ABSTRACT

Tighter competition in business makes companies compete to increase their competitiveness so that financial performance increases. Financial performance is proxied by Earning Per Share which is a measure of a company's ability to generate profits per share. Board Diversity and Financial Leverage that are proxied by the Debt to equity ratio are carried out to manage Intellectual Capital and increase EPS.

The purpose of this study is to explain how Intellectual Capital (IC), Age Diversity, Tenure Diversity, Debt to Equity Ratio and Corporate Financial Performance. Besides that, it is also to find out whether Intellectual Capital, Age Diversity, Tenure Diversity, Debt to Equity Ratio have a simultaneous and partial effect on financial performance in companies in the consumer goods industry listed on the Indonesia Stock Exchange for the period 2013-2017.

This study uses quantitative methods. The sampling technique in the study was purposive sampling resulting in 10 companies as samples within a period of 5 years. The analysis technique used is panel data regression analysis with Eviews 9.0 application.

The results of this research show that simultaneously, Intellectual Capital, Age Diversity, Tenure Diversity, and DER have a significant effect on financial performance. Partially, Age Diversity and Tenure Diversity have a significant positive effect on Financial Performance and Intellectual Capital and DER has no effect on Financial Performance.

Companies are advised to maximize tenure diversity by making frequent changes to members of the board of directors. In addition, age diversity also needs to be maximized so that earnings per share increases.

Keywords*: Intellectual Capital; Diversity; DER; Firm's Performance*