The Effect of Profitability, Independent Commissioners, Dividend Policy, and Board Gender on Financial Performance in ESG Leader Index Companies.

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Abstract
In supporting the success of a sustainable economy, environmental issues have become an important consideration in corporate decision making. The launch of IDX ESG Leader, which is an Index to measure the price performance of stocks that have good Environmental, Social, and Governance (ESG) assessments and are not involved in significant controversies and have good transaction liquidity and financial performance, is one indicator of the importance of involving this aspect. This study uses panel data to test the determinants of profitability in companies listed in IDX ESG Leader on the Indonesia Stock Exchange. The independent variables consist of profitability, dividend policy, and independent commissioner (IP) and Gender Board. The dependent variable is the profitability of the company as measured by TobinQ. The research sample is all companies listed in the IDX ESG Leader on the Indonesia Stock Exchange in 2020-2022. The data analysis technique uses panel data regression analysis with Stata. The stages of analysis include: (a) declaration of panel data; (b) Common Effect (PLS), Fixed Effect (FEM), and Random Effect (REM) model estimation; (c) Selection of appropriate models; (d) Test classical assumptions; and (e) Interpretation of results. The test results show that the most appropriate estimation model used is the Random Effect (REM) model. The result indicates that Profitability matters positively to financial performance. Commissioner's independent negative effect on financial performance. Board gender and policy dividends do not influence the financial performance.

Keywords:
Board Gender; Dividend Policy; IDX ESG Leader; Independent Commissioner; Profitability
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Introduction

Environmental issues have become essential in corporate decision-making to support sustainable economic success. In 2020, the Indonesia Stock Exchange officially launched the IDX ESG Leader Index, which is an Index to measure the price performance of stocks that have good Environmental, Social, and Governance (ESG) assessments and are not involved in significant controversies and have good transaction liquidity and financial performance. The existence of the new Index attracts people to try investing. Besides being able to be used by investors as a guide for investing, it is expected that the presence of the IDX ESG Leaders Index can also be used as an underlying for capital market products, such as mutual funds and Exchange Traded Funds (ETFs) so that investors can more easily invest with the ESG Leaders Index as a reference.

Financial performance is a formal effort to evaluate the company's efficiency and effectiveness in generating sure profits and cash positions and as a means of improving the company's operational activities Hery (2015:29). Increases and decreases in financial performance are one of the factors that influence the rise and fall of share prices (Irham Fahmi, 2012: 89). The sustainability of a company's financial performance can be seen from its financial reports, which are a means for investors to periodically find out about company developments (Mohamad Samsul, 2015: 168). And analyze financial performance in financial reports using financial ratios (Fahma, 2019a).

Profitability proxied by ROA is essential for companies because ROA is used to measure a company's ability to generate net profits based on the level of assets owned (Saputra, 2022; Wiranthie & Putranto, 2020). Apart from that, Amelia & Sunarsi (2020) explained that return on assets (ROA) is an indicator that measures a company's success in generating profits. So, the more significant the ROA, the better the company's performance because the rate of return is more significant. ROA (Return On Assets) compares net income after tax (Net Income After Tax-NIAT) to average total assets.(Fahma, 2019a)

According to Boedex (2010), the independent board of commissioners is members of the board of commissioners who are not affiliated with directors, board members, other commissioners and shareholders controlling and are free from relationships business or other relationships that can affect his ability to act independently or act just for the sake of interest company.(Intia & Azizah, 2021)

The dividend payout ratio functions as a reflection of the company's financial condition by comparing the amount of dividends distributed to profits

per share. When buying shares in a company, an adequate dividend payout ratio will be a consideration for an investor (Dharma et al., 2020). A company that shares the dividends each period will be more attractive to potential investors to invest capital and will increase the company's financial performance (Putri Nuriksani & Verina Puspa Sari, 2022)

The board of commissioners is also one of the essential elements in the corporate governance mechanism in overseeing the company's operations. It monitors key activities and approves strategic decisions (Detthamrong et al., 2017). (Javeed et al., 2017) shows that the board of commissioners improves company performance and value. In line with that, gender diversity has become a hot topic among academics because it is believed to affect companies' management mechanisms. Female board members usually focus more on environmental and social welfare, whereas male board members are more on profit maximization (Arayssi et al., 2016). Women are generally concerned with stakeholders and avoid strategic actions that harm society (Adams et al., 2011). Inconsistencies were found in the study results from some of these things, so it is interesting to investigate further.

Literature Review

Financial Performance

A company's financial performance is its financial position, which is influenced by its management decision-making process. Financial performance is complex because it relates to capital efficiency and company performance. Company performance is considered a source of sustainable economic growth when the investment decision-making process becomes one of the critical factors for investors to analyze. Company performance is also essential for other stakeholders, such as managers, creditors, employees and the state (Silvestro, 2014). There has yet to be a consensus among researchers in measuring company financial performance.(Putri Nuriksani & Verina Puspa Sari, 2022)

Profitability

Samsul (2015:210) states that the higher the Return on Assets (ROA), the higher the company's ability to generate profits by utilizing the assets owned by the company which will attract investors to invest their funds resulting in an increase in share prices. ROA ratio, the better the financial efficiency and productivity of asset utilization to achieve net profit. This will further increase the company's attractiveness in the eyes of investors. The increasing attractiveness of the company makes it even more attractive to investors due to its higher profit margins. This will also have an impact on the company's share

price in the capital market, where an increase in the ROA value will affect the company's share price.

Financial ratios are a tool for analyzing company financial performance, which is an instrument for analyzing company performance that explains various relationships between financial indicators (Irham Fahmi, 2011:45). There are several types of financial ratios, including Liquidity Ratios, Activity Ratios, Profitability Ratios, Solvency Ratios, and other ratios (Mohammad Samsul, 2015: 173).

Profitability ratios measure a company's ability to generate profits, which include Profit Margin, Return on Assets, and Return on Equity (Sukmawati Sukamulja, 2017:48). ROA (Return on Assets) is a profitability ratio that is often used by management to measure a company's financial performance, which is calculated by dividing net profit (Earning After Tax) against total assets (Sartono Agus, 2010: 122)(Fahma, 2019b).

H1: Profitability has a positive effect on financial performance

Independent Board Of Commissioners

The influence of the independent board of commissioners on financial performance. The independent board of commissioners is a supervisory agent like the commissioners but does not have a close relationship with the company's shareholders who have the authority to supervise and protect minority shareholders and play an important role in the decision-making process. This is in line with research conducted by Tertius and Christiawan (2015) which states that the greater the proportion of independent board of commissioners in a company means that company management cannot commit acts of fraud so that the company's performance is good and healthy.

The results of research conducted by Chaarani (2014), Kirana and Riyadi (2016), and Farida, et al (2018), explain that the board of independent commissioners has a positive effect on financial performance. The more independent commissioners, the better the level of supervision. so that it will minimize the possibility of managers carrying out practices for their own management interests, and the company's financial performance will improve. Thus the hypothesis of this research is.(Intia & Azizah, 2021)

H2: The Independent Board of Commissioners has a positive effect on financial performance

Dividend Policy

Dividend policy is a policy related to the company's decision to determine whether the company's profits will be distributed to the same holders or retained to be invested in the company. The greater the dividends distributed to shareholders, the company will be considered good and able to manage the company's financial performance effectively and efficiently so that it can fulfill the wishes of shareholders because the company is considered profitable. In the research results of Ridha et al. (2021) stated that dividend policy has a positive effect on financial performance, as stated in the research results of Nurzaeni et al. (2023) which states that dividend policy has an insignificant positive effect on financial performance.

H3: Dividend policy has a positive effect on the company's financial performance.

Board Gender

Female board members usually focus more on environmental and social welfare, where male board members are more on profit maximization (Arayssi et al., 2016). Women are generally concerned with stakeholders and avoid strategic actions that are harmful to society (Adams et al., 2011). In addition, female board members offer a wide array of social and eco-friendly solutions, which help companies improve strategic decisions on environmental and social issues (Cumming et al., 2015). Higher representation of women on corporate boards of directors also reduces environmental lawsuits (Dadanlar &; Abebe, 2020; Liu, 2018). (Carter et al., 2010) reported a positive relationship between the presence of women or minorities on corporate boards and corporate value (measured by Tobin's Q). However (Adams &; Ferreira, 2009) found a negative relationship between gender diversity and corporate performance and suggested that the presence of women on corporate boards may lead to over-monitoring for companies with already strong governance.

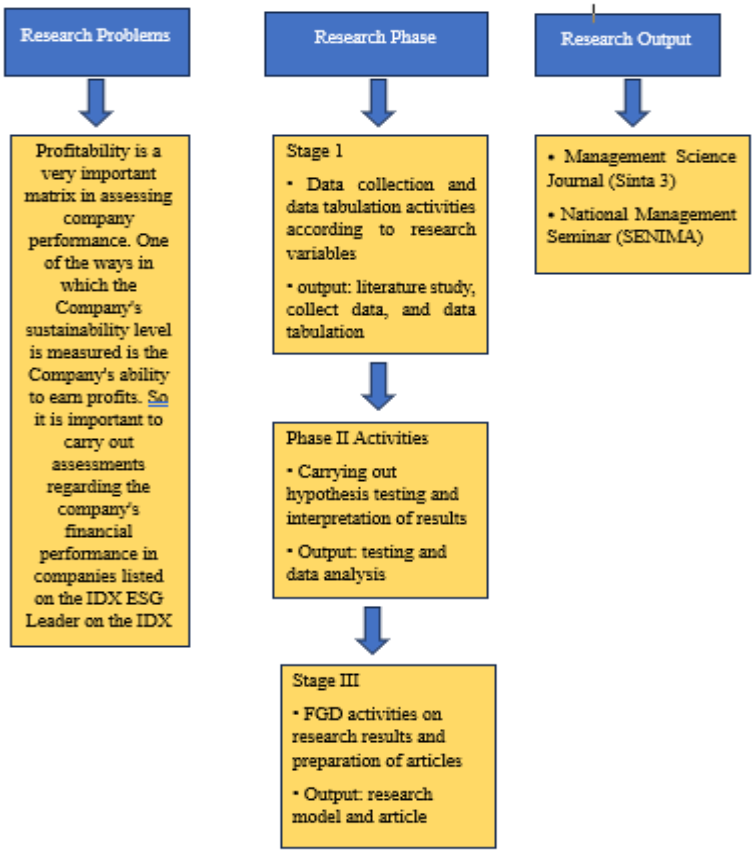
H4: Board gender affects the company's financial performance.
.

Research Method

Metode This research is a quantitative research type research. This research uses quantitative data with secondary data sources through company information contained in the Indonesia Stock Exchange IDX and the company's official website. The population in this study is companies listed in the IDX ESG LEADER on the IDX. The analysis technique used in this study is multiple regression analysis with STATA 17 software. The dependent variable

used in this study is Tobin's Q while the independent variable in this study is Profitability, Board Gender, Dividend, Independent Commissioner.

Figure 1.
Research Flow Chart



The dependent variable is the company's financial performance measured using Tobin Q.

$$\text{Tobin's Q} = \frac{(\text{Equity Market Value} + \text{Liabilities Book Value})}{(\text{Equity Book Value} + \text{Liabilities Book Value}} \quad (1)$$

Profitability is calculated using Return On Assets (ROA):

$$\text{ROA} = \frac{\text{earning after tax}}{\text{total assets}} \text{ X } 100\% \quad (2)$$

Independent commissioners are measured using the ratio of the number of independent commissioners to the number of board of commissioners:

$$Independent\ commissioners = \frac{\text{Number Of Independent Commisioners}}{\text{Number of Board of Commissioners}} \text{ X } 100\% \quad (3)$$

Dividend policy is measured using the Divident Pay out Ratio indicator:

$$DPR = \frac{\text{Divident per share}}{\text{earning per share}} \text{ X } 100\% \quad (4)$$

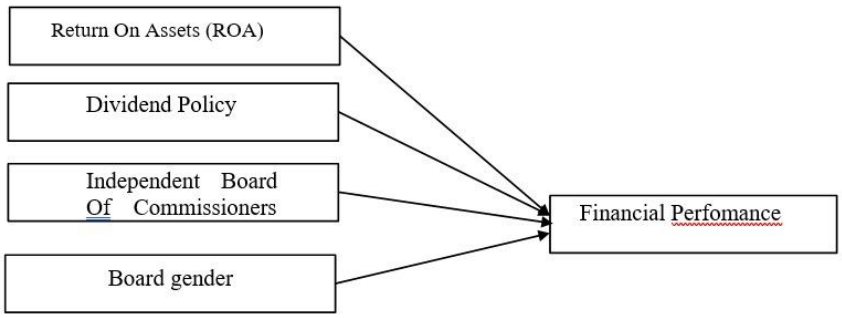
Board gender is measured by the percentage of female board members compared to the total board of directors.

Based on theory and hypothesis development a regression model is built on the equation:

TobinQ = $\alpha + \beta_1$ROA+ β_2 KI + β_3 Dividen +β_4 BG+ e…. (5)

Figure 2.

Research Model



The population using companies is included in the IDX ESG Leader index on the Indonesia Stock Exchange (IDX). The study sample is all companies that are included in the population. Data sources come from annual reports and company sustainability reports. The data analysis technique uses panel data regression analysis with Stata. With stages

1) Panel Data Declarations;
2) Common Effect (PLS), Fixed Effect (FEM), and Random Effect (REM) model estimation;
3) Selection of appropriate models;
4) Test classical assumptions;
5) Interpretation of results.

Data Analysis And Result

1. Test Panel Data Declaration

xtset Code Year
variable panel : Code (strongly balanced)
time variable: Year , 2020 to 2022
delta : 1 unit

From the above results, "code" represents an entity or panel, and "year" means time note "(strongly balanced)" refers to the fact that all entities have data for all years.

Table 1.

Descriptive Statistics Results

```
. summarize ROA KI BG KD TOBINSQ

    Variable |        Obs        Mean    Std. Dev.       Min        Max
-------------+---------------------------------------------------------
         ROA |         78    .0708974    .0786111         0        .35
          KI |         78     .479359    .1366514       .33        .83
          BG |         78    .2391026    .1921862         0        .67
          KD |         78    .3562821    .3459867       -.24       1.56
      TOBINSQ |         78    5.64e+07    2.66e+08       .76   1.44e+09
```

Table 2.

Results Analysis Correlation

```
. corr ROA KI BG KD TOBINSQ
(obs=78)

             |      ROA       KI       BG       KD   TOBINSQ
-------------+---------------------------------------------
         ROA |   1.0000
          KI |   0.3294   1.0000
          BG |   0.3915   0.1453   1.0000
          KD |   0.4555   0.3095  -0.0593   1.0000
      TOBINSQ |   0.0342  -0.0606  -0.1065   0.2210   1.0000
```

2. Model estimation

In the panel data regression model, it is necessary to do testing to choose the most appropriate regression model For use in a study. Model testing can be done using 3 alternatives method that is Pooled Least Squares (PLS), Fixed Effect (FEM), and Random Effect (REM). Below this are results the test:

a) Results of Pooled Least Squares

Table 3.

Pooled least squares (PLS/OLS)

```
. reg TOBINSQ ROA KI BG KD
```

Source	SS	df	MS		
				Number of obs	= 78
				F(4, 73)	= 1.43
Model	3.9412e+17	4	9.8529e+16	Prob > F	= 0.2337
Residual	5.0409e+18	73	6.9053e+16	R-squared	= 0.0725
				Adj R-squared	= 0.0217
Total	5.4350e+18	77	7.0584e+16	Root MSE	= 2.6e+08

TOBINSQ	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
ROA	-6.57e+07	4.92e+08	-0.13	0.894	-1.05e+09	9.14e+08
KI	-2.47e+08	2.37e+08	-1.04	0.302	-7.19e+08	2.26e+08
BG	-8.95e+07	1.77e+08	-0.50	0.616	-4.43e+08	2.64e+08
KD	2.04e+08	1.04e+08	1.96	0.054	-3155642	4.10e+08
_cons	1.28e+08	1.13e+08	1.13	0.262	-9.76e+07	3.54e+08

b) Fixed Effect Model Results

Table 4

Fixed Effect Model

```
. xtreg TOBINSQ ROA KI BG KD,fe

Fixed-effects (within) regression               Number of obs      =        78
Group variable: Kode                            Number of groups   =        26

R-sq:                                           Obs per group:
     within  = 0.0208                                         min =         3
     between = 0.0400                                         avg =       3.0
     overall = 0.0374                                         max =         3

                                                F(4,48)            =      0.26
corr(u_i, Xb)  = -0.2240                        Prob > F           =    0.9052
```

TOBINSQ	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
ROA	-4.54e+07	1.28e+08	-0.35	0.725	-3.03e+08	2.13e+08
KI	-5468029	3.66e+07	-0.15	0.882	-7.90e+07	6.81e+07
BG	3.46e+07	8.23e+07	0.42	0.676	-1.31e+08	2.00e+08
KD	-1.11e+07	1.31e+07	-0.85	0.401	-3.74e+07	1.53e+07
_cons	5.79e+07	2.83e+07	2.05	0.046	1006372	1.15e+08
sigma_u	2.707e+08					
sigma_e	15946386					
rho	.99654138	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(25, 48) = 791.02                     Prob > F = 0.0000
```

c) Random Effect Model Results

Table 5.

Random Effect Model

```
. xtreg TOBINSQ ROA KI BG KD,re

Random-effects GLS regression                   Number of obs     =         78
Group variable: Kode                            Number of groups  =         26

R-sq:                                           Obs per group:
     within  = 0.0203                                         min =          3
     between = 0.0389                                         avg =        3.0
     overall = 0.0357                                         max =          3

                                                Wald chi2(4)      =       0.77
corr(u_i, X)   = 0 (assumed)                    Prob > chi2       =     0.9425
```

TOBINSQ	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
ROA	-3.44e+07	1.25e+08	-0.28	0.783	-2.79e+08	2.10e+08
KI	-7675859	3.61e+07	-0.21	0.832	-7.84e+07	6.31e+07
BG	2.10e+07	7.83e+07	0.27	0.789	-1.33e+08	1.75e+08
KD	-9579371	1.29e+07	-0.74	0.457	-3.48e+07	1.57e+07
_cons	6.09e+07	6.05e+07	1.01	0.314	-5.77e+07	1.80e+08
sigma_u	2.787e+08					
sigma_e	15946386					
rho	.99673613	(fraction of variance due to u_i)				

d) Selecting The Right Model

The data processing model used in research must be based on various types of consideration statistics.

a. Lagrange Multiplier (LM) Test

To know if more PLS/OLS methods are suitable rather than random effects, you can test using Lagrange Multiplier (LM), with testing to the hypothesis :
Ho: Choose to use PLS/OLS method
H1: choose to use Random Effect method

Table 6.

Lagrange Multiplier (LM) Test Results

```
. xttest0

Breusch and Pagan Lagrangian multiplier test for random effects

        TOBINSQ[Kode,t] = Xb + u[Kode] + e[Kode,t]

        Estimated results:
                         |       Var     sd = sqrt(Var)
                ---------+------------------------------
                TOBINSQ  |   7.06e+16       2.66e+08
                       e |   2.54e+14       1.59e+07
                       u |   7.77e+16       2.79e+08

        Test:   Var(u) = 0
                                  chibar2(01) =    73.45
                              Prob > chibar2 =   0.0000
```

Table 6 obtained results probability equal to 0.00 < 0.05 (less than 5%), so reject the null hypothesis. It means the correct estimate for the panel data regression model is the random effect method.

b. Chow Test (F- Statistical Test)

In model selection on testing this, testing will be done between PLS/OLS and fixed effects with see probability on results fixed effect testing. With hypothesis:
Ho: choose to use PLS/OLS method
H1: choose to use fixed effects method

Table 7

Chow Test Results (F-Statistical Test)

```
. xtreg TOBINSQ ROA KI BG KD,fe

Fixed-effects (within) regression               Number of obs      =        78
Group variable: Kode                            Number of groups   =        26

R-sq:                                           Obs per group:
     within  = 0.0208                                         min =         3
     between = 0.0400                                         avg =       3.0
     overall = 0.0374                                         max =         3

                                                F(4,48)            =      0.26
corr(u_i, Xb)  = -0.2240                        Prob > F           =    0.9052
```

TOBINSQ	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
ROA	-4.54e+07	1.28e+08	-0.35	0.725	-3.03e+08	2.13e+08
KI	-5468029	3.66e+07	-0.15	0.882	-7.90e+07	6.81e+07
BG	3.46e+07	8.23e+07	0.42	0.676	-1.31e+08	2.00e+08
KD	-1.11e+07	1.31e+07	-0.85	0.401	-3.74e+07	1.53e+07
_cons	5.79e+07	2.83e+07	2.05	0.046	1006372	1.15e+08
sigma_u	2.707e+08					
sigma_e	15946386					
rho	.99654138	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(25, 48) = 791.02                     Prob > F = 0.0000
```

Table 7 above marks the probability of results fixed cost test < 0.05, so the statistics that occur is Ho is rejected, and H1 is accepted. Thus, based on the results, the selected cost method is used.

c. Hausman Test

In model selection testing, this will done by testing between random effects and fixed effects.

Table 8.

Hausman Test Results

```
. hausman fe re
```

	Coefficients (b) fe	(B) re	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
ROA	-4.54e+07	-3.44e+07	-1.09e+07	3.00e+07
KI	-5468029	-7675859	2207829	5986047
BG	3.46e+07	2.10e+07	1.37e+07	2.52e+07
KD	-1.11e+07	-9579371	-1517571	2441456

```
                b = consistent under Ho and Ha; obtained from xtreg
    B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test:  Ho:  difference in coefficients not systematic

              chi2(4) = (b-B)'[(V_b-V_B)^(-1)](b-B)
                      =         0.78
            Prob>chi2 =       0.9415
```

Results of the Hausman test in Table 8 above show that a > 5%, so the model is correct for use is the random effects model (REM).

e) Test Assumption Classic

a. Test Multicollinearity

Table 9.

Multicollinearity Test Results

```
. vif, uncentered
```

Variable	VIF	1/VIF
KI	4.17	0.239977
BG	3.12	0.320967
KD	2.96	0.338065
ROA	2.94	0.339955
Mean VIF	3.30	

Results test multicollinearity in the table above obtained a VIF value < 10, indicating no symptom multicollinearity was found on data.

b. Heteroscedasticity Test

Because the random effects model method is used, the data is already free from heteroscedasticity because of using GLS.

c. Autocorrelation Test

Because we use the random effects model method, the data is already free from autocorrelation because of using GLS.

d. Normality Test

Table 10.

Normality Test Results

```
. sfrancia TOBINSQ ROA KI BG KD

                Shapiro-Francia W' test for normal data

    Variable |   Obs        W'         V'         z       Prob>z
-------------+-------------------------------------------------
    TOBINSQ |    78     0.20195    59.277     7.940     0.00001
         ROA |    78     0.79681    15.093     5.279     0.00001
          KI |    78     0.96063     2.925     2.087     0.01844
          BG |    78     0.97946     1.525     0.821     0.20573
          KD |    78     0.95981     2.985     2.127     0.01670

. swilk TOBINSQ ROA KI BG KD

                Shapiro-Wilk W test for normal data

    Variable |   Obs        W          V          z       Prob>z
-------------+-------------------------------------------------
    TOBINSQ |    78     0.21041    53.084     8.690     0.00000
         ROA |    78     0.77418    15.182     5.952     0.00000
          KI |    78     0.92938     4.748     3.408     0.00033
          BG |    78     0.95408     3.087     2.467     0.00682
          KD |    78     0.94455     3.728     2.879     0.00199
```

The test normality test using Shapiro-Wilk indicated in the table above shows that the data is abnormal because the probability is < 0.05. Testing normality using Shapiro-Francia also shows that only board gender data is normally distributed, so treatment needs to be done, so data becomes normally distributed.

Table 11.
Variable TobinQ Transformed to Logs

```
. ladder TOBINSQ

Transformation     formula              chi2(2)     P(chi2)
----------------------------------------------------------
cubic              TOBINSQ^3                 .       0.000
square             TOBINSQ^2                 .       0.000
identity           TOBINSQ                   .       0.000
square root        sqrt(TOBINSQ)         71.28       0.000
log                log(TOBINSQ)           3.92       0.141
1/(square root)    1/sqrt(TOBINSQ)       38.91       0.000
inverse            1/TOBINSQ             51.63       0.000
1/square           1/(TOBINSQ^2)         63.44       0.000
1/cubic            1/(TOBINSQ^3)         70.70       0.000
```

Table 12.
The ROA Variable Data Is Transformed to Sqrt

```
. ladder ROA
```

Transformation	formula	chi2(2)	P(chi2)
cubic	ROA^3	61.75	0.000
square	ROA^2	50.87	0.000
identity	ROA	27.91	0.000
square root	sqrt(ROA)	5.01	0.082
log	log(ROA)	.	.
1/(square root)	1/sqrt(ROA)	.	.
inverse	1/ROA	.	.
1/square	1/(ROA^2)	.	.
1/cubic	1/(ROA^3)	.	.

Table 13.
The KI Variable Data is Transformed Using Logs

```
. ladder KI
```

Transformation	formula	chi2(2)	P(chi2)
cubic	KI^3	27.94	0.000
square	KI^2	18.16	0.000
identity	KI	8.81	0.012
square root	sqrt(KI)	5.71	0.058
log	log(KI)	4.96	0.084
1/(square root)	1/sqrt(KI)	7.05	0.029
inverse	1/KI	10.87	0.004
1/square	1/(KI^2)	16.13	0.000
1/cubic	1/(KI^3)	15.19	0.001

After done transformation data, apparently still there is outlier data so the outlier data is deleted and amount observation as many as 65. Results statistics descriptive new observation data as following:

Table 14.
Results Of Descriptive Statistics Of Observation Data

```
. summarize NormalTOBINSQ normalROA NormalKI BG KD
```

Variable	Obs	Mean	Std. Dev.	Min	Max
NormalTOBI~Q	65	9.029161	4.823561	-.2744368	14.28321
normalROA	65	.2000394	.1117318	0	.4242641
NormalKI	65	-.7897303	.2607894	-1.108663	-.2876821
BG	65	.254	.1855718	0	.67
KD	65	.2784615	.2654432	0	.96

Results testing with random effect model with the latest data are :

Table 15.
Results Of Random Effect Model Testing With The Latest Data

```
. xtreg NormalTOBINSQ normalROA NormalKI BG KD,re

Random-effects GLS regression                   Number of obs     =         65
Group variable: Kode                            Number of groups  =         22

R-sq:                                           Obs per group:
     within  = 0.2658                                         min =          2
     between = 0.0112                                         avg =        3.0
     overall = 0.0104                                         max =          3

                                                Wald chi2(4)      =      13.71
corr(u_i, X)   = 0 (assumed)                    Prob > chi2       =     0.0083
```

NormalTOBI~Q	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
normalROA	2.33826	1.090764	2.14	0.032	.2004018	4.476117
NormalKI	-.993482	.3154318	-3.15	0.002	-1.611717	-.3752469
BG	-1.186066	1.867347	-0.64	0.525	-4.845999	2.473867
KD	-.0272661	.3436104	-0.08	0.937	-.70073	.6461978
_cons	8.15439	1.208509	6.75	0.000	5.785756	10.52302
sigma_u	4.9009486					
sigma_e	.3033145					
rho	.99618437	(fraction of variance due to u_i)				

From the results testing the research model obtained:

Y = 8.154 +2 .3383 ROA – 0.9934 KI

Results of the study show that ROA has a positive effect on TOBINQ, Commissioner Independent has a negative influence on TOBINQ, and variable Board gender and Policy Dividend have no impact on TOBINQ. The F test shows a probability of 0.0083. R Square is 26.58%, meaning the influence variable independent in affecting TOBINQ by the remaining 26.58% influenced other factors.

The Effect of Profitability on Performance Finance Company

The research results found that the profitability measured by ROA affects the performance of a finance company. The study's results aligned with Tahir et al. (2021), which state that ROA is return assets showing a level of productivity in managing the funds. The ROA value offers the higher benefits obtained by the company. Other research states that big profit as a return influences a company's and investors' interest in embedded capital (Jaya, 2020). Management funds good company will impact the profit earned as well as can measure the level of the performance of the company.

The Effect Commissioner Independent on Performance Finance Company

The research results show that commissioners have an independent negative effect on the performance of finance companies. The results align with Situmorang & Simanjuntak (2019), who state that the composition commissioner is independent and has no significant significance to the performance finance company. The results supported Irma (2019), who says

that the amount of commissioners is separate and does not influence the performance of finance companies.

The Effect Policy Dividend to Performance Corporate Finance

Research shows that policy variable dividends do not influence the performance of finance companies. Results are supported by Lestari (2018), which shows that policy dividends are something of nature and do not influence the performance of a finance company. Anggia & Suteja (2019) also indicate that every movement from policy dividend is not influential to performance finance.

The Effect of Board Gender on Performance Corporate Finance

Results from the research show that the board gender variable does not influence the performance of finance companies. Results are in line with a study by (2020), who said that gender diversity at the level of directors relates negatively to the performance of a company; this shows that gender diversity cannot become a reference for measuring the performance of a company.

Conclusion

Based on the results study and discussion that has been described before, the researcher obtain results and a conclusion from results analysis and technique data analysis using analysis panel data regression with Stata, then got conclusion that Profitability matters positively to financial performance. Commissioner's independent negative effect on financial performance. Board gender and policy dividends do not influence the financial performance. R Square is 26.58%, meaning the influence variable independent in affecting TOBINQ by the remaining 26.58% influenced factor other.

There are limitations for researchers in research where not all companies listed on IDX ESG are included because, on a number of the companies, no one can find a report of the required finances in a study. Because of that, for the front, the expected company can provide publication report finances to access it in a way broad by the party in need.

Author contribution

Table 16.

Author contribution

No	Name	Contribution
1.	Rizky Azizah	Develop research ideas and compile base theory
		Do supervision activity as well as do accompaniment during collection and data calculation

2.	Ticket Maulida Nur Khasanah	Do development base theory
		Do search for the required data
		Prepare papers
3.	Elsa Amelia	Compile development method analysis
		Do search required data
		Prepare papers
4.	Kholifatul Ilmi	Do data analysis and interpretation results calculation
		Do search for the required data
		Editing the paper
5.	Aprilia Shinta Bella	Do data recording
		Do search for the required data
		Give input in preparation of papers
6.	Yuyun Isbanah	Data analysis and review Paper
7	Armike Febtinugraini	Review Paper

Declaration of interest

We have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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