

ABSTRACT

This research aims to examine the impact of board of director's composition on the company's financial performance (ROA). Size of the board of directors, proportion of independent directors, and gender diversity of the board of directors are the independent variables used in this study, then ROA is the dependent variable.

The data used in this study are manufacturing companies listed on the LQ45 index during 2017 – 2022. The sample was determined using a purposive sampling technique and found 29 manufacturing companies that were in accordance with this study. Hypothesis testing uses multiple linear regression using the STATA 17 analysis tool.

This study shows that the size of the board of directors has a significant negative influence on ROA. Meanwhile, the proportion of independent directors and gender diversity of the board of directors have a positive and significant influence on ROA.

Keywords: Board of Director's Composition, Corporate Governance, ROA, LQ45

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