

## **ABSTRACT**

*Financial performance is one of the indicators used in measuring the success of the company. There are several factors that may affect financial performance; these factors are classified into organizational factors, environmental factors of the company, and strategic factors which affect each other. This study uses the interaction between organizational factors and factors strategy as a basis for analyzing the effect of differences in the number of women on the boards of directors of financial performance as measured by ROA. The hypothesis in this study refers to the theory of critical mass associated with the minimum number needed for a woman, as a minority, were able to significantly positive effect on financial performance.*

*This study uses the companies listed in Indonesia Stock Exchange in 2014 as the population. To represent the population, this study using a purposive sampling method to collect 373 companies analyzed using multiple regression analysis. The results of this study indicate that the board of directors lady positive effect on financial performance; however, there are differences in how the number of women board of directors. The board of directors of women under three do not significantly affect the financial performance, while the board of directors consisting of three or more people is positively related to financial performance.*

*Keyword: critical mass, financial performance, gender diversity, gender discrimination*