ABSTRACT

This study examines the effect of gender diversity in the board of directors on corporate financial performance and ESG activity disclosure. The aim is to understand the relationship between gender diversity and corporate financial performance and encourage companies to increase diversity to achieve better performance and higher social responsibility. The methodology of this study involves data collection through Bloomberg Terminal and other written references. Data analysis was conducted using the SPSS 25 application, which used descriptive statistical tests, classical assumption tests, and hypothesis testing using multiple linear regression. In addition, moderation regression analysis was applied to evaluate the effect of gender diversity on financial performance by considering ESG variables as a moderation. The study shows that in manufacturing companies listed on the IDX in 2021-2023, gender diversity in the board of directors significantly positively affects corporate financial performance as measured by Return on Assets (ROA) and Return on Equity (ROE). Environmental, Social, and Governance (ESG) strengthens the relationship between gender diversity and corporate financial performance. Companies are advised to increase gender diversity and ESG disclosure. Further studies can explore other sectors and analyze ESG components separately.

Keyword: environmental social governance (ESG), gender diversity, multiple linear regression analysis, ROA, ROE