

ABSTRACT

The function of the board of directors acting as decision makers in a company is important. This study aims to explore how various aspects of board diversity affect technical efficiency (TE) in Islamic banking companies listed in the Financial Services Authority (OJK). The author measures board diversity in two dimensions, namely Relation-Related Diversity (gender and age) and Task-related Diversity (length of service, education, and expertise) using the Blau index calculation on the efficiency of Islamic banking companies. The author uses panel data from 9 Islamic banking companies in Indonesia during the period 2015-2022. This research uses a quantitative approach with statistical data analysis.

The results of this study prove that Relation-related diversity, Task-related diversity, firm size, inflation rate, have no significant effect partially on company efficiency. Then the age of the firm, and the liquidity ratio have a partially significant effect on the efficiency of the company. Relation-Related Diversity and Task-related Diversity have no significant effect simultaneously on company efficiency. Firm size, age of the firm, liquidity, and inflation rate simultaneously have a significant effect on company efficiency.

Keywords: *Board Diversity, Efficiency, Relation-Related Diversity (gender and age), Task-related Diversity (tenure, expertise and education), and Blau Index.*