019), Fernández-Temprano & Tejerina-Gaite (2020). The presence of women on corporate boards has no impact on economic or financial indicators. A potential explanation for this could be that women might experience discomfort on boards dominated by men, facing challenges in being acknowledged as equals by their fellow board members. Consequently, their contributions may not be fully harnessed when granted broader representation (Romano & Guerrini, 2014).

Building on the preceding explanation, this research seeks to bridge existing gaps and increase understanding of the effects of gender diversity on corporate boards of directors in influencing company's financial performance. To address this objective, the following hypothesis can be formulated:

H_1: Gender diversity has a significant positive influence on a company's financial performance.

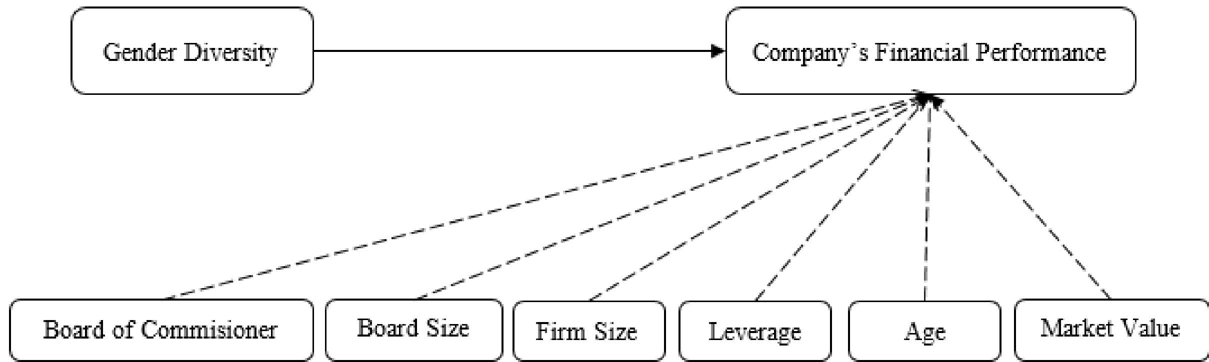

Figure 3. Research Framework

Source: Author, 2023

2. RESEARCH METHODS

This research uses a quantitative approach that can show the size of the influence or relationship between these variables expressed in numbers by collecting data as supporting factors (Ditta et al., 2019). The financial reports and annual reports for 2015-2022 from each sample company are data sources obtained from the company's official website. Samples were taken from manufacturing companies listed on the Indonesia Stock Exchange with criteria that must be met in data collection, namely, reports available from 2015-2022 and presented in Rupiah. There are 85 companies that can meet these criteria with the following details:

Table 1. Number of Samples

Description	Total
Companies listed in the manufacturing sector	172 Companies
Company does not meet the criteria	87 Companies
Company that meet the criteria	85 Companies
Number of samples (x 8 years)	680 Samples

Source: Authors (2023)

Financial performance as the dependent variable in the research is measured by Tobin's Q (Abbadi et al., 2021).

$$\text{Tobin's Q} = \frac{Market\ Value\ of\ assets}{Replacement\ value\ of\ assets} \quad \text{.......... 1}$$

Gender diversity as an independent variable can be seen from the percentage of women on the board of directors (Suherman et al., 2021).

$$\text{Gender Diversity} = \frac{\sum Female\ Director}{\sum Board\ of\ Directors} \quad \text{.......... 2}$$

This study incorporates six control variables, namely board of commissioners, board size, firm size, leverage, age, and market value. The board of commissioners is calculated from the

number of commissioners in the company (Utami & Risfandy, 2023). The size of the board is determined by the sum of the board of directors and the board of commissioners (Murhadi et al., 2021). Firm size is represented by the natural logarithm of total assets (Carmo et al., 2022). Leverage measures the extent to which a company's assets are financed by debt or equity (Ditta et al., 2019). The age of the company is calculated based on the period since it has been listed on the Indonesia Stock Exchange (Chijoke-Mgbame et al., 2020). Market value is proxied by the PBV ratio (Santosa et al., 2022). In this research, the hypothesis regarding the impact of gender diversity on financial performance will be empirically tested. The precise data analysis will be facilitated through the utilization of Stata 13 software to obtain more accurate results, mainly applying the linear regression model:

$$TBSQ_{it} = \beta_0 + \beta_1 GD_{it} + \beta_2 BOC_{it} + \beta_3 BS_{it} + \beta_4 FS_{it} + \beta_5 LEV_{it} + \beta_6 AGE_{it} + \beta_7 MV_{it} + \varepsilon_{it} \quad \ldots\ldots\ldots\ldots 3$$

TBSQ : TOBIN'S Q
GD : Gender Diversity
BOC : Board of Commissioner
BS : Board Size
FS : Firm size
LEV : Leverage
AGE : Firm age
MV : Market Value
εit : Error
i : Company
t : Time
β : Constant

3. RESULTS & DISCUSSION

Descriptive Statistical Test. After conducting tests on 680 samples, various statistical measures were derived from the data. The mean was calculated as the average value, the standard deviation was used to assess the data's dispersion, and the minimum and maximum values represented the lowest and highest observations within the research samples. Table 2, displayed below, presents the results of these descriptive statistical analyses in this study:

Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
TBSQ	680	3.50000	16.00785	0.29042	269.00540
GD	680	0.10181	0.16133	0.00000	0.75000
BOC	680	4.20441	1.82705	1.00000	12.00000
BS	680	9.32205	3.82582	3.00000	23.00000
FS	680	28.61458	1.64527	25.21557	33.65519
LEV	680	1.36944	6.57277	-10.18817	162.19200
AGE	680	21.77059	8.90666	1.00000	41.00000
MV	680	4.47969	19.07350	-42.51915	309.65600

Source: Data processed by Stata (2023)

The descriptive statistics presented in Table 2, derived from a dataset comprising 680 samples, reveal that the mean value for the dependent variable, which represents financial performance as measured by Tobin's Q, is 3.50000, with the maximum recorded value being 269.00540. Nevertheless, it is noteworthy that there are companies with Tobin's Q values below this average. This suggests that, in theory, these companies might encounter challenges in effectively utilizing their funds for investment purposes. Consequently, this could lead to a decrease in stock prices and potentially result in the company's market value falling below its book value. Such circumstances might erode investor confidence in the company.

The next variable is gender diversity, which is evaluated based on the inclusion of women in the board of directors of a company. The data presented in Table 2 indicates that female representation on these boards is relatively low at only 10.18%. This implies that the boards of these companies are still predominantly composed of male directors.

The average value for the board of commissioners is 4.20441, indicating that the majority of the sampled companies have adhered to the Financial Services Authority (OJK) regulation number 33 of 2014. This regulation stipulates that a company's board of commissioners should consist of a minimum of 2 members. The descriptive statistical analysis for the board size variable revealed that the minimum board size was 3 individuals, the maximum was 23 individuals, and the average board size was 9.32205. These findings suggest that all the subjects in the study have conformed to the regulations outlined in Republic of Indonesia Law No. 40 of 2007, which mandates that a company should have a board size of at least 2 individuals. The data collected for the firm size variable, derived from the logarithm of total assets, reveals that the average company possesses assets amounting to 28.61458. Larger assets provide the company with more capital for investment, and increased sales result in higher turnover within the company.

The leverage variable is determined by assessing the company's total debts in relation to its total equity. A lower leverage ratio implies reduced risk concerning the company's ability to meet its debt obligations, whereas a higher ratio signifies elevated risk. Nevertheless, high leverage can be advantageous for a company's operations if it is accompanied by substantial profits. With an average value of 1.36944, it suggests that the companies fall within the safe category in terms of leverage. The age variable is determined by considering the number of years that a company has been in operation as a publicly traded entity. The average age of the companies analyzed in the study was 21.77059 years. This indicates that the age range of the companies covered in the study spans from 1 to 41 years, with an average age of 21 years. Generally, older companies tend to have a greater capacity to sustain their operations over time. The market value, as assessed by the Price-to-Book Value (PBV) ratio, displays an average value of 4.47969. This value is greater than 1, suggesting that the shares are considered attractive for investment, as they are expected to yield profits for shareholders.

Correlation Test. The subsequent phase of analysis involves correlation testing to unveil the connections or relationships among the variables utilized in this research. The results of the correlation tests in this study are presented in Table 3, which illustrates the associations between these variables.

Table 3. Correlation Test

	TBNSQ	GD	BOC	BS	FS	LEV	AGE	MV
TBNSQ	1.0000							
GD	0.0703	1.0000						
BOC	0.0151	-0.0305	1.0000					
BS	-0.0003	0.0669	0.8632	1.0000				
FS	0.0554	-0.0164	0.6340	0.6908	1.0000			
LEV	-0.0391	-0.0157	0.0088	-0.0112	-0.0257	1.0000		
AGE	-0.0387	0.0679	0.1944	0.1429	0.1602	-0.0151	1.0000	
MV	0.5668	0.0401	0.0184	0.0028	0.0408	0.0155	-0.1348	1.0000

Source: Data processed by Stata (2023)

From Table 3 above, it is evident that three variables exhibit a positive relationship with financial performance, as represented by Tobin's Q, and three exceptions: board size, with a correlation value of -0.0003, leverage, with a correlation value of -0.0391, and age, with a correlation value of -0.0387. Notably, the correlation between gender diversity and Tobin's Q is 0.0703, indicating a positive correlation, which aligns with the hypothesis proposed in this study.

T-test / Difference Test. When conducting a t-test or a difference test, dummy variables are required. These dummy variables can be generated based on the assumption that if the value of the independent variable, which is gender diversity, is greater than the mean value of 0.10181, it is assigned a value of 1. Conversely, if the value of the independent variable is less than 0.10181, it is assigned the value 0.

Table 4. T-test / Difference Test

GD (Dummy)	Obs	Mean	Std. Err.	Std. Dev	95% Conf.	Interval
0	469	1.897430	0.115939	2.510839	1.669603	2.125257
1	211	2.424631	0.221326	3.214650	1.988325	2.860936
combined	680	2.061017	0.105729	2.757078	1.853422	2.268612
Diff		-0.527200	0.227817		-0.974514	-0.079887
						t = -2.3141

Source: Data processed by Stata (2023)

Table 4 above presents a t-test result of -2.3141, signifying a statistically significant positive impact of 5% between gender diversity and financial performance. This implies that companies with high gender diversity exhibit financial performance that differs significantly from companies with low gender diversity. These findings align with the results of prior research conducted by Fathonah (2018), Ditta et al. (2019), Chijoke-Mgbame et al. (2020), Jabari &

Muhamad (2020), Duppati et al. (2020), Musa et al. (2020), Innayah & Pratama (2021), Usman & Kibiya (2021), Carmo et al. (2022), Utami & Risfandy (2023).

Regression Test. During this test, seven regression models were employed, each encompassing financial performance, represented by Tobin's Q, as the dependent variable, gender diversity as the independent variable, and six additional control variables. The outcomes of the regression analysis are presented in Table 5, providing the following results:

Table 5. Regression Test

	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
	TBNSQ	TBNSQ	TBNSQ	TBNSQ	TBNSQ	TBNSQ	TBNSQ
GD	1.2494*	1.2588*	1.3929*	1.4941*	1.4869*	1.5831*	0.9251*
	(1.73)	(1.73)	(1.98)	(2.10)	(2.08)	(2.20)	(1.72)
BOC		0.0261	0.1317	0.1100	0.1142	0.1407	0.0433
		(0.48)	(1.08)	(0.88)	(0.92)	(1.16)	(0.44)
BS			-0.0583	-0.1049*	-0.1061*	-0.1143*	-0.0566
			(-1.06)	(-2.08)	(-2.10)	(-2.27)	(-1.45)
FS				0.1861*	0.1835*	0.1941*	0.1061
				(2.35)	(2.31)	(2.37)	(1.45)
LEV					-0.0156	-0.0160	-0.0193*
					(-1.52)	(-1.54)	(-1.84)
AGE						-0.0184	0.0089
						(-1.24)	(0.87)
MV							0.0819**
							(4.20)
Constant	1.9512**	1.8408**	1.9282**	-2.8799	-2.7905	-2.7365	-1.2457
	(16.77)	(6.49)	(6.58)	(-1.32)	(-1.28)	(-1.25)	(-0.63)
Adj. R-squared	0.0035	0.0023	0.0024	0.0074	0.0073	0.0092	0.3223
Obs.	680	680	680	680	680	680	680
="* p<0.10	* p<0.05	** p<0.01"					

Source: Data processed by Stata (2023)

The asterisk (*) serves as an indicator of the level of significance in the relationships between these variables. The greater the number of star indications, the higher the level of significance. A single star (*) signifies a 10% level of significance, two stars (*) denote a 5% level of significance, and three stars (***) indicate a 1% level of significance.

In Table 5, the correlation between gender diversity and financial performance is indicated by a result of 1.2494*, signifying a significant positive influence between these two variables, regardless of the presence of control variables. As a result, H_1 is accepted, implying that the inclusion of female directors in a company leads to improved financial performance. These findings can be explained by the presence of the "glass ceiling" phenomenon, which refers to an invisible barrier that impedes women from reaching higher positions within a company. When women hold director positions, they bring additional competencies and perspectives that can be advantageous (Innayah & Pratama, 2021).

The presence of women on boards, representing diverse ethnic, cultural, and other backgrounds, contributes to the enhancement of corporate assets and introduces fresh perspectives to facilitate problem-solving and strategic planning (Đặng et al., 2020). Gender diversity on

boards can lead to an improvement in the quality of discussions (Utami & Risfandy, 2023). When compared to their male counterparts, women are often more effective in reducing financial irregularities.

Gender diversity within a company not only contributes to enhancing overall company performance but also serves as a mechanism to mitigate agency problems that may arise internally. According to agency theory, there exists a divergence of interests between the principal (company owner) and the agent (company manager), where the agent often prioritizes personal interests over the company's interests and objectives. Within this theoretical framework, gender diversity on the board acts as a more effective control mechanism because it introduces a broader array of perspectives and opinions, thereby promoting board independence. Gender diversity, in this context, functions as a means to reduce agency problems. These issues can be mitigated or alleviated through the implementation of robust corporate governance practices, ultimately contributing to the improvement of a company's overall performance.

The finding that having female representation on the board enhances a company's financial performance aligns with the principles of resource dependency theory. It suggests that female directors are not only valuable resources for the company but also bring distinctive qualities that positively impact company performance. This observation can be elucidated by the fact that gender-diverse boards bring with them a wide range of resources, including knowledge, skills, and experience, which in turn bolster effective oversight. These diverse resources can serve as a substitute for the sometimes weak institutional framework in Indonesia, ultimately leading to improvements in corporate performance (Chijoke-Mgbame et al., 2020).

The research findings indicate that the relationship between women on the board and Tobin's Q as a measure of market-based financial performance is less susceptible to management manipulation. Additionally, the presence of women has the potential to influence investors' assessments of a company's ability to generate future economic profits. Manufacturing is one of the sectors where investor influence is crucial for the sustainability of the company. As the largest contributor to Indonesia's GDP, manufacturing companies, involving the presence of women on corporate boards is crucial for enhancing unique perspectives and diverse viewpoints, leading to more innovation and novelty in problem-solving approaches.

The study by Oludele et al. (2016) and Kurfi et al. (2022) which investigated a similar subject focusing on manufacturing companies in Nigeria, found significantly positive results regarding the impact of gender diversity on the company's financial performance. The increase in gender diversity within the board not only enhances performance but also holds strategic value. Currently, consumer awareness of social issues is on the rise. Therefore, companies must be proactive and strategically embrace gender diversity.

This research is supported by research results from Gordini (2017), Lee-Kuen et al. (2017), Fathonah (2018), Ditta et al. (2019), Ngo et al. (2019), Pasaribu et al. (2019), Raharjanti

(2019), Chijoke-Mgbame et al. (2020), Jabari & Muhamad (2020), Duppati et al. (2020), Musa et al. (2020), Usman & Kibiya (2021), Innayah & Pratama (2021), Carmo et al. (2022), Utami & Risfandy (2023). Nevertheless, this outcome contradicts the findings examined in studies conducted by Jhon et al. (2020) and Tania & Hesniati (2022).

4. CONCLUSION & SUGGESTION

Several prior studies have noted that gender diversity can enhance a company's financial performance, although gender diversity levels in Indonesia remain relatively low. This research aims to investigate the impact of gender diversity on the financial performance of manufacturing companies in Indonesia. Specific criteria were applied to select companies as samples, resulting in a total of 85 qualifying companies spanning the years 2015 to 2022. The research entailed descriptive statistics, correlation tests, t-tests, and hypothesis testing, ultimately revealing a significant positive effect of gender diversity on company financial performance.

This research makes a major body of knowledge in three key areas. First, this research complements the literature regarding the impact of gender diversity on the board of directors on company's financial performance, especially in the Indonesian context. Second, this research presents empirical evidence regarding how the level of women's representation affects the company's financial performance in Indonesia, especially in the manufacturing sector as the largest contributor to Indonesia's GDP. Third, this research provides economic justification for existing gender diversity regulations, thus encouraging companies to immediately comply. These findings are highly relevant for managers, investors and policy makers.

However, it is essential to acknowledge the limitations of this study that could be enhanced in future research. Secondary data collected manually from annual reports can be complemented by primary data, which can offer additional insights into governance practices in emerging markets. For future research, it is recommended to focus not only on the presence of women on boards, but also on the presence of women on special committees in other top management positions such as CFO and CEO (e.g., Ahmadi et al. (2018), Kubo & Nguyen (2021)) or middle management and staff levels who can become strategic resources that provide sustainable competitive advantage (e.g., Ferrary & Déo (2023)). Furthermore, the emphasis of this research is on financial performance. Considering the importance of social issues in companies, there are other aspects that need to be explored regarding the potential influence of gender diversity on non-financial aspects. For example, endeavors might explore the possible link between gender diversity and corporate social responsibility (CSR). Companies are increasingly active in conducting CSR as a business strategy to gain social trust. Board of Directors plays a crucial role in CSR as decision-makers. Considering the influence of board characteristics, especially gender, will undoubtedly affect decision-making in CSR initiatives.

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