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Influence Of The Board Of Directors And Independent Board Of Commissioners On Financial Performance The Banking Company Registered On IDX Years 2017–2021

Pengaruh Dewan Direksi Dan Dewan Komisaris Independen Terhadap Kinerja Keuangan Perusahaan Perbankan Yang Terdaftar Di BEI Tahun 2017–2021

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ABSTRACT
The company's financial performance is a financial report that shows the condition of a company, which is used as a consideration for taking further action. as well as for the community to assess the smooth running of a company before taking action. As the manager of the company, the manager knows more about the company's prospects and internal information in the future than the owner or (shareholder). Managers have an obligation to give a signal about the condition of the company to the owner of the company. The purpose of this study was to determine the effect of independent boards of directors and commissioners on the financial performance of banking companies. The variables in this study are the Independent Board of Directors and Board of Commissioners. Sampling using purposive sampling technique with certain criteria. Which resulted in a sample of 28 banking companies listed on the Indonesia Stock Exchange in 2017-2021. The method used in this research is panel data regression analysis using Eviews version 8. The results show that the Board of Directors has no effect on the company's financial performance, while the Board of Independent Commissioners has an influence on the company's financial performance.
Keywords: *Financial Performance, Board of Directors, Independent Board of Commissioners*

ABSTRAK
Kinerja keuangan perusahaan merupakan suatu laporan keuangan yang menunjukkan keadaan sebuah perusahaan, yang digunakan sebagai bahan pertimbangan untuk melakukan tindakan selanjutnya. maupun bagi masyarakat untuk menilai kelancaran sebuah perusahaan sebelum melakukan tindakan. Sebagai pengelola perusahaan pihak manajer lebih banyak mengetahui prospek perusahaan dan informasi internal di masa yang akan datang dibandingkan pemilik atau (pemegang saham). Manajer memiliki kewajiban memberi sinyal tentang kondisi perusahaan kepada pemilik perusahaan. Tujuan dari penelitian ini adalah untuk mengetahui pengaruh dewan direksi dan dewan konisaris independen terhadap kinerja keuangan perushaan perbankan. Variabel dalam penelitian ini adalah Dewan Direksi dan Dewan Komisaris Independen. Pengambilan sampel menggunakan teknik purposive sampling dengan kriteria tertentu. Yang menghasilkan sampel 28 perusahaan perbankan yang terdaftar di Bursa Efek Indonesia pada tahun 2017-2021. Metode yang di gunakan dalam penelitian ini adalah analisis regresi data panel dengan menggunakan Eviews versi 8. Hasil penelitian menunjukan bahwa Dewan Direksi tidak berpengaruh terhadap kinerja keuangan perusahaan, sedangkan Dewn Komisaris Independen memiliki pengaruh terhadap kinerja keuangan perusahaan.
Kata kunci: Kinerja Keuangan, Dewan Direksi, Dewan Komisaris Independen

1. Introduction

The company's financial performance itself is measured using Return On Assets (ROA) which is a measurement of accounting aspects. ROA accounting measurement is a reflection of company performance. ROA shows that the company's ability to use all the assets owned by the company to generate profit after tax (Son, 2017).

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The problems that have occurred recently related to *Covid 19* which has spread throughout the world have greatly affected the global economy, of course, in the operation of companies in various sectors. One of those affected by *Covid 19* is the banking sector, where banks are the fundamental financial sector in driving a country's economy. During the *Covid 19 pandemic*, banking was very vulnerable to the effects, because debtors from various industrial sectors who were affected experienced problems in carrying out their obligations, such as paying off debts. However, banks must be required to continue to provide good performance because of their role in carrying out the intermediary function for the industrial sector (Gozali et al., 2022) .

In 2018, before the *Covid 19* virus pandemic spread throughout the world, the performance conditions of the banking sector were still relatively stable and solid, this can be seen from the Jakarta Composite Index (JCI), which repeatedly set records, where the Net Interest Margin (NIM) of banks was average. -approx 5% (investasi.kontan.co.id, 2018). Then, the banking sector also had a credit growth of 9.3% and a growth in bank third party funds (DPK) of 5% (YTD). (cnbcindonesia.com, 2018). In 2020, the first time the Covid 19 virus spread and was declared a pandemic, the performance of the banking sector experienced a decline, namely declining credit growth, increasing *Non Performing Loans* (NPL) or non-performing loans, decreased interest income, experiencing liquidity difficulties in decreasing asset quality, decreasing loan interest rates and declining banking performance.

Bank financial performance is one factor that needs to be improved. Corporate values to increase the welfare of the owner. The performance of banking companies can be measured by analyzing their financial statements, using several ratios, such as solvency, liquidity risk, profitability ratios (Nugrahani, W & Yuniarti, 2021) .

Various problems found on this topic are generally referred to as agency conflicts. This problem developed due to a conflict of two interests, namely between the agent and the principal. In this theory, principals are also known as *stake holders* who are the owners of the company, and agents act as company management who manage the company. Jensen and Meckling (1976) were the first to propose this theory. The theory explains that agency conflicts tend to occur in companies that share ownership and management roles. Agency theory is a concept that illustrates a contractual relationship between a principal and an agent, namely two or more people, groups or organizations.

Overcoming the agency dilemma requires the establishment of a supervisory mechanism to unite these two conflicting interests. The existence of this mechanism raises costs which are usually referred to as agency costs *,* which are costs used by principals to supervise agents (Jensen & Meckling 1976) .

Financial performance is a measure of the success of the implementation of financial functions. In this case it is very important, both for investors and for companies. The importance of an assessment of company performance by analyzing financial statements triggers the thoughts of company leaders that managing a company in the modern era with rapid technological developments is a very broad and multifaceted matter. The increasing number of company management activities will increase the need for corporate governance practices *to* ensure that management runs well (Noviawan & Septiani, 2013) .

The board of directors is an organ of the company that is authorized and responsible for the management of the bank. The board of directors plays a role in determining a policy and strategy to be chosen, either short term or long term policy. (Son, 2017) The director is someone who should decide or usually gives decisions, together with other members of the board of directors in determining the necessary actions. The board of directors is a representative of the shareholders in managing the company. The board of directors has the responsibility to ensure that the goals set are achieved.

Independent commissioners are neutral parties so they do not represent any party. The selection of independent commissioners is based on their expertise, experience and professionalism. The independent board of commissioners is a board of commissioners that has no family relationship with the shareholders/directors and does not have any business ties. In addition, the role of independent commissioners is able to align the interests of managers and shareholders because each member of the independent commissioner is tasked with overseeing the possibility of deviations that benefit certain parties and even certain individuals by ignoring management's long-term reputation. (Gozali et al., 2022) .

Influence of the Board of Directors on Financial Performance , the Board of directors is a company organ that is authorized and fully responsible for managing the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company and represents the Company, both inside and outside the court in accordance with the provisions of the articles of association (Widyati, 2013) .

Financial performance for investors of a company is to see the performance produced in the financial sector is going well. Therefore the company is obliged to disclose financial performance transparently or not hidden in the form of financial reports. Financial Report is a form that provides information and describes the condition of the performance of the company so that it can be used as a form of achievement. Company performance represents the progress or decline of a company. Financial performance is the result of various individual decisions made continuously by management (Dewi, Sari, & Abaharis, 2018).

There is any supporting journals for this research, (Putra, 2017) said that the board of directors on financial performance, which results conclude positively on the company's financial performance. According to explaining that the influence of the board of directors on company performance, the results stated that the board of directors had a positive effect on company performance. In line with the opinion (Sukandar 2014) , which explains the influence of the board of directors on financial performance where the results state a positive effect on financial performance. Meanwhile, according to (Noviawan & Septiani, 2013) said that the effect of the board of directors on financial performance, where the results stated no significant negative effect on financial performance.

H1 : It is suspected that the Board of Directors has a positive and significant effect on Financial Performance

The Influence of the Independent Board of Commissioners on Financial Performance

Independent commissioners are members of the board of commissioners who have no financial, management, share ownership or family relationships with other members of the board of commissioners, directors and or controlling shareholders or other relationships that may affect their ability to act independently. An independent commissioner is the best position to carry out this function in order to create a company with *good corporate governance* (Dewi, Sari, et al., 2018) .

The proportion of the Board of Commissioners is measured using an indicator of the percentage of members of the board of commissioners who come from external companies from all sizes of the members of the company's board of commissioners. Because the greater the number of commissioners, the more difficult it will be, as well as expensive and time consuming in terms of both communication and coordination in decision making (Monica & Dewi, 2019) .

According to previous research by (Intia & Azizah, 2021) the board of independent commissioners has a positive and significant effect on financial performance as measured by ROA.

This research is identical to the results of research conducted by (Widyati, 2013) which has a positive and significant influence on financial performance.

This supports the argument that an independent board of commissioners can improve a company's financial performance. The board of independent commissioners is expected to be able to improve oversight in creating a business environment that is in accordance with good governance and provide solutive and innovative input to solve problems so as to improve company performance (Agatha et al., 2020) .

The results of this study contradict (Hasibuan & Sushanty, 2018) and (Gurdyanto, 2019) which state that there is no influence between the Independent Board of Commissioners on Financial Performance. So it can be concluded that the number of independent commissioners who are more or less can enable the company to get more performance is less able to allow the company to get more performance (Fatimah & Dwi Wahyuni, 2020) .

H2 : Allegedly the independent board of commissioners has a positive effect on financial performance.

2. Methods

This type of research used is a quantitative method which aims to test whether the board of directors and board of commissioners independently affect financial performance by using agency theory. Quantitative Research Methods, according to Sugiyono (2017), namely research methods based on the philosophy of positivism, are used to examine certain populations or samples, collect data using research instruments, data analysis is quantitative or statistical, with the aim of testing established hypotheses.

The research object is the focal point in examining a problem in research that aims to solve the problem. Companies that will be the object of this study are banking companies listed on the Indonesia Stock Exchange successively during the period 201 7 -202 1. The data to be retrieved is the company's financial data.

The population in this study is a banking company *GO PUBLIC* listed on the Indonesia Stock Exchange for the period 2017 -2021 with a total of 46 companies.

The sample is part of the number and characteristics of a population. The sample in this study was selected using the *purposive sampling method* , which is a sampling method based on certain criteria and considerations (Sugiyono, 2017).

The criteria for determining the samples are as follows:

1. Companies listed on the Indonesia Stock Exchange at the end of 2021.
2. Companies listed on the Indonesia Stock Exchange consecutively during the 2017 – 2021 period.
3. Companies that have complete financial information data regarding the structure of the Independent Board of Directors and Board of Commissioners.
4. Banking companies *delisted* from the Indonesia Stock Exchange

Table 1. Purposive Sampling Results

NO	Sample Criteria	Amount
1	Companies listed on the Indonesia Stock Exchange at the end of 2021	46
2	Companies that are not listed on the Indonesia Stock Exchange in a row during the 2017–2021 period	(1)
3	Companies that do not have the completeness of the information needed in the research, good data regarding kj variables X and Y in the research	(15)
4	Banking companies *delisted* from the Indonesia Stock Exchange	(2)
	Number of Samples	28
	Observation Year	5
	Total Sample	140

Source: Processed Data

Variable Operational Definition

Table 2. Operational Definition of Research

No	Variable	definition	Measurement	Source
1	Board Directors (X 1)	The board of directors is a board member who is responsible for the performance and management of the company	The total number of members of the board of directors in the company	(Noviawan & Septiani, 2013)
2	Independent Board of Commissioners (X2)	The proportion of Independent Commissioners is measured using an indicator of the percentage of members of the board of commissioners who come from outside the company and of all sizes of the company's board of commissioners.	$Dewan\ komisaris\ independen = \frac{jumlah\ komisaris\ independen}{jumlah\ dewan\ komisaris} x\ 100\%$	(Noviawan & Septiani, 2013)
3	Financial performance (Y)	Return on Assets (ROA) is a measure of a company's effectiveness in generating profits on company assets.	$ROA = \frac{Laba\ Bersih}{Total\ Aset} \times 100\%$	(Son, 2017)

The type of data used in this study is panel data regression. The panel data in this study are several banking companies listed on the Indonesia Stock Exchange for the 2017-2021 period. The data source in this study is secondary data, namely data obtained indirectly, meaning data obtained through intermediaries such as books, financial reports that have been published by the Indonesia

Stock Exchange, Sugiyono (2017) . Where the data in question is the number of registered companies and financial reports accessed through www.idx.co.id and www.web.idx .

In this study using the technique Data collection is done by means of documentation, namely records of events that have passed. Documents can be in the form of writing, pictures, or monumental works of a person. Research results will also be more credible if they are supported by photographs or existing academic and artistic writings.

Documentation is a search, an investigation, in the form of providing documents to be used as evidence or as developing knowledge from research. Data collected from Engineering documentation in the form of Company financial reports published by IDX.

Data analysis techniques **.** Descriptive analysis is a statistic that serves to provide an overview or describe the object to be studied through sample or population data as it is, and does not carry out analysis or make conclusions that apply to the public (Sugiyono, 2017) , (Mayliza & Maihidayah, 2022) .

Descriptive Statistical Analysis

Descriptive analysis is statistics that serves to provide an overview or describe the object to be studied through sample or population data as it is, and does not carry out analysis or make general conclusions (Sugiyono, 2017) , (Mayliza & Maihidayah, 2022) .

a. Means
   Mean is a technique for explaining groups of data based on the average value of the group. The average is obtained from the sum of all data, always divided by the number of individuals
b. Maximum
   Maximum is the largest value of a group of data
c. Minimum
   The minimum value indicates the lowest value of a group of data.
d. Median
   Median is data that is sorted from smallest to lowest so that it can produce the middle value of the data or vice versa.
e. Standard deviation
   The standard deviation is a statistical value to find how distributed the data is in the sample, and is used to see how close individual data points are to the mean or average sample value.

Model Building

The analytical method used in this research is descriptive statistical analysis and panel data regression analysis with the help of the Eviews program. To determine the significant level of each independent variable's regression coefficient on the dependent variable, multiple linear regression analysis (also known as *Ordinary Least Square) is used.*

There are three methods in panel data regression, namely the *Common Effect Model* (CEM) method, *the Fixed Effect Mode l* (FEM) method *& Random Effect Model (REM) method* .

1. *Common Effect Model* (CEM)

The common effect model (CEM) method combines all data without thinking about the time and place of research. It is assumed that the behavior of data between unit *cross-sections* is the same in various time periods. According to Sukendar and Zinal (2007) in Wulandari's research (2017) In this approach, it is assumed that the intercept value of each variable is the same, as well as the slope coefficient for all unit *cross-sections* and *time series* .

2. *Fixed Effects Model* (FEM)

According to Gujarati (2003) in research (Rahmadeni & Wulandari, 2017) way to pay attention to *the heterogeneity of units cross section* in the panel data regression model is to allow different intercept values for each unit cross section but still assumes a constant slope .

3. *Random Effect Model* (REM)

Estimating the random effect of this model assumes that individual effects are random for all *cross-section units* (Rahmadeni & Wulandari, 2017) .

Effect Model Feasibility Test (Advanced Test)

1. Chow test

Aims to determine a better model to use between *Common Effects* and *Fixed Effects* . If the Chi-square Cross-section is smaller than alpha (α) (0.0000 <0.05), then H0 is rejected. This means that the Fixed Effect model is better used than *the Common Effect model* (Hadya, 2017)

2. Hausman test

Aims to determine a better model between the Fixed Effect model and the Random Effect model. If the random cross-section is smaller than alpha (α) (0.0027 <0.05), then H0 is rejected. Thus, it can be concluded that the model that is suitable for use in panel data regression is *the Fixed Effect Models* (FEM) (Hadya, 2017).

Classical Assumption Testing

1. Normality Test

The normality test was carried out to find out whether in the regression model the dependent variable and independent variable are normally distributed or not . Tests were carried out using *the Jarque-Bera Test t.* To find out whether the residual is normal or not in a simple way , that is by comparing the calculated JB (Jarque-Bera) probability value with an alpha level of 0.05 (5%). If *the Pro* JB count is greater than 0.05 , the residuals are normally distributed and if they are smaller than 0.05, the residuals are not normally distributed (Mansuri, 2016).

2. Heteroscedasticity Test

If the residual time and the predicted value have a correlation or relationship pattern, heteroscedasticity will occur. This relationship pattern is not only limited to a linear relationship, but in different patterns it is also possible. The decision whether or not heteroscedasticity occurs in the linear regression model is by looking at the Profitability F-statistic (F count). If the calculated profitability value of F is greater than the alpha level of 0.05 (56), then H0 is accepted, which means that heteroscedasticity does not occur, while if the calculated profitability value is smaller and the alpha level is 0.05 (55%) then H0 is rejected, which means that heteroscedasticity occurs (Mansari, 2016).

3. Multicollinearity Test

According to (Winarno, 2017) multicollinearity is a condition where there is a linear relationship between independent variables, because it involves several independent variables, multicollinearity will not occur in a simple regression equation consisting of one dependent variable and one independent variable). If the correlation coefficient between each variable is smaller and is 0.8, then there is no multicollinearity in the regression. Conversely, if the correlation coefficient between each variable is greater than 0.8, this model contains multicollinearity.

Panel Data Regression Analysis

According to (Winarno, 2017) generally revealed the panel regression model used to know the direction and magnitude of the influence of the independent variables on the dependent variable individually. The regression model in the data or panel is based on the use of two time models, namely *time series* and *cross section.*

In this study the panel regression model used can be formulated into this study as follows:

$$\mathbf{Y_{it} = X_{it} + X2it + \beta + \beta 0 + \_\ e}$$

Information:

Y_{it} = Financial performance

X_{it} = Board of Directors

X2it = Independent Board of Commissioners

β = Regression Coefficient

β 0 = Constant

e = Error

Hypothesis test

Test T-Test

The t test is used to see the significance of the effect of individual independent variables on the dependent variable by assuming other variables are constant. According to Sugiyono (2015) The t test or regression coefficient test is used to determine whether partially the independent variable has a significant effect or not on the dependent variable.

According to (Wulandari et al., 2018) statistical t test is used to show how far the influence of one explanatory variable or independent variable individually explains the variance of the independent variable. If t count < t table, and or significant value > 0.05, the independent variable partially has no effect on the dependent variable. If t count > t table l, and or significant value <0.05 then the independent variable partially affects the dependent variable.

3. Results and Discussion

Research Variable Descriptive Statistics

The results of the data in this descriptive analysis are used to see an overview of research observations (N), sample average (*mean)* , middle value (*median*), highest value (*maximum*), lowest value (*minimum)* and standard deviation (σ) for each variable. The results of descriptive data analysis are presented in the following table:

Table 3. Descriptive Statistical Test Results

	Financial Performance Logs (ROA)	Board of Directors logs (DD)	Independent Commissioners Board Log (DKI)
Means	0.014022	5.207143	2.385714
Maximum	4.234686	9,000000	5,000000
Minimum	-3.912023	2,000000	1.000000
std. Dev.	1.268132	1.727877	0.818717
observations	140	140	140

Source **:** *Processed data, Eviews 8*

The table above shows the descriptive numbers of each variable with a total of 140 (one hundred and forty) observations. Descriptive analysis is explained as follows as follows:

1. ROA of Financial performance (Y) as the dependent variable can be seen the *minimum value* of -3.912023, and the *maximum value* is 4.234686 , while the overall average value (*mean) is* 0.014022 , and a standard deviation of 1.268132.
2. Board of Directors (X1) is an independent variable. It can be seen that the *minimum value* is 2000000, and the *maximum value* is 9,000000. while the overall average value (*mean).* 5.207143, and a standard deviation of 0.334254.
3. Independent Board of Commissioners (X2) variable independent variable it can be seen that the *minimum value* is 1.000000 and the *maximum value* is 5,000000 while the overall average value (*mean) is 2.385714* , with a *median value* of 0.693147 and a standard deviation of 0.818717

Table 4. Estimation of CEM, FEM, and REM

Variable	*Common Effects*		*Fixed Effects*		*Random Effects*	
	t-statistics	prob	t-statistics	prob	t-statistics	prob
dd	-0.599718	0.552	-1.781759	0.086	-1.556577	0.1273
DKI	1.261855	0.2141	2.005218	0.0551	2.076673	0.0441

The table above explains that each model has a different significance value. To determine the best model of the three models, a further test was carried out, *the Hausmant test* was chosen as a further test to determine the best model between *the fixed effect model* and *the random effect model*.

Normality test

Selecting the random *effect model* (REM) as the best model in panel data regression, then testing the classical assumptions is very relevant to do. The classical assumption test that will be carried out is only the normality test, the multicollinearity test and the heteroscedasticity test are not carried out because they have been represented by model estimates in panel data regression.

Table 5. Normality test

Jarque-Bera	3.075799
probability	0.214832

Judging from table 5 above, it can be seen that the probability value is greater than alpha (0. 214832 > 0.05). This indicates that the data is normally distributed.

Table 6. *Haustmann's* test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-sections	1.234103	2	0.5395

The Hausmant test aims to determine the best model between the fixed effect model and the random effect model. Table 5 shows that the prob. in random cross-section is greater than alpha (α) (0.5395 > 0.05). It can be concluded that the model that is suitable for use in panel data regression is the Random Effect Model (REM).

Panel Data Regression Analysis

This study aims to see the effect of the independent variable on the dependent variable. To see whether the hypothesis is accepted or rejected, panel data regression analysis is used. The significance level used is 5%. The estimated statistical model is the best model and is free from classic assumptions. The test results can be seen in the following table:

Table 6. Panel Data Regression Estimation Results

Variables	Coefficient **t**	std. Error	t-Statistics	Prob.
Constant (C)	0.969400	1.136507	0.852964	0.3986
LOGX1	-1.288067	0.827499	-1.556577	0.1273
LOGX2(DKI)	0.666710	0.321047	2.076673	0.0441

The regression equation for the Panel Data *Random Effect Model* is as follows:

$$\mathbf{Y_{it\,=}\ 0.969400 - 1.288067\ X_{1it} + 0.666710\ X_{2it\,+\,e}}$$

From the data analysis above can be explained through the regression model as follows:

1. Constant = 0.969400, meaning that if the variables of the Board of Directors and the Independent Board of Commissioners are considered equal to zero, then the independent variable, namely Financial Performance (ROA), will experience an increase in financial performance by 0.969400.
2. Board of directors coefficient = -1.288067, meaning that if the independent variable ROA has increased by 1 unit while the others are considered constant, then the dependent variable, namely financial performance, will decrease by -1.288067.
3. Independent commissioners coefficient = 0.666710, meaning that if the independent variable has increased by 1 satan while the others are considered constant, then the dependent variable, namely financial performance, will have increased by 0.666710.

Hypothesis testing

The purpose of testing the hypothesis is to find out how much influence an independent variable has on the dependent variable. The test criterion is if the *probability value* $T_{count} > T_{table}$ then H0 $_{is}$ rejected and Ha is accepted and if the *probability value* $T_{count} < T_{table}$ then Ha is rejected and H0 $_{is}$ accepted. With a significant level of 0.05 (5%).

Table 7. T test results

Variables	**t-Statistics**	**t-table**	**Prob.**	**Alpha**	**Conclusion**
LOG $_{X1}$ (DD)	-1.556577	1.6 5605	0.1273	0.05	H1 Rejected
LOG $_{X2}$ (D KI)	2.076673	1.6 5605	0.0441	0.05	H2 Accepted

Source: *data processed by Eviews 8*

In the table above, the partial test results are as follows:

1. Based on the results of the t test (partial) on the regression model, the value of t is obtained $_{count}$ of -1.556577 < 1. 65605 and significant variable LOG $_{X1}$ board of directors of 0.1962 > 0.05 (5% significant level). This means that it can be concluded that partially LOG $_{X1}$ the board of directors has no significant influence on financial performance.
2. Based on the results of the t test (partial) on the regression model, the t value obtained is 2.076673 > 1.6 5605 and the significant value of the LOG $_{X2}$ variable board of independent commissioners of 0.4016 < 0.05 (5% significant level). This means that it can be concluded that partially LOG $_{X2}$ independent board of commissioners has a positive and significant effect on financial performance.

Influence of the Board of Directors on Financial Performance (ROA)

Based on the results of this study showed that the board of directors has a t_{count} of -1.556577 and with a significant value of 0.1273 which means greater than 0.05. This shows that the board of directors does not affect the company's financial performance. Thus, it can be concluded that the first hypothesis is rejected. This means that the increase or decrease in the number of directors does not affect the results of financial performance.

The results of this study are in line with research (Intia & Azizah, 2021) , (Dany Yadnyapawita & Aryista Dewi, 2020) and (Pradipta et al., 2022) which state that the board of directors has no positive effect on financial performance. This happens because the number of different members of the board of directors can affect the different characteristics of the company so that the effectiveness of the board of directors in managing the performance of resource management is less than optimal.

Nonetheless, the results of this study contradict research conducted by (Rahmawati, IA, et al, 2017) , and (Putra, 2017) stating that the board of directors partially has a positive and significant effect on the company's financial performance. With the separation of roles from the board of commissioners, the board of directors has great power in managing all the resources in the company.

The Influence of the Independent Board of Commissioners on Financial Performance

The results of this study indicate that The Independent Board of Commissioners has a t_{count} of 2.076673 and with a significant value of 0.0441 which means greater than 0.05. This shows that the Board of Commissioners is Independent positive effect on financial performance. Thus, the second hypothesis which says that the independent board of commissioners has a positive effect on financial performance is accepted. This means that the more the number of independent commissioners in the company will improve financial performance, conversely the fewer the number of independent commissioners in the company, the lower the financial performance.

The independent board of commissioners is a supervisory agent like the commissioners, but does not have a close relationship with the company's shareholders who have the authority to supervise and protect minority shareholders and play an important role in the decision-making process.

This is because the more the number of independent commissioners, the better the level of supervision so that it will minimize the possibility of managers carrying out practices for the benefit of management themselves, and the better the company's financial performance.

research is in line with research conducted (Widyati, 2013) , (Fatimah & Dwi Wahyuni, 2020) The board of independent commissioners has a positive and significant effect on financial performance as measured by ROA. This research is identical to the results of research conducted by (Intia & Azizah, 2021) which has a positive and significant influence on financial performance.

Nonetheless, the results of this study contradict research conducted by (Noviawan & Septiani, 2013) stating that the independent board of commissioners has no partial and significant effect on the company's financial performance

4. Conclusions

Based on the results of research and discussion regarding the Influence of the Independent Board of Directors and Board of Commissioners Against Financial Performance at Registered Banking Companies On the Indonesian Stock Exchange period 201 7 -20 21 using panel data regression analysis technique.

1. The Board of Directors produces influential hypothesis No significant to financial performance. Which means that the increase or decrease in the number of the board of directors does not provide a significant value to the banking company's financial performance (ROA). This happens because the number of different boards of directors can affect the different characteristics of

the company so that the effectiveness of the board of directors in managing resources is less than optimal. The first hypothesis is rejected.

2. The Independent Board of Commissioners provides a hypothesis that has a significant effect on financial performance. Which mean the number of independent commissioners is significant because the more the percentage of independent commissioners in the company will increase the company's financial performance (ROA). This is because the more the number of independent commissioners, the better the level of supervision so that it will minimize the possibility of managers carrying out practices for the benefit of management itself, and the better the company's financial performance. The second hypothesis is accepted.

With this research, it is hoped that further researchers after this research can conduct research by adding other GCG variables such as adding the variables of the Audit Committee, Institutional Ownership, the Board of Commissioners and others. For further researchers, you can add different measurement tools such as: Return on Equity (ROE), Return On Investment (ROI), Net Profit Margin (NPM). Adding years of research in order to get significant results on the variables studied.

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