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THE EFFECT OF FEMALE COMMISSIONERS, FEMALE DIRECTORS, FEMALE AUDIT COMMITTEES, AND LIQUIDITY ON THE FINANCIAL PERFORMANCE OF CONVENTIONAL COMMERCIAL BANKS LISTED ON THE INDONESIA STOCK EXCHANGE

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ABSTRACT

This research aims to analyze the influence of female boards of commissioners, female boards of directors, female audit committees, and liquidity on the financial performance of conventional commercial banks listed on the Indonesia Stock Exchange (IDX). The banking industry plays a crucial role in maintaining national financial stability, strict regulatory standards, and active involvement in the implementation of good corporate governance standards. Purposive sampling was used to obtain 23 banking samples for the period 2019–2024. The analysis process was applied using the STATA 17 method through panel data linear regression. The results show that female commissioners and female directors have a positive but insignificant effect on financial performance, while liquidity shows a significant positive effect. The findings imply that gender diversity and financial management contribute to improving bank performance.

Keywords: Female Audit Committees, Female Commissioners, Female Directors, Financial Performance, Liquidity

ABSTRAK

Riset ini berorientasi menganalisis pengaruh dewan komisaris perempuan, dewan direksi perempuan, komite audit perempuan, dan likuiditas terkait kinerja keuangan bank umum konvensional yang tercantum di Bursa Efek Indonesia (BEI) periode 2019–2024. Industri perbankan memegang fungsi krusial dalam menjaga keseimbangan finansial nasional, tingkat regulasi yang ketat, serta keterlibatan aktif dalam implementasi standar pengelolaan perusahaan yang baik (good corporate governance). Metode purposive sampling digunakan dalam pengambilan sampel agar diperoleh 23 sampel perbankan dalam kurun waktu 2019-2024. Proses analisa diterapkan melalui metode STATA 17 melalui regresi linear data panel. Penelitian ini mengungkapkan bahwa secara terpisah, keberadaan dewan direksi perempuan serta tingkat likuiditas mempunyai dampak signifikan terhadap kinerja keuangan perusahaan. Sebaliknya, dewan komisaris perempuan dan keberadaan komite audit perempuan tidak menunjukkan pengaruh yang bermakna pada kinerja keuangan. Ketika dilihat secara simultan, seluruh variabel yang diteliti memberikan kontribusi yang berarti terhadap kinerja keuangan entitas.

Kata kunci: *Komite Audit Perempuan, Dewan Komisaris Perempuan, Dewan Direksi Perempuan, Kinerja Keuangan, Likuiditas*

A. INTRODUCTION

The financial industry plays an essential role in promoting economic growth through its intermediation function, which connects surplus and deficit units. By channeling funds from parties with excess capital to those requiring financing, banks facilitate investment, consumption, and financial stability. To maintain effective intermediation, banks must operate efficiently, as efficiency determines their ability to sustain operations, remain competitive, and create long-term value for shareholders and customers (Gautama Siregar, Lubis, & Salman, 2023). Customer trust in the banking system depends on the institution's capacity to manage funds prudently and transparently. Therefore, financial performance serves as a crucial benchmark for banking success, encompassing indicators such as asset quality, liquidity, and profitability (Lalonsang & Karamoy, 2024). Among these indicators, Return on Assets (ROA) is widely used to measure how efficiently management utilizes assets to generate earnings (Hery, 2023). Although Indonesian banks' ROA generally remains within the ideal range set by Bank Indonesia, fluctuations particularly during the COVID-19 pandemic in 2020 demonstrate the vulnerability of financial performance to macroeconomic shocks.

Table 1. ROA of Conventional Commercial Banks on the IDX (2019–2024)

Year	ROA %
2019	2,47
2020	1,59
2021	1,84
2022	2,43
2023	2,74
2024	2,69

Source: Financial Services Authority (OJK) 2025 Processed by the author

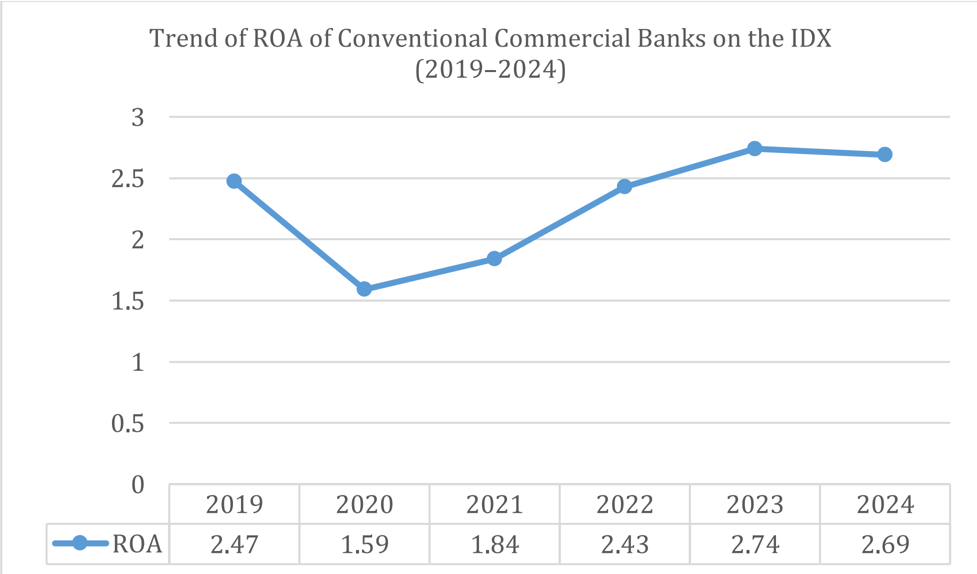

Figure 1. Trend of ROA of Conventional Commercial Banks on the IDX (2019–2024)
Source: Financial Services Authority (OJK) 2025 Processed by the author

During the period 2019–2024, the ROA was still within the ideal range stipulated by Bank Indonesia. However, a notable decrease was observed, dropping from 2.47% in 2019 to 1.59% in 2020. This decline occurred alongside the peak of the COVID-19 pandemic, when heightened economic uncertainty suppressed credit demand and limited banks' lending capacity. Consequently, the net income generated was relatively lower compared to total assets, which resulted in a decline in ROA. This situation highlights the sensitivity of banking performance to external crises, particularly those that disrupt economic activity on a large scale. One factor considered influential in improving financial outcomes is good corporate governance (GCG), particularly gender diversity in decision-making roles. The presence of female commissioners, directors, and audit committee members is believed to provide broader perspectives, strengthen prudence, and enhance oversight. Likewise, liquidity, measured through the Loan-to-Deposit Ratio (LDR), remains a key determinant of a bank's intermediation capability and profitability.

Nevertheless, previous research has produced mixed findings. Several studies reported a notable negative impact of female directors on firm outcome (Raharjanti, Murtiasri, Eviyanti, Asrori, & Haris, 2023; Saidat, Seaman, Silva, Al-Haddad, & Marashdeh, 2019), while others finding no significant effect (Gunawan & Wijaya, 2021; Rosliputri & Hudaya, 2024; Satria, Mahadwartha, & Ernawati, 2020; Winantisan, 2024). Regarding female commissioners, Faruq and Setiawan (2020) found a significant positive effect, however many studies documented insignificant results (Fitroni & Feliana, 2022; Gunawan & Wijaya, 2021; Rosliputri & Hudaya, 2024; Satria et al., 2020). Research on female representation in audit committees has also generally reported no significant impact on financial performance or earnings management (Fitroni & Feliana, 2022; Gunawan & Wijaya, 2021; Nugrahani & Yuniarti, 2021). Similarly, evidence regarding liquidity remains inconsistent.

While several studies found no significant effect of LDR on ROA (Assa & Loindong, 2023; Ningsih & Ilhami, 2023; Silitonga & Manda, 2022), others reported a significant negative impact, particularly surrounded by national private banks. Theoretically, this study draws upon Agency Theory, emphasizing monitoring role in reducing agency conflicts, and Upper Echelon Theory, which suggests that organizational outcomes are shaped by the characteristics of top executives. Thus, gender diversity in governance structures and liquidity management are expected to influence decision-making quality and financial outcomes.

B. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Theoretical Review

Upper Echelons Theory

The Upper Echelons theories presented by Abatecola and Cristofaro (2020), states that the characteristics and backgrounds of top management team members significantly influence organizational strategies and performance outcomes. Diversity in education, professional experience, and personal values among executives broadens perspectives and enhances innovation in strategic decision-making. Accordingly, the personal traits of senior leaders, including gender, determine how they interpret information and make decisions that ultimately affect firm performance.

Agency Theory

Described by Jensen and Meckling (2019) agency theory as a contractual relationship between owners (principals) and managers (agents), which often creates conflicts of interest. Such conflicts generate agency costs, including monitoring expenses and losses arising when managers do not act in the best interests of shareholders. Within corporate governance, this theory emphasizes the importance of transparency and effective supervision. The implementation of good corporate governance (GCG) mechanisms such as gender diversity in the board of commissioners, directors, and audit committee plays a crucial role in minimizing agency costs and improving managerial accountability (Abdulsamad, Yusoff, & Lasyoud, 2018).

Financial Performance

Financial performance represents a firm’s ability to generate profit within a given period. In the banking sector, Return on Assets (ROA) is a key metric that measures how effectively management utilizes assets to generate income (Hery, 2023). A higher ROA signifies better resource management by the bank. Adhimukti and Lestari (2022) emphasize that financial performance essentially reflects a firm’s profit-generating capacity, with ROA being a vital indicator of bank profitability. The International Finance Corporation (2017) defines gender diversity in senior management as having at the minimum one woman on the board of director. Woman are often viewed as more cautious, detail-focused, and risking averse in their decision-making processes (Fauziah, 2018). Brahma, Nwafor, and Boateng (2021) found that a greater proportions of female commissioners are positively related to company performance particularly in enhancing accuracy of financial reporting and strengthening risk oversight.

Empirical Review

The Influence of the Female Board of Commissioners on Financial Performance

Female's Board of Commission has responsibility to overseeing management activities. Involvement of female enhances the board’s independence and objectivity in supervision. This term referring to the representativeness of females in managerial roles on the commissioner board, indicating commitment to diversity. Female members on the board can impact decision-making processes, as female generally exhibit greater risk aversion. Consequently, when fulfilling their supervisory duties, they tend to exercise increased caution. According to Upper Echelon Theory, having female commissioners is anticipated to positively influence financial performance, as gender diversity broadens viewpoints and enhances the quality of oversight decisions. Some evidence, such as that presented by Saidat et al. (2019); Raharjanti et al. (2023), suggests presence of female significant associated with lower firm performance. On the contrary, research carried out by Gunawan and Wijaya (2021); Satria et al. (2020); Rosliputri and Hudaya (2024) as well as Winantisan (2024) no statistically significant relationship was identified among female directors and financial performance.

The Influence of the Female Board of Directors on Financial Performance

According to OJK Regulation No. 33/POJK.04/2014, the Board of Directors be in charge of firm daily management. Gender diversity in this role encourages a broader ranges of view point in strategic decision. Differences in gender tend to shape managerial behavior, with female generally exhibiting greater risk aversion than men, especially in competitive and negotiation contexts. female also tend to have a stronger social orientation, focusing more on the interests of employees and society, which often leads them to avoid high leverage, risky investments, and similar decisions (Mastella, Vancin, Perlin, & Kirch, 2021). From an agency theory perspective, female presence is anticipated to negatively impact financial performance, as varying viewpoints and decision-making approaches may cause coordination challenges and elevate agency costs. Empirical studies on gender diversity within boards of commissioners have produced mixed findings. Faruq & Setiawan, (2020) documented a significant positive association among genders composition of commissioners and finance results. However, the majority of studies such as those by Fitroni and Feliana (2022); Gunawan and Wijaya (2021); Rosliputri and Hudaya (2024); Satria et al. (2020); Winantisan (2024) concluded that gender of commissioners not have significant impact on the firm's work.

The Influence of the Female Audit Committee Members on Financial Performance

Female Members as regulated by OJK No. 55/POJK.04/2015, audit committees support commissioners in overseeing financial reporting and audit processes. Gender diversity in audit committees enhances internal control and reporting quality. According to Upper Echelon Theory, female audit committee members are also expected to positively influence financial performance, since their cautious and collaborative characteristics may strengthen monitoring effectiveness. In line with Din et al. (2021), the attendance of female on firm's audit has favorable impact on firm work. This is because female are considered to possess unique capabilities that differ from men. In addition to their competencies, female are also perceived to have different perspectives, enabling them to carry out audit functions with greater accuracy and attention to detail. Such precision and thoroughness strengthen the function of female in the audit in performing more complex oversight functions, ultimately contributing to improved corporate performance. Studies concerning gender representation within audit committees also yield inconclusive outcomes. Research by Nugrahani and Yuniarti (2021) together with Gunawan and Wijaya (2021) showed that gender diversity in committees not have significant impact the firm's work. This result is reinforced by Fitroni and Feliana (2022), who reported that gender diversity is not significant relation to produce management technique.

The Influence of the Female Audit Committee Members on Financial Performance

Liquidity referred to a bank's capability to have a timely obligation. The LDR is the primary liquidity indicator in banking, reflecting how effectively collected funds are distributed into loans. Optimal LDR management is essential for balancing liquidity and profitability, as it directly affects banks' operational stability and income generation (Ningsih & Ilhami, 2023). Similarly, Ramadhan and Larasati (2022) emphasize that liquidity measured by Current Ratio (CR) in manufacturing firms positively influences ROA, Although CR is more common in non-banking sectors, the principle remains relevant, supporting the used of LDR as a key liquidity indicator in banking. According to Upper Echelon Theory, liquidity as measured by the LDR is expected to has a reliable impact on finance results, as efficient decision-making in fund allocation reflects managerial capability in optimizing resources. Findings from prior studies on liquidity, obtained by the LDR, and its effect on banking performance are likewise inconsistent. Assa and Loindong (2023); Silitonga and Manda (2022); Widyaningsih and Sampurno (2022) identified there is no meaningful correlation with LDR and ROA Conversely, Ningsih and Ilhami (2023) discovered that LDR negatively impacts ROA in national private banks, implying that higher LDR levels tend to deteriorate financial performance.

The Simultaneous Influence of the Female Board of Commissioners, Female Board of Directors, Female Audit Committee, and Liquidity on Financial Performance

According to the Upper Echelon Theories, attendance of female in the Board and Audit structures reflects diversity of perspectives, which can enhance the quality of decision-making. Female's leadership style, which tends to be more collaborative and cautious, is considered usable of generating a positive impact on company, as proxied by ROA. Meanwhile, Agency Theory highlights the key points monitoring to reduce conflict of interests between owners and management. The involvement of female in supervisory functions is believed to strengthen control effectiveness due to their high level of integrity and compliance, thereby helping to reduce agency costs and improve organizational efficiency. Hence, simultaneously, the presence of female in corporate governance structures, together with funding efficiency policies through the LDR, is expected to be positively influence financial performance. The interaction between strong governance and operational efficiency is believed to enhance the company's capability to generate profits.

Researh Gap

Prior research has demonstrated inconsistent findings on the impact of female representation in corporate governance on firm performance. Some studies show a positive contribution of women in leadership to financial performance (Din et al., 2021; Faruq & Setiawan, 2020), while others report neutral or even negative effects (Raharjanti et al., 2023; Saidat et al., 2019). Similarly, the relationship between liquidity and profitability in the banking sector remains inconclusive across different timeframes and market conditions. Few studies in Indonesia have examined the combined effects of female leadership at multiple governance levels (commissioners, directors, audit committees) along with liquidity factors on financial performance. Moreover, this study extends the observation period to 2019–2024, providing updated evidence that captures post-pandemic corporate behavior and governance dynamics.

Research Hypotheses

Based on the theoretical framework and previous empirical findings, the hypotheses of this study are formulated as follows:

H_1: Female Board of Commissioners (FBC) have a positive effect on ROA in conventional commercial banks listed on the IDX for the period 2019–2024.

H_2: Female Board of Directors (FBD) have a negative effect on ROA in conventional commercial banks listed on the IDX for the period 2019–2024.

H_3: Female Audit Committee Members (FAC) have a positive effect on ROA in conventional commercial banks listed on the IDX for the period 2019–2024.

H_4: Loan to Deposit Ratio (LDR) has a positive effect on ROA in conventional commercial banks listed on the IDX for the period 2019–2024.

H_5: Female Commissioners, Female Directors, Female Audit Committee Members, and LDR simultaneously have a positive effect on ROA in conventional commercial banks listed on the IDX for the period 2019–2024.

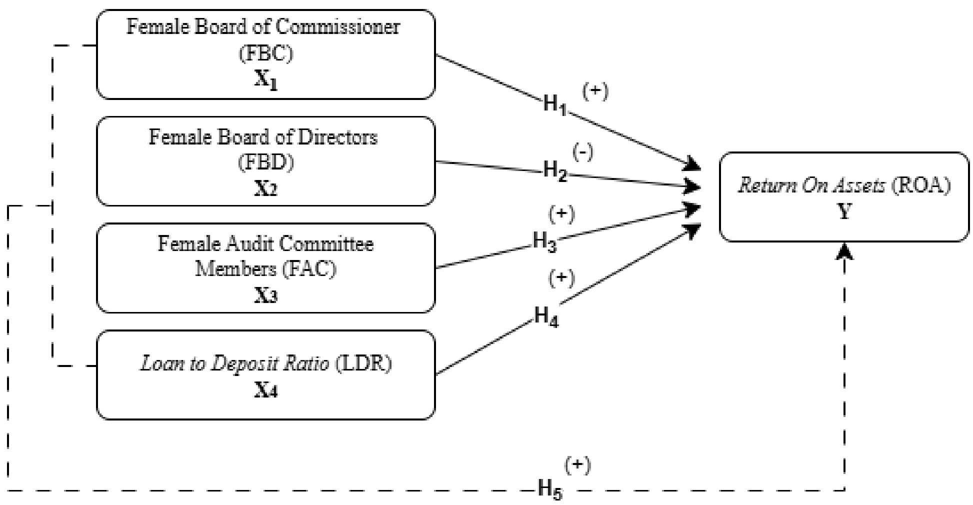

Figure 2. Research Hypotheses
Source: Processed by the author (2025)

C. RESEARCH METHODOLOGY

Based on Sugiyono (2017), population referred to the complete set about elements nor objects thats share specific characteristics relevant to the research. In this study, the population comprises conventional commercial banks listed on IDX that have published audited annual reports between 2019 and 2024, totaling 47 banks. The sampling method employed is purposive sampling, with the criteria below:

1. Banks publicly on IDX during the 2019–2024 period.
2. Availability of complete audited annual reports and financial statements throughout the research timeframe.
3. Banks with national ownership and comprehensive data related to the variables under study.

By applying these criteria, a final sample of 23 banks was obtained. This research utilizes panel data, which integrates both cross-sectional and time-series data. The secondary from audited annual reports and financial statements published by the selected banks on the official IDX website. Data collection was conducted through documentation. According to Sugiyono (2017), research variables are attributes or characteristics of objects that vary and are identified by the researcher for further analysis. This study includes one dependent variables, ROA, and four independent variables : Female Board of Commissioners, Directors, Audit Committee, and Loan to Deposit Ratio.

Table 2. Operasional Variables

Variable	Definition	Formula
ROAFemale Board of Commissioners (FBC)	The proportion of women occupying commissioner positions.	FBC = (Number of female commissioners / Total commissioners) × 100%
Female Board of Directors (FBD)	The proportion of women in director positions.	FBD = (Number of female directors / Total directors) × 100%
Female Audit Committee (FAC)	The proportion of women in the audit committee.	FAC = (Number of female audit committee members / Total audit committee members) × 100%
Loan to Deposit Ratio (LDR)	Indicates the bank's ability to fulfill short-term liabilities using loans	LDR = (Total loans / Total deposits) × 100%
Return on Assets (ROA)	Indicates profitability efficiency from total assets.	ROA = (Net income / Total assets) × 100%

Source: Proceesed by the author

Wahyudi and Silpayana (2022) state that panel data represents a combination of time series and cross-sectional observations. By integrating these two types of data, panel data enables researchers to analyze dynamic changes over time while simultaneously capturing differences across entities. The panel data regression equation can be formed as below :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots \text{(1)}$$

Where:

- Y = Dependent variable (ROA)
- α = Constant
- β = Regression coefficient
- X_1 = Independent variable 1 (Female Board of Commissioners / FBC)
- X_2 = Independent variable 2 (Female Board of Directors / FBD)
- X_3 = Independent variable 3 (Female Audit Committee / FAC)
- X_4 = Independent variable 4 (Loan to Deposit Ratio / LDR)
- E = Error term

D. RESULT AND DISCUSSION

Descriptive Statistics

Table 3. Descriptive Statistics

Variable	Min.	Max.	Mean	Std. Dev
ROA	-9,23	4,76	1,14	1,95
FBC	0	0,5	0,17	0,15
FBD	0	0,67	0,17	0,19
FAC	0	0,67	0,11	0,17
LDR	12,35	163,19	78,06	27,55

Source: Output STATA 17

Referring to Table 3, the descriptive statistics for conventional commercial banks with valid data from 2019 to 2024 include 138 samples. The Return on Assets (ROA) variable range by a min = -9.23 to a max = 4.76, with an average = 1.14 and standard deviation = 1.95. FBC variable has values betweens 0 and 0.5, mean = 0.17, and a standard deviation = 1.1518. For FBD, min = 0, the max = 0.6667, the mean = 0.1698, and the standard deviation = 0.1872. FAC variable range by 0 to 0.6667, with mean = 0.1112 and standard deviation = 0.1677. Lastly, the Loan to Deposit Ratio (LDR) spans from 12.53 to 163.19, with average value = 78.06 and a standard deviation = 27.55.

Regression Model Testing

Table 4. Regression Model Testing

Uji Chow	Uji Hausman	Uji Legrange Multiplier
Prob > F = 0,000	Prob > chi2 = 0.4884	Prob > chibar2 = 0.0000

Source: Output STATA 17

Chow Test

As shown in Table 4, the Chow test yields a Cross-section F probability = 0.0000, which below the 0.05 threshold. This implies Fixed Effect Model is more suitable. The subsequent step involves performing the Hausman Test to deciding which Fixed Effects Model or Random Effects Model.

Hausman Test

According to Table 4, the Hausman test produces a probability = 0.4884, exceeding 0.05. Hence, the Random Effect Model is deemed more suitable. Furthermore procedure is to carry out Lagrange Multiplier test to compare the Common Effect Model with the Random Effect Model.

Lagrange Multiplier Test

Table 4 illustrates how the Lagrange Multiplier test has probability = 0.0000, where is less than 0.05. Therefore, the Random Effect Model is identified as the most suitable estimation method for this study.

Panel Data Regression Analysis

Table 5. Panel Data Regression Analysis

Variable	Coef.	Std.er	z	P>|z|
X1 (FBC)	-0,9940	1,2640	-0,79	0,432
X2 (FBD)	-2,2210	1,0389	-2,14	0,033
X3 (FAC)	0,1643	1,0190	0,16	0,872
X4 (LDR)	0,0204	0,0069	2,92	0,003
_cons	0,0723	0,6465	0,11	0,911
R-Squared		0,0318		
Wald chi2(4)		11,43		
Prob > chi2		0,0221		

Source: Output STATA 17

According to the results in Table 5, the Random Effect Model estimation for conventional commercial banks results in the following regression equation:

$$ROA = 0.0722593 - 0.9940454\ FBC - 2.221024\ FBD + 0.1643127\ FAC + 0.0204458\ LDR$$

Interpretation of coefficients:

1. The constant = 0.0723, implies that if the entire independent variable is the same as zero, the ROA = 0.0723.
2. The coefficient of Female Board of Commissioners (FBC) is -0.9940, meaning that a 1% increase in FBC will reduce ROA by 0.9940%, with the assumption that the remaine variable are constant.
3. The coefficient of Female Board of Directors (FBD) is -2.2210, meaning that a 1% increase in FBD will reduce ROA by 2.2210%, with the assumption that the remaine variable are constant.
4. The coefficient of Female Audit Committee (FAC) is +0.1643, meaning that a 1% increase in FAC can increase ROA by 0.1643%, with the assumption that the remaine variable are constant.
5. The coefficient of Loan to Deposit Ratio (LDR) is +0.0204, which means that a 1% increase in LDR can increase ROA by 0.0204%, with the assumption that the remaine variable are constant.

Hypothesis Testing

t-Test (Partial)

Table 6. t-Test

Variable	Coef.	Std.er	z	P>|z|
X1 (FBC)	-0,9940	1,2640	-0,79	0,432
X2 (FBD)	-2,2210	1,0389	-2,14	0,033
X3 (FAC)	0,1643	1,0190	0,16	0,872
X4 (LDR)	0,0204	0,0069	2,92	0,003
_cons	0,0723	0,6465	0,11	0,911

Source: Output STATA 17

Based on Table 6, the probability value of variable as follows:

1. FBC has a probability = 0.432 > 0.05, indicating no significant effect on ROA.
2. FBC has a probability = 0.033 < 0.05, indicating a significant negative effect on ROA.
3. FAC has a probability = 0.872 > 0.05, indicates no significant effect on ROA.
4. LDR has a probability = 0.003 < 0.05, indicates significanly positive effect on ROA.

F-Test (Simultaneous)

Table 7. F-Test (Simultaneous)

F-Statistic	11,43
Prob F-Statistic	0,0221

Source: Output STATA 17

Based on Table 7, the probability value of the F-statistic = 0.0221 < 0.05, indicating that FBC, FBD, FAC, and LDR simultaneously have a significant effect on ROA.

Coefficient of Determination (R^2)

Table 8. Coefficient of Determination (R^2)

Random effect GLS Regression	
R-squared:	
Within	= 0,1049
Between	= 0,0134
Overall	= 0,0318

Source: Output STATA 17

According to Table 8, the adjusted R-square = 0.0318, mean FBC, FBD, FAC, and LDR explain 3.18% of the variation in ROA, while the rest 96.82% explained by another variable beyond this research.

Discussion of Results

The Effect of Female Commissioners (FBC) on Return on Assets (ROA)

The results indicate that the presence of female commissioners (FBC) does not significantly affect ROA. This finding aligns more closely with Agency Theory rather than Upper Echelons Theory. According to Agency Theory, differences in objectives between principals and agents may lead to agency problems that negatively influence firm performance. This result supports Gunawan and Wijaya (2021), who found that the existence of female audit members did not significantly affect firm performance. Although female commissioners may contribute diverse perspectives and governance insights, excessive diversity can slow decision-making, particularly in risk management. Hence, a higher proportion of female commissioners does not necessarily improve banks' financial performance.

The Effect of Female Directors (FBD) on Return on Assets (ROA)

The findings reveal that female directors (FBD) have a significant negative effect on ROA. This result supports Agency Theory, which explains that conflicts of interest between managers (agents) and owners (principals) can reduce firm performance. The negative coefficient indicates that a higher proportion of female directors tends to lower ROA. This finding is consistent with Nugrahani and Yuniarti (2021) who reported a similar negative effect. Although female directors may provide innovative ideas and diverse viewpoints, greater diversity may also lead to coordination challenges and differing opinions within the boardroom. Therefore, an increase in female directors does not necessarily translate into higher company performance.

The Effect of Female Audit Committee Members (FAC) on Return on Assets (ROA)

The result show FAC not has significant impact to ROA. This outcome supports Agency Theory and is consistent with the results reported by Gunawan and Wijaya (2021). While female members may bring attention to detail and accuracy or qualities valuable in financial oversight the collective and procedural nature of audit committee work often dilutes the impact of individual gender characteristics. Consequently, the presence of female members does not significantly influence firm performance.

The Effect of Loan to Deposit Ratio (LDR) on Return on Assets (ROA)

The results demonstrate that the Loan to Deposit Ratio (LDR) has a significant positive effect on ROA, supporting the Upper Echelons Theory, which emphasizes that strategic decisions by top management affect organizational outcomes. An optimal LDR reflects efficient utilization of deposits for productive lending, which enhances profitability. This result is in line with Putri, Kesaulya, and Khairunnisa (2021) who also identified a positive relationship between LDR and financial performance. A higher LDR indicates that fewer funds are held in liquid form and more are allocated to loans, which typically generate higher returns. Therefore, effective liquidity management and credit allocation improve bank profitability, as reflected in higher ROA.

The Influence of Female Board of Commissioners (FBC), Female Board of Directors (FBD), Female Audit Committee (FAC), and Loan to Deposit Ratio (LDR) simultaneously on Return On Assets (ROA)

The combined influence of FBC, FBD, FAC, and LDR on ROA is analyzed through the F-test. The F-statistic probability value ($0.0221 < 0.05$) indicates that the four variables jointly have a significant effect on ROA. This suggests that gender diversity within corporate governance structures along with sound liquidity management collectively contributes to improving the financial performance of conventional commercial banks listed on the Indonesia Stock Exchange.

E. CONCLUSION AND SUGGESTION

Conclusion

The study demonstrates that gender diversity within governance structures and liquidity management exert varying effects on bank financial performance. The presence of female commissioners (FBC) and female audit committee members (FAC) shows a negative yet statistically insignificant relationship with Return on Assets (ROA), implying that their inclusion does not directly enhance profitability. Female directors (FBD), however, display a significant negative influence on ROA, suggesting that higher gender diversity at the executive level may create coordination and decision-making challenges that slightly hinder performance. Conversely, the Loan to Deposit Ratio (LDR) positively and significantly affects ROA, confirming that efficient utilization of funds through lending contributes to profitability. Taken together, FBC, FBD, FAC, and LDR have a joint significant effect on ROA, indicating that balanced gender representation combined with prudent liquidity management strengthens overall financial performance.

Managerial and Policy Implications

The results underline the need for banks to optimize both gender diversity and liquidity management to improve performance. Financial institutions should focus on empowering female leaders through strategic placement, training, and inclusion in key decision-making processes to ensure that diversity translates into value creation. Enhancing communication and collaboration among board members can reduce potential conflicts and foster more effective governance. Moreover, maintaining an optimal LDR ratio remains essential to sustain profitability while managing liquidity risks. From a policy perspective, regulators could encourage banks to adopt frameworks that promote inclusive leadership and sound risk management as part of their long-term performance strategy.

Suggestions

In line with these findings, several recommendations can be made. Banks are encouraged to pay closer attention to the proportion and competence of female in governance structures, ensuring that their presence provides meaningful contributions to financial performance. In addition, improving coordination and decision-making processes within boards and committees is essential to minimize conflicts and enhance strategic effectiveness. Future studies are suggested to extend the observation period, broaden the scope to other industries, or include additional governance variables, so as in order to provided a more complete understanding of determinants of financial performance.

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