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 Research Article

## EMPOWERING LEADERSHIP: UNVEILING THE IMPACT OF FEMALE DIRECTORS ON CORPORATE SUCCESS IN INDONESIA

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### ABSTRACT

This research investigates the impact of female directors on firm performance within the unique business landscape of Indonesia. By analyzing a comprehensive dataset of Indonesian companies, this study unveils the dynamic relationship between gender diversity in leadership and corporate success. Through statistical analyses and performance metrics, we explore the tangible effects of empowering female directors on key financial and operational indicators. The findings provide valuable insights into the role of gender diversity in shaping corporate outcomes and contribute to the ongoing discourse on inclusive leadership practices in emerging economies.

### KEYWORDS

Female Directors, Gender Diversity, Empowering Leadership, Corporate Success, Firm Performance, Indonesia, Emerging Economies, Women in Business, Diversity and Inclusion, Board Governance.

### INTRODUCTION

In the evolving landscape of corporate governance, the role of gender diversity within boardrooms has garnered increasing attention as a critical factor influencing organizational success. This study delves into the Indonesian business context, aiming to unveil the impact of female directors on corporate success. As a dynamic emerging economy, Indonesia presents a unique backdrop for investigating how empowering leadership, particularly through the inclusion of women in directorial roles, contributes to the overall performance of firms.

The global discourse on gender diversity in corporate leadership has intensified in recent years, driven by a recognition of the multifaceted benefits it brings to organizations. Beyond the principles of equality and social justice, studies suggest that diverse leadership teams enhance innovation, decision-making, and financial performance. However, the nuances of this relationship remain underexplored, especially within the context of Indonesia.

This research sets out to address this gap by examining the empirical connections between the presence of female directors and various dimensions of firm performance in the Indonesian corporate landscape. By drawing on a

comprehensive dataset and employing rigorous statistical analyses, we aim to unravel the nuanced dynamics at play. Our investigation considers financial metrics, operational indicators, and other key performance measures to provide a holistic understanding of how empowering leadership, exemplified by the inclusion of female directors, influences corporate success.

As Indonesia continues to assert its presence in the global economy, understanding the impact of diverse leadership becomes increasingly crucial. This study not only contributes to the academic discourse on gender diversity but also offers practical insights for businesses, policymakers, and stakeholders interested in fostering inclusive leadership practices. Through this exploration, we aim to shed light on the transformative potential of empowering leadership in driving corporate success within the Indonesian business milieu.

## METHOD

The process of unveiling the impact of female directors on corporate success in Indonesia involved a systematic and rigorous approach. The research commenced with the meticulous

selection of a diverse dataset, incorporating financial and operational data from a wide array of Indonesian companies. This step was foundational, ensuring the representation of various industries and providing a comprehensive overview of the Indonesian business landscape.

With the dataset in place, the next phase focused on identifying key variables to measure firm performance. Financial metrics, including return on equity, profit margins, and revenue growth, were chosen alongside operational indicators such as efficiency ratios and innovation metrics. This careful selection allowed for a nuanced and multifaceted evaluation of corporate success, considering both financial and operational dimensions.

The measurement of gender diversity within the boards of these companies was a critical component of the research process. Established metrics were employed to assess the number and proportion of female directors on each board, with additional considerations given to the tenure and qualifications of these directors. This approach aimed to capture the depth and breadth of the impact of female directors on corporate decision-making.

Subsequently, advanced statistical analyses, including regression analysis and correlation studies, were applied to uncover patterns and relationships within the data. These analyses sought to identify statistically significant associations between the presence of female directors and the selected performance metrics. Robustness checks were conducted to ensure the reliability and validity of the findings, providing a solid foundation for drawing meaningful conclusions.

The research also incorporated a comparative analysis, examining companies with varying levels of gender diversity against industry benchmarks. This comparative approach offered additional context, allowing for insights into how the presence of female directors influences corporate success relative to industry peers.

Through this systematic process, the research aims to contribute empirical evidence and valuable insights into the dynamic relationship between empowering leadership, exemplified by the inclusion of female directors, and corporate success in the Indonesian business context. The findings from this research are anticipated to provide not only academic contributions but also practical implications for businesses,

policymakers, and stakeholders interested in fostering inclusive and effective leadership practices.

#### Dataset Selection:

The foundation of our research lies in a carefully curated dataset comprising financial and operational data of a diverse set of Indonesian companies. The dataset encompasses multiple industries, ensuring a representative sample that captures the breadth of the Indonesian business landscape. Financial statements, board compositions, and performance metrics were obtained from reliable sources to ensure accuracy and reliability.

#### Variable Selection:

To assess firm performance, a range of key variables was selected, including financial metrics (such as return on equity, profit margins, and revenue growth) and operational indicators (including efficiency ratios and innovation metrics). These variables provide a nuanced view of corporate success, allowing for a holistic understanding of the impact of female directors on various aspects of organizational performance.

#### Gender Diversity Metrics:

The gender diversity of boards was measured using established metrics, considering the number and proportion of female directors on each board. This allowed for a granular analysis of how different levels of gender diversity correlate with various performance indicators. Additionally, the tenure and qualifications of female directors were considered to capture the depth of their impact on corporate decision-making.

#### Statistical Analysis:

To uncover patterns and relationships within the data, advanced statistical techniques, including regression analysis and correlation studies, were employed. These analyses aimed to identify statistically significant associations between the presence of female directors and the selected performance metrics. Robustness checks were conducted to ensure the reliability and validity of the findings.

#### Comparative Analysis:

To contextualize the findings, a comparative analysis was conducted, examining companies with varying levels of gender diversity against

industry benchmarks. This approach provided additional insights into how the presence of female directors influences corporate success in comparison to industry peers.

By employing this methodological framework, our research seeks to provide a nuanced and evidence-based understanding of the impact of female directors on corporate success in Indonesia, contributing valuable insights to the global discourse on empowering leadership and gender diversity in boardrooms.

## RESULTS

The empirical investigation into the impact of female directors on corporate success in Indonesia has yielded insightful results, providing nuanced perspectives on the relationship between gender diversity in leadership and firm performance. The statistical analyses reveal significant associations between the presence of female directors and various dimensions of organizational success. Notably, companies with higher levels of gender diversity on their boards exhibit positive correlations with key financial metrics, including higher return on equity and improved profit margins. Operational indicators such as efficiency ratios also indicate favorable

outcomes in organizations with empowering leadership, exemplified by the inclusion of female directors.

## DISCUSSION

The findings of this study stimulate discussions on the multifaceted impact of empowering leadership in the Indonesian corporate landscape. The positive associations between the presence of female directors and financial performance metrics align with global trends, suggesting that gender diversity within leadership structures contributes to enhanced decision-making and innovation. The discussion extends to the importance of fostering an inclusive corporate culture that values diverse perspectives, acknowledging the potential benefits that gender-balanced boards can bring to organizational resilience and long-term sustainability.

Additionally, the study identifies nuances in the impact of tenure and qualifications of female directors, emphasizing the need for a deeper understanding of the composition and dynamics within corporate boards. The comparative analysis against industry benchmarks highlights the relative positioning of companies with

varying levels of gender diversity, providing a contextual framework for interpreting the results.

## CONCLUSION

In conclusion, this research contributes empirical evidence to the discourse on empowering leadership and gender diversity in the Indonesian corporate context. The positive associations identified between the presence of female directors and firm performance underscore the potential benefits of inclusive and diverse leadership structures. The findings advocate for a strategic approach to cultivating gender diversity within corporate boards as a means to foster empowering leadership and drive corporate success. As Indonesia continues to navigate its economic landscape, the insights from this study serve as a foundation for informed decision-making by businesses, policymakers, and stakeholders interested in promoting inclusive and effective leadership practices. Moving forward, this research encourages further exploration into the mechanisms through which gender diversity influences specific aspects of organizational performance, paving the way for continued advancements in corporate

governance and leadership diversity in Indonesia and beyond.

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