

## **ABSTRACT**

*Inconsistencies in prior empirical findings on the relationship between Board Gender Diversity (BGD) and firm financial performance, particularly in emerging markets, underscore the need for contextual studies. This study aims to examine: (1) the direct effects of BGD and ESG Disclosure (ESGD) on Tobin's Q; (2) the moderating role of ESGD on the BGD–Tobin's Q relationship; and (3) the effect of BGD on ESGD in banking sector companies listed on the Indonesia Stock Exchange (IDX).*

*This study employed a sample of 14 IDX-listed banking companies over the 2019–2024 period, selected through purposive sampling based on the availability of complete ESGD and Tobin's Q data from Bloomberg Terminal. Three panel data regression models were used: Model 1 tests the direct effects of BGD and ESGD on Tobin's Q using the Random Effect Model (REM); Model 2 tests the BGD×ESGD interaction term alongside control variables (Firm Age, Leverage, Firm Size) using the Fixed Effect Model (FEM); and Model 3 examines the direct effect of BGD on ESGD using the Random Effect Model (REM).*

*The findings reveal that BGD has no significant effect on Tobin's Q in Model 1, but exhibits a significant negative effect at the 5% level in Model 2, reflecting the tokenism phenomenon whereby average female board representation of only 19.07% remains below the critical mass threshold. BGD also negatively affects ESGD at the 10% significance level in Model 3, attributable to the same tokenism condition. ESGD shows a consistent negative effect on Tobin's Q across both models at the 10% level, indicating that investors in the Indonesian banking sector still perceive ESG reporting as a cost burden rather than a long-term value driver. Crucially, ESGD positively and significantly moderates the BGD–Tobin's Q relationship at the 5% level in Model 2, demonstrating that higher ESG transparency activates and strengthens the effectiveness of gender diversity in improving market-based financial performance, a synergistic effect that neither variable can produce independently.*

**Keywords:** *Board Gender Diversity, ESG Disclosure, Tobin's Q, Financial Performance, Indonesian Banking Sector.*