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THE IMPACT OF BOARD DIVERSITY ON MANUFACTURING AND BANKING PERFORMANCE

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ABSTRACT

This study aims to examine the impact of existence of women board member, foreign board member and Age of board member of pourts of Commissioner and Board of Director on company performance which provided by ROA, ROE and Tobin's Q in manufacturing and banking companies listed in Indonesia Stock Exchange for period 2016-2017. The sample selection of this study used purposive sampling. Sample data was obtained from annual report in official website of Indonesia Stock Exchange. The study found only the existence of foreign board members for both Board of commissioner and Board of Director which has impact on company performance measured by ROA, ROE and Tobins's Q. Meanwhile, the other variables has inconsintent result on performance measurement. The study contribute to acknowledge the impact of board diversity on company performance in Indonesia as well as to increase awareness regarding to the importance of diversity on boardroom.

Keywords: Board of Commissioner, Board of Director Women, Foreign Board Members, Age of Board Members, Return on Asset, Return on Equity, Tobin's Q