

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

A. Conclusions

Based on the results of research using multiple regression analysis and discussion of the effect of board size, board independence commissioner, board gender diversity and leverage on financial performance in banking companies listed on the IDX for the period 2022-2023 which has been carried out using panel data regression analysis, the following conclusions are obtained:

1. Board size has no effect on financial performance in banking companies listed on the IDX for the period 2022-2023.
2. Board independence commissioner has no effect on financial performance in banking companies listed on the IDX for the period 2022-2023.
3. Board gender diversity has no effect on financial performance in banking companies listed on the IDX for the period 2022-2023.
4. Leverage has no effect on financial performance in banking companies listed on the IDX for the period 2022-2023.

B. Implications

1. Implications for Company

The results of this study provide important implications for companies, especially in evaluating corporate governance structures. By understanding the relationship between board size of, board independence commissioner, board gender diversity, and leverage on financial performance, companies

can be wiser in managing board composition and capital structure. Although some variables do not show a statistically significant effect, this remains an indicator that the effectiveness of governance is not only determined by formal existence, but also by the quality of implementation and the actual contribution of each element. Therefore, companies are expected to re-evaluate the effectiveness of the board structure and strengthen the quality of participation in strategic decision-making. In addition, the substantial, rather than merely symbolic, application of the principles of diversity and independence can enhance public trust and corporate reputation in the long run.

2. Implications for Investors

The results of this study can provide an additional perspective in considering non-financial factors in the investment decision-making process. Information on board structure, gender diversity, and corporate leverage policy can be used as early indicators in assessing corporate governance and strategic direction. Although not all variables proven to be significant to financial performance, an understanding of these factors can help investors in developing a more comprehensive investment strategy, especially in projecting the prospects for corporate sustainability and stability. Thus, investors can be more selective in assessing companies that not only have good financial performance, but are also supported by healthy governance.

3. Implications for Academics

This study also contributes to academics and future researchers as an empirical reference in the study of corporate governance and financial performance. Findings that show differences in the influence of each variable can encourage further exploration of other factors that may play a role, both in the context of the banking industry and other sectors. This study is expected to expand the literature on the influence of board structure and financial policy on corporate profitability, as well as a reference for the development of more complex and contextual research models in the future. In addition, this study also opens up space for discussion regarding the role of individual quality in the board, internal organizational dynamics, and the relevance of modern governance practices amid the challenges of an evolving business environment.

C. Research Limitations

1. Recommended that future research consider using alternative models such as the Fixed Effect Model, robust regression, or generalized linear model (GLM), especially if the basic assumptions of classical regression are not met.
2. Future research is recommended to add other broader variables, such as firm size, ownership structure, company age, or the level of industry competition, so that the analysis results are more comprehensive and accurate.

3. This period coincides with global economic instability post-pandemic and high inflationary pressures, which may affect the results of the analysis. To increase the validity and generalizability of the results, it is recommended that future studies use a longer time span and cover various industrial sectors in order to obtain a more representative picture.

