

ABSTRACT

This study aims to evaluate the effect of board size and gender diversity on the financial performance of companies in the subsector of pharmaceutical industry listed on the Indonesia Stock Exchange during the period of 2018 – 2022. The method used in this research is panel data regression using a combination of time series and cross section data. Purposive sampling was used to select the sample for this study, resulting in 60 samples. The limitation of this study is on secondary data where there are several companies that did not publish their financial reports consecutively for five years, namely from 2018 – 2022. The results of the study show that the board size and gender diversity simultaneously do not affect the financial performance of companies. Partially, board size does not affect the financial performance of companies, nevertheless gender diversity has a positive partial effect on the financial performance of companies. ROA (return on assets) is used as an indicator of company's financial performance. These findings have implications for companies, especially those in the pharmaceutical industry and stakeholder, to improve their financial performance and maintain business sustainability in the future so that they can continue to compete in the global market.

Keywords: financial performance, board size, gender diversity, return on assets (roa),