DOES BOARD GENDER DIVERSITY, BOARD SIZE, MANAGERIAL OWNERSHIP AND CAPITAL ADEQUACY RATIO ENHANCE FINANCIAL PERFORMANCE?

APAKAH KEBERAGAMAN GENDER, UKURAN DEWAN, KEPEMILIKAN MANAJERIAL DAN RASIO KECUKUPAN MODAL MENINGKATKAN KINERJA KEUANGAN?

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Abstract: This study investigates the influence of board gender diversity, board size, managerial ownership, and capital adequacy ratio (CAR) on the financial performance of Indonesian state-owned banks (HIMBARA), focusing on Return on Assets (ROA) as the key performance measure. Utilizing data from financial reports spanning 13 years (2011-2023), the research employs multiple linear regression to assess the relationships between these corporate governance variables and bank performance. The findings reveal that board gender diversity and managerial ownership positively impact financial performance, suggesting that diverse perspectives and managerial stakes enhance decision-making and efficiency. Also, a larger board sizes positively affect performance. Additionally, a higher CAR correlates positively with ROA, underscoring the importance of capital reserves in mitigating risks and boosting profitability. These insights provide valuable guidance for improving governance structures in the banking sector to enhance financial outcomes.

Keyword: Board Gender Diversity, Board Size, Managerial Ownership, Capital Adequacy Ratio, Return On Assets.

Abstrak: *Penelitian ini menyelidiki pengaruh keberagaman gender dewan, ukuran dewan, kepemilikan manajerial, dan rasio kecukupan modal (CAR) terhadap kinerja keuangan bank-bank milik negara Indonesia (HIMBARA), dengan fokus pada Return on Assets (ROA) sebagai ukuran kinerja utama. Dengan menggunakan data dari laporan keuangan selama 13 tahun (2011-2023), penelitian ini menggunakan regresi linier berganda untuk menilai hubungan antara variabel tata kelola perusahaan dan kinerja bank. Hasil penelitian menunjukkan bahwa keberagaman gender dewan dan kepemilikan manajerial berdampak positif terhadap kinerja keuangan, yang menunjukkan bahwa perspektif yang beragam dan kepentingan manajerial dapat meningkatkan pengambilan keputusan dan efisiensi. ukuran dewan yang lebih besar berdampak positif terhadap kinerja. Selain itu, CAR yang lebih tinggi berkorelasi positif dengan ROA, yang menekankan pentingnya cadangan modal dalam mengurangi risiko dan meningkatkan profitabilitas. Temuan ini memberikan wawasan berharga untuk meningkatkan struktur tata kelola di sektor perbankan guna meningkatkan hasil keuangan.*

Kata Kunci: *Keberagaman Gender Dewan, Ukuran Dewan, Kepemilikan Manajerial, Modal Rasio Kecukupan, Pengembalian Aset.*

INTRODUCTION

Research Background

A strong financial performance within a firm is fundamental for a stable and growing economy, particularly in the era of high uncertainty (Rumokoy et al., 2023). High Return on Assets (ROA) signifies a bank's ability to efficiently generate profits from its assets. According to the Otoritas Jasa Keuangan (OJK), Indonesia's financial services regulator, healthy ROA levels ensure banks have the capacity to lend more and allocate resources effectively. Therefore, monitoring and analysing ROA is crucial for policymakers and regulators to ensure a healthy banking system that contributes positively to overall economic development. Research on bank financial

performance has been carried out by previous researchers. Cvetkoska and Čiković (2020), conducted research on national commercial banks during the 1995-2003 period using the DEA approach. The results of this research are: the national foreign exchange private bank category was the most efficient category in 1995, 1998, and 2000, while for 1996, 1997, 1999, 2001, 2002, and 2003, the most efficient bank category was mixed foreign banks. The results of this research are different from the research results of Zaman and Bhandari (2020) who conducted research to evaluate the efficiency performance of 93 commercial banks in Indonesia in the period 2002 to 2005 using the DEA method. The findings show that foreign bank groups and state banks are more efficient than other bank groups.

The choose of board commissioners rather than board directors is a strategic step in building good corporate governance (Rumokoy et al., 2024). Commissioners, as independent supervisors, play a crucial role in safeguarding the interests of shareholders. Their independence allows commissioners to provide objective assessments of the performance of the board of directors and ensure that decisions taken are in line with the long-term interests of the company. Thus, conflicts of interest can be minimized and investor confidence can be increased. The election of board commissioners is an important step in building good corporate governance. Independent and competent commissioners can provide effective supervision, protect shareholder interests, and improve company performance. With commissioners, companies can run their businesses more transparently, accountably, and sustainably.

A balanced gender presence on the board of directors and commissioners of banking companies has a positive and significant impact. When the board of directors and commissioners includes fair representation of both genders, this can result in better and more inclusive decision-making. Gender diversity brings different perspectives, diverse life experiences, and more holistic thinking in facing business challenges. With a balanced presence of men and women, the board of directors and commissioners can better reflect society and make diverse decisions, which can improve company performance, build a positive image, and create an inclusive and sustainable work environment.

This research investigates the potential relationship between board gender diversity, corporate governance practices, and the future financial performance of Himbara banks in Indonesia. The State-Owned Bank Association (HIMBARA) is more popular with the public as a place to save or invest their funds because it is considered safer and more reliable because it is owned by the state. According to Kasmir (2012:21), "a state-owned bank is a bank whose deed of establishment and capital are owned by the Indonesian Government, so that all bank profits are also owned by the government". Banks included in the State-Owned Banks are PT. Bank Rakyat Indonesia (Persero) Tbk., PT. Bank Negara Indonesia (Persero) Tbk., PT. Bank Mandiri (Persero) Tbk., and PT. BankTabungan Negara (Persero) Tbk.

Several factors make Himbara banks a compelling subject for this research endeavor. Firstly, their substantial market share and government ownership position solidify their influence within the Indonesian banking sector. By studying these institutions, the research can contribute valuable knowledge that can be applied to future developments within the broader industry. Secondly, Himbara banks are currently undergoing significant reforms aimed at strengthening their governance structures and embracing best practices. Studying these ongoing changes can provide valuable insights into the potential future impact of board composition and corporate governance on the financial performance of state-owned enterprises. Finally, focusing on Return on Assets (ROA) as a key performance indicator allows for a specific and measurable analysis of how board gender diversity and corporate governance practices might influence the future profitability and efficiency of these critical financial institutions.

Most empirical investigations in this field have concentrated on nonfinancial industries, indicating a limited focus of the current literature. This gap in the literature has inspired the current study to explore the relationship between BGD and company performance in banking industries.

Research Objectives

1. To know the impact of board commisioner gender diversity on HIMBARA financial performance.
2. To know the impact of board size on HIMBARA financial performance.
3. To know the impact of managerial ownership on HIMBARA financial performance.
4. To know the impact of capital adequacy ratio (CAR) on HIMBARA financial performance

LITERATURE REVIEW

Board Gender Diversity

Board diversity is related to company performance or environmental, social and governance (ESG) disclosures. One of the important parts of board diversity is gender diversity. Board gender diversity is the ratio of

the number of female board members to the total number of board members. According to Imade (2019), gender diversity is part of board diversity which refers to the difference in the number of women on a company board. According to WIMBIZ (2012), there are many opinions in support of board gender diversity, such as eradicating injustice, making better company decisions, improving company performance.

Managerial Ownership

This managerial share ownership right is given by shareholders in the hope that company managers can have a greater sense of belonging so that their loyalty, dedication, and productivity can increase towards the company (Suryani and Redawati, 2016). With the existence of managerial company ownership, it is expected to raise the issue that company performance will increase because management can monitor the company's growth directly. Maisarah (2010) stated that if the number of shares owned by managers increases, they will act more carefully because they will also bear the consequences of the decisions they make. In addition, managers will be motivated to improve the management of their companies.

Board Size

Board Size is the total number of members of the board of commissioners who come from internal or external companies (Asmoro, Majidah, dan Mahardika (20162016). The task of the board of commissioners in a company is to oversee every policy of the board of directors in running the company including providing input, direction, and suggestions in carrying out every activity related to the company. This provides an illustration that the board of commissioners tends to be directed towards the monitoring function of every policy of the company's directors. In addition, the important role of the board of commissioners is to provide direction regarding the company's strategy and to supervise every company activity that aims to improve the company's performance in accordance with its objectives.

Car (Capital Adequacy Ratio)

Capital Adequacy Ratio (CAR) is a ratio that calculates bank capital with Risk Weighted Assets (RWA). CAR is one of the ratios of the capital adequacy ratio. Capital adequacy is an important factor for banks in developing their business and accommodating the risk of loss. Bank Indonesia sets capital (Capital Adequacy Ratio/CAR), namely the minimum capital provision obligation that must always be maintained by each bank as a certain proportion of the total Risk Weighted Assets (RWA) (Pandia, 2012). RWA is the sum of balance sheet assets (assets listed on the balance sheet) with administrative RWA (assets that are administrative). Risk-weighted assets are the total value of each risk weight of the asset. The least risky asset is given a weight of 0% and the most risky asset is given a weight of 100%. RWA shows the value of risky assets that require sufficient capital anticipation. The provisions of CAR are in principle adjusted to the provisions of the applicable international CAR Standards, namely according to the Bank for International Settlement (BIS) International standards and since September 1995, the monetary authority in Indonesia has set the provisions of the Indonesian CAR (Umam, 2013).

Bank Financial Performance

This theory examines the factors influencing bank financial performance, specifically focusing on Return on Assets (ROA) as a key indicator. ROA, as defined by Berger and Humphrey (1998), measures a bank's profitability by evaluating how effectively it generates income from its total assets. A high ROA signifies a bank's ability to efficiently utilize its resources for profit generation. Several key factors influence a bank's ROA, among of them is profitability management practices, including interest rate spread management, fee income generation, and efficient expense control, directly impact ROA (Boyd and Rimell, 2002).

Empirical Studies

Juwita (2023) analysed the role of gender diversity in corporate governance for quality assurance of financial reports with audit fees as moderating variables. This study used audit fees as a moderating variable to examine how gender diversity on the board of directors, board of commissioners, and audit committee affects the quality of financial statements. In this study, financial statements for a sample of LQ 45 companies listed on the Indonesia Stock Exchange from 2019 to 2021 were employed to collect the data, which were then analyzed using Eviews 9. Gender diversity of the board of commissioners, board of directors, committee board audit, employed the percentage of the number of the board of directors, board of commissioners, female audit committee compared to the total number, audit fee to logarithmic audit fee, and quality of financial statements to proxy for Discretionary Accrual modified by Jones model. The findings demonstrate that gender and women play a key role in the Corporate

Governance process, particularly on the board of directors, board of commissioners, and audit committee.

Rumokoy, Liu, and Chung (2024) (2024) investigated the impact of network centrality, established by a firm through its board members (i.e. boardroom networks), on corporate cash holdings. This study uses extensive panel data comprising 36,963 firm-year observations of firms listed on the Australian Securities Exchange, spanning a 22-year period (2001–2022). The study uses firm fixed-effect regression along with several alternative specifications and an instrumental variable approach to ensure the robustness of the results. Boardroom network centrality is quantified by five measures that capture different perspectives on networks as viable conduits for resource exchange and information flow: degree, two-step reach, closeness, eigenvector and betweenness. The authors find evidence for the benefits of board networks. Firms with well-connected boards (central firms) are more likely to have smaller cash holdings. The findings also reveal distinct effects stemming from local and global properties of centrality, with local network measures playing a more pronounced role in shaping cash-holding decisions. Overall, the evidence reflects the ability of connected directors to enhance governance by limiting managerial discretion over cash reserves, thus reducing agency conflicts associated with cash holdings.

Ramly et al. (2015) examined the effect of gender diversity and board monitoring (board size and independence) on bank efficiency. Using a broad panel of ASEAN-5 listed commercial banks over the period 1999-2012, we observe that gender diversity in bank board decreases cost and profit efficiency. This finding confirms our concern that the appointment of female directors in bank board is merely to comply with regulatory requirement and the market for high performing women directors could be limited, particularly in the banking sector. Our result also shows that board independence increases bank efficiency, suggesting that higher ratio of independent directors is related to the board ability to monitor and advise management; thus improving efficiency. However, we find that board independence confounded the negative effect of gender diversity on bank efficiency.

Conceptual Framework

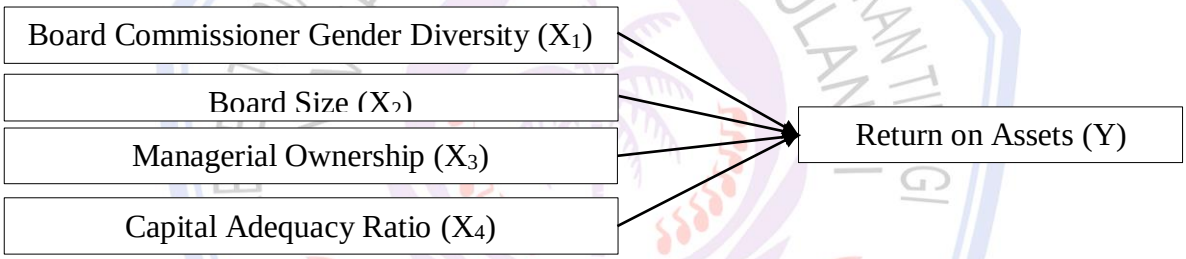

Figure 1. Conceptual Framework
Source: Literature Review

Research Hypothesis
H_1: Board Commisisoner Gender Diversity on Return on Assets.
H_2: Board Size on Return on Assets.
H_3: Managerial Ownership on Return on Assets.
H_4: Capital Adequacy Ratio on Return on Assets

RESEARCH METHOD

Research Approach

The research method that will be used is a quantitative approach. Quantitative research is research that is based on collecting and analyzing data in the form of numbers (numeric) to explain, predict and control phenomena of interest. Quantitative research emphasizes analysis on numerical data processed using statistical methods. With quantitative methods, the significance of the relationship between variables will be obtained (Kleinbaum and Klein 2010).

Population and Sample Size

The population of this research will be the HIMBARA banks in Indonesia. HIMBARA, which stands for Himpunan Bank Milik Negara, refers to the association of state-owned banks in Indonesia, including Bank Mandiri, Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), and Bank Tabungan Negara (BTN) within the sample

size consists of HIMBARA banks from the years 2011 to 2023, the total years is 13 years. These banks represent a significant segment of the Indonesian banking sector, providing a rich source of data for research.

Data Collection Method

The data collection method for this study will involve the documentation method or secondary data collection. This data will be sourced from the websites of financial institutions and by reviewing relevant literature, including books and journals, to establish a comprehensive theoretical foundation on financial institutions and print media. Additionally, financial reports will be gathered to obtain secondary data

Operational Definition and Measurement of Research Variable

Table 1. Definition of Research Variables

Variables	Definition	Indicators
Board Commisioner Gender Diversity (X1)	Board Commissioner Gender Diversity refers to the representation of women on corporate boards of directors.	Bleau Index
Board Size (X2)	Board size refers to the total number of directors or members serving on a company's board of directors	Total numbers of board commissioner.
Managerial Ownership (X3)	Managerial ownership refers to the percentage of a company's shares held by its top executives or managers	Total number of shares owned by managers divided by the total number of outstanding shares
CAR (X4)	Capital Adequacy Ratio (CAR) is a measure of a bank's financial strength, indicating its ability to absorb losses without becoming insolvent	CAR = (Tier 1 Capital + Tier 2 Capital) / RiskWeighted Asse
ROA (Y)	ROA (Return on Assets) is a financial ratio that measures a company's profitability relative to its total assets. It is calculated by dividing net income by total assets	ROA = Net Income / Total Assets

Data Analysis

This explains about the overall analysis methods that are used in this current research, either the fundamental testing of the obtained data and the main analysis method of the tabulate data for proving hypotheses in this research. The collected data will undergo analysis, testing of classical assumption tests such as normality, multicollinearity, and heteroscedasticity tests. Following these tests, the data will be subjected to multiple linear regression analysis.

Classical Assumption Test

Normality Test

According to Ghozali (2016), the normality test is a test on a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. If a variable is distributed abnormally, the results of statistical testing will decrease. Data on the normality test can be done using the Saphiro-Wilk testing method with the provisions:

a. If the Sig value is <0.05, then the data distribution is normal
b. If the Sig value >0.05, then the data distribution is not normal

Multicollinearity Test

To find out the absence of correlation between independent variables or free variables in the regression model is the purpose of the multicollinearity test (Ghozali, 2016). He explained that the tolerance value and Variance Inflation Factor (VIF) value are sources to determine the presence or absence of multicollinearity in the regression model, where the VIF limit is 10 if the VIF value is greater than 10 then multicollinearity occurs.

Heteroscedasticity Test

According to Ghozali (2016), a good research model is a study that does not have heteroscedasticity. To know if there is heteroscedasticity or not:

a. If sig. > 0.05, then there is no heteroscedasticity or passes the heteroscedasticity test.
b. If sig. <0.05, then heteroscedasticity occurs or does not pass the heteroscedasticity test

Multiple Linear Regression Regression

Multiple Regression Analysis (MRA) is a statistical technique used to predict the value of one dependent variable (Y) based on two or more independent variables (X). Since independent variables in this study have more than two variables, regression consisting of two or more regressions is also called double regression. The general equation of multiple regression is:

$$Y = \alpha + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 \quad \mu$$

Hypothesis Testing

T-test (Partial Test)

The T-Test is a statistical test used to test a validity of a hypothesis about the difference of influence between variable X1 and X2 on variable Y partially. The T-Test has the following criteria:

a. If sig < 0.05 then H0 is rejected, means that an independent variable and dependent variable are significantly influenced by each other.
b. If sig > 0.05 then H0 is accepted, means that an independent variable and dependent variable do not significantly influence by each other

F-test (Simultaneously Test)

The F-Test is a statistical test to test a validity of overall hypothesis of the effect of independent variables on dependent variable simultaneously. F-Test is seen from the F value in regression table, with significance rate of 0.05, as well as the following provision (Ghozali, 2016):

a. If sig F < 0.05 then H0 rejected and H3 accepted, means that all independent variables have a significant influence on dependent variable.
b. If sig F > 0.05 then H0 and H3 accepted, means that all independent variables have no significant influence on dependent variable.

RESULT AND DISCUSSION

Resullt

Descriptive Statistic Analysis

Descriptive statistical analysis aims to provide an overview or describe the data based on the results obtained and classify in the mean, maximum, minimum and standard deviation values for each research variable. The independent variables that will be measured by descriptive statistical analysis are board gender diversity, board size, managerial ownership and cumulative abnormal return, while the dependent variable measured is return on assets. The following are the results of descriptive statistical analysis:

Table 2. Descriptive Statistic Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Board Commissioner Gender Diversity (X1)	52	0,00	44,44	17,6817	15,03942
Board Size (X2)	52	6,00	11,00	8,1154	1,43696
Managerial Ownership (X3)	52	0,00	0,23	0,0440	0,05733
CAR (X4)	52	14,64	25,28	19,0465	2,64139
ROA (Y)	52	1,54	2,31	1,9012	0,14631
Valid N (listwise)	52				

Source:SPSS 2024

The conclusions that can be drawn based on the table of data are as follows :

1. Board Gender Diversity has a minimum value of 0.00 and a maximum value of 44.4 according to the results of descriptive statistical analysis of data covering 52 observations. The average or mean value obtained is 17.7 and the median on the variable is 21.9 for the standard deviation is 15.0. There is no significant difference between the standard deviation and the mean value, which means that the data tends to be more dispersed.
2. Board Size is measured by total Board of Commissioners. Board Size has a mean value of 8.12 and a standard deviation of 1.44 with a minimum value of 6 and a maximum of 11. The low standard deviation value indicates that the average data is clustered around the mean. There is little variation in the data as indicated by the standard

deviation value.

3. The managerial ownership variable in the descriptive analysis has a minimum value of 0.00, a maximum value of 0.230 and a median of 0.0200. Meanwhile, the standard deviation value is 0.0573 and the average or mean value is 0.0440, this shows that there is a variation in the manager ownership variable data.
4. The capital adequacy ratio has a minimum value of 14.6 and a maximum value of 25.3 while the mean value is 19.0 and the standard deviation value of this variable is 2.64. The standard deviation value which is lower than the mean value indicates that the data tends to gather around the mean value.

Classical Assumption Test

Normality Test

Data on the normality test can be done using the Saphiro-Wilk testing method with the provisions if the Sig value is <0.05, then the data distribution is normal and if the Sig value >0.05, then the data distribution is not normal

Table 3. Kolmogorv Smirnov Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			52
Normal Parametersa,b	Mean		0,0000000
	Std. Deviation		0,07923232
Most Extreme Differences	Absolute		0,095
	Positive		0,092
	Negative		-0,095
Test Statistic			0,095
Asymp. Sig. (2-tailed)c			.200d
Monte Carlo Sig. (2-tailed)e	Sig.		0,274
	99% Confidence Interval	Lower Bound	0,263
		Upper Bound	0,286

Source: SPSS Processed 2024

The research results in the output above show that the Asymp. Sig. (2-tailed) value above is greater than alpha 0.05. This value of ashmp. dig (2-tailed) indicates the significance level of the test. It can be concluded that the sample data is normally distributed. Then the research can be continued.

Multicollinearity Test

The multicollinearity test aims to detect a strong correlation between the independent variables. If the tolerance value (1/VIF) > 0.10 and the VIF value < 10, then there are no symptoms of multicollinearity or pass the multicollinearity test. If the tolerance value (1/VIF) < 0.10 and the VIF value > 10, then there are symptoms of multicollinearity or do not pass the multicollinearity test.

Table 4. Multicollinearity Test Result

Coefficients [a]

Model	Collinearity Statistics	
	VIF	Tolerance
(Constant)		
Board Commissioner Gender Diversity (X1)	1.03	0.974
Board Size (X2)	1.72	0.583
Managerial Ownership (X3)	1.36	0.735
CAR (X4)	2.13	0.470

Source: SPSS Processed 2024

The multicollinearity test results show that the regression model involving the variables of earnings growth, firm size, and life cycle does not show multicollinearity problems. This means that the regression coefficients generated from this model can be interpreted with more confidence because the effect of each independent variable on the dependent variable can be evaluated independently without being affected by other multicollinearity tests.

Heteroscedasticity Test

The heteroscedasticity test aims to check whether the variance of the residuals is constant. If the variance is not constant, then the standard error estimates of the regression coefficients will be biased, thus affecting the significance test results. If sig. > 0.05, then no heteroscedasticity occurs or passes the heteroscedasticity test. If sig. < 0.05, then heteroscedasticity occurs or does not pass the heteroscedasticity test.

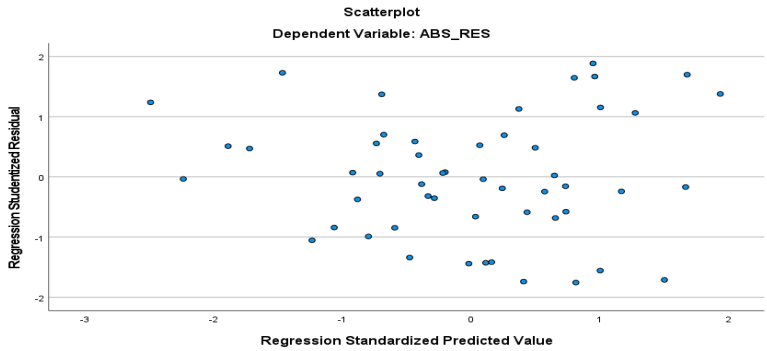

Figure 2. Heteroscedasticity test

Source: Data Processed 2024

In figure 2, it can be seen that the spots are distributed evenly both above and below the value 0, also the distribution does not show a particular pattern. This means that there is no heteroscedasticity in this research.

Multiple Linear Regression Test

Table 5. Multiple Linear Regression Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,915	0,104		8,830	0,000
	Board Commissioner Gender Diversity (X1)	0,003	0,001	0,334	4,169	0,000
	Board Size (X2)	0,031	0,011	0,302	2,920	0,005
	Managerial Ownership (X3)	0,699	0,235	0,274	2,972	0,005
	CAR (X4)	0,034	0,006	0,615	5,338	0,000

a. Dependent Variable: Y

Source: Data Processed 2024

The equation is:

$$Y = 0{,}915 + 0{,}003X1 + 0{,}031X2 + 0{,}699X3 + 0{,}034X4$$

The interpretation of the multiple linear tests on each variable is as follows:

1. If all independent variables (Board Gender Diversity, Board Size, Managerial Ownership, Capital adequacy ratio) are zero, then earnings quality is expected to be 0.91480, according to the intercept value. However, since independent variables are rarely zero, this intercept value often has no direct meaning in the real world.
2. The coefficient for board gender diversity is 0.00325. This may indicate that, assuming other variables are constant, each one-unit increase in board gender diversity will increase return on assets by 0.00325. This positive coefficient indicates a unidirectional relationship between board gender diversity and return on assets.
3. The coefficient for board size is 0.03076. So it can be interpreted that every time there is an increase of one unit in Return on Asset, there will be an increase of 0.03076. This positive coefficient indicates a positive relationship between board size and Return on Asset.
4. The managerial ownership coefficient is 0.89875. This indicates that, assuming other variables are constant, each one-unit increase in Managerial Ownership will increase Return on Asset by 0.89875 units. This positive coefficient indicates a strong relationship between Managerial Ownership and Return on Asset.

5. The coefficient on the Capital adequacy ratio is 0.03405. This shows a condition where when there is a one unit increase in the Capital adequacy ratio, the Return on Asset will increase by 0.03405 units. There is a positive coefficient which means that there is a unidirectional relationship between the Capital adequacy ratio and Return on Asset.

Coefficient of Determination (R2)

Table 6. Coefficient of Determination (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.841a	0,707	0,682	0,08254	2,120

a. Predictors: (Constant), X4, X1, X3, X2

b. Dependent Variable: Y

Source: SPSS, Processed 2024

These regression results, with an R-Square value of 0.702, indicate that the regression model used can explain about 70.2% of the variability of the dependent variable considering the number of independent variables in the model. This means that a variability of 29.8%% of the observed data can be attributed to other factors. The R-Square value of 0.702 is generally considered moderate. This indicates that the model has fairly good explanatory power, although there is still room for improvement. For example, it may be necessary to add other relevant independent variables that can increase the explanatory power of the model, or use a different model that can better capture the complexity of the relationship between the relevant variables. Overall, these R-Square values indicate that the regression model has a moderate level of fit in explaining the variability of the data, suggesting that the model is good enough but may still be improved to achieve a more comprehensive explanation of the dependent variable under study.

Hypothesis Testing

T-Test (Partial Hypothesis Testing)

Table 5 shows that Board Gender Diversity) has a t-count value of 4.17 greater than the t-table (1.6676655) and the significance value of this variable is 0.001 which is smaller than 0.05. So it can be concluded that the null hypothesis is rejected. Furthermore, the Board Size variable itself has a t-count value of 2.92 greater than the t-table (1.667665), and a significance value of 0.005 which is smaller than 0.05, therefore the null hypothesis in the study is rejected. In the Managerial Ownership variable, the t-count value is 2.97 which is greater than the t-table (1.668655), and the significance value is 0.005 which is smaller than 0.05. Based on the results of the t test, it can be concluded that the null hypothesis which states that the independent variable has no effect on the dependent variable can be rejected.

F-Test (Simultaneously Hypothesis Testing)

Table 7. F-Test (Simultaneously Hypothesis Testing)

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0,772	4	0,193	28,316	.000b
	Residual	0,320	47	0,007		
	Total	1,092	51			

a. Dependent Variable: Y

b. Predictors: (Constant), X4, X1, X3, X2

Source: SPSS, Processed 2024

Through table 7, it can be seen that the value of Fcount> Ftable (28.3> 2.57). In this study, (k; n - k) was used, where the total research sample was 52 and the independent variables were 4, so the f table was (4; 48) of 2.57. With a significance value smaller than 0.001, which is smaller than 0.05. The significance value (sig) which is much smaller than 0.05 indicates that the results are highly significant. Since the significance value indicated by p is less than 0.05, hypothesis 0 is rejected. Therefore, it can be concluded that independent variables such as board gender diversity, board size, managerial ownership, capital adequacy ratio have a significant influence on the dependent variable simultaneously. The results of this test indicate that the regression model used is significant, and the results show that at least one of the independent variables in the model has a significant relationship with the dependent variable, so it is important to consider all independent variables in the analysis.

Discussion

The Influence of Board Gender Diversity on Bank Financial Performance

The research conducted shows that Board Gender Diversity has a significant effect on Bank Financial Performance. This positive influence is interpreted as a situation where if board gender diversity increases, bank financial performance will increase. This can be influenced by a situation where when there are gender differences in the board of directors can provide many solutions to problems due to different types of mindsets. This difference will provide more and more suggestions when a company is faced with a problem. This research is in line with previous researches that woman on board of director has a positive effect on financial distress (Kalbuana et al., 2022), women's participation in corporate governance positions, particularly those overseeing financial matters is strongly linked to enhanced financial statement quality (Juwita, 2023) and female independent directors can make a significant positive impact on a bank's efficiency (Ramly et al., 2017).

The Influence of Board Size on Bank Financial Performancs

Based on the test results above, board size (X3) shows that board size has a significant effect on the dependent variable at the 5% significance level. Which is indicated by a significance value of 0.005 which is smaller than 0.05. Board SIze has a calculated t value (2.92) smaller than the t table (1.66571). This value indicates that company size has a positive influence on bank financial performance. This positive value indicates that when there is an increase in the board size variable, bank financial performance will also increase. This study has the same results as the research conducted by Elgadi and Ghardallou (2021 that the board of directors' size adversely affects banks' performance, Kalbuana et al. (2020) that board size has a positive effect on financial distress, Isik and Ince (2016) that size and composition of the board of directors are associated with performance of Turkish commercial banks.

The Influence of Managerial Ownership on Return on Assets

Based on tests conducted with the t test, the managerial ownership variable has a t-count value (0.89875) which is greater than the t-table (1.66571), and the significance value of 0.005 is much smaller than 0.05. Then hypothesis 0 in this study can be rejected. This shows that the life cycle has a very significant effect on the dependent variable at the 5% significance level. The life cycle variable in this study has a positive effect on earnings quality as seen from the t-count value which is greater than the t-table. Positive effect can mean that the existence of managerial ownership can improve bank financial performance. This result is in line with the study conducted by Katper et al. (2018) that managerial ownership (MO) is positively and significantly correlated with the performance (Q)/ (ROA) of the Shariah-compliant firms, and Chen, Hou and Lee (2011) that an inverted U-shaped relationship exists between insider managerial ownership and three performance measures (i.e., ROA, ROE and Tobin's Q).

The Influence of Capital Adequacy Ratio on Return on Assets

Based on the results of this study, it can be concluded that the t-table value which is much greater than the t-count (5.34) is greater than the t-table (1.667655) indicating that there is a positive effect of the Capital Adequacy Ratio on Bank Financial Performance. This negative effect is interpreted as a situation where if the Capital Adequacy Ratio increases, the company's Bank Financial Performance will increase. Furthermore, the research conducted shows that earnings growth has a significant effect on the dependent variable at the 5% significance level. This can be seen from the significance value of earnings growth (0.005) which is smaller than 0.05 so that hypothesis 0 is rejected and means that the earnings growth variable has an influence on earnings quality. This study is in line with research conducted by Sunaryo (2020) that the Capital Adequacy Ratio (CAR) has a positive and significant effect on Return on Assets (ROA), Jati (2019) that Capital Adequacy Ratio has a significant effect on Return on Assets with an influence contribution of 2.8%, and Anggrian and Muniarty (2020) that Capital Adequacy Ratio partially significant effect on ROA at PT. Bank Central Asia (BCA), Tbk.

CONCLUSION AND RECOMMENDATION

Conclusion

After conducting research and discussing data analysis through multiple linear regression analysis and having proven the hypothesis, the conclusions that can be given are:

1. Board Gender Diversity has a significant positive effect on Bank Financial Performance in companies listed as HIMBARA for the period 2011-2023.

2. Board Size has a significant positive effect on Bank Financial Performance in companies listed as HIMBARA for the period 2011-2023.
3. Managerial Ownership has a positive and significant influence on Bank Financial Performance in companies listed as HIMBARA for the period 2011- 2023.
4. Capital Adequacy Ratio has a positive and significant influence on Bank Financial Performance in companies listed as HIMBARA for the period 2011- 2023

Recommendation

After conducting research, based on the results of the research above, the researcher would like to provide several suggestions to various parties including companies, investors and further researchers, namely:

1. Companies to pay attention to factors that can affect earnings quality such as the composition of the board of directors so that the company can manage the business properly and be able to generate profits, it is also necessary to pay attention to being able to organize company elements so as to improve bank financial performance.
2. Investors is hoped that they will be able to analyze the signals given by the company through factors such as Board Gender Diversity, Board SIze, Managerial Ownership, Capital Adequacy Ratio of the company in order to find out how the company's financial performance banks so that they can invest in companies with quality financial performance.
3. Future research is hoped that they will be able to develop research and provide more accurate results and test other variables that can affect the quality of corporate earnings.

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