
Does Gender Matter? Investigating the Role of Gender Diversity on the Performance of Indonesian Commercial Banks

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Abstract

The Board of Commissioners and the Board of Directors, which are Top Management Teams (TMT) are essential resources for organizations in building organizational performance. One of the factors of the TMT that was considered necessary was the diversity of the TMT members. The composition of the Board of Commissioners and the Board of Directors is a crucial part that shapes their abilities and impacts on the company's performance. From the existing studies, it turns out that the impact of TMT composition on performance produces mixed results and is considered to be still confusing, so it still needs further investigation. This research was conducted in the context of the banking industry and used operational performance as a direct impact of TMT diversity, as well as its direct impact on the bottom line (ROA and ROE). The data used is the Indonesian Commercial Bank in BUKU 3 & 4 categories, which is categorization of Commercial Banks based on business activity grouping (Bank Umum Kelompok Usaha or BUKU, hereafter). The period used is five years, namely from 2013-2017. The safety of TMT used is Gender diversity. The operational performance used is Non Performing Loans (NPL), Operating Income Operating Costs (BOPO), Net Interest Margin (NIM), Outstanding Loans and Outstanding Third Party Funds. Testing models using SEM with the Smart PLS 3.0 application. The results showed that gender diversity reduced Outstanding Loans and Outstanding Third Party Funds and BOPO. Gender diversity does not significantly affect NPL and NIM and ROA and ROE. The factors that influence ROE are NPL, BOPO and outstanding loan, while the factors that influence ROA are NIM and BOPO.

Keywords: Gender Diversity, Non Performing Loans (NPL), Operating Income Operating Costs (BOPO), Net Interest Margin (NIM), Outstanding Loans

Abstrak

Dewan Komisaris dan Dewan Direktur yang merupakan Top Manajemen Team (TMT) merupakan sumber daya penting bagi organisasi dalam membangun kinerja organisasi. Salah satu faktor dari TMT yang dianggap penting adalah keragaman dari anggota TMT tersebut. Komposisi dari Dewan Komisaris dan Dewan Direksi adalah bagian penting yang membentuk kemampuan mereka dan berdampak pada kinerja perusahaan. Dari penelitian-penelitian yang ada ternyata dampak dari komposisi TMT terhadap kinerja menghasilkan hasil yang beragam dan dinilai masih membingungkan, sehingga masih perlu untuk diteliti lebih lanjut. Penelitian ini dilakukan pada konteks industri perbankan dan menggunakan kinerja operasional sebagai dampak langsung dari keragaman TMT, serta dampak langsungnya terhadap bottom line (ROA dan ROE). Data yang digunakan adalah Bank Umum Indonesia yang masuk katagori Buku 3 dan Buku 4. Rentang waktu yang digunakan adalah 5 tahun, yakni dari tahun 2013-2017. Kegaraman TMT yang digunakan adalah keragaman Gender. Kinerja operasional yang digunakan adalah Non Performing Loan (NPL), Biaya Operasional Pendapatan Operasional (BOPO), Net Interest Margin (NIM), Outstanding Loan dan Outstanding Dana Pihak Ketiga. Pengujian model menggunakan SEM dengan aplikasi Smart PLS 3.0. Hasil penelitian menunjukkan bahwa keragaman gender menurunkan Outstanding Loan dan Outstanding Dana Pihak Ketiga serta BOPO. Keragaman gender tidak mempengaruhi NPL dan NIM maupun ROA dan ROE secara signifikan. Faktor yang mempengaruhi ROE adalah NPL, BOPO dan outstanding loan, sedangkan factor yang mempengaruhi ROA adalah NIM dan BOPO.

Kata Kunci: Keragaman Gender, Non Performing Loan (NPL), Biaya Operasional Pendapatan Operasional (BOPO), Net Interest Margin (NIM), Outstanding Loan

1. Introduction

A professional company will always strive to achieve excellent performance, even if it can achieve extraordinary performance. Researchers, especially in the field of strategic management, have tried to reveal the factors that can determine the achievement of the company's performance. Some Industrial Organization economics experts believe in the critical role of external factors in determining organizational success. While other experts, namely Resources Based View, are more concerned with internal organizational factors in shaping organizational performance (Hoskisson et al., 1999).

Strategic management research based on Resources Based View says that unique competencies or abilities are a source of companies to have excellent performance (Hoskisson et al., 1999). The unique capabilities of the company are the result of the diversity of the resources they have (Penrose, 1959).

A critical resource for organizations in building performance is the Board of Commissioners and the Board of Directors which is a Top Management Team (TMT) of a company (Hambrick & Mason, 1984; Tulung & Ramdani, 2017). Even in Upper Escallon Theory said that the Top Management Team is a representative of organizational performance (Hambrick & Mason, 1984).

One of the factors of the TMT that was considered necessary was the diversity of the TMT members. The composition of the Board of Commissioners and the Board of Directors is a crucial part that shapes their abilities and impacts on company performance (Johnson et al., 2013). This condition encourages researchers to study the effects of TMT diversity on organizational performance.

From the existing studies, it turns out that the impact of TMT composition on performance produces mixed results and is considered to be still confusing (Hambrick et al., 2015). The results of the study were significantly positive, there were significant negatives, and some were not significant. For example, is the result of a review of Terjesen, Sealy, and Singh (2009) and Johnson et al. (2013) which say that gender diversity does not affect company performance. Another study, Tulung & Ramdani (2017) revealed that gender has a positive effect on company performance. The results of Kahar's study (2016) revealed the opposite: gender diversity harmed company performance.

The results of the above studies make the theme of the research on the impact of diversity, especially TMT diversity, on the organization's performance entertaining to do. Moreover, among various

types of diversity (such as ethnic diversity, diversity of education levels, and diversity of experiences), gender diversity is one of the unknown factors to be studied.

This research will be conducted in the context of the banking industry in Indonesia. Banking in Indonesia itself is one of the financial sectors that are vital to the economy in Indonesia. Therefore, the performance that will be used in this study is the performance used in the banking industry.

Johnson et al. (2013) revealed that the influence of gender diversity on corporate performance is more relevant to operational performance than financial performance, which is the company's bottom line of performance. In the banking industry, there are several operational performances, such as Non-Performing Loans (NPL), Operating Income Operating Costs (BOPO), Net Interest Margin (NIM), Outstanding Loans and Outstanding Third Party Funds. While the bottom line or profit measure as the final performance, including banking, is usually Return on Assets (ROA) and Return on Equity (ROE).

This study wanted to study the effect of Top Management Team (TMT) gender diversity as input, on operational performance in creating profits. The operational performance consists of Non-Performing Loans (NPL), Operating Income Operating Costs (BOPO), Net Interest Margin (NIM), Outstanding Loans and Outstanding Third Party Funds; while profit uses ROE and ROA.

From the background described above, the main problem that will be studied in this study is whether there is an influence of the Top Management Team (TMT) gender diversity on bank performance?

The details of the problems to be answered in this study are:

1. Does the TMT's gender diversity have a significant effect on the Bank's operational performance?
2. Does TMT gender diversity have a significant effect on bank bottom-line performance?
3. Does the bank's operational performance have a significant effect on the bank's bottom-line performance?

The regulator divides the size of the bank based on its core capital that determines its business activity into four bank categorization namely Bank Umum Kelompok Usaha or BUKU. The BUKU categorization, comprise of Categories 4 (the largest), Categories 3, 2 and 1. This research cannot be done for all bank sizes, according to Jadah et al. (2016), bank size can influence the impact of TMT gender diversity on performance. Also, bank size is considered to have an impact on the influence of

operational performance on the bottom line (Setiawan and Hermanto, 2017). For this reason, this study only limits to a bank in BUKU categories 3 and 4. Category BUKU 3 Bank is a bank that has core capital of between Rp5-30 trillion, while BUKU bank is a bank that has a minimum core capital of Rp30 T.

The period used is for five years, namely from 2013-2017. The bank that will be used as the research sample is a bank which in the period above is included in the bank category BUKU 3 or 4.

The purpose and benefit of this research are to understand the role of the Top Management Team's gender diversity on the performance of commercial banks in Indonesia, both the operational performance and the Bank's bottom-line performance. This study will find out which operational performance is most influenced by the Top Management Team's gender diversity, whether those affected are Non-Performing Loans (NPL), Operating Income Operating Costs (BOPO), Net Interest Margin (NIM), Outstanding Loans or Outstanding Third Party Funds (DPK).

Furthermore, this study will also know which bottom-line performance is more influenced by the gender diversity of the Top Management Team. The last benefit is understanding the influence of each bank's operational performance (NPL, BOPO, NIM, Loan, DPK) on each of the bottom-line performance (ROE, ROA).

2. Theoretical Review

2.1. Top Management Team (TMT) and diversity

The company management (Top Management Team / TMT) represented by the Board of Directors is one of the many researched objects from various perspectives (Johnson et al., 2013). The board of directors is considered to have a vital role so that it is considered as a representative of the organization (Hambrick & Mason, 1984).

One of the factors considered necessary from TMT is the composition of the board of directors themselves. Indeed, some researchers learn the best characteristics that must be owned by a director. For example, the directors should be from internal or external, or should the minimum education be S1 or S2. However, some other researchers are more interested in studying the composition, or the best combination of directors' teams. Research that examines this composition alone has an increasing trend (Johnson et al., 2013). That is why this study is more interested in seeing the composition of the board of directors, not on the individual quality of one of the directors.

If we talk about TMT composition, one of the exciting things to study is the diversity of TMT. The diversity of TMT itself has been widely investigated and produces mixed and confusing results (Hambrick et al., 2015), so it is still fascinating to be investigated further.

Some of the TMT diversity that has been studied, for example, is gender diversity, diversity of education levels, diversity of directors from internal-external, age diversity, racial diversity and diversity of expertise (Johnson et al., 2013). The results of Kahar's (2016) study of banking in Indonesia, gender diversity is an essential diversity in shaping bank performance, especially in forming the Bottom line. That is why gender diversity will be studied further in this study.

2.2 Banking Performance

Banking performance is an illustration of the achievement of work achieved in a certain period. The duration of performance measurement is generally one year. The performance measurement itself can be done on several aspects, for example, its operational activities, both at the divisional level and the level of the bank organization. An operational performance which is divisional, for example, is the number of loans and the amount of Third Party Funds (TPF) which is the performance of the Business or Commercial Division. These deposits constitute community funds that are adhered to in the Bank, as ordinary savings, time deposits and savings accounts. These deposits constitute bank loans to the public as Third Parties.

An operational performance which is the overall performance, for example, is Operational Cost (BO) divided by Operating Income (PO) or abbreviated as BOPO. Each unit contributes to efficiency to reduce operational expenses. Another example of operational performance is the NPL ratio, which is a problematic credit ratio compared to the total loans channelled by the Bank. Another operational performance is the Net Interest Margin (NIM). The NIM is the difference between the percentage of the average interest on the loan and the percentage of the average interest on savings. When compared to nonbank companies, NIMs such as Gross Income are derived from the price of goods sold, minus the cost of buying or making goods.

Besides that, in the banking industry, there is also a bottom line, which is the level of bank profits that can compare banks. As in other industries, there are two bottom-line measurement tools commonly used, namely Return on Assets (ROA) and Return on Equity (ROE). These two ratios will be used in this study.

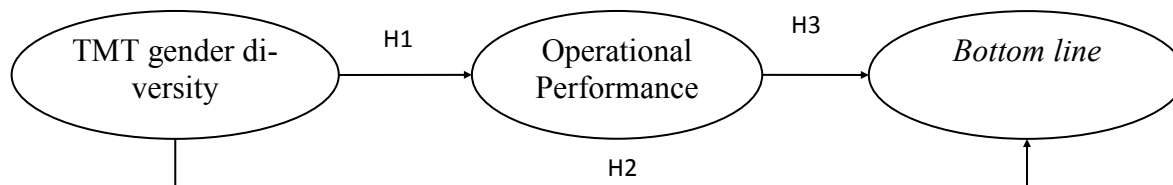


Figure 1. Conceptual model of research

3. Research Methods

3.1 Conceptual Model and Hypothesis Development

This research is inseparable from previous studies. The hypothesis is based on the results of published empirical research, but this study uses the latest data with a more comprehensive model. Previous studies have focused much on the impact of gender diversity on the company's bottom line, generally one of ROA, ROE or Tobin's Q and controlling operational performance such as NPL (e.g. Jadah et al., 2016). Some studies mix bottom line with operational performance such as BOPO, NPL, NIM, LDR (e.g. Tulung & Ramdani, 2016). This study wants to see the effect of TMT gender diversity on the bank's bottom line through the bank's operational performance. Each operational performance will be the mediating variable of the effect of diversity on the bottom line. Conceptually can be seen in Figure 1.

Johnson et al. 's review (2013) recommends that the influence of TMT gender diversity is more suitable for operational performance rather than directly affecting the bottom line or the bank's profit level. Therefore, the study wanted to test TMT diversity in bank operational performance.

Operational performance used is Non Performing Loans (NPL), Operating Income Operating Costs (BOPO), Net Interest Margin (NIM), Outstanding Loans and Outstanding Third Party Funds (TPF). Previous studies have proven the above influences such as the research of Tulung and Ramdani (2016), which demonstrate the influence of TMT gender diversity on NPL, NIM and BOPO. The Aluy et al. (2017) study proves the influence of TMT gender diversity on NPL.

- H1a: Gender diversity TMT has a positive effect on NPL
- H1b: Gender diversity TMT has a negative effect on NIM
- H1c: TMT gender diversity has a positive effect on BOPO
- H1d: Gender diversity TMT negatively affects Outstanding Loans
- H1e: Gender diversity TMT has a negative effect on Outstanding Deposits

fect on Outstanding Deposits

The impact of diversity on company performance is generally carried out on one of the bottom lines, namely towards ROA or ROE. Some researchers use Tobin's q as an impact of gender diversity. This study uses the bottom line, namely towards ROA and ROE together as a direct impact of TMT gender diversity. Previous studies have revealed the conditions above. For example, Jadah et al. (2016) found a negative impact of TMT gender diversity on ROE. Moreover, Jahar (2016) who found a negative impact of TMT diversity on ROA. The above studies are the basis of the development of hypothesis 2.

- H2a: Gender diversity TMT has a negative effect on ROE
- H2b: Gender diversity TMT has a negative effect on ROA

The third hypothesis is the impact of bank operational performance on the bottom line. The results of Setiawan and Hermanto's research (2017) suggest that the bank's operational performance jointly affects the bank's bottom line. The operational performance uses NPL, NIM, CAR, LDR and BOPO data. While the bottom line measurement uses ROA and ROE. Penetian Setiawan and Hermanto (2017) also suggested that NIM had the most influence on positive ROA and ROE. NPL and BOPO affect the negative ROA and ROE, but not as much as the influence of the NIM.

- H3a: NPL has a negative effect on ROE
- H3b: NIM has a positive effect on ROE
- H3c: BOPO has a negative effect on ROE
- H3d: Outstanding Loan has a positive effect on ROE
- H3e: Outstanding Deposit has a positive effect on ROE
- H3f: NPL has a negative effect on ROA
- H3g: NIM has a positive effect on ROA
- H3h: BOPO has a negative effect on ROA
- H3i: Outstanding Loan has a positive effect on ROA
- H3j: Outstanding Deposits has a positive effect on ROA

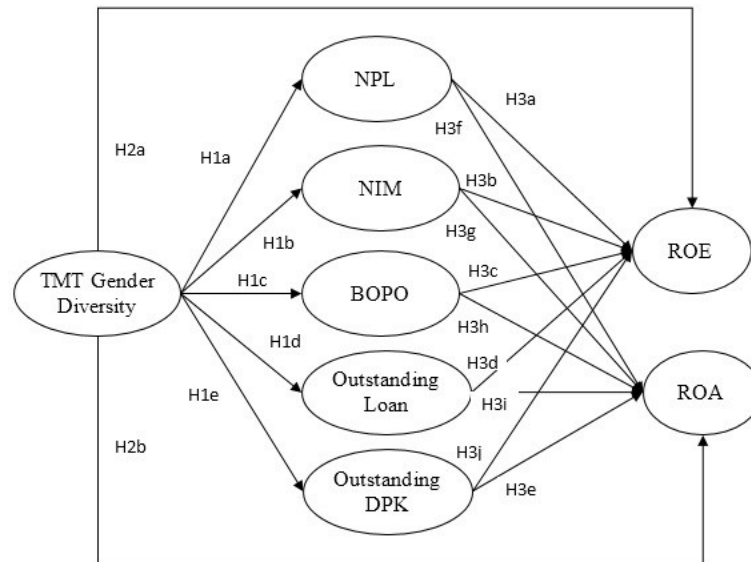


Figure 2. Research Model

on ROA

The research model can be seen in figure 2.

3.2 Variable Operational Definition and Overall Research Model.

Of the 8 data in this study, 7 collected data from the regulator's website sources, so that it can be categorized as secondary data. This data is considered valid and reliable data. The 7 data are NPL, NIM, BOPO, outstanding loan, outstanding DPK, ROE and ROA. Whereas one other data, namely gender diversity, comes from the Bank's Annual Report. The gender diversity used in this study is the percentage of female gender towards the total TMT members. Significance testing uses a level of confidence (α) of at least 5%.

Before the raw data is processed, the data is converted into interval data with the same interval range of 10. This must be done because the amount of data used in this study is very different, such as NPL data that ranges in per cent, while the out-

standing loan data can touch 700 trillion figures. Especially for negative NPL and BOPO data (the bigger, the worse), the data is turned back so that the high score in this study means good NPL or BOPO (low mental NPL and BOPO score).

3.3 Research Design

The research sample was determined purposively by selecting a Commercial Bank included in the category BUKU 3 and 4. The selection of banks was explained in the section limiting the above problems. Besides that, it was also determined the period used in this study, namely for five years (2013-2017).

Data processing will be carried out using a variant-based Structural Equation Modeling (SEM) method. Testing with SEM is following the research model because the research model has intervening variables and is processed simultaneously. Processing will be carried out using the Smart PLS application. The study does not use covariant-based

Table 1. Data from Research Respondents

No	Bank Name	2017	2016	2015	2014	2013
1	Bank Rakyat Indonesia	BUKU 4	BUKU 4	BUKU 4	BUKU 4	BUKU 4
2	Bank Central Asia	BUKU 4	BUKU 4	BUKU 4	BUKU 4	BUKU 4
3	Bank Negara Indonesia	BUKU 4	BUKU 4	BUKU 4	BUKU 4	BUKU 4
4	Bank Mandiri	BUKU 4	BUKU 4	BUKU 4	BUKU 4	BUKU 4
5	Bank CIMB Niaga	BUKU 4	BUKU 3	BUKU 3	BUKU 3	BUKU 3
6	Bank Tabungan Negara	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
7	Bank Danamon Indonesia	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
8	BPD Jawa Barat Banten (BJB)	BUKU 3	-	-	-	-
9	BPD Jawa Timur	BUKU 3	BUKU 3	BUKU 3	BUKU 3	-
10	Bank Maybank Indonesia	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
11	Bank Permata	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
12	Bank Tabungan Pensiunan Nasional	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
13	Bank Mega	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
14	Bank OCBC NISP	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3
15	Bank Panin Indonesia	BUKU 3	BUKU 3	BUKU 3	BUKU 3	BUKU 3

Table 2. Amount and Proportion of Research Respondents

No	Year	2017	2016	2015	2014	2013	Total
1	Bank BUKU 4	5	4	4	4	4	21
2	Bank BUKU 3	10	10	10	10	9	49
	Total	15	14	14	14	13	70

SEM with AMOS or Lisrell applications, because variables are measured with a single measurement item.

4. Discussion and Result

4.1. Research Samples

Respondents in this study were banks that entered the category of bank BUKU Categories 3 or 4 in 2013 - 2017. If in a given year the bank is still in the category of BUKU 2 banks, then in that year the bank is not sampled. For example, BJB Bank, which has just been included as a sample in 2017 and an East Java BPD bank which became the sample for 2014 - 2017.

From table 1, it can be seen that the number of samples each year is also not the same. This can be seen in table 2.

4.2. Descriptive Data of Research Variables

Descriptive data on research variables can be seen in table 3.

From table 3, it can be seen that there are banks that do not have female directors or commissioners, namely East Java BPD 2015 and 2016, and BNI and BTN in 2017 while the Bank that has the most significant proportion of TMT women is Maybank in 2013 and 2015. The data shows that none of the banks in the period 2013-2017 had dominant TMT members above 50%, with an average of 15.3%.

Bank NPLs BUKU Categories 3 and 4 in the period 2013-2017 on average are still below 5%, which is only 2.5%. There are even banks that have an NPL of only 0.4%, namely BCA in 2013. However, some banks have more than 5% NPL, namely Bank Permata in 2016.

Bank NIMs BUKU Categories 3 and 4 in the period 2013-2017 are quite striking differences.

Some banks have a NIM of 12.7% (BTPN in 2013), while there are banks that have NIMs of only 3.1% (Bank Panin in 2014). On average, bank NIMs BUKU Categories 3 and 4 in 2013-2017 were quite high at 6.3%.

BOPO data shows that there are banks that are efficient with BOPO of only 68.6% (BCA in 2017), while there are Banks that have BOPO above 100%, namely 150.8% (Bank Permata in 2016).

ROE and ROA show the bank profitability data generally shows good, and this can be seen from the average ROE of 14.2% and ROA of 2.3%. There are even banks that have ROE of 34.1% and ROA of 5% (bank BRI in 2013).

4.4. 2009-2014 Sharia and Conventional test results

Hypothesis and Discussion Results

In general, this study has three hypotheses but has sub-hypotheses. Hypothesis 1 has five sub hypotheses, hypothesis 2 has two sub hypotheses, and hypothesis 3 has ten sub hypotheses. The results of hypothesis testing can be seen in table 4.

From the data in table 4, generally, gender diversity does affect the bank's operational performance, particularly concerning BOPO, outstanding loan and outstanding DPK. The effect is a significant negative. This means that the more diverse TMT members are in terms of gender, the more unprofitable for the bank's operational performance. However, it turns out that TMT gender diversity does not affect operational performance in terms of NPLs and NIMs.

The same is true of the direct influence of TMT gender diversity on bank profitability. The results of this study indicate no significant effect of TMT on ROE and ROA.

Table 3. Amount and Proportion of Research Respondents

No	Variable	Size	Min	Max	Average	Standard Deviation	Information
1	Gender diversity	% woman	0	43	15.3	9.95	
2	NPL	%	0,4	8,8	2,5	1,3	The bigger, the worse
3	NIM	%	3,1	12,7	6,3	2,1	
4	BOPO	%	58,6	150,8	79.4	12,9	The bigger, the worse
5	Outstanding loan	IDR millions	26.194	739.337	204.733	187.315	
6	Outstanding DPK	IDR millions	3.663	841.656	223.085	224.730	
7	ROE	%	-38,3	34,1	14,2	9,5	
8	ROA	%	-4,9	5	2,3	1,4	

Table 4. Hypothesis Testing Results

No	Variable	Structural Co-efficient	Significance *)	Conclusion
H1a	Gender → NPL	-0.047	0.479	Rejected
H1b	Gender → NIM	-0.112	1.120	Rejected
H1c	Gender → BOPO	-0.367	3.927	Accepted
H1d	Gender → Outstanding Loan	-0.265	2.989	Accepted
H1e	Gender → Outstanding DPK	-0.260	2.867	Accepted
H2a	Gender → ROE	-0.059	0.863	Rejected
H2b	Gender → ROA	-0.065	1.372	Rejected
H3a	NPL → ROE	0.147	1.997	Accepted
H3b	NIM → ROE	0.081	1.127	Rejected
H3c	BOPO → ROE	0.622	5.702	Accepted
H3d	Outstanding Loan → ROE	0.747	2.393	Accepted
H3e	Outstanding DPK → ROE	-0.533	1.886	Rejected
H3f	NPL → ROA	0.055	0.995	Rejected
H3g	NIM → ROA	0.339	4.124	Accepted
H3h	BOPO → ROA	0.706	7.255	Accepted
H3i	Outstanding Loan → ROA	0.181	0.728	Rejected
H3j	Outstanding DPK → ROA	-0.139	0.528	Rejected

The results of the above study support some of the opinions of Johnson et al. (2013) which recommended the influence of TMT gender diversity to better predict operational performance rather than directly affecting the bottom line or the bank's profit level.

This research is not in line with the investigation of Tulung and Ramdani (2016), which examined the context of BPD banks. Tulung and Ramdani's (2016) study produced the importance of TMT diversity in terms of gender, while this study showed the opposite results.

The results of this study are also not in line with Kahar's research (2016), which shows the role of gender diversity, which has a significant negative effect on ROA. Kahar Research (2016) is conducted at Commercial Banks within one year. However, there is a difference between this study and Kahar (2016). This study uses operational performance as a mediation of the influence of TMT gender diversity on bank profits.

This study also shows different results from the research of Aluy et al. (2017), which examined banks of 12 banks listed on the Stock Exchange in 2012-2015. The Aluy et al. (2017) study shows a significant positive effect of TMT gender diversity on ROE and a significant adverse effect on gender diversity on NPL. Aluy et al. (2017) also said that gender diversity TMT did not affect the outstanding loan, while this study said it had a significant negative effect.

5. Conclusion

The most important outcome of this study is the role of Top Level Team (TMT) diversity, especially in terms of gender diversity, on the performance

of the firm has resulted in interesting yet contradictory finding. It is found that TMT members should be uniform and avoid gender diversity. Because the respondents' characteristics of this study are typically dominated by male TMTs (the most significant proportion of TMT is less than 50%, i.e. 43%), it can be concluded that it is better to have male TMT team members.

The second conclusion is validating the recommendations from Johnson et al. (2013) that suggest using operational performance on the study. As many as 3 of the five operational performance used in this study were influenced by TMT gender diversity.

Of the five operational performance used in this study, BOPO is the operational performance that is most capable of explaining bank profitability performance, both ROE and ROA. While the performance of outstanding loans is at least able to explain the bank's profitability performance. The three other operational performance, namely NPL, NIM and outstanding loan, are sufficient to be able to demonstrate the bank's profitability performance. NPL and outstanding loan significantly affect ROE, while NIM affects ROA significantly.

5.1. Research Limitations

The main limitation of this research is the representation of the research sample. It translates on the research sample ability to be generalized into a broader context. This research has used several banks with a period of 5 years so that it is quite extensive. However, the bank used in this study is only on Bank BUKU Categories 3 and 4, so caution is needed if we want to generalize for bank BUKU Categories 1 or 2. Similarly, it also applies if we

want to generalize it in a different time context.

5.2. Research Advice

The suggestions that can be given in general can be categorized into two groups, namely managerial implication to Bank Practitioners and academic suggestion for future studies.

In the process of forming the Top Management Team (TMT), based on this research, it should reduce women's gender diversity. The study implies, with the current sample, presence of women in the TMT reduced the quality of the Bank's operational performance. The bank's operational performance will ultimately affect the bank's profitability performance.

On the other hand, the results of this study may not be the only consideration in the process of acquiring TMT members with the female gender. Subsequent studies need to be carried out continuously because there may still be other variables that function as mediating variables and moderators of the influence of TMT gender diversity on bank operational performance.

Variables that have the potential to mediate, for example, are the quality of the process or the results of decision making. TMT gender diversity might improve the quality of decision making and ultimately improve the bank's operational performance. The moderating variable that can be used in the next research is, for example, the size of the bank. In this study, the size of the bank was used as a control variable. Future research can focus more on one operational variable but uses several mediating variables as well as moderators.

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Appendix 1. Smart PLS Model Test Results

