

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1. Conclusions

This study had the main purpose to test the influence of board gender diversity in corporate governance to the firm performance and firm risk taking in Indonesia Banking Sector during 2015 until 2017. Based on the empirical results, the writer used multiple regression analysis which prove that:

1. There is no relation between the proportion of female on board directors to firm performance measured by return on assets.
2. The proportion of female on board commissioner influences firm performance measured by return on assets but in negative way.
3. There is no relation between the proportion of female on board directors to firm performance measured by return on equity.
4. The proportion of female on board commissioner influences firm performance measured by return on equity but in negative way.
5. There is no relation between the proportion of female on board of director to risk taking measured by equity to assets.
6. There is no relation between the proportion of female on board commissioner to risk taking measured by equity to assets.
7. There is no relation between the proportion of female on board of director to risk taking measured by non-performing loan.

8. There is no relation between the proportion of female on board commissioner to risk taking measured by non-performing loan.

This empirical study was supported by Abou-el-sood, 2018; Carter, D'Souza, Simkins, & Simpson, 2010; Joecks, Pull, & Vetter, 2013; Lam, McGuinness, & Vieito, 2013; Loukil & Yousfi, n.d.; Ramadhani & Adhariani, 2015 stated that women on board member had negative effect to the firm performance and risk taking. While the other studies also have contrary results that there was a positive and significant results to firm performance and risk taking stated in Adusei, Akomea, & Poku, 2017; Faccio, Marchica, & Mura, 2016; Hassan Che Haat, Abdul Rahman, & Mahenthiran, 2008; Kılıç & Kuzey, 2016; Ska & Weill, 2018. Thus the theory based on this study could not explain the results. However, the controlled variable that influence in this study only firm size.

5.2. Implications

The results of this study were expected to provide scientific contribution to the academics, managerial applications for practitioners in the company in the implementation of managerial activities and for regulators in the preparation and regulation of the company.

5.3. Limitation

Even though this study has been sort the sample selection and repeat checking data were based on secondary data from original sources, there were several limitations, including:

1. In Indonesia, male board members are more than female board member.
In fact, there were limitations to accommodate board of commissioners and directors quickly. Cultural and environmental aspects also hold important things in this context.
2. Have not considering the firm's activities carried out by companies where crucial decisions about managerial influence on the company's performance.

5.4. Recommendations

The recommendations that be given to the next study are:

1. The study should consider about gender or related aspects that affect the performance of companies in Indonesia.
2. The study should use control variables that reflect company characteristics.
3. The study should have more specific study on the influence of female board of commissioners and directors' behaviour on corporate performance can be done.