

THE INFLUENCE OF BOARD CHARACTERISTICS ON ESG PERFORMANCE

Sergyo Reziro Sihombing

Department of Accounting, Faculty of Economics and Business, Universitas Riau

Sergyors04@gmail.com

Nasrizal

Department of Accounting, Faculty of Economics and Business, Universitas Riau

Nanda Fito Mela

Department of Accounting, Faculty of Economics and Business, Universitas Riau

Abstract

This study aims to examine the influence of board characteristic which are board tenure, board remuneration, woman on board, and board age on ESG performance in companies listed on the Indonesia Stock Exchange for the 2019-2022 period. The population in this study are all companies listed on the Indonesia Stock Exchange from 2019-2022, companies that make or complete annual reports and sustainability reports from 2019-2022, and companies that have ESG scores available during the observation period from 2019-2022. The sampling technique in this study used purposive sampling technique and obtained a sample of 28 companies. The data analysis method used is multiple regression analysis. The results of this study indicate that board tenure negatively influences the ESG performance, woman on board influences the ESG performance, board educational background and board age does not influence the ESG performance.

Keywords: ESG Performance, Board Tenure, Board Remuneration, Woman on Board, Board Age

INTRODUCTION

The concept of ESG (Environmental, Social, and Governance) really started gaining attention around 2004 and spearheaded by the report called Who Cares Wins that published by the United Nations. Since the ESG principle was officially introduced in 2004, it has been actively used in Europe, United States, and other developed countries. A series of achievements promoted the development and maturity of environmental, social, and governance, including creating systems to evaluate ESG performance, setting standards for companies to report their ESG activities, and developing ESG index systems to measure these factors (Li *et al.*, 2021). The report called “Who Cares Wins” highlighted the importance of including environmental and social responsibility, as well as good governance of a company in investment decision.

It was the first time ESG became part of mainstream discussions about how business should operate responsibly (Mcpherrin, 2023).

ESG is a framework that includes environmental (E), social (S), governance (G). ESG performance refers to a company's ability to consistently manage and improve practices in all three aspects. The first is environmental, which assesses how the company manages its impact on the environment. The second is social, which assesses how the company interacts with employees, suppliers, customers, and communities. The third is governance, which involves structures and processes that ensure the company is well-governed (Muhammad *et al.*, 2023).

In 2006, the United Nations supported a group that encourage big companies and investors to make decisions that support ESG goals by launching the Principles for Responsible Investment (PRI). At first, only 63 organizations were involved, controlling about \$6.5 trillion in investments. However, ESG quickly gained traction as more investors realized that companies considering environmental, social, and governance issued tended to perform better over time. By 2022, PRI grew to include over 4,700 members, managing a massive \$100 trillion in assets. This shows that ESG became a key part of how many businesses operate, as they saw that adopting good ESG practices could help them stay strong and profitable in the long term (PRI, 2024).

Throughout the industrial business era, as the economy and technology developed, most companies and industries worldwide focused only on making profits without caring much about the effects of their actions to the environment and society. Many businesses caused harm, such as polluting air and water, cutting down forests, overusing natural resources, and damaging ecosystems that people rely on (Iqbal, 2023). However, over time, people became more aware of the damage to the environment and the social issues caused by unsustainable business practices. This growing awareness led to a big change in how companies thought about their business models. They realized that they couldn't just chasing profits if it meant hurting the people and planet itself (Amalia and Kusuma, 2023).

In Indonesia, the application of ESG principles (Environmental, Social, and Governance) has been growing quickly, driven by investments that focus on sustainability (Fadhillah and Marsono, 2023). Companies that follow ESG practices have a comprehensive understanding of long-term issues when making decisions and

setting policy directions. As of now 88 public companies in Indonesia have been given ESG scores on the Indonesian Stock Exchange (IDX, 2024). These ESG scores have become more important for investors when deciding which stocks to buy and information about companies that implement ESG aspects can be found in sustainability report, financial reports, company websites, and other sources (Sormin *et al.*, 2023).

The Indonesian government has shown its commitment to sustainable development by issuing regulations like Presidential Regulation No. 59 of 2017, which aims to improve social welfare, protect the environment, and ensure good governance. Similarly, the Financial Services Authority (OJK) introduced OJK Regulation No. 51/2017, requiring financial institutions and public companies to adopt sustainable finance practices. These regulations reflect the government's effort to support and monitor companies' ESG practices. By disclosing ESG information well, companies can boost their reputation, attract investors who care about sustainability, and improve their overall ESG performance (Fadhillah and Marsono, 2023).

ESG performance has been a warm topic in Indonesia. Indonesia, one of the developing countries with abundant natural resources, faces a difficult problem in this sustainability business (Hibatullah and Tarjo, 2024). There are problems that occur and make the existence of ESG become an attention in Indonesia.

First, in environmental issues, the environment in Southeast Sulawesi threatened by nickel mining waste, which contributed to at least 21 floods and landslides in the region throughout 2022 (Baraputri, 2023). In addition, quoted from BBC News Indonesia, The Ministry of Environment and Forestry (KLHK) has stopped the activities of four coal processing and storage companies that are a source of air pollution in Marunda, North Jakarta. The pollution has severely impacted the health of local residents, with some even requiring corneal transplants due to prolonged exposure to coal dust. Second, in social issues, quoted from Ministry of Labor Indonesia, over the past five years the trend of work accident insurance and death insurance claims has continued to increase on average. The increase in the number of participants indirectly also affects the number of claims paid (Mediana, 2024). Besides, according to the annual report of the Social Security Administering Agency (BPJS) for Employment, in 2020 there were 221,740 cases of work accidents. Furthermore, in 2021 there will be 234,370 cases. Throughout January - November 2022, 265,334 cases were recorded. In 2023, the

number of work accident cases in Indonesia was recorded at 370,747 cases. This shows that companies in Indonesia still lack awareness regarding work safety for employees. Third, in governance issues, in the period 2015 to 2021, there were 106 reported cases of suspected village fund corruption, resulting in a total state loss of Rp 31.3 billion. In 2022, the number of village fund corruption cases rose to 791, and by 2023, it had further increased to 851 cases, involving 973 individuals and causing losses amounting to Rp 28.4 trillion. This indicates that corruption in village funds remains a serious challenge that requires effective preventive solutions. It also demonstrates that the principles of Good Governance have not yet been consistently implemented in village administrations across Indonesia (Febrianti, 2024).

All of the problems occurred that described above have made become a warm topic in the world of business and investment. Companies are starting to recognize that good ESG performance not only enhances a company's reputation and attractiveness, but also has the potential to improve their long-term financial performance (Fadhillah and Marsono, 2023). Therefore, it is imperative to understand the factors that influence the ESG performance of companies in Indonesia.

A company's success largely relies on its board of directors, as they are responsible for setting and overseeing key goals, managing governance, and shaping the company's culture (García-Sánchez *et al.*, 2018). A good board also focuses on business ethics and corporate responsibility. Studies increasingly show that there is a strong link between a company's sustainability efforts and its profitability (Eccles *et al.*, 2014). Companies with high sustainability ratings tend to do better in the stock market and perform well financially. This means that following ESG practices can give company a long-term competitive advantage. Many businesses now recognize that their future depends on meeting sustainability (Birindelli *et al.*, 2018).

There are previous studies that have examined the influence of variables that affect ESG performance including board tenure (Al-Gasawneh *et al.*, 2022; Popov and Makeeva, 2022), board size (Al Amosh and Khatib, 2021; Birindelli *et al.*, 2018; Nguyen *et al.*, 2021; Nuhu and Alam, 2024; Suttipun, 2021; Yeh and Guo, 2022), board meeting (Al Amosh and Khatib, 2021; Birindelli *et al.*, 2018; Nguyen *et al.*, 2021; Nuhu and Alam, 2024; Yeh and Guo, 2022), board remuneration (Suttipun, 2021), woman on board (Al-Gasawneh *et al.*, 2022; Cucari *et al.*, 2018; Menicucci and Paolucci, 2022;

Popov and Makeeva, 2022; Rella and L'Abate, 2022; Romano *et al.*, 2020; Suttipun, 2021), board educational background , Foreign Board (Beji *et al.*, 2021; Liao and Jesmin, 2023; Onyali and Okafor, 2019), board independence (Chebbi and Ammer, 2022; Chouaibi *et al.*, 2022; Lu and Wang, 2021; Mallin *et al.*, 2015), board age (Cucari *et al.*, 2018; Menicucci and Paolucci, 2022; Rella and L'Abate, 2022).

First factor is board tenure. Board tenure refers to the length of time a director hold a position in company Blocher (2019). This tenure also influences the experience and knowledge a director possesses in leading or managing a company (Gallego-Álvarez and Rodriguez-Dominguez, 2023; Hafsi and Turgut, 2013). According to Al-Gasawneh *et al.* (2022), overall board diversity, particularly in terms of tenure diversity, can enhance the board's involvement and ability in Environmental, Social, and Governance (ESG) performance. This view is supported by Gallego-Álvarez and Rodriguez-Dominguez (2023) who stated that board tenure affects a company's commitment to environmental sustainability. However, research conducted by (Halid *et al.*, 2022) found the opposite, stating that board tenure does not influence a company's Environmental, Social, and Governance (ESG) performance score.

Second factor is board remuneration. According to Goergen (2012), board remuneration refers to the compensation provided to the members of a company's board of directors for their service and duties. The level or amount of remuneration provided by each company varies based on their specific conditions and internal policies of the company. While the amount that offer by every company may be different, the goal of remuneration itself is the same for each company. This is aligned with Suttipun (2021) which states that remuneration positively influence the ESG performance. It is because top management has reasons to share extra information voluntarily because of their remuneration is tied to the company's success, and they also want to protect their jobs and reputations.

Third factor is woman on board. According to Vinnicombe *et al.* (2018) woman on board refers to the presence or representation of women as members of a company's board. Men and women tend to have different perspectives and approaches to decision-making, shaped by their varied backgrounds and experiences and due to their upbringing and social interactions, they may approach problem-solving in distinct ways (Gilligan, 1982; Birindelli *et al.*, 2018). Women can enhance ESG performance in two main ways:

(1) they may place greater importance on ESG issues because of their unique values and ethical outlooks (such as fairness and integrity); and (2) their presence in leadership roles can drive more attention and action on ethical matters like ESG (Issa and Hanaysha, 2023).

Fourth factor is board age. Board age is one of the easiest diversity factors to see since they represent the influence of different generations. According to Wright et al. (2013) board age refers to the average age of board members in a company. This brings different values, motivations, cultures, habits, and experiences to the way directors make decisions (Menicucci and Paolucci, 2022). Having a range of ages on the board can also help improve how companies understand and handle ESG issues.

In this research, the author uses two control variables. The two control variables that author use are firm size and leverage. These control variables help to ensure that the board characteristics are variables that can motivate companies to adapt to ESG issues.

The author is conducting current research based on Halid et al. (2022) entitled “Does Firm’s Board Affects ESG? Malaysian Evidence”. There are three points that distinguished between the previous study and current research, namely:

First, the independent variables that used in this study focused on board tenure, board remuneration, woman on board, and board age. There are two additional independent variables in this study namely board remuneration and board age, it is because there is lack of research relate those variables to ESG performance. Second, companies studied by Halid et al. (2022) are companies that listed on Malaysia Stock Exchange and collected data for three years (2017-2019). Whereas this study looks at companies in Indonesia that are listed on the Indonesian Stock Exchange (IDX) and collected data for four years (2019-2022). Third, research study by Halid et al. (2022) used sample of 55 listed Malaysian firms. Whereas this study is using a sample of 46 companies listed on the Indonesian Stock Exchange.

Therefore, it can be concluded that the formulation of the research problem can be constructed as: “Does board tenure, board remuneration, woman on board, and board age influence ESG performance of Companies Listed on the Indonesian Stock Exchange in 2019 – 2022?”. Consequently, the objective of this study to examine the influence of board tenure, board remuneration, woman on board, and board age on ESG performance of Companies Listed on the Indonesian Stock Exchange in 2019 – 2022.

For researchers, this study aims to understand what affects the ESG performance for energy and basic material companies on the Indonesia Stock Exchange, and more research is needed to determine the factors influencing ESG performance of companies listed on the Indonesia Stock Exchange; for academics, this research can add empirical evidence from previous research, it can be used as discourse and reference in the field of accounting and finance in conducting further research, and it can be applied in the future.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Previous research provides supporting facts and arguments that help strengthen the justification for conducting a study. The findings from previous studies can serve as valuable references for this study, including:

Halid et al. (2022) examined Does Firm's Board Affects ESG? Malaysian Evidence. This study shows that the board independence is significantly positively influenced the ESG performance. Other board characteristics; board size, tenure and board diversity, however, is not influenced the ESG performance.

Al-Gasawneh et al. (2022) examined the Impact of Board Diversity on ESG. This study shows that board tenure has a statistically insignificant negative relationship with ESG scores.

Suttipun (2021) examined the influence of board composition on ESG disclosure of Thai listed companies. This study found that board size, female board, compensation committee, CSR committee, and remuneration is influence significantly positive on ESG disclosure.

Birindelli et al. (2018) examined the influence of a firm's board of directors on ESG performance. This study shows that gender diversity, board size, and CSR committee is positively impacts a bank's ESG performance, while board independence has a negative relationship with ESG performance.

Agency Theory

Agency theory can be defined as a contract between one or more people called principals hire someone else called agent to do a job for them. In carrying out this job, the agent is given some decision-making power. Agent in here is expected to provide responsibility for their actions to shareholders. Agency theory states that agents such as

management often act in their own self-interest and make decisions that benefit themselves rather than the company or shareholders (Jensen and Meckling, 1976).

The relationship between agency theory and ESG performance revolves around reducing conflicts of interest and improving trust between a company's management and its shareholders. This happens because shareholders do not always have complete information about what managers are doing, which creates a gap called information asymmetry. This gap can lead to mistrust, inefficiency, and higher costs for the company, known as agency costs (Jensen and Meckling, 1976). When a company discloses its ESG performance—how it addresses environmental, social, and governance issues—it provides more transparent and detailed information about its activities. This reduces the information gap and allows shareholders and investors to see how the company is handling important responsibilities beyond just making profits. By being open about its ESG efforts, the company demonstrates accountability and builds trust with shareholders, which helps to lower agency costs (Chen, 2022).

The linkage between board characteristics (including gender, age, remuneration, and tenure) and agency theory lies in the board's role as a monitoring mechanism to mitigate agency problems between managers and shareholders. Agency theory, as proposed by F. Fama and C. Jensen (1983), the board helps make sure that management acts in the best interests of shareholders by supervising their actions to create value for the company. Diversity on the board can help this process by bringing different viewpoints and experiences into decision-making. For example, gender diversity might bring fresh ideas that challenge traditional ways of thinking, while age diversity can provide a mix of experience and new approaches. Differences in remuneration and tenure might also affect how independent directors are and how they oversee management (Akpan and Amran, 2014; Carter *et al.*, 2005; Katsiampa *et al.*, 2024).

ESG Performance

ESG is a framework that includes environmental (E), social (S), governance (G) and it is also factors used by investor to assess the sustainability and risks of their investments (Li *et al.*, 2021). ESG performance refers to a company's ability to consistently manage and improve practices in all three aspects (Muhammad *et al.*, 2023). The first is environmental, which assesses how the company manages its impact on the environment. The second is social, which assesses how the company interacts with

employees and clients by ensuring accountability for products and services, promoting diversity, upholding human rights throughout the entire supply chain, ensures health and safety, and supports community initiatives. Third, governance related to business practices like ethics, executive compensation, board structure, and financial transparency (Masi et al., 2021; Morrison, 2021).

Board Tenure

Board tenure refers to how long the directors or executive hold a position in company (Blocher, 2019). This tenure is related to the experience of directors as board's member and their knowledge about the company (Hafsi and Turgut, 2013). Long-tenured directors bring valuable experience, deep knowledge of company policies, and expertise in monitoring financial reporting due to their familiarity with the firm's operations, rules, and regulations. On the other hand, short-tenured board members often contribute fresh perspectives, greater willingness to take risks, and innovative approaches, which can enhance the board's credibility and adaptability. A balanced composition of tenure lengths can thus optimize governance by combining stability with innovation (Cahyono *et al.*, 2023)

Board Remuneration.

Board remuneration refers to the compensation awarded to directors for their services, including salaries, bonuses, and stock options, designed to align their interests with shareholders and motivate effective governance (Goergen, 2012; Septiani *et al.*, 2024). While the structure and amount vary across companies based on internal policies and specific conditions, the core purpose remains consistent: to enhance performance, ensure commitment, and incentivize strategic decision-making that drives corporate success (Puspasari and Sujana, 2021).

Woman on Board

Women on board refer to the representation of female directors in a company's governance structure, whose presence enhances decision-making by offering diverse perspectives, fostering sustainability, and improving long-term corporate performance (Vinnicombe *et al.*, 2018). Research indicates that women tend to employ socially oriented reasoning, prioritize collaboration, and adopt cautious, process-driven approaches to risk management, while male directors often exhibit greater risk tolerance and outcome-focused strategies (Eliya and Suprpto, 2022; Jaffee and Hyde, 2000;

Naciti, 2019). This diversity encourages rigorous debate, reduces groupthink, and strengthens ethical oversight, as boards with varied backgrounds critically evaluate ideas, balance risk-taking with prudence, and remain attuned to external opportunities and societal responsibilities (Gul *et al.*, 2017; Orij, 2010)

Board Age

Board age, defined as the average age of directors or the variation in age among board members (Menicucci and Paolucci, 2022), represents a key dimension of board diversity that significantly influences governance dynamics (Abdullah and Ismail, 2013). Age-diverse boards combine the seasoned expertise, long-term strategic vision, and industry wisdom of older directors with the innovative thinking, adaptability, and contemporary insights of younger members, thereby enhancing overall board effectiveness through a balanced integration of experience and fresh perspectives (Wright *et al.*, 2013).

H1: Board Tenure influences ESG Performance

As noted by Setiawan *et al.* (2018), the length of time a director serves on the board represents the duration of their involvement within the company's operations. The longer a board member has been in their position, the more knowledge they accumulate about the essential elements of the company and the broader industry environment. This extended experience allows them to develop a deeper insight into effective managerial practices, helping them make more informed and strategic decisions (Gallego-Álvarez and Rodríguez-Domínguez, 2023).

In addition, Al-Gasawneh *et al.* (2022) found that more diverse board, particularly in terms of the variety of tenures among its members, positively influences a company's ESG performance. The idea is that the time board members spend in their roles can significantly affect how well the company manages environmental, social, and governance issues. A board made up of members with different lengths of service brings diverse perspectives, which can enhance decision-making in these key areas.

H2: Board Remuneration influences ESG Performance

In agency theory, it is said that remuneration for directors is one of the mechanisms to mitigate or minimize agency problems that occur in the company. By structuring

compensation packages that are tied to the company's performance, shareholders can ensure that directors' personal financial outcomes are aligned with the overall success of the company (Hu and Loh, 2018).

Moreover, well-structured remuneration helps to curb opportunistic behaviour by directors. Without proper incentives, directors may make decisions that benefit them in the short term but are harmful to the company's long-term interests. For example, they might take excessive risks to boost short-term results or pursue expansion strategies to enhance their personal power, even if these actions are not aligned with shareholder goals. By incorporating mechanisms like deferred compensation or long-term incentives, directors are encouraged to think about the company's future performance rather than just short-term gains. This ensures that their actions benefit the company over time and reduce the risk of decisions driven solely by self-interest (Suttipun, 2021).

H3: Woman on Board influences ESG Performance

Woman on board refers to how many women are represented on the board. Many studies have shown that having more women on the board positively impacts a company's Environmental, Social, and Governance (ESG) performance (Romano *et al.*, 2020). For example, Jizi (2017) found that the presence of women on the board positively influences the company's involvement in Corporate Social Responsibility (CSR). Similarly, Birindelli *et al.* (2018) 108 listed banks in Europe and the United States and found that board gender diversity positively impacts a bank's ESG performance.

Diamantopoulos *et al.* (2003) highlighted that women play an important role in environmental and sustainability efforts. Harjoto and Wang (2020) also found that a higher percentage of female directors leads to better ESG performance. Dyck *et al.* (2023) studied companies in 41 countries and discovered that having women on the board improves environmental performance. Gurol and Lagasio (2023) found a strong positive link between the percentage of women on the board and the scores for environmental and social disclosures. Chouaibi *et al.* (2022) also noted that gender diversity especially for the presence of women on board helps improve the quality of company reports, and Rella and L'Abate (2022) agreed that gender diversity has a positive effect overall.

H4: Board Age influences ESG Performance

Board age is a significant factor influencing board dynamics and decision-making effectiveness (Wright *et al.*, 2013). Older board members bring extensive industry experience, long-term strategic vision, and deep institutional knowledge, which are crucial for sustainable corporate governance. Their accumulated wisdom allows them to better assess risks, navigate complex regulatory environments, and prioritize long-term value creation which are key aspects of strong Environmental, Social, and Governance (ESG) performance (Menicucci and Paolucci, 2022).

RESEARCH METHOD

The current research is research that uses secondary data on companies listed on the Indonesia Stock Exchange (IDX), so the data used is data obtained from the website www.idx.co.id and from the websites of the companies that are used as research samples. The data taken are through annual reports and sustainability reports from the companies studied.

The following are some of the criteria or benchmarks contained in the sample in the current study, namely:

1. All companies listed on the Indonesia Stock Exchange from 2019 to 2022.
2. Companies that have available ESG score during the observation period from 2019 to 2022.
3. Companies that report complete annual reports and sustainability report during the observation period from 2019 to 2022

Number of companies listed on Indonesia Stock Exchange	903
Companies that did not obtain an ESG score from 2019 – 2022	(858)
Companies that did not publish annual report and sustainability report from 2019 – 2022	(17)
Total Company	28
Total Companies observed from 2019 – 2022	112

Data collection techniques are carried out using the documentation method,

namely studying, classifying and analyzing secondary data relevant to the needs of this study. This research is used the annual report data and sustainability reports from the data provided on the Indonesia Stock Exchange (IDX) for the period 2019-2022.

Based on the previous explanation, the data collection process will follow the formulas used in the variable measurement as below:

Table 1
Variable Measurement

Variable	Abbreviation	Indicator
<i>Dependent Variable</i>		
ESG Performance (Y)	ESG	The percentage of ESG score in the Refinitiv Database with a value in the range of 0 to 100
<i>Independent Variables</i>		
- Board Tenure (X1)	BT	$BT = \frac{\text{Total tenure of each boards}}{\text{Total number of boards}}$
- Board Remuneration (X2)	BR	$BR = \text{Total annual remuneration of boards}$
- Woman on Board (X3)	WOB	$WOB = \frac{\text{Number of Woman on Board}}{\text{Total Number of Board}} \times 100\%$
- Board Age (X4)	BA	$BA = \frac{\text{Total Age of Boards}}{\text{Total Number of Board}}$
<i>Control Variables</i>		
- Leverage	LEV	$LEV = \frac{\text{Total Debt}}{\text{Total Equity}}$
- Firm Size	FSIZE	$FSIZE = \ln(\text{Total Asset})$

The data analysis techniques in this research are using descriptive statistics that intended to describe measured data in various ways, namely looking for the maximum value, minimum value, average, sum, standard deviation for the dependent variable and independent variables. The current study uses data processing techniques carried out through the Statistical Package for Social Sciences (SPSS) 26 program, where the classical assumption test used in the current study is the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test (Ghozali and Ratmono, 2020).

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

In this research, descriptive statistical measurements are in the form of minimum value, maximum value, average value (mean), and standard deviation. Descriptive statistical data can be seen in this table:

Table 2
Descriptive Statistical Results of Research Variables

	Descriptive Statistics				
	N	Minimum	Maximum	Sum	Std. Deviation
Board Tenure	112	0,86	20,57	622,89	3,92
Board Remuneration	112	2.750.000.000	1.400.000.000.000	20.377.860.990.643	255.171.995.761,902
Woman on Board	112	0	0,44	13,91	0,104
Board Age	112	47,2	59,14	5939,303	2,85
Firm Size	112	30,2	35,22	3601,86	1,35
Leverage	112	0,11	0,96	63,59	0,23
ESG Performance	112	24,44	87,76	7066,01	16,01
Valid N (listwise)	112				

From the table of descriptive statistical analysis result above, it presents an overview of each variable related to this research. Board Tenure variable, it has minimum value of 0.8600, maximum value of 20.5700, sum value of 622.8900, mean value of 5.561518, and standard deviation value of 3.9283470. From the data, it shows that the mean of board tenure variable is larger than the standard deviation which illustrates the distribution of Board Tenure variable data is small or there is no significant gap, indicating that the board tenure variable data is homogeneous.

Board Remuneration variable, it has minimum value of 2.750.000.000, maximum value of 1.400.000.000.000, sum value of 20.377.860.990.643, mean value of 181.945.187.416.455.350, and standard deviation value of 255.171.995.761.901.520 mean of 181.945.187.416,455 is smaller than the standard deviation of 255.171.995.761,901. From the data, From the data, it shows that the mean of board remuneration variable is smaller than the standard deviation which can be concluded that the data of Board Remuneration variable is heterogeneous (the data distribution is too extreme).

Women on Board variable, it has minimum value of 0, maximum value of 0.444, sum value of 13.911586, mean value of 0.12421059, and standard deviation value of 0.104974920. From the data, it shows that the mean of woman on board is larger than the

standard deviation which illustrates the distribution of Woman on Board variable data is small or there is no significant gap, indicating that the woman on board variable data is homogeneous.

Board Age variable, it has minimum value of 47.2000, maximum value of 59.1429, sum value of 5939.3030, mean value of 53.029491, standard deviation value of 2.858537. From the data, it shows that the mean of board age is larger than the standard deviation which illustrates the distribution of Board Age variable data is small or there is no significant gap, indicating that board age variable data is homogeneous.

ESG Performance variable, it has minimum value of 24.4400, maximum value of 87.7600, sum value of 7066.0100, mean value of 63.089375, and standard deviation value of 16.0120099. From the data, it shows that the mean of ESG performance variable is larger than the standard deviation which illustrates the distribution of ESG Performance variable data is small or there is no significant gap, indicating that the ESG Performance variable data is homogeneous. It also shows that the average of the ESG performance of companies sampled in Indonesia each year has range from 60 to 65 meaning that the score is in the third quartile which indicates good relative ESG performance and above average degree of transparency in reporting material ESG data publicly.

Hypothesis Test Results and Discussion

In the t test, decisions are made by considering the significance value from the SPSS output and comparing t-count with the t-table value. In this study, the number of samples (n) is 112, with the number of independent variables (k) as many as 4 and the significance level used is 5% or 0.05. The value of t-table or degree of freedom (df) is calculated using the formula $n - k - 1$, namely $112 - 6 - 1 = 105$, which results in a t-table value of 1.983. The decision is made by comparing the calculated t-value and t-table. The results of the t-test can be seen in table:

Table 3
T-Test Results Statistics

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		

1	(Constant)	-100.028	58.081		-1.722	.088
	Board Tenure	-1.110	.449	-.272	-2.470	.015
	Board Remuneration	-8.807E-12	.000	-.140	-1.099	.274
	Woman on Board	.461	.139	.303	3.325	.001
	Board Age	.051	.630	.009	.082	.935
	Firm Size	5.284	1.858	.447	2.845	.005
	Leverage	-13.225	7.919	-.196	-1.670	.098

a. Dependent Variable: ESG Performance Score

The results of the t-test are as follows:

1. Test H1: The influence of Board Tenure on ESG Performance

Based on the table above, the t-count value of -2.470 with a significance value of 0.015 and the coefficient value of -1.110. The results of this study indicate $t\text{-count} > t\text{-table}$ ($2.470 > 1.983$) and the significance value less than 0.05 ($0.015 < 0.05$). Based on these results, it shows that board tenure variable does have a significant influence on the ESG performance variable. Thus, Hypothesis 1 (H1) which states that board tenure influences ESG Performance, is accepted.

The result shows that board tenure does negatively influence on ESG performance. According to the data obtained regarding the length of tenure of the board, it was found that most of the companies sampled in this study had boards whose tenure was above 5 years. In accordance with POJK Regulation Number 33 concerning directors and board of commissioners of issuers or public companies, it states that in 1 period the term of office of a board is no longer than 5 years, so it can be concluded that the boards of the companies sampled in this study have a long tenure. Although the longer board tenure should improve the quality of a company's ESG performance, the results of this study show that the longer the board tenure in the company actually decreases ESG performance. This is because even though the board's tenure is long, it makes them not carry out his supervisory function properly. This is influenced by conformity bias or loss of critical perspective of the board on ESG performance decision making and is also influenced by other factors, namely the longer board tenure may become entrenched in established routines and less willing to challenge existing practices or embrace new sustainability initiatives, making it difficult for the company to adapt to evolving shareholder expectations and regulatory demands in the ESG landscape.

This is in line with entrenchment theory, which suggests that longer board tenure may lead board to become entrenched in existing mindsets and practices, thereby reducing their ability to adapt to changes, respond to shareholder needs, and address dynamic ESG issues. As a result, the board's objectivity and monitoring function over management may weaken (Shleifer and Vishny, 1989). This finding also aligns with agency theory as proposed by Vafeas (2003), which argues that long board tenure can lead to close or special relationships between board members and management, ultimately diminishing the board's effectiveness in overseeing the management in terms of compliance and advancing ESG practices.

This result is aligned with the research from Ardianto et al. (2024), Marrone et al., (2023), and Ratri et al. (2021) which states that board tenure negatively influences the ESG performance. This indicates that the longer board tenure could lead to less innovative, less responsive to external changes, and maintain the status quo. Furthermore, longer board tenure is more prone to prioritizing personal interests, stability, and led to entrenchment which means reluctance to adopt innovative ESG practices. In addition, Vafeas (2003) stated that the entrenchment that arise is not only talking about the stagnation but the close relationship between board and manager, and Hafsi and Turgut (2013) also stated that this kind of relationship may lead board members to follow rather than lead or make a decision that is in line with the interest of the shareholders.

This result is not in line with Halid et al. (2022) which states that board tenure does not influence ESG performance because even though long tenure may be beneficial as board members have better interaction and information, longer tenure may detrimentally affect the directors' quality.

2. Test H2: The Influence of Board Remuneration on ESG Performance

Based on the table above, the t-count value is -1.099 with a significance value of 0.274. The results of this study indicate $t\text{-count} < t\text{-table}$ ($1.099 < 1.983$) and the significance value more than 0.05 ($0.274 > 0.05$). Based on these results, it shows that board remuneration variable does not have a significant influence on ESG performance variable. Thus, hypothesis 2 (H2) which states that board remuneration influences ESG Performance, is rejected.

The result shows that board remuneration does not influence the ESG performance.

According to the survey conducted by PWC Singapore in 2022 that only 16% of companies in the Asia-Pacific region link board remuneration to ESG targets, with Indonesia among the countries with the lowest implementation rates (less than 10%). Based on data, the remuneration structures in the sampled companies of this research are determined by some regulations such as Minister of State-Owned Enterprises Regulation No. PER-03/MBU/03/2023, OJK Regulation No. 34/POJK.04/2014, and the result of the GMS, which are not accommodated or tied the achievement of sustainability goals or ESG aspects into board remuneration. Therefore, the current remuneration practices not sufficiently influence the board to prioritize ESG goals.

In Indonesia, the remuneration of board members is regulated by a comprehensive set of laws and guidelines designed to ensure transparency, fairness, and alignment with corporate governance. The process for determining board remuneration typically involves three main stages: first, the remuneration committee formulates a remuneration structure. Second, this proposal is submitted to the General Meeting of Shareholders (GMS) for approval. Third, the components of remuneration are usually tied to the achievement of annual performance targets.

It aligns with agency theory that suggests the remuneration given to the board is crucial and can be a solution to reduce conflict of interest and minimize the agency cost. Remuneration that designed to fluctuate with the company's performance is expected to motivate, enhance the performance and boost board's productivity and align to the interests of shareholders. However, if the remuneration structure focuses solely on short-term financial metrics without considering ESG factors, the board may neglect sustainability responsibilities in favor of meeting incentive targets. This concept supports the remuneration structure must be linked to the objectives and shareholder needs especially in ESG aspects, but in fact the remuneration mechanisms fail to incorporate long-term impacts and broader shareholder interests (Jaafar, 2025).

The result of this study is in line with the research by Carvalho et al. (2017) which states that board remuneration does not influence the ESG performance, it indicates that other factors, such as organizational characteristics and auditing practices, have a more significant influence on ESG performance. In addition, argue through the lens of agency theory that remuneration packages often fail to align board actions with shareholder interests because they are not effectively tied to the performance.

The result of this study is not in line with the research by Suttipun (2021) which states that board remuneration influences the ESG performance due to the remuneration that provide to the board have encourage them to lead to the better ESG performance.

3. Test H3: The Influence of Woman on Board on ESG Performance

Based on the table above, the t-count value is 3.325 with a significance value of 0.001. The results of this study indicate $t\text{-count} > t\text{-table}$ ($3.325 > 1.983$) and the significance value less than 0.05 ($0.001 < 0.05$). Based on these results, it shows that woman on board variable does have a significant and positive influence on ESG performance variable. Thus, hypothesis 3 (H3) which states that woman on board influences ESG Performance, is accepted.

The result shows that woman on board influences the ESG performance. It shows that woman on board brings a broader perspective that can enhance strategic decision-making, as they tend to be more socially problem-oriented, cautious in risk assessment, and use social reasoning to build strong relationships and effectively address the needs of others, including a greater concern for the environment, factors that significantly contribute to improving a company's ESG performance (Naciti, 2019).

It aligns with agency theory proposed by Jensen and Meckling (1976) emphasize the need for effective monitoring to control managerial behaviour and reduce agency costs. Woman on board can improve this monitoring function through varied viewpoints and risk awareness as they tend to demonstrate increased thoroughness in risk assessment and more focused on being open and responsible. This helps reduce management's opportunistic behaviour that can harm shareholders related to ESG (Adams and Ferreira, 2009).

This result is aligned with research from Dyck et al. (2023), Gurol and Lagasio (2023), and Jizi (2017) which state that woman on board influences ESG performance. These indicate that women play an important role in improving ESG performance by promoting more effective oversight, and their concern to the environmental and social are integrated into corporate strategy and reporting so that can influence the ESG performance of companies.

This result is not in line with Manita et al. (2018) which state that woman on board does not influence ESG performance. It is due to women on boards may be marginalized

or their voices stifled, thus diminishing their impact on ESG performance.

4. Test H4: The Influence of Board Age on ESG Performance

Based on the table above, the t-count value is 0.082 and t-table of 1.983 with a significance value of 0.935. The results of this study indicate $t\text{-count} < t\text{-table}$ ($0.082 < 1.983$) and the significance value more than 0.05 ($0.935 > 0.05$). Based on these results, it shows that board age variable does not have a significant influence on ESG performance variable. Thus, hypothesis 4 (H4) which states that board age influences ESG Performance, is rejected.

The result shows that board age does not influence the ESG performance. It is because although increasing in board age is generally associated with greater experiences and knowledges, but the majority of board members in the Indonesian companies sampled in this study which is above 70% companies board do not have specific knowledge, experience, or certifications related to sustainability or ESG. This indicates that being older does not necessarily equate to having adequate capability in managing sustainability or ESG issues, which explains why board age has an insignificant influence on ESG performance.

According to the Human Capital Theory by Becker (1964) suggests the success of ESG performance is more closely tied to functional competencies (such as technical expertise in sustainability or experience in implementing ESG policies) than to age factors alone. Thus, the research findings support the proposition of Human Capital Theory (HCT) that investment in human capital development such as ESG training is a more crucial driver of ESG performance than mere variations in board age composition.

This study's findings align with research from Cucari et al. (2018), Menicucci and Paolucci (2022), and Rella and L'Abate (2022) which state that board age does not influence ESG performance. This might be due to the fact that ESG issues are complicated and also cannot limited to the viewpoints related to the age of board members. Instead, other characteristics of the board may have a greater impact on ESG performance.

This study's finding is not in line with Handajani et al. (2014) that state board age influences the ESG performance. This finding indicates that generational differences on board influence decision making strategies, such as risk aversion and openness to technology adoption, with older board members demonstrating extensive experience and

richer practices as a result of accumulated skill based on competencies that can influence the ESG performance.

Coefficient of Determination Test Result

Table 1
Coefficient of Determination Test Result

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.480 ^a	.230	.186	14.4422032	.552

a. Predictors: (Constant), Leverage, Board Remuneration, Woman on Board, Board Tenure, Board Age, Firm Size

b. Dependent Variable: ESG Performance

From the table 3, it is known that all independent variables (board tenure, board remuneration, woman on board, and board age) have a relationship with the dependent variable, namely the ESG performance (Y) as evidenced by the multiple coefficient value (R) of 0.186. It shows the independent variables give effect to the ESG performance of $0.186 \times 100\% = 18.6\%$, it can be concluded that the influence of independent variables (board tenure, board remuneration, woman on board, and board age) on the dependent variable (ESG performance) is 18.6% while the remaining 81.4% is influenced by other factors or other independent variables that were not observed in this study.

CONCLUSIONS AND SUGGESTIONS

Conclusions

This study examined the influence of board characteristics on ESG performance using companies listed on the Indonesian Stock Exchange for the period 2019–2022 as a sample. The results of the analysis of the research model and hypothesis testing proposed in this study resulted in the following conclusions: Board tenure negatively influences the ESG performance. This means that the longer board tenure can influence a company’s ESG performance, implying that longer board terms may reduce the company’s ability to effectively implement and adapt ESG initiatives. Board

remuneration does not influence the ESG performance. This is due to the remuneration provided by the company to the board does not influence the company's ESG performance because the board remuneration structure does not accommodate or tie to the achievement of sustainability goals or ESG aspects. Woman on board influences the ESG performance. This shows that the presence of woman on board in the sampled companies can enhance strategic decisions as they are socially oriented, cautious in risk assessment, and focused on building relationships, including greater environmental concern, all of which significantly influence a company's ESG performance. Board age does not influence the ESG performance. This is because while older board members are typically assumed to have greater experience due to their age, they often lack specialized ESG knowledge or certifications, resulting in board age has no influence on ESG performance.

Limitations and Suggestions

This research has several limitations that should be acknowledged. First, the relatively small number of companies in Indonesia with regularly reported and standardized ESG scores constrained the sample selection process. As a result, the study included firms across various sectors to ensure sufficient data availability, which may introduce variability in ESG measurement due to differing industry-specific sustainability practices. Second, the findings may not be generalizable to other countries, as Indonesia's unique corporate governance structures, cultural norms, and regulatory frameworks could influence board dynamics and ESG performance differently compared to other markets. These contextual differences limit the applicability of the results to global settings. Future research could benefit from a more sector-focused analysis or cross-country comparisons to strengthen the validity of the findings.

Based on the research findings, several actionable recommendations can be proposed to enhance ESG performance. First, companies should implement board term limits in compliance with applicable regulations to prevent stagnation and promote the infusion of new perspectives in ESG strategy development and execution. Second, board remuneration structures should be revised to incorporate ESG-linked incentives, such as performance bonuses or stock options tied to measurable sustainability targets,

thereby aligning directors' motivations with long-term ESG goals. Third, increasing female representation on boards can strengthen ESG-focused decision-making, as gender diversity brings socially oriented perspectives and more balanced risk assessment. Finally, providing specialized ESG training for board members would help bridge knowledge gaps, ensuring that directors possess the necessary expertise to effectively oversee and drive corporate sustainability initiatives. These measures collectively aim to improve governance practices and foster stronger ESG outcome.

REFERENCES

- Abdullah, S.N. and Ismail, K.N.I. (2013), *Gender, Ethnic and Age Diversity of the Boards of Large Malaysian Firms and Performance (Kepelbagaian Jantina, Kumpulan Etnik, Dan Umur Dalam Lembaga Pengarah Firma Besar Di Malaysia Dan Prestasi)*, *Jurnal Pengurusan*, Vol. 38.
- Adams, R.B. and Ferreira, D. (2009), “Women in the boardroom and their impact on governance and performance☆”, *Journal of Financial Economics*, Vol. 94 No. 2, pp. 291–309, doi: 10.1016/j.jfineco.2008.10.007.
- Akpan, E.O. and Amran, N.A. (2014), “Board Characteristics and Company Performance: Evidence from Nigeria”, *Journal of Finance and Accounting*, Science Publishing Group, Vol. 2 No. 3, p. 81, doi: 10.11648/j.jfa.20140203.17.
- Al-Gasawneh, J., Mansur, H., Shatnawi, A., Al-Gasawneh, A., Mansour, H., Alresheedi, A., Abdel, E., *et al.* (2022), *The Impact OF Board Diversity ON Esg: The Moderating Effect OF Legal Origins*, *Article in The Journal of Positive Psychology*, Vol. 6.
- Amalia, R. and Kusuma, I.W. (2023), *Pengaruh Kinerja Lingkungan, Sosial Dan Tata Kelola Terhadap Kinerja Pasar Dengan Kontroversi ESG Sebagai Variabel Pemoderasi*, *ABIS: Accounting and Business Information Systems Journal*, Vol. 11.
- Ardianto, A., Cahyono, S. and Harymawan, I. (2024), “Directors tenure diversity and corporate sustainability performance: The non-linear evidence from Indonesia public listed companies”, *Jurnal Akuntansi Dan Auditing Indonesia*, Vol. 28 No. 1, p. 2024, doi: 10.20885/jaai.vol28.i.
- Baraputri, V. (2023), “Lingkungan di Sulawesi Tenggara terancam limbah tambang nikel - ‘Yang kamu rusak adalah masa depannya’”, 7 July.
- Becker, G.S. (1964), *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*.

- Birindelli, G., Dell’Atti, S., Iannuzzi, A.P. and Savioli, M. (2018), “Composition and activity of the board of directors: Impact on ESG performance in the banking system”, *Sustainability (Switzerland)*, MDPI, Vol. 10 No. 12, doi: 10.3390/su10124699.
- Blocher, E. (2019), *Cost Management : A Strategic Emphasis*, McGraw-Hill Education.
- Cahyono, S., Sawarjuwono, T. and Wendi, W. (2023), “Masa Jabatan CEO, Keragaman Dewan Direktur, dan Pengungkapan CSR: Eksplorasi Studi Kepustakaan”, *EL MUHASABA: Jurnal Akuntansi (e-Journal)*, Maulana Malik Ibrahim State Islamic University, Vol. 14 No. 1, pp. 54–68, doi: 10.18860/em.v14i1.17416.
- Carter, D.A., Simkins, B.J. and Simpson, W.G. (2005), “Corporate Governance, Board Diversity, and Firm Performance”, *SSRN Electronic Journal*, Elsevier BV, doi: 10.2139/ssrn.304499.
- Carvalho, A.O., Rodrigues, L.L. and Branco, M.C. (2017), “Factors Influencing Voluntary Disclosure in the Annual Reports of Portuguese Foundations”, *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, Springer New York LLC, Vol. 28 No. 5, pp. 2278–2311, doi: 10.1007/s11266-017-9883-8.
- Chen, Y. (2022), *ESG and Corporate Performance: A Survey*, *BCP Business & Management BEMS*, Vol. 2022.
- Chouaibi, S., Chouaibi, Y. and Zouari, G. (2022), “Board characteristics and integrated reporting quality: evidence from ESG European companies”, *EuroMed Journal of Business*, Vol. 17 No. 4, pp. 425–447, doi: 10.1108/EMJB-11-2020-0121.
- Cucari, N., Esposito De Falco, S. and Orlando, B. (2018), “Diversity of Board of Directors and Environmental Social Governance: Evidence from Italian Listed Companies”, *Corporate Social Responsibility and Environmental Management*, John Wiley and Sons Ltd, Vol. 25 No. 3, pp. 250–266, doi: 10.1002/csr.1452.
- Diamantopoulos, A., Schlegelmilch, B.B., Sinkovics, R.R. and Bohlen, G.M. (2003), “Can socio-demographics still play a role in profiling green consumers? A review of the evidence and an empirical investigation”, *Journal of Business Research*, Elsevier Inc., 1 June, doi: 10.1016/S0148-2963(01)00241-7.
- Dyck, A., Lins, K. V., Roth, L., Towner, M. and Wagner, H.F. (2023), “Renewable Governance: Good for the Environment?”, *Journal of Accounting Research*, John Wiley and Sons Inc, Vol. 61 No. 1, pp. 279–327, doi: 10.1111/1475-679X.12462.

- Eccles, R.G., Ioannou, I., Serafeim, G. and Hall, M. (2014), *THE IMPACT OF CORPORATE SUSTAINABILITY ON ORGANIZATIONAL PROCESSES AND PERFORMANCE*.
- Eliya, S. and Suprpto, Y. (2022), “Pengaruh Keberagaman Gender terhadap Kinerja Keuangan pada Perusahaan Manufaktur Barang Konsumsi Publik di Indonesia”, *SEIKO : Journal of Management & Business*, Vol. 5 No. 2, pp. 2022–2045, doi: 10.37531/sejaman.v5i1.2024.
- F. Fama, E. and C. Jensen, M. (1983), “Separation of Ownership and Control”, *The Journal of Law and Economics*, Vol. 26.
- Fadhillah, R.R. and Marsono. (2023), “Pengaruh Kinerja Komponen Environmental, Social, dan Governance terhadap Kinerja Keuangan”, *DIPONEGORO JOURNAL OF ACCOUNTING*, Vol. 12, pp. 1–11.
- Febrianti, R. (2024), “Implementasi Good Governance dalam Pengelolaan Dana Desa dan Dampaknya terhadap Peningkatan Kesejahteraan Masyarakat”, 26 June.
- Gallego-Álvarez, I. and Rodriguez-Dominguez, L. (2023), “Board of directors and environmental practices: the effect of board experience, culture, and tenure”, *Environment, Development and Sustainability*, Springer Science and Business Media B.V., doi: 10.1007/s10668-023-03937-z.
- García-Sánchez, I.M., Martínez-Ferrero, J. and García-Meca, E. (2018), “Board of Directors and CSR in Banking: The Moderating Role of Bank Regulation and Investor Protection Strength”, *Australian Accounting Review*, Blackwell Publishing Ltd, Vol. 28 No. 3, pp. 428–445, doi: 10.1111/auar.12199.
- Ghozali, I. and Ratmono, D. (2020), *Analisis Multivariat Dan Ekonometrika*, 2nd ed.
- Goergen, M. (2012), *Executive Compensation and Corporate Governance*.
- Gul, F.A., Srinidhi, B., Ng, A.C., Zarowin, P., Su, N., Tong, W., Yu, W., *et al.* (2017), “Does Board Gender Diversity improve the Informativeness of Stock Prices?”, *Journal of Accounting and Economics (Forthcoming)*.
- Gurol, B. and Lagasio, V. (2023), “Women board members’ impact on ESG disclosure with environment and social dimensions: evidence from the European banking sector”, *Social Responsibility Journal*, Vol. 19 No. 1, pp. 211–228, doi: 10.1108/SRJ-08-2020-0308.
- Hafsi, T. and Turgut, G. (2013), “Boardroom Diversity and its Effect on Social Performance: Conceptualization and Empirical Evidence”, *Journal of Business*

- Ethics*, Kluwer Academic Publishers, Vol. 112 No. 3, pp. 463–479, doi: 10.1007/s10551-012-1272-z.
- Halid, S., Mahmud, R., Suffian, M.T.M. and Rahman, R.A. (2022), “Does Firm’s Board Affects ESG? Malaysian Evidence”, *International Journal of Academic Research in Accounting, Finance and Management Sciences*, Human Resources Management Academic Research Society (HRMARS), Vol. 12 No. 1, doi: 10.6007/ijarafms/v12-i1/11609.
- Handajani, L., Subroto, B. and Saraswati, E. (2014), “Does Board Diversity Matter on Corporate Social Disclosure? An Indonesian Evidence”, *Journal of Economics and Sustainable Development Wwww.Iiste.Org ISSN*, Vol. 5 No. 9.
- Harjoto, M.A. and Wang, Y. (2020), “Board of Directors Network Centrality and Environmental, Social and Governance (ESG) Performance”.
- Hibatullah, A.I. and Tarjo. (2024), “Environmental, Social, Governance Terhadap Kinerja Keuangan Destinasi Wisata Alam Pulau Madura”, *Jurnal Ekonomi Manajemen Akuntansi*, Vol. 9.
- Hu, M. and Loh, L. (2018), “Board governance and sustainability disclosure: A cross-sectional study of Singapore-listed companies”, *Sustainability (Switzerland)*, MDPI, Vol. 10 No. 7, doi: 10.3390/su10072578.
- IDX. (2024), “Nilai ESG”.
- Iqbal, M. (2023), “Pengaruh Karakteristik Komite Audit Terhadap Kinerja Esg”.
- Issa, A. and Hanaysha, J.R. (2023), “Breaking the glass ceiling for a sustainable future: the power of women on corporate boards in reducing ESG controversies”, *International Journal of Accounting and Information Management*, Emerald Publishing, Vol. 31 No. 4, pp. 623–646, doi: 10.1108/IJAIM-03-2023-0053.
- Jaafar, S.B. (2025), “An agency theory and stewardship theory perspective: Board remuneration impacts firm performance”, doi: 10.2139/ssrn.5062542.
- Jaffee, S. and Hyde, J.S. (2000), “Gender differences in moral orientation: A meta-analysis.”, *Psychological Bulletin*, Vol. 126 No. 5, pp. 703–726, doi: 10.1037/0033-2909.126.5.703.
- Jensen, M.C. and Meckling, W.H. (1976), *Theory of The Firm: Managerial Behavior, Agency Costs and Ownership Structure*, *Journal of Financial Economics*, Vol. 3, Q North-Holland Publishing Company.

- Jizi, M. (2017), “The Influence of Board Composition on Sustainable Development Disclosure”, *Business Strategy and the Environment*, John Wiley and Sons Ltd, Vol. 26 No. 5, pp. 640–655, doi: 10.1002/bse.1943.
- Katsiampa, P., McGuinness, P.B. and Zhang, H. (2024), “The role of board age diversity in the performance of publicly listed Fintech entities”, *European Journal of Finance*, Routledge, Vol. 30 No. 11, pp. 1295–1326, doi: 10.1080/1351847X.2023.2287066.
- Li, T.T., Wang, K., Sueyoshi, T. and Wang, D.D. (2021), “Esg: Research progress and future prospects”, *Sustainability (Switzerland)*, MDPI, 1 November, doi: 10.3390/su132111663.
- Manita, R., Bruna, M.G., Dang, R. and Houanti, L. (2018), “Board gender diversity and ESG disclosure: evidence from the USA”, *Journal of Applied Accounting Research*, Vol. 19 No. 2, pp. 206–224, doi: 10.1108/JAAR-01-2017-0024.
- Marrone, A., Pontrelli, V. and Oliva, L. (2023), “Boards of Directors and High-Tech Sectors Affect ESG Disclosure Quality: An Empirical Analysis of Global Firms”, *International Journal of Business and Management*, Canadian Center of Science and Education, Vol. 18 No. 6, p. 97, doi: 10.5539/ijbm.v18n6p97.
- Masi, S. De, Gołębiowska, A.S.-, Becagli, C. and Paci, A. (2021), “Toward sustainable corporate behavior: The effect of the critical mass of female directors on environmental, social, and governance disclosure”, *Business Strategy and the Environment*, John Wiley and Sons Ltd, Vol. 30 No. 4, pp. 1865–1878, doi: 10.1002/bse.2721.
- Mcpherrin, J. (2023), “Environmental, Social, and Governance (ESG) Scores”.
- Mediana. (2024), “Kecelakaan Kerja Makin Marak dalam Lima Tahun Terakhir”, 3 January.
- Menicucci, E. and Paolucci, G. (2022), “Board Diversity and ESG Performance: Evidence from the Italian Banking Sector”, *Sustainability (Switzerland)*, MDPI, Vol. 14 No. 20, doi: 10.3390/su142013447.
- Morrison, R. (2021), *Environmental, Social, and Governance Theory Defusing a Major Threat to Shareholder Rights*.
- Muhammad, Rahmawati, S.A., Izzalqurny, T.R. and Ferdiansyah, R.A. (2023), *Tata Kelola Perusahaan Dan Kinerja ESG Yang Berkelanjutan*, CV.EUREKA MEDIA AKSARA.

- Naciti, V. (2019), “Corporate governance and board of directors: The effect of a board composition on firm sustainability performance”, *Journal of Cleaner Production*, Elsevier Ltd, Vol. 237, doi: 10.1016/j.jclepro.2019.117727.
- Orij, R. (2010), “Corporate social disclosures in the context of national cultures and stakeholder theory”, *Accounting, Auditing & Accountability Journal*, Vol. 23 No. 7, pp. 868–889, doi: 10.1108/09513571011080162.
- PRI. (2024), “About the PRI”.
- Puspasari, N.K. and Sujana, I.K. (2021), *The Effect of Corporate Social Responsibility Disclosure and Board Remuneration on Financial Performance with the Presence of Woman in the Good Corporate Governance Structure*, *American Journal of Humanities and Social Sciences Research*.
- Ratri, M.C., Harymawan, I. and Kamarudin, K.A. (2021), “Busyness, tenure, meeting frequency of the ceos, and corporate social responsibility disclosure”, *Sustainability (Switzerland)*, MDPI AG, Vol. 13 No. 10, doi: 10.3390/su13105567.
- Rella, A. and L’Abate, V. (2022), *The Impact of Board Characteristics on ESG Disclosure: An Empirical Study on US Companies*.
- Romano, M., Cirillo, A., Favino, C. and Netti, A. (2020), “ESG (Environmental, social and governance) performance and board gender diversity: The moderating role of CEO duality”, *Sustainability (Switzerland)*, MDPI, Vol. 12 No. 21, pp. 1–16, doi: 10.3390/su12219298.
- Septiani, W., Oktavia, R., Alvia, L., Rizki Eka Putri, W., Ekonomi dan Bisnis, F., Lampung, U., dua Univeristas Lampung, J., *et al.* (2024), “Pengaruh Gender Diversity Dan Remunerasi Direksi Terhadap Kinerja Perusahaan Dengan Visibilitas Publik Sebagai Variabel Moderasi”, *Journal on Education*, Vol. 06 No. 04, pp. 21060–21071.
- Setiawan, D., Hapsari, R.T. and Wibawa, A. (2018), “Dampak Karakteristik Dewan Direksi Terhadap Pengungkapan Corporate Social Responsibility Pada Perusahaan Pertambangan Di Indonesia”, *MIX: JURNAL ILMIAH MANAJEMEN*, Universitas Mercu Buana, Vol. 8 No. 1, p. 1, doi: 10.22441/mix.2018.v8i1.001.
- Shleifer, A. and Vishny, R.W. (1989), *Management Entrenchment The Case of Manager-Specific Investments**, *Journal of Financial Economics*, Vol. 25.
- Sormin, S.H., Miharja, I.S. and Wisudanto, W. (2023), “Analisis Gender Diversity Terhadap Kinerja Keuangan Dan Nilai Perusahaan Dengan Environmental,

Social, Governance (Esg) Sebagai Variabel Moderating”, *Sebatik*, STMIK Widya Cipta Dharma, Vol. 27 No. 2, doi: 10.46984/sebatik.v27i2.2380.

- Suttipun, M. (2021), “The influence of board composition on environmental, social and governance (ESG) disclosure of Thai listed companies”, *International Journal of Disclosure and Governance*, Palgrave Macmillan, Vol. 18 No. 4, pp. 391–402, doi: 10.1057/s41310-021-00120-6.
- Vafeas, N. (2003), “Length of Board Tenure and Outside Director Independence”, *Journal of Business Finance & Accounting*, Vol. 30 No. 7–8, pp. 1043–1064, doi: 10.1111/1468-5957.05525.
- Vinnicombe, S., Singh, V., Kemp, R. and Hollingsworth, D.P. (2018), *Women on Corporate Boards: An International Perspective*, edited by Aluchna, M. and Aras, G., Routledge.
- Wright, M., Siegel, D.S., Keasey, K. and Filatotchev, I. (2013), *The Oxford Handbook of Corporate Governance*, edited by Wright, M., Siegel, D.S., Keasey, K. and Filatotchev, I., Oxford University Press.