

MODERATING ROLE OF BOARD EQUITY OWNERSHIP ON THE RELATIONSHIP BETWEEN FEMALE BOARD, BOARD PROCESS AND COMPANIES' PERFORMANCE

Arien Anjar Puspitosari¹⁾, Asna²⁾, Andi Nu Graha³⁾
Universitas PGRI Kanjuruhan Malang
E-mail: arien@unikama.ac.id

Abstract: The Oil Palm companies create one of the most significant contributions to Indonesia's economic development. However, company performance in oil palm companies falls short of expectations, which is related to how they are accountable to their shareholders. Thus, the study's objective is to investigate the effects of female directors, board process, and board equity ownership on performance in Indonesian oil palm companies. The findings reveal a connection between female director, board process, and company performance. Furthermore, the moderating role of board equity ownership weakens the link between female director and firm performance. Admittedly, the indirect relationship revealed that board equity ownership strengthens the relations between board process and company performance, especially in Indonesian oil palm companies. According to the author's knowledge, a few studies have been conducted in oil palm companies, and it provides a prominent issue in corporate governance mechanisms, particularly on-board equity ownership, the majority of which is held by family members.

Keywords: *company performance, board equity ownership, female director, board process*

1. Introduction

Company performance on the Oil Palm Companies in Indonesia has a significant contribution towards economic development. For last several decades, the gross domestic product (GDP) from agriculture sector show an increasing trend by 3 percent as well as reaching 13.5% of non-oil gas export (Ministry of Agriculture, 2022) In the contrary, the increasing of GDP is not aligning with the company performance among oil palm companies. Thus, the companies have a challenge to raise their performance due to the unpredictable market and competition. Corporate governance (CG) is one of factor which can affect the company performance, particularly in emerging countries, i.e., Indonesia. The CG mechanism is still weak and it requires company awareness of CG practices (Muchlis, 2017; Pasaribu *et al.*, 2015). The previous researches have been conducted majority in banking, industry, and manufacture sectors (Andriani Tisna and Agustami, 2016; Uzliawati, 2015). Little studies focused on oil palm companies. Thus, it may bring a substantial contribution to find out whether CG mechanism has an impact on company performance in Indonesia oil palm companies.

Furthermore, the importance of the board director position in overseeing management and minimizing the conflict of interest between managers and shareholders is highlighted by CG mechanism (Wang *et al.*, 2019). Thus, by increasing the effectiveness of the board in monitoring and supervising management, the company's performance will be improved (Terjesen *et al.*, 2016). The important issue on board of director is female diversity who join as board member. The studies of female's participation pay attention since two last decades (Maravelaki *et al.*, 2017). One of board diversity is female membership on board which it noticed will enhance

company performance (Brahma et al., 2021). Thus, it can be influences various aspects of corporate behavior as decision making, boardroom behavior, board activity and outcome (Kramaric et al., 2018). Further, Arora (2022) presume it still lacks a clear understanding of the effects of gender diversity on the board so far. Hence, the female's board may have an important role that should not be neglected.

While a massive researches have been done to investigate corporate governance mechanism which is focus on board composition, board characteristic, and board structure, the board process is left behind on discussion board effectiveness (Zahra and Pearce, 1989). As board of directors as a key actor how they accomplish their task (Leblanc and Schwartz, 2007). Scholars attempted to discuss board process into corporate governance mechanism by put board decision making activities (Al Farooque et al., 2020). However, less study has attempted to gather an integrative approach by studying the effectiveness of board (Adawi & Rwegasira, 2010; Puni & Anlesinya, 2020). Thus, the call research for board process is urgent to accommodate in this study.

According to agency theory, one of the types of ownership is board equity ownership (BEO) or managerial ownership which is regarding as directors who have opportunistic behaviour unless they have proper incentive (Abdallah and Ismail, 2017). Given the directors opportunity to have some portion of ownership, it will reduce the company expenses from conflict of interest between manager and shareholders (Wang *et al.*, 2019). It is regarded as a prominent issue in CG mechanisms, particularly in emerging markets, where the ownership structure area is highlighted to implement due to a lack of knowledge in this area (Kuo et al., 2020).

2. Literature Review

Female Director

There is a lack of diversity on the board, especially among female directors who join as board members. Since the last two decades, research on female involvement has gotten a lot of focus (Maravelaki et al., 2017). The presence of a female director would improve the company's performance (Adams, 2016; Martín & Herrero, 2018).

Females, as opposed to males, have different attributes, skills, and characteristics that can lead to their presence on the board of directors and thus produce better results for company performance (Hoobler et al., 2018). Other scholars, on the other hand, suggest that the role of a female director on a board is less successful in decision-making due to a lack of experience as a directors (Adams & Ferreira, 2009; Kramaric et al., 2018).

Pletzer et al.(2015) also highlighted the negative relationship between female directors and company performance, highlighting the director's lack of expertise and experience in monitoring the company's performance as a factor.

Despite a number of studies in this field, further research is needed to gain a better understanding of the benefits of female directors (Adams et al., 2010), particularly because a clear understanding of the effects of gender diversity is still lacking (Toumi et al., 2016). As a result, the female director can play an important role that should not be overlooked, and further research is required.

Board Process

Other board features, such as board process, have been overlooked by academics, despite the fact that board composition and characteristics studies have received a lot of attention

(Kassim et al., 2012; Leblanc & Schwartz, 2007). The board process relates to the method taken by directors in carrying out their responsibilities as board members (Leblanc, 2004; Macus, 2008) and represents the board's decision-making activities (Korac-Kakabadse et al., 2001).

Furthermore, the board process also entails "clarification of board and management positions, board structure and organization, board meeting coordination and management, and the effectiveness of the board as a working group." (Dulewicz & Herbert, 1999, p. 178). The board process, in a broad sense, is the approach taken by directors in carrying out their duties, especially in decision-making (Zahra & Pearce, 1989). Adawi and Rwegasira (2010) stated that conventional research on boards of directors has hitherto focused solely on-board structure and board composition, ignoring other board characteristics such as board process. Thus, it can be considered a contribution to the present literature on boards of directors by proposing an integrated model that links board characteristics (structure, composition, and process) to company performance (Charas, 2015).

Previous studies have been conducted on the relationship between board process, which only focuses on board meetings and information availability dimensions and company results yielded a significant result (Schepker et al., 2018; Zhu et al., 2016). However, fewer studies have attempted to compile an integrative approach to the board process, which includes four dimensions (board risk, board access information, CEO performance evaluation, and performance of independence directors) (Kassim, 2017). Therefore, recognizing the different dimensions of board process could lead to a more in-depth understanding of the operation of the boards and their significant contribution to company performance.

Board Equity Ownership (BEO)

BEO is typically defined as the percentage of a company's shares owned by its top executives and directors. BEO as an effective corporate governance mechanism has salient influence on corporate risk-taking (Ahmed & Manab, 2016; Rhou & Singal, 2020). Jensen and Meckling (1976) suggest that BEO can help alleviate agency conflicts between agents and principals. That is because a director who owns a portion of the company shares has more incentives to maximize job performance to ensure better company performance (Shan, 2019).

While empirical research on the BEO and company performance stated mixed and contradictory results (Mohd Gazali, 2010; Vu et al., 2018), meta-analyses (Sánchez-Ballesta & García-Meca, 2007; Siddiqui, 2015) as well as literature reviews (Cheng et al., 2012; Grossman & Hart, 1986) on that topic support the assumption of a positive impact of BEO on company performance. With regard to Paniagua et al. (2018) observe a positive linear relationship between BEO and company performance. In particular, in developing countries, the empirical studies on the relationship between BEO and company performance found inconclusive results (Dixon et al., 2017; El-Habashy, 2019; Obembe et al., 2016; Vu et al., 2018).

That is, while studies on corporate governance in Indonesia are plentiful (Balqiah et al., 2017; Caesari et al., 2016; Handoyo & Putri, 2019; Pidani et al., 2020), how BEO modulates the relationship between corporate governance and company performance is scanty and less discussed in the empirical literature (Saleh et al., 2017).

Hypotheses Development

The relationship between Female Director and Company Performance

Despite a strong trend in recent years that has resulted in women holding board roles, the vast majority of boardrooms are still made up of male directors (Elstad & Ladegard, 2012). Nonetheless, while the ethical and social reasons are beyond dispute and, from an ethical point of view, female director increases the firms' capability to lead the interests of the different stakeholders (Harjoto et al., 2015). In the same vein, Alvarado et al. (2017) contend that female director leads to more balanced decision-making, which improves company performance.

Although a very substantial body of theoretical and empirical research on the relationship between female director and company performance, the results are definitely mixed and contradictory (Assenga et al., 2018; Loukil et al., 2019; Nielsen & Huse, 2010; Sanan, 2016). Given the inconsistency of previous studies' findings, the subject of female directors and their relationship to firm success undoubtedly requires additional research. As a result, the hypothesis will be:

H1: There is a positive relationship between a female director and the performance of the company.

The relationship between Board Process and Company Performance

Massive research has been done to investigate corporate governance mechanisms that focus on board composition, board characteristics, and board structure, yet board process is left behind in the discussion of board effectiveness (Zahra & Pearce, 1989). Meanwhile, Pye and Pettigrew (2005) pointed out the importance of focusing on the board process. Thus, the board process should include a corporate governance mechanism in order to ensure board directors are able to accomplish their tasks effectively (Finkelstein & Mooney, 2003; Leblanc & Schwartz, 2007). Some scholars highlight that the role of monitoring in corporate risk management is the key responsibility of the board (Zattoni et al., 2015). The hypothesis will be:

H2: There is a positive relationship between the board process and the performance of the company.

The moderating effect of BEO on the relationship between female director and company performance

Corporate governance through its mechanisms will reduce agency conflict (Goranova et al., 2015). The huge number of empirical studies that are related to corporate governance focus on the relationship between board features and company performance, such as board diversity (Assenga et al., 2018; Cordeiro et al., 2020). There has been a sharp rise in the interest in gender diversity and the presence of women in leadership roles. Many studies have been examined the relationship between representative female on corporate boards and firm performance, yet, the findings are conflicting (Fernández-Temprano & Tejerina-Gaite, 2020; Pavić Kramarić et al., 2018; Terjesen et al., 2016). However, despite the considerable number of studies, the results are still contradictory. This can be argued, particularly in developing countries, such as in Indonesian companies where the family ownership is deeply involved in the day-to-day companies' operation, therefore creating an agency problem between principals and agents (Mohd Gazali, 2010). Board equity ownership is a key corporate governance measure employed

by companies to reduce agency problems (Jensen & Meckling, 1976). Importantly, a mere handful of studies have examined the effect of board equity ownership as a moderating variable (Dixon et al., 2017; Singh et al., 2018).

Based on prior research demonstrating that board ownership structures may have a moderating effect on corporate governance and company performance (Abdallah & Ismail, 2017; Vu et al., 2018), although few empirically examined in the literature, particularly in the corporate governance empirical literature in Indonesia, Thus, the hypothesis posits that:

H3: Board equity ownership positively moderates the relationship between female director and company performance.

The moderating effect of BEO on the relationship between board process and company performance

The primary role of the board is to protect the interest of the shareholders. The emphasis is on the board process in order to assess the effectiveness of the board (Leblanc, 2004). Previous studies concerned on board structure, board composition and board characteristics, but few studies included the board process attributes (Nicholson & Kiel, 2007; Wan & Ong, 2005).

Further, researchers have started to step beyond board structure, arguing that what really matters to the effectiveness of the board are the processes within the boardroom (Forbes & Milliken, 1999; Westphal & Bednar, 2005), and emphasize the relationship between board process and company performance other potential factors such as corporate governance and company performance (Leblanc & Schwartz, 2007; Pugliese et al., 2015). Four major dimensions are defined as important for the presentation of the board process: board's risk oversight, board access information, independence director performance, and CEO performance (Robbins & Judge, 2018; Zhu et al., 2016).

Nevertheless, the previous studies have been yet reached conclusive findings. The potential contingency factor is still needed to explore the justification relationship between board process through board monitoring and advice tasks (Pugliese et al., 2014). One of contingency factor is important to integrate between board of director and chief executive officer is board equity ownership/ managerial ownership in order to elaborate the balance power in between these parties, in turn it will improve company performance (Pearce & Zahra, 1991). Hence, the study to examine the moderation effect of board ownership equity on the relations between board process and performance is remained in open discussion. The hypothesis will be proposed:

H4: Board equity ownership positively moderates the relationship between board process and company performance.

3. Research Method

Population and sample

This study's population focuses on palm oil companies in Indonesia, and the sample taken was the board of directors as a respondent who works in oil palm companies. The results of 250 questionnaires were self-administered to the boards of directors of Indonesian oil palm companies.

Definition Operational variables

Company performance is measured by the degree to which an entity has achieved its own set of specified goals (Dieckman, 2001). In addition, the measurement of company performance can be defined into two side financial and non-financial (Hoque, 2004; Mishra & Suar, 2010).

Female director is defined by the presentation of female on board which can influence of corporate governance practices in company (Nielsen & Huse, 2010).

Board process is defined by the board should have clear objectives and monitor its performance, focus on the correct areas, and fully discuss all main issues before making decisions (Zahra S.A. & Pearce, 1989).

Board Equity Ownership (BEO) is operationalized as the level of director shareholding. It has been proposed to enhance CEO/management monitoring by aligning directors' and shareholders' interests (Ammann et al., 2011).

Data Analysis

PLS-SEM version 3.2.8 was used to examine the relationships between employee responsibility, environmental responsibility, community responsibility, and company performance. PLS-SEM evaluation comprises two steps: (1) the measurement model and (2) the structural model. As a result, those procedures were used in this study to evaluate and report the results of the PLS-SEM path model proposed by (Hair et al., 2017).

4. Result and Discussion

4.1 Result

The measurement model is the outer model in SEM-PLS, as discussed in the research method section (Henseler et al., 2015). The evaluation of measurement models includes : a) Outer loading to specify individual indicator reliability, b) Composite Reliability (CR) to indicate internal consistency, c) Average Variance Extracted (AVE) to achieve convergent validity, and iv) discriminant validity via Heterotrait-Monotrait (HTMT) ratio (Hair et al., 2017). The individual indicator's reliability should be assessed by analyzing the outer loading of each of the construct's measures (items) (Hair et al., 2014; Hulland, 1999). The researchers also provided a thumb rule for item retention, recommending that items between .40 and .70 be retained (Hair et al., 2017). Table 1 illustrates the internal consistency reliability results based on Cronbach Alpha (CA) and composite reliability (CR).

Table 1
Results of Convergent Validity and Internal Consistency

Constructs	Loadings	Cronbach's Alpha (CA)	Composite Reliability (CR)	Average Variance Extract (AVE)
Female Director				
FD01	0.749	0.841	0.887	0.611
FD02	0.812			
FD03	0.827			
FD04	0.764			
FD05	0.754			
Board Process				
AI02	0.757	0.845	0.905	0.601
AI04	0.740			
AI05	0.813			
BR02	0.688			
BR03	0.876			
BR04	0.826			
BR05	0.783			
BR06	0.794			
Performance				
FP01	0.770	0.901	0.919	0.603
FP03	0.762			
FP03	0.727			
Performance				
NFP01	0.776	0.901	0.919	0.603
NFP02	0.750			
NFP03	0.835			
NFP04	0.803			
NFP05	0.787			
Board Equity Ownership				
BEO01	0.740	0.757	0.837	0.510
BEO02	0.546			
BEO03	0.739			
BEO04	0.732			
BEO05	0.787			

Source: Processed Data (2022)

It can be seen in Table 1 showed that the values indicated the outer loading (factor loading) in the range of 0.546 to 0.876. Hence, the outer loading for each construct is suitable. Likewise, the AVE which the minimum for AVE value is 0.50 (Fornell & Larcker, 1981; Gefen et al., 2000). The AVE values demonstrate the ranging from 0.510 to 0.611. As a result, the criteria of convergent validity for all items are achieved. Whereas all constructs have passed the internal consistency reliability based on both CA and CR

values. CA value above 0.70 is considered adequate (Nunnally, 1978) and CR value between 0,70 – 0.90 are considered satisfactory (Gefen et al., 2000). Hence, all constructs have been reliably measured. Furthermore, HTMT values also did not find discriminant values.

Furthermore, the structural models are performed to evaluate hypotheses results. This study reports the hypotheses testing as in Table 2.

Table 2

Results of significance testing

Relationship	β	T statistics	p values	Decision
H1: FD → PERF	0.334	7.778	0.000	Supported
H2: BP → PERF	0.402	9.597	0.000	Supported
H3: FD x BEO → PERF	-0.025	0.047	0.522	Not supported
H4: BP x BEO → PERF	0.088	1.894	0.029	Supported

Note: FD = Female Director, BP = Board Process, BEO = Board Equity Ownership, PERF = Performance.

Source: Processed Data (2022)

Table 2 presents the result of significance testing of full model relationships between female director, board process and company performance as well as the moderation effect of board equity ownership. Results in Table 2 exhibits positive and significant relationship between; (i) FD and PERF; (ii) BP and PERF. Thus, H1 and H2 are supported. On the other hand, the moderation of BEO weakens the relationship between FD and PERF, therefore H3 is not supported. Interestingly, the role of BOE as moderation effect strengthens the relationship between BP dan PERF. Thus, H4 is supported. Meanwhile, R^2 value interprets the proportion of percentage of variance in dependent variable that is explained by independent variables. Generally, R^2 values of 0.19, 0.33, and 0.67 are regarded as weak, moderate, and substantial respectively (Chin, 1998). Performance has variance explained of 57.4% (i.e., $R^2 = 0.574$). It means the model of Performance among the Oil Palm Companies in Indonesia has a moderate level of variance explained and indicated that female director, board process and board equity ownership as moderating factor as significant predictor of performance.

4.2 Discussion

This result of study discovered that female director influenced company performance. This study supported previous research that stated the females directors existence bring to their profession values and criteria that contrast with from those used by men (Gul et al., 2011). As a result, scholars are paying a lot of attentions to the position of women on boards of directors and how they contribute to improving company performance (Duppatti et al., 2019; Kyaw et al., 2017; Terjesen et al., 2016). Despite this, the study's findings showed that the board process had an insignificant effect on company

performance. Previous studies have indicated that the board process is important when company performance is weak (Farhan et al., 2017; García-Ramos & García-Olalla, 2011). Likewise, the finding of study revealed that board process had a significantly positive on company performance. According to previous research, board risk oversight can enhance board effectiveness as well as hospital service quality performance (Jiang et al., 2009; Oyerogba et al., 2017). Other past studies assumed that having adequate access to company information allows directors to improve quality through problem-solving ability (Macus, 2008; Tricker, 2015). The prior studies of the relations between female board and company performance generated the mixed results (Darmadi, 2013; Loukil et al., 2019; Shehata et al., 2017). Above all, many important issues concerning ownership structure and its effect on corporate governance mechanism and company performance remained unexplored (Kumar & Zattoni, 2017). The study finding revealed that board ownership equity as a moderator variable weakens the nexus female director and company performance. Previous studies supported the same result with this study finding (Shen et al., 2018; Velayudhan & Musa, 2018).

The direct relationship between board process and company's performance has a few concern of scholars which can generate board effectiveness in company management (Forbes & Milliken, 1999; Gabrielsson & Huse, 2004; Wan & Ong, 2005). However, previous studies revealed that the relationship between board process and performance found mixed results (Laouer, 2018; Saleh et al., 2020). Zahra and Pearce (1989) therefore proposed the contingency approach on the link between board process and company performance by adopting ownership structure as moderation/ mediation factor. Regarding to this study was consistent with previous research which showed that the moderator effect of board ownership equity strengthens the link between board process and company performance (Ahmed & Manab, 2016; Makhlouf et al., 2018).

5. Conclusion

To summarize, the moderator variable of board equity ownership was extended in this study to examine the relationship between female director, board process and company performance. Previous research has found that corporate governance mechanism such as female directors has a greater impact than the board process.

The study's conclusion was that female director and board process have a direct impact on company performance. When the moderating effect is part of the part of the analysis, the findings show that board equity ownership strengthens the relationship between board process, and company performance. On the contrary board equity ownership weakens the relationship between female director and company performance. Furthermore, this study reveals new evidence of female director, board process and company performance with the role of board equity ownership as moderating factor, especially among Indonesian oil palm companies. Numerous study limitations have been identified, providing opportunities for future research.

Future research should incorporate corporate governance dimensions such as independent director, as well as other antecedent and mediator variables, into the study model. Increasing the sample size, broadening the research approach (i.e., qualitative

research), and broadening the business sectors all helped to confirm the study. As a result, the findings of this study will provide practitioners, government officials, and academicians with useful recommendations for improving corporate governance mechanisms and company performance.

References

- Abdallah, A. A.-N., & Ismail, A. (2017). Corporate governance practices, ownership structure, and corporate performance in the GCC countries. *Journal of International Financial Markets, Institutions & Money*, 46(January), 98–115.
<https://doi.org/10.1016/j.intfin.2016.08.004>
- Adams, R. B. (2016). Women on boards: The superheroes of tomorrow? *Leadership Quarterly*, 27(3), 371–386. <https://doi.org/10.1016/j.leaqua.2015.11.001>
- Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94(2), 291–309.
<https://doi.org/10.1016/j.jfineco.2008.10.007>
- Adams, R. B., Hermalin, B. E., & Weisbach, M. S. (2010). The role of boards of directors in corporate governance : A conceptual framework and survey. *Journal of Economic Literature*, 48(1), 58–107.
- Adawi, M., & Rwegasira, K. (2010). Toward developing an effective board: evidence from UAE-listed companies. *Journal of Transnational Management*, 15(2), 151–175.
<https://doi.org/10.1080/15332667.2010.481253>
- Agrawal, A., & Knoeber, C. R. (1996). Firm performance and mechanisms to control agency problems between managers and shareholders. *The Journal of Financial and Quantitative Analysis*, 31(3), 377–397.
- Ahmed, I., & Manab, N. A. (2016). Moderating Effects of Board Equity Ownership on the Relationship Between Enterprise Risk Management, Regulatory Compliance and Firm Performance: Evidence From Nigeria. *International Journal of Economics, Management and Accounting*, 24(2), 163–187.
- Al Farooque, O., Buachoom, W., & Sun, L. (2020). Board, audit committee, ownership and financial performance—emerging trends from Thailand. *Pacific Accounting Review*, 32(1), 54–81.
- Alabdullah, T. T. Y. (2018). The relationship between ownership structure and firm financial performance: Evidence from Jordan. *Benchmarking: An International Journal*, 25(1), 319–333.
- Alvarado, N. R., De Fuentes, P., & Laffarga, J. (2017). Does board gender diversity influence financial performance ? Evidence from Spain. *Journal of Business Ethics*, 141(2), 337–350.
<https://doi.org/10.1007/s10551-015-2735-9>
- Ammann, M., Oesch, D., & Schmid, M. M. (2011). Corporate governance and firm value: International evidence. *Journal of Empirical Finance*, 18(1), 36–55.
<https://doi.org/10.1016/j.jempfin.2010.10.003>
- Ararat, M., Aksu, M., & Tansel Cetin, A. (2015). How board diversity affects firm performance in emerging markets: Evidence on channels in controlled firms. *Corporate Governance: An International Review*, 23(2), 83–103. <https://doi.org/10.1111/corg.12103>

- Arora, A. (2022). Gender diversity in boardroom and its impact on firm performance. *Journal of Management and Governance*, 26(3), 735–755.
- Assenga, M. P., Aly, D., & Hussainey, K. (2018). The impact of board characteristics on the financial performance of Tanzanian firms. *Corporate Governance (Bingley)*, 18(6), 1089–1106. <https://doi.org/10.1108/CG-09-2016-0174>
- Balqiah, T. E., Yuliati, E., Astuti, R. D., & Sobari, N. (2017). Corporate social responsibility: linkage business performance and social performance. *The South East Asian Journal of Management*, 11(2), 120–141.
- Brahma, S., Nwafor, C., & Boateng, A. (2021). Board gender diversity and firm performance: The UK evidence. *International Journal of Finance & Economics*, 26(4), 5704–5719.
- Byron, K., & Post, C. (2016). Women on boards of directors and corporate social performance: A meta-analysis. *Corporate Governance: An International Review*, 24(4), 428–442. <https://doi.org/10.1111/corg.12165>
- Caesari, A. P., Irwanto, A. K., & Syamsun, M. (2016). Analisis Hubungan Corporate Governance , Corporate Social Responsibility , dan Corporate Financial Performance pada Perusahaan Kompas 100. *Jurnal Keuangan Perbankan*, 78(3), 409–417. <http://jurkubank.wordpress.com>
- Charas, S. (2015). Improving corporate performance by enhancing team dynamics at the board level. *International Journal of Disclosure and Governance*, 12(2), 107–131. <https://doi.org/10.1057/jdg.2013.35>
- Cheng, P., Su, L. N., & Zhu, X. K. (2012). Managerial ownership, board monitoring and firm performance in a family-concentrated corporate environment. *Accounting and Finance*, 52(4), 1061–1081. <https://doi.org/10.1111/j.1467-629X.2011.00448.x>
- Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In G. A. Marcoulideus (Ed.), *Modern Methods For Business Research* (pp. 295–336). Psychology Press. https://books.google.com.my/books?hl=en&lr=&id=EDZ5AgAAQBAJ&oi=fnd&pg=PA295&ots=48xB4ss2fn&sig=qCMYG9j1v42GSibD2aGMzY3NeKE&redir_esc=y#v=onepage&q&f=false
- Cordeiro, J. J., Profumo, G., & Tutore, I. (2020). Board gender diversity and corporate environmental performance: The moderating role of family and dual-class majority ownership structures. *Business Strategy and the Environment*, 29(3), 1127–1144. <https://doi.org/10.1002/bse.2421>
- Darmadi, S. (2013). Do women in top management affect firm performance? Evidence from Indonesia. *Corporate Governance (Bingley)*, 13(3), 288–304. <https://doi.org/10.1108/CG-12-2010-0096>
- Dieckman, R. (2001). Designing measurement system to drive corporate performance. *Ohio CPA*, 60(3), 41.
- Diez-Cañamero, B., Bishara, T., Otegi-Olaso, J. R., Minguez, R., & Fernández, J. M. (2020). Measurement of corporate social responsibility: A review of corporate sustainability indexes, rankings and ratings. *Sustainability (Switzerland)*, 12(5), 2153. <https://doi.org/10.3390/su12052153>
- Dixon, R., Guariglia, A., & Vijakumaran, R. (2017). Managerial ownership, corporate governance and firms' exporting decisions: evidence Chinese listed companies. *European Journal of Finance*, 23(7–9), 802–840.
- Dulewicz, V., & Herbert, P. (1999). The priorities and performance of boards in UK public

- companies. *Corporate Governance*, 7(2), 178–189. <https://doi.org/10.1111/1467-8683.00145>
- Duppati, G. R., Scrimgeour, F., & Sune, A. (2019). Relevance of corporate boards in driving performance in the period that covers financial crisis. *Corporate Governance (Bingley)*, 19(2), 321–338. <https://doi.org/10.1108/CG-11-2016-0204>
- El-Habashy, H. A. (2019). The effects of board and ownership structures on the performance of publicly listed companies in Egypt. *Academy of Accounting and Financial Studies Journal*, 23(1), 1–15.
- Elstad, B., & Ladegard, G. (2012). Women on corporate boards: Key influencers or tokens? *Journal of Management and Governance*, 16(4), 595–615. <https://doi.org/10.1007/s10997-010-9165-y>
- Farhan, A., Obaid, S. N., & Azlan, H. (2017). Corporate governance effect on firms' performance – evidence from the UAE. *Journal of Economic and Administrative Sciences*, 33(1), 66–80. <https://doi.org/10.1108/JEAS-01-2016-0002>
- Fernández-Temprano, M. A., & Tejerina-Gaite, F. (2020). Types of director, board diversity and firm performance. *Corporate Governance (Bingley)*. <https://doi.org/10.1108/CG-03-2019-0096>
- Finkelstein, S., & Mooney, A. C. (2003). Not the usual suspects: How to use board process to make boards better. *Academy of Management Executive*, 17(2), 101–113.
- Forbes, D. P. ., & Milliken, F. J. . (1999). Cognition and corporate governance : understanding boards of directors as strategic decision-making groups. *Academy of Management Review*, 24(3), 489–505. <https://doi.org/10.2307/259138>
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.20546/ijcrar.2016.409.006>
- Gabrielsson, J., & Huse, M. (2004). Context, behaviour and evolution: Challenges in research on boards and governance. *International Studies of Management and Organization*, 34(2), 11–36. <https://doi.org/10.4324/9780203888711>
- García-Ramos, R., & García-Olalla, M. (2011). Board characteristics and firm performance in public founder- and nonfounder-led family businesses. *Journal of Family Business Strategy*, 2(4), 220–231. <https://doi.org/10.1016/j.jfbs.2011.09.001>
- Gefen, D., Straub, D., & Boudreau, M.-C. (2000). Structural Equation Modeling and Regression : Guidelines for Research Practice. *Communication of the Association for Information System*, 4(1), 7.
- Goranova, M., Abouk, R., Nystrom, P. C., & Soofi, E. S. (2015). Corporate governance antecedents to shareholder activism: A zero inflated process. *Strategic Management Journal*, 38(2), 415–435.
- Grossman, S. J., & Hart, O. D. (1986). The cost and benefits of ownership: a theory of vertical and lateral integration. *Chicago Journals*, 94(4), 691–719.
- Gul, F. A., Srinidhi, B., & Ng, A. C. (2011). Does board gender diversity improve the informativeness of stock prices? *Journal of Accounting and Economics*, 51(3), 314–338. <https://doi.org/10.1016/j.jacceco.2011.01.005>
- Hair, J., HOLLINGSWORTH, C. L., RANDOLPH, A. B., & LOONG CHONG, A. Y. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management & Data Systems*, 117(3), 442–458.
- Hair, Joe F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least square

- equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 105–121.
- Hair, Joseph F., Hult, G. T. ., Ringle, C. M., & Sarstedt, M. (2017). *A Primer On Partial Least Squares Structural Equation Modelling (PLS-SEM)* (Second Edi). Sage Publications, Inc. <https://doi.org/10.1017/CBO9781107415324.004>
- Handoyo, S., & Putri, R. D. (2019). Do Corporate Governance and Financial Performance Reflect Value of Company ? *International Journal of Econimics, Business and Management Reserach*, 3(04), 55–80.
- Harjoto, M., Laksmana, I., & Lee, R. (2015). Board Diversity and Corporate Social Responsibility. *Journal of Business Ethics*, 132(4), 641–660. <https://doi.org/10.1007/s10551-014-2343-0>
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. <https://doi.org/10.1007/s11747-014-0403-8>
- Hoobler, J. ., Masterson, C. ., Nkomo, S. ., & Michel, E. . (2018). The business case for women keaders: Meta-analysis, research critique, and path forward. *Journal of Mana*, 44(6), 2473–2499. <https://doi.org/10.1017/CBO9781107415324.004>
- Hoque, Z. (2004). A contingency model of the association between strategy, environmental uncertainty and performance measurement: Impact on organizational performance. *International Business Review*, 13(4), 485–502. <https://doi.org/10.1016/j.ibusrev.2004.04.003>
- Hulland, J. (1999). Use of partial least square (PLS) in Strategic management research: A review of four recent studies. *Strategic Management Journal*, 20(2), 195–204. <https://doi.org/10.1017/CBO9781107415324.004>
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3(4), 305–360.
- Jiang, H. J., Lockee, C., Bass, K., & Fraser, I. (2009). Board oversight of quality: Any differences in process of care and mortality? *Journal of Healthcare Management*, 54(1), 15–29. <https://doi.org/10.1097/00115514-200901000-00005>
- Kassim, A. A. M. (2017). Board Effectiveness and Company Performance in Malaysian Companies. *Selangor Business Review*, 2(1), 49–62.
- Kassim, A. A. M., Ishak, Z., & Manaf, N. A. A. (2012). Board Process, Capital Structure Decisions and Company Performance. *Management Science and Engineering*, 6(1), 81–87. <https://doi.org/10.3968/j.mse.1913035X20120601.3200>
- Korac-Kakabadse, N., Kakabadse, A. K., & Kouzmin, A. (2001). Board governance and company performance: any correlations? *Corporate Governance: The International Journal of Business in Society*, 1(1), 24–30. <https://doi.org/10.1108/EUM0000000005457>
- Kramaric, T. P., Alesksic, A., & Pejic-Bach, M. (2018). Measuring the impact of board characteristics on the performance of Croatian insurance companies. *International Journal of Engineering Business Management*, 10(March), 1–13. <https://doi.org/10.1177/1847979018765864>
- Kumar, P., & Zattoni, A. (2017). Ownership structure and corporate governance : The need to further explore mutual and complex relationships. *Corporate Governance International Review*, 25(5), 292–293. <https://doi.org/10.1111/corg.12217>
- Kuo, K. C., Lu, W. M., & Dinh, T. N. (2020). Firm performance and ownership structure:

- Dynamic network data envelopment analysis approach. *Managerial and Decision Economics*, 41(4), 608–623. <https://doi.org/10.1002/mde.3124>
- Kweh, Q. L., Ahmad, N., Ting, I. W. K., Zhang, C., & Hassan, H. Bin. (2019). Board gender diversity, board independence and firm performance in malaysia. *Institutions and Economies*, 11(2), 1–20.
- Kyaw, K., Olugbode, M., & Petracci, B. (2017). Can board gender diversity promote corporate social performance? *Corporate Governance (Bingley)*, 17(5), 789–802. <https://doi.org/10.1108/CG-09-2016-0183>
- Laouer, R. (2018). Supervisory board process: Evidence from French public hospitals. *Health Services Management Research*, 31(3), 163–177. <https://doi.org/10.1177/0951484818780767>
- Leblanc, R., & Schwartz, M. S. (2007). The black box of board process: Gaining access to a difficult subject. *Corporate Governance*, 15(5), 843–851. <https://doi.org/10.1111/j.1467-8683.2007.00617.x>
- Leblanc, R. W. (2004). What's wrong with corporate governance: A note. *Corporate Governance: An International Review*, 12(4), 436–441. <https://doi.org/10.1111/j.1467-8683.2004.00385.x>
- Loukil, N., Yousfi, O., & Yerbanga, R. (2019). Does gender diversity on boards influence stock market liquidity? Empirical evidence from the French market. *Corporate Governance (Bingley)*, 19(4), 669–703. <https://doi.org/10.1108/CG-09-2018-0291>
- Macus, M. (2008). Board Capability; An Interactions Perspective on Boards of Directors and Firm Performance. *International Studies of Management and Organization*, 38(3), 98–116. <https://doi.org/10.2753/IMO0020-8825380304>
- Makhlouf, M. H., Laili, N. H., Ramli, N. A., Al-Sufy, F., & Basah, M. Y. (2018). Board of directors, firm performance and the moderating role of family control in Jordan. *Academy of Accounting and Financial Studies Journal*, 22(5), 1–16.
- Maravelaki, A., Doumpos, M., & Zopounidis, C. (2017). Corporate governance, women's participation and firm performance: empirical analysis using a non-parametric evaluation methodology. *INFOR: Information Systems and Operational Research*, 5986(December), pp.1-17. <https://doi.org/10.1080/03155986.2017.1393728>
- Martin, C. J. G., & Herrero, B. (2018). Boards of directors : composition and effects on the performance of the firm. *Economic Research-Ekonomska Istraživanja*, 31(1), 1–27. <https://doi.org/10.1080/1331677X.2018.1436454>
- Ministry of Agriculture (2022). *Kontribusi Minyak Kelapa Sawit Indonesia Mengatasi Krisis Pangan Global*. Pojok Media. [tps://ditjenbun.pertanian.go.id/kontribusi-minyak-kelapa-sawit-indonesia-mengatasi-krisis-pangan-global/](https://ditjenbun.pertanian.go.id/kontribusi-minyak-kelapa-sawit-indonesia-mengatasi-krisis-pangan-global/)
- Mishra, S., & Suar, D. (2010). Does Corporate Social Responsibility Influence Firm Performance of Indian Companies ? *Journal of Business Ethics*, 95(4), 571–601. <https://doi.org/10.1007/s10551-010-0441-1>
- Mohd Gazali, N. A. (2010). Ownership structure, corporate governance and corporate performance in Malaysia. *International Journal of Commerce and Management*, 20(2), 109–119. <https://doi.org/10.1108/10569211011057245>
- Muchlis, C. A. (2017). Penerapan GCG di perusahaan masih rendah. *KONTAN*. <https://nasional.kontan.co.id/news/pentingnya-penerapan-gcg-pada-perusahaan>
- Nam, S., & Nam, I. C. (2004). *CORPORATE GOVERNANCE Recent Evidence from. October*.
- Nicholson, G. J., & Kiel, G. C. (2007). Can directors impact performance? A case-based test of

- three theories of corporate governance. *Corporate Governance*, 15(4), 585–608.
- Nielsen, S., & Huse, M. (2010). Women directors' contribution to board decision-making and strategic involvement: The role of equality perception. *European Management Review*, 7(1), 16–29. <https://doi.org/10.1057/emr.2009.27>
- Nunnally, J. C. (1978). *Psychometric theory* (2nd editio). McGraw-Hill Education.
- Obembe, O. B., Olaniyi, C. O., & Soetan, R. O. (2016). Managerial ownership and performance of listed non-financial firms in Nigeria. *International Journal of Business and Emerging Markets*, 8(4), 446. <https://doi.org/10.1504/ijbem.2016.10000519>
- Oyerogba, E. O., Alade, M. E., Idode, P. E., & Oluyinka, I. O. (2017). The impact of board oversight functions on the performance of listed companies in Nigeria. *Journal of Accounting and Management Information Systems*, 16(3), 268–296. <https://doi.org/10.24818/jamis.2017.030013>
- Paniagua, J., Rivelles, R., & Sapena, J. (2018). Corporate governance and financial performance : The role of ownership and board stucture. *Journal of Business Research*, 89(February), 229–234. <https://doi.org/10.1016/j.jbusres.2018.01.060>
- Pasaribu, A. R., Badaruddin, Affifuddin, S., Rudjiman, & Helmi, S. (2015). The Effect of corporate social responsibility (Csr) programs at the palm oil mill companies on regional development in south labuhan batu district. *International Journal of Management Sciences and Business Research*, 4(1), 35–52. <https://doi.org/10.13140/RG.2.2.35909.04321>
- Pearce, J. A., & Zahra, S. A. (1991). The relative power of CEOs and boards of directors : associations with corporate performance. *Strategic Management Journal*, 12(2), 135–153.
- Pidani, R. R., Mahmood, A., & Agbola, F. W. (2020). Does the board gender diversity enhance firm performance? *Asian Journal of Business Research*, 10(1), 29–46. <https://doi.org/10.14707/ajbr.200074>
- Pletzer, J. L., Nikolova, R., Kedzior, K. K., & Voelpel, S. C. (2015). Does gender matter? female representation on corporate boards and firm financial performance - A meta-analysis. *PLoS ONE*, 10(6), 1–20. <https://doi.org/10.1371/journal.pone.0130005>
- Pugliese, A., Minichilli, A., & Zattoni, A. (2014). Integrating agency and resource dependence theory: Firm profitability, industry regulation, and board task performance. *Journal of Business Research*, 67(6), 1189–1200. <https://doi.org/10.1016/j.jbusres.2013.05.003>
- Pugliese, A., Nicholson, G., & Bezemer, P. J. (2015). An observational analysis of the impact of board dynamics and directors' participation on perceived board effectiveness. *British Journal of Management*, 26(1), 1–25. <https://doi.org/10.1111/1467-8551.12074>
- Puni, A., & Anlesinya, A. (2020). Corporate governance mechanisms and firm performance in a developing country. *International Journal of Law and Management*, 62(2), 147–169.
- Pye, A., & Pettigrew, A. (2005). Studying board context, process and dynamics: Some challenges for the future. *British Journal of Management*, 16(SPEC. ISS.), S27–S38. <https://doi.org/10.1111/j.1467-8551.2005.00445.x>
- Rhou, Y., & Singal, M. (2020). A review of the business case for CSR in the hospitality industry. *International Journal of Hospitality Management*, 84(May 2019), 102330. <https://doi.org/10.1016/j.ijhm.2019.102330>
- Robbins, S. ., & Judge, T. . (2018). *Organizational Behaviour* (Eighteenth). Pearson Education Limited. <https://www.pearson.com/us/higher-education/product/Robbins-Organizational-Behavior-18th-Edition/9780134729329.html>
- Said, R., Yusserri, H. Z., & Hasnah, H. (2009). The relationship between corporate social responsibility disclosure and corporate governance characteristics in Malaysian public listed

- companies. *Social Responsibility Journal*, 5(2), 212–226.
<https://doi.org/10.1108/17471110910964496>
- Saleh, M. W. A., Latif, R. A., Bakar, F. A., & Maigoshi, Z. S. (2020). The impact of multiple directorships, board characteristics, and ownership on the performance of Palestinian listed companies. *International Journal of Accounting, Auditing and Performance Evaluation*, 16(1), 63–80. <https://doi.org/10.1504/IJAPE.2020.106774>
- Saleh, M., Zahirdin, G., & Octaviani, E. (2017). Ownership structure and corporate performance : Evidence from property and real estate public companies in Indonesia. *Investment Management and Financial Innovations*, 14(2), 252–263.
[https://doi.org/10.21511/imfi.14\(2-1\).2017.10](https://doi.org/10.21511/imfi.14(2-1).2017.10)
- Sanan, N. K. (2016). Board Gender Diversity, Financial and Social Performance of Indian Firms. *Vision: The Journal of Business Perspective*, 20(4), 361–367.
<https://doi.org/10.1177/0972262916673006>
- Sánchez-Ballesta, J. P., & García-Meca, E. (2007). A meta-analytic vision of the effect of ownership structure on firm performance. *Corporate Governance: An International Review*, 15(5), 879–892. <https://doi.org/10.1111/j.1467-8683.2007.00604.x>
- Santoso, A. H., & Feliana, Y. K. (2014). The association between corporate social responsibility and corporate financial performance. *Issues in Social and Environmental Accounting*, 8(2), 82–103.
- Schepker, D. J., Ulrich, M. D., & Wright, P. M. (2018). Planning for future leadership: Procedural rationality, formalized succession processes, and CEO influence in Chief Executive Officer succession planning. *Academy of Management Journal*, 61(2), 523–552.
- Shamser, M., & Zulkarnain, M. S. (2012). An Overview of Corporate Governance: Some Essentials. *SSRN Electronic Journal*, 1–6. <https://doi.org/10.2139/ssrn.1817091>
- Shan, Y. G. (2019). Managerial ownership, board independence and firm performance. *Accounting Research Journal*, 32(2), 203–220. <https://doi.org/10.1108/ARJ-09-2017-0149>
- Shehata, N., Salhin, A., & El-Helaly, M. (2017). Board diversity and firm performance: evidence from the U.K. SMEs. *Applied Economics*, 49(48), 4817–4832.
<https://doi.org/10.1080/00036846.2017.1293796>
- Shen, N., Au, K., & Yi, L. (2018). Diversification Strategy, Ownership Structure, and Financial Crisis: Performance of Chinese Private Firms. *Asia-Pacific Journal of Financial Studies*, 47(1), 54–80. <https://doi.org/10.1111/ajfs.12203>
- Siddiqui, S. S. (2015). The association between corporate governance and firm performance – a meta- analysis. *International Journal of Accounting and Information Management*, 23(3), 218–237.
- Singh, S., Tabassum, N., Darwish, T. K., & Batsakis, G. (2018). Corporate governance and tobin's Q as a measure of organizational performance. *British Journal of Management*, 29(1), 171–190. <https://doi.org/10.1111/1467-8551.12237>
- Terjesen, S., Couto, E. B., & Francisco, P. M. (2016). Does the presence of independent and female directors impact firm performance? A multi-country study of board diversity. *Journal of Management and Governance*, 20(3), 447–483. <https://doi.org/10.1007/s10997-014-9307-8>
- Tisna, G. A., & Agustami, S. (2016). Pengaruh good corporate governance dan ukuran perusahaan terhadap kinerja keuangan perusahaan (pada perusahaan perbankan yang terdaftar di bursa efek indonesia (bei) tahun 2010-2014). *Jurnal Riset Akuntansi Dan Keuangan*, 4(2), 1035–1046. <https://doi.org/10.17509/jrak.v4i2.4038>

- Toumi, N., Benkraiem, R., & Hamrouni, A. (2016). Board director disciplinary and cognitive influence on corporate value creation. *Corporate Governance (Bingley)*, 16(3), 564–578. <https://doi.org/10.1108/CG-09-2015-0123>
- Tricker, B. (2015). *Corporate Governance: Principles, Policies, and Practices* (Third Edit). Oxford University Press. https://books.google.com.my/books?hl=en&lr=&id=X4qQBgAAQBAJ&oi=fnd&pg=PP1&dq=Corporate+Governance:+Principles,+Policies+and+Practices&ots=G19IE7ZUi-&sig=AmG6-bqjmAd65TRmXBcJJgFfKbs&redir_esc=y#v=onepage&q=Corporate Governance%3A Principles%2C Policies and
- Uzliawati, L. (2015). Intellectual capital disclosure , corporate governance structure and firm value in Indonesian banking industry. *International Journal Monetary Economics and Finance*, 8(2), 162–177.
- Velayudhan, C. C., & Musa, T. B. (2018). Moderating effect of managerial shareholding on the relationship between board diversity and financial performance of deposit money banks in Nigeria. *African Journal of Management, Business Admin. University of Maiduguri*, 3(1), 44–65.
- Vu, M., Phan, T. T., & Le, N. T. (2018). Relationship between board ownership structure and firm financial performance in transitional economy: the Vietnamese transition. *Research in International Business and Finance*, 45(October), 512–528. <https://doi.org/10.1016/j.ribaf.2017.09.002>
- Wan, D., & Ong, C. H. (2005). Board structure, process and performance: Evidence from publiclisted companies in Singapore. *Corporate Governance*, 13(2), 277–290. <https://doi.org/10.1111/j.1467-8683.2005.00422.x>
- Wang, Y., Abbasi, K., Babajide, B., & Yekini, K. C. (2019). Corporate governance mechanisms and firm performance: evidence from the emerging market following the revised CG code. *Corporate Governance (Bingley)*, 20(1), 158–174. <https://doi.org/10.1108/CG-07-2018-0244>
- Westphal, J. D., & Bednar, M. K. (2005). Pluralistic ignorance in corporate boards and firms ' strategic persistence in response to low firm performance. *Administrative Science Quarterly*, 50(2), 262–298.
- Zahra S.A. & Pearce II, J. A. (1989). Boards of Directors and Corporate Financial Performance: A Review and Integrative Model. *Journal of Management*, 15(3), 291–334. <https://doi.org/10.1177/014920638901500208>
- Zattoni, A., Gnan, L., & Huse, M. (2015). Does Family Involvement Influence Firm Performance? Exploring the Mediating Effects of Board Processes and Tasks. *Journal of Management*, 41(4), 1214–1243. <https://doi.org/10.1177/0149206312463936>
- Zhu, H., Wang, P., & Bart, C. (2016). Board Processes, Board Strategic Involvement, and Organizational Performance in For-profit and Non-profit Organizations. *Journal of Business Ethics*, 136(2), 311–328. <https://doi.org/10.1007/s10551-014-2512-1>