

ABSTRACT

The LQ45 Index Company is a collection of lists of liquid companies in the capital market with the best fundamentals and the best financial performance with promising stock returns and representing the capital market with selection criteria such as market value and high liquidity. Therefore, the condition of the company, both performance and company finances, must be maintained in order to stabilize the condition of stock returns which leads to an increase. Stock return is the value of two components, namely capital gains and dividends.

The purpose of this study was to determine the effect of company reputation mediating the relationship between the size of the board of directors and stock returns in companies listed on the LQ45 index in 2016-2020.

The method used is a quantitative method with the data taken is secondary. The population in this study were companies listed on the LQ45 index in 2016-2020, the sample was taken using purposive sampling technique and obtained as many as 55 samples. The analytical method used is path analysis using SPSS 25 as a statistical and hypothesis test tool.

The results obtained from this study are the variable size of the board of directors and the company's reputation simultaneously and partially there is no significant effect on stock returns and the variable of company reputation is not able to mediate the relationship between the size of the board of directors and stock returns.

Suggestions for further researchers are to add different variables such as the reaction mechanism of investors, the board of commissioners, and the audit committee and to change the indicators of the board of directors such as the proportion of female directors, the number of foreign directors, and characteristics of educational background.

Keywords: Stock Return, Board of Directors Size, Company Reputation.