Board Size and Firm Performance in Indonesia

1*Juanda, 2Jalaluddin

1Department of Management, Faculty of Economics and Business, University of Syiah Kuala, Banda Aceh, Indonesia;
2Department of Accounting, Faculty of Economics and Business, University of Syiah Kuala, Banda Aceh, Indonesia;

*Corresponding author: juandal@unsyiah.ac.id

Abstract - The purpose of this paper is to investigate the influence of board size on the financial performance of manufacturing firms listed on the Indonesian Stock Exchange from 2014 to 2018. The research method used is multiple linear regression. The financial performance is measured with a return on assets (ROA). The research shows that board size does not significantly influence firm performance. This paper is particularly important to the policymakers and shareholders of firms in Indonesia and other developing economies since it provides a comprehensive insight into the board size – firm performance relationship and therefore it helps them to decide the most optimal board size.

Keywords - Return on assets (ROA); board size; firm performance