

## GOOD CORPORATE GOVERNANCE MECHANISMS ON NATIONAL BANKING PERFORMANCE



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### Abstract

The banking sector plays a crucial role in Indonesia's national economy because it functions as a financial intermediary institution that collects funds from the public and distributes them in the form of credit for productive activities. In the banking sector, the implementation of GCG is not merely a formality; it is the basis for risk management, strategic decision-making, and the protection of the rights of authorized parties, including creditors, shareholders, and depositors. This study aims to examine the effect of Good Corporate Governance (GCG) mechanisms on the financial performance of national banks listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period. The research method uses a quantitative explanatory approach. The population consisted of 47 banks, with a sample of 23 banks selected through a purposive sampling technique. The data were analyzed using multiple linear regression to test the influence of the variables of the Board of Commissioners, Audit Committee, Institutional Ownership, and Managerial Ownership on Return on Assets (ROA). The results showed that simultaneously, GCG mechanisms significantly influenced banking performance with an F value of 4.608 (Sig. 0.010). Partially, the Board of Commissioners, Audit Committee, and Managerial Ownership have a positive and significant influence on ROA. However, Institutional Ownership did not significantly influence financial performance. The coefficient of determination indicates that GCG mechanisms explain 50.6% of the variation in ROA, with the remainder influenced by factors outside the model. This study concludes that strengthening the supervisory function and aligning management interests are key to improving banking performance post-pandemic.

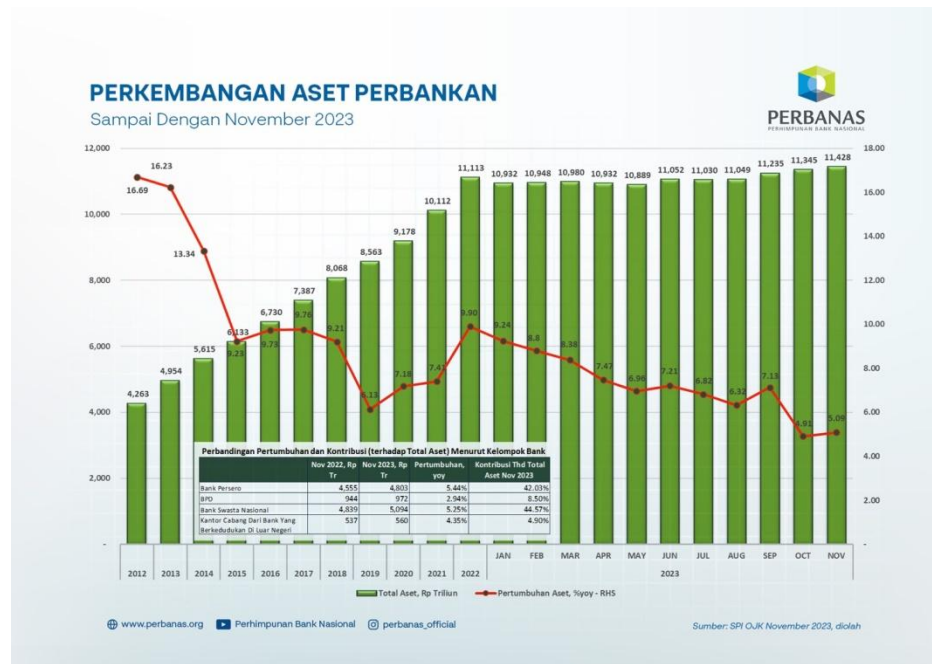
**Keywords:** Good Corporate Governance, Banking Performance, Board of Commissioners, Audit Committee, ROA

## INTRODUCTION

The banking sector plays a crucial role in Indonesia's national economy due to its function as a financial intermediary, collecting funds from the public and distributing them in the form of credit for productive activities. Banks facilitate the circulation of funds within the economy and contribute to the growth of the real sector through their functions. Fahrial (2021) emphasized that banks have a duty to improve people's quality of life by collecting money from people in the form of savings and then providing it to them in the form of credit. A similar view is expressed by Hanafiah and Rudianto (2022), who explain that banks play a crucial role in driving economic growth because they can transfer funds from surplus to deficit, resulting in increased productivity and national development. Therefore, the success of the economy as a whole depends on the stability and efficiency of the banking sector.

In addition, banks also play a strategic role in maintaining the stability of the financial system through monetary supervision functions, implementing payment systems, and providing liquidity to the economy. In this regard, the Financial Services Authority (OJK), through various policies, helps maintain the health of the banking sector so that it can optimally carry out its intermediation function. According to an OJK report compiled by Perbanas (2023), national banking credit growth remained stable at around 8.96% year-on-year in the third quarter of 2023, despite global economic pressures. Meanwhile, third-party funds (TPF) experienced a slowdown, indicating the need for improvements in fundraising. A study by Napitupulu (2020) also showed that one indicator of the banking sector's success in supporting economic development is the stability of the intermediation ratio and the ability to maintain credit quality (NPL) within healthy limits. Therefore, evaluating the performance of this sector is very important, especially in the context of current economic dynamics.

Global economic volatility is putting significant pressure on the national banking sector, both in terms of market risk, liquidity, and the potential decline in credit demand. The Financial Services Authority (OJK), as quoted in an Antaranews report, emphasized that national banks must be vigilant about global interest rate risks, China's economic developments, and geopolitical tensions that could impact domestic economic stability (OJK, 2024). Simanjuntak and Harahap (2023) echoed this sentiment, explaining that global uncertainty is driving banks to strengthen risk management to maintain the stability of their intermediation function. In this context, banks face a trade-off between maintaining credit growth and maintaining asset quality amidst high external pressures. As shown in Figure 1, total banking assets in Indonesia have experienced consistent growth since 2016, although the growth rate slowed to 5.09 % annually in 2023 (SPI OJK, 2023) .



**Figure 1.**  
**Development of Total National Banking Assets (2012–2023)**  
 Source: OJK SPI, processed by Perbanas (2023).

Figure 1. shows that the national banking sector plays a vital role in supporting Indonesia's financial system, reflected in the relatively stable asset growth trend over the past decade. Data from the National Bank Association (Perbanas) shows that total national banking assets increased significantly from IDR 4,263 trillion in 2012 to IDR 11,428 trillion as of November 2023. Although year-on-year asset growth fluctuated, decreasing from 16.69% in 2012 to 5.09% in 2023, the absolute figure continued to show an upward trend (Perbanas, 2023). This fluctuation indicates that the banking industry continues to grow despite external challenges such as the COVID-19 pandemic, global interest rate pressures, and the dynamics of economic recovery. This underscores the importance of maintaining good governance in the banking industry to ensure healthy and sustainable growth.

The impact of the COVID-19 pandemic is another major challenge that directly affects banking performance. A study by Maulana and Arifah (2022) showed that the pandemic reduced credit demand, increased the risk of non-performing loans (NPLs), and depressed net interest margins (NIM), which reduced bank profitability. On the other hand, research by Suprpto and Anggraini (2022) found that despite credit restructuring driven by OJK policies, asset quality remained under pressure during 2020–2021. The 2021–2024 recovery period remains challenging, as banks need to carefully adjust their funding structures and manage liquidity amidst unstable global and domestic economic dynamics.

Furthermore, fluctuations in the benchmark interest rate and inflationary pressures during the 2022–2024 period place additional burdens on banks. According to research by Sari and Rachmawati (2023), increases in the benchmark interest rate increase the cost of funds, which in turn reduces bank profit margins, while inflationary pressures depress borrowers' purchasing power and repayment capacity. Research by Hakim and Pratama (2023) adds that liquidity pressures amid declining Third Party Funds (TPF) force banks to

seek alternative financing, which is not always affordable or stable. In this context, banks need to have adaptive risk management and management systems to maintain a balance between growth and stability.

In the banking industry, GCG is a governance system that aims to ensure that banks are run with openness, accountability, responsibility, independence, and fairness (transparency, accountability, responsibility, independence, fairness). The purpose of these principles is to ensure that management and board decisions, as well as interactions with stakeholders, are based on ethics, professionalism, and regulatory compliance. This will enable banks to remain competitive and maintain public trust (BPKP Team in Arbaina, 2019). In the banking sector, GCG implementation is not merely a formality; it is the basis for risk management, strategic decision-making, and the protection of the rights of authorities, including creditors, shareholders, and depositors.

In Indonesia, regulations governing the use of GCG for banks have long been established. For example, Bank Indonesia (BI) issued PBI No. 8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks, which serves as the basic framework for bank governance. This regulation was then updated by a replacement regulation adopted by the Financial Services Authority (OJK), for example, in regulations for commercial banks and public companies as part of efforts to align GCG practices with industry developments and international standards (BI, 2006; BCA, 2018). This regulation requires banks to conduct -periodic self-assessments of GCG implementation, covering aspects of organizational structure, decision-making processes, and performance results and compliance (BI, 2013; OJK, 2016) to ensure that governance mechanisms are implemented not only on paper, but also in real and consistent ways.

The GCG mechanism in banks is generally implemented through a corporate governance structure involving organs such as the board of commissioners, the board of directors, and supporting committees such as the audit committee, the remuneration committee, and the risk management committee. This structure aims to create an effective system of checks and balances, so that strategic and operational decision-making can be properly monitored, conflicts of interest are minimized, and risks, including credit, liquidity, and operational risks, can be better managed (Basel Committee, 2015; Arbaina, 2019). For example, according to the Indonesian banking GCG guidelines, the board of commissioners is responsible for overseeing the policies and performance of the board of directors, while the audit committee and internal/external audit functions play a role in monitoring policy implementation, compliance, and risk reporting (BI, 2006; BCA, 2018). Institutional ownership, in the form of large shareholders or institutions, can also influence governance by ensuring that shareholder interests and transparency in decision-making are properly considered (Arbaina, 2019).

Thus, GCG serves as a strategic instrument for banks to ensure that their governance structures, decision-making processes, and internal controls align with the principles of good governance, ensuring that banks remain healthy, efficient, and capable of facing both internal and external challenges. In your research, emphasizing -these mechanisms, rather than just regulations, is crucial for evaluating the extent to which GCG implementation in Indonesian banks is robust and has a tangible impact on national banking performance.

Although regulations regarding Good Corporate Governance (GCG) in the banking sector have been formally established, their implementation still faces various challenges.

Arbaina (2012) explains that although GCG principles have been adopted in regulations such as PBI No. 8/4/PBI/2006, their implementation has not been fully reflected in bank managerial practices, especially in the aspects of accountability and transparency. Thontowi and Hartono (2018) echoed this sentiment, stating that there remains a significant gap between banks' GCG self-assessments and the reality on the ground. They found that bank reports are often not supported by actual implementation, creating bias and reducing regulatory effectiveness.

Furthermore, there is significant variation in the quality of GCG implementation across banks in Indonesia, which has implications for the performance and risk management of each institution. Alfarizi (2024), in his study of 25 banks listed on the Indonesia Stock Exchange, indicated that the effect of GCG on ROA was inconsistent, with some banks showing a significantly positive effect, while others had no effect. This reinforces the findings of Mujiburrahman and Hartono (2018), who noted that internal capacity and top management commitment significantly influence the effectiveness of GCG implementation. Thus, the quality of GCG across banks is highly dependent on institutional awareness, shareholder structure, and the decision-making culture within the bank's organization.

Another problem is weak internal supervision and limited transparency in reporting financial and non-financial information. According to a study by Zulfikar and Ramadhan (2023), many private banks face obstacles in enforcing strong internal control systems and accurate reporting systems, which should be part of the transparency principle in GCG. This is supported by Pratama and Saputra (2022), who noted that many banks do not disclose information openly and completely to the public and stakeholders, thereby reducing the effectiveness of GCG in creating an accountable environment. This condition is an indicator that internal supervision and transparency are still the main weak points in the implementation of GCG in the national banking industry.

Empirical research on the impact of Good Corporate Governance (GCG) on banking performance has been conducted by many researchers, but the results show inconsistent findings. Markonah and Prasetyo (2022) found that GCG implementation has a positive impact on the financial performance of commercial banks in Indonesia, particularly through positive asset growth. Conversely, Feprizon (2021) stated that not all GCG mechanisms have a significant impact on ROA; in fact, some indicators, such as the audit committee and institutional ownership, show an insignificant impact. In another study, Husna (2023) assessed that the role of boards of commissioners and directors in banking financial performance remains inconsistent, depending on the conditions and observation period. These differences in results indicate that the effectiveness of GCG cannot yet be fully explained in general.

Several studies also show that the research period influences the results. For example, Tasman and Susanti (2018), in their study of 2005–2014 data, showed that GCG mechanisms generally had a positive impact on bank performance. However, this contrasts with the findings of Saad and Rizki (2023), who examined the 2016–2018 period and found that only audit committees and company size significantly affected performance, while other mechanisms had no effect. This variation reflects the importance of temporal context, including external factors such as economic crises or pandemics, in determining the role of GCG on bank performance. Therefore, studies that examine the most recent period, such as the economic recovery period of 2021–2024, are urgently needed.

There are also gaps in previous research that serve as an important foundation for this study. First, as explained by Husna (2023) and Feprizon (2021), most studies only use a few GCG variables, such as institutional ownership or the number of board members, without comprehensively incorporating all GCG elements, such as independence, audit committees, and managerial ownership. Second, most studies focus on the pre-pandemic or crisis period, thus failing to represent post-pandemic conditions, which have different economic characteristics (Tasman & Susanti, 2018). Third, many studies ignore external control variables, such as macroeconomic conditions, market risk, or bank size, which can actually influence the relationship between GCG and financial performance, as explained by Wau, Kristiurman, and Mendrofa (2023).

Based on this gap, this research is important to conduct in the context of post-pandemic economic recovery. As stated by Sparta et al. (2020), GCG not only directly impacts performance but also plays a role in mitigating market risks and strengthening the bank's internal structure. Therefore, a re-evaluation of GCG effectiveness is highly relevant, especially in the 2021–2024 period when banks are facing liquidity challenges, interest rate pressures, and slowing credit growth. This study also addresses the need for contextual, up-to-date empirical data, in line with the view of Purwanto et al. (2020), who emphasize the importance of period-based research and actual market conditions.

This study aims to examine the influence of GCG mechanisms on the financial performance of banks in Indonesia, particularly banks listed on the Indonesia Stock Exchange (IDX), between 2021 and 2024. The study aims to identify which GCG mechanisms, such as audit committees, independent boards of commissioners, or institutional ownership, have the greatest impact on performance improvement. The research findings are expected to provide academic contributions by expanding the literature related to GCG in the banking sector, as well as providing evidence-based recommendations for regulators and bank management in developing governance policies that are more adaptive to current challenges.

## REVIEW OF LITERATURE

### Agency Theory

According to Jensen and Meckling (1976) and Scott (2000), Agency Theory is a version of *game theory* that implements an agreement between two or more parties, where the parties are known as agents and the other parties. known *principal* (Heri, 2024). According to agency theory, it is very important for shareholders or company owners to hand over the management of their company to professionals called agents (Mubarok, 2023).

### Banking Performance

Banking performance is a crucial measure used to assess the effectiveness and efficiency of a bank's operations. Key indicators frequently used to measure this performance include profitability ratios, namely ROA and ROE, and operational efficiency ratios, measured by Operating Expenses to Operating Income (BOPO) (Krisyana, 2024; Paradila, 2024). In this study, banking performance is measured using profitability ratios, as they reflect a bank's ability to generate or obtain profits effectively and efficiently (Niu, 2021).

### Good Corporate Governance (GCG)

GCG is a set of rules that regulates the relationships between shareholders, managers, creditors, the government, employees, and other internal and external stakeholders. In other words, it is a system that regulates and supervises a company (FCGI, 2001). GCG is a set of values and a system that regulates how various company stakeholders interact with each other, including shareholders, management, creditors, and employees (Agustina & Majid, 2020). The goal of GCG is to generate added value for each stakeholder and reduce problems arising from conflicts of interest, known as agency problems (Khairiah & Inayah, 2024).

Based on the general guidelines for good corporate Indonesia, the principles of use *good corporate* are : ( 1 ) Transparency , ( 2 ) Accountability , ( 3 ) Responsibility , ( 4 ) *Independence* , ( 5 ) *Fairness* and Equality . *Corporate governance* mechanisms involving internal mechanisms (board of directors structure and manager ownership) and external (institutional ownership). In addition, there are two elements needed in building a company's monitoring and control system: an audit committee and independent commissioners.

### RESEARCH METHOD

The research approach used in this study is a quantitative approach. Furthermore, this type of research is *Explanatory Research*, which describes the relationship between independent variables and dependent variables through hypothesis testing. The influence of the independent and dependent variables in this study is the *Influence of GCG on National Banking Performance*. The data used in this study are *time series and cross-sectional* data.

As for the location of the research, banking companies listed on the IDX from 2021 to 2024. This research period began in January and continues until completion. The data collection period is for banking companies listed on the IDX from 2021 to 2024.

**Table 1**  
**Population of National Banking Companies**

No	Bank Name	Bank Code
1	PT Bank Central Asia Tbk	BBCA
2	PT Bank Rakyat Indonesia (Persero) Tbk	BBRI
3	PT Bank Negara Indonesia (Persero) Tbk	BBNI
4	PT Bank Mandiri (Persero) Tbk	BMRI
5	PT Bank Syariah Indonesia Tbk	BRIS
6	PT Bank Tabungan Negara (Persero) Tbk	BBTN
7	PT Bank KB Bukopin Tbk	BBKP
8	PT Bank Raya Indonesia Tbk	AGRO
9	PT East Java Regional Development Bank Tbk	BJTM
10	PT Bank BTPN Syariah Tbk	BTPS
11	PT Bank Jago Tbk	ARTO
12	PT West Java and Banten Regional Development Bank Tbk	BJBR
13	PT Bank Neo Commerce Tbk	BBYB
14	PT Bank MNC International Tbk	BABP
15	PT Bank CIMB Niaga Tbk	BNGA
16	PT Bank Aladin Syariah Tbk	BANK

No	Bank Name	Bank Code
17	PT Bank Capital Indonesia Tbk	READ
18	PT Bank Danamon Indonesia Tbk	BDMN
19	PT Bank Ganesha Tbk	BGTG
20	PT Bank Permata Tbk	BNLI
21	PT Bank Panin Dubai Syariah Tbk	PNBS
22	PT Banten Regional Development Bank Tbk	BEKS
23	PT Bank Bumi Arta Tbk	BNBA
24	PT Bank Maybank Indonesia Tbk	BNI II
25	PT Bank BTPN Tbk	BTPN
26	PT Bank China Construction Bank Indonesia Tbk	MCOR
27	PT Bank Pan Indonesia Tbk	PNBN
28	PT Bank Victoria International Tbk	BVIC
29	PT Bank Artha Graha Internasional Tbk	INPC
30	PT Bank QNB Indonesia Tbk	BKSW
31	PT Bank Amar Indonesia Tbk	AMAR
32	PT Bank Mega Tbk	MEGA
33	PT Bank OCBC NISP Tbk	NISP
34	PT Bank IBK Indonesia Tbk	AGRS
35	PT Bank Sinarmas Tbk	BSIM
36	PT Bank Oke Indonesia Tbk	DNAR
37	PT Bank Ina Perdana Tbk	DEVELOPMENT
38	PT Bank Nationalnobu Tbk	NOBU
39	PT Bank Mayapada International Tbk	MAYA
40	PT Bank Maspion Indonesia Tbk	BMAS
41	PT Bank Multiarta Sentosa Tbk	MASB
42	PT Bank JTrust Indonesia Tbk	BCIC
43	PT Bank Bisnis Internasional Tbk	BBSI
44	PT Bank Woori Saudara Indonesia 1906 Tbk	SDRA
45	PT Bank Mestika Dharma Tbk	BBMD
46	PT Bank of India Indonesia Tbk	BSWD
47	PT Allo Bank Indonesia Tbk	BBHI

The sample selection method used was *purposive sampling*. The purposive sampling criteria used in this study included: (1) Banking companies listed on the IDX in 2021-2024. (2) Banking companies that have complete financial statements and annual reports in 2021-2024 because these annual reports generally contain disclosures of GCG practices. Based on the purposive sampling technique with the above criteria, 23 banking companies were obtained as research samples from a total population of 47 companies.

**Table 2**  
**23 Samples**

No	Bank Name	Bank Code	Financial Report 2021–2024
1	PT Bank Rakyat Indonesia (Persero) Tbk	BBRI	✓ Available
2	PT Bank Negara Indonesia (Persero) Tbk	BBNI	✓ Available
3	PT Bank Mandiri (Persero) Tbk	BMRI	✓ Available

No	Bank Name	Bank Code	Financial Report 2021–2024
4	PT Bank Tabungan Negara (Persero) Tbk	BBTN	✔ Available
5	PT Bank CIMB Niaga Tbk	BNGA	✔ Available
6	PT Bank Danamon Indonesia Tbk	BDMN	✔ Available
7	PT Bank Permata Tbk	BNLI	✔ Available
8	PT Bank Maybank Indonesia Tbk	BNI II	✔ Available
9	PT Bank Pan Indonesia Tbk	PNBN	✔ Available
10	PT Bank Victoria International Tbk	BVIC	✔ Available
11	PT Bank Mega Tbk	MEGA	✔ Available
12	PT Bank OCBC NISP Tbk	NISP	✔ Available
13	PT Bank Sinarmas Tbk	BSIM	✔ Available
14	PT Bank Ina Perdana Tbk	DEVELOPMENT	✔ Available
15	PT Bank Nationalnobu Tbk	NOBU	✔ Available
16	PT Bank Mayapada International Tbk	MAYA	✔ Available
17	PT Bank Maspion Indonesia Tbk	BMAS	✔ Available
18	PT Bank Multiarta Sentosa Tbk	MASB	✔ Available
19	PT Bank Bisnis Internasional Tbk	BBSI	✔ Available
20	PT Bank Woori Saudara Indonesia 1906 Tbk	SDRA	✔ Available
21	PT Bank Mestika Dharma Tbk	BBMD	✔ Available
22	PT Bank of India Indonesia Tbk	BSWD	✔ Available
23	PT Allo Bank Indonesia Tbk	BBHI	✔ Available

Source: ojk.go.id (Data processed, 2025)

Data collection techniques using documentation. Meanwhile, the Data Analysis technique uses (1) descriptive analysis. (2) classical assumptions. (3) multiple regression. (4) hypothesis testing.

## RESULTS AND DISCUSSION

### Descriptive Statistical Analysis

**Table 3**  
**Descriptive Statistical Analysis**

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Dewan Komisaris (asli)	23	10	42	21.13	9.919
Komite Audit	23	12	34	14.35	5.245
Kepemilikan Institusional	23	65.37	99.85	93.4043	7.85963
Kepemilikan Manajerial (asli)	23	.00	13.91	.8487	3.04035
Valid N (listwise)	23				

Source: Data Processed by Researchers ( SPSS Output, 2025)

Based on the results of descriptive statistical analysis of the four main variables of the Good Corporate Governance (GCG) mechanism in 23 banking companies that were the research samples, the following general characteristics were obtained:

- a. **The number of the Board of Commissioners** shows a minimum value of 10 people and a maximum of 42 people, with an average (mean) reaching 21.13 and a standard deviation reaching 9.919.
- b. **The number of Audit Committees** in the sample indicates a minimum of 12 and a maximum of 34, with an average of 14.35 and a standard deviation of 5.245.
- c. **The proportion of Institutional Ownership** ranges from 65.37 % to 99.85%, with an average of 93.40% and a standard deviation of 7.86.
- d. **Managerial Ownership** in this study has a minimum of 0.00 % and a maximum of 13.91%, with an average of only 0.85% and a standard deviation of 3.04.

### Classical Assumption Test

#### 1. Normality Test

**Table 4.**  
**Normality Test**  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		23
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Standard Deviation	.74853830
Most Extreme Differences	Absolute	.100
	Positive	.090
	Negative	-.100
Kolmogorov-Smirnov Z		.479
Asymp. Sig. (2-tailed)		.976

a. Test distribution is Normal.

b. Calculated from data.

Source: Data Processed by Researchers (SPSS Output, 2025)

The test results indicate that the Asymp. Sig. (2-tailed) reaches 0.976, exceeding the significance of 0.05. Thus, it can be concluded that the residual data is normally distributed because the significance exceeds the critical limit. Kolmogorov-Smirnov Z reached 0.479, and the maximum absolute difference reached 0.100, also indicating that the deviation of the data from the normal distribution was very small.

#### 2. Multicollinearity Test

**Table 5**  
**Multicollinearity Test**

Independent Variables	Tolerance	VIF	Information
Board of Commissioners	0.274	3,647	There is no multicollinearity
Audit Committee	0.314	3,188	Does not experience multicollinearity

Institutional Ownership	0.741	1,350	Does not experience multicollinearity
Managerial Ownership	0.837	1,195	Does not experience multicollinearity

Source: Data Processed by Researchers (SPSS Output, 2025)

The Board of Commissioners variable has a tolerance of 0.274 and a VIF of 3.647. The Audit Committee has a tolerance of 0.314 and a VIF of 3.188. Meanwhile, Institutional Ownership and Managerial Ownership show tolerance values of 0.741 and 0.837, respectively, and VIF values of 1.350 and 1.195. Therefore, all independent variables in this regression model **do not experience multicollinearity**.

### 3. Heteroscedasticity Test

**Table 6**  
**Heteroscedasticity Test**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.731	1.313	1.319	.204	
	Dewan Komisaris	.005	.018	.116	.792	
	Komite Audit	-.004	.032	-.045	-.111	.913
	Kepemilikan Institusional	-.010	.014	-.193	-.733	.473
	Kepemilikan Manajerial	.023	.034	.167	.673	.510

a. Dependent Variable: Abs\_Res

Source: Data Processed by Researchers (SPSS Output, 2025)

The test results indicate that all independent variables have a significance above 0.05, namely the Board of Commissioners at 0.792, the Audit Committee at 0.913, Institutional Ownership at 0.473, and Managerial Ownership at 0.510.

**Multiple Linear Regression Analysis**

**1. T-test**

**Table 6**  
**Multiple Linear Regression Analysis**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.881	1.013		.869	.396
Dewan Komisaris	.039	.014	.883	2.790	.012
Komite Audit	.094	.025	1.129	3.817	.001
1 Kepemilikan Institusional	.003	.011	.045	.235	.817
Kepemilikan Manajerial	.056	.026	.389	2.149	.046

a. Dependent Variable: ROA

Source: Data Processed by Researchers (SPSS Output, 2025)

- a. The results of the analysis show that **the Board of Commissioners variable** has a positive and significant influence on ROA, with a coefficient reaching 0.039 and a significance of 0.012. Because the Sig. value < 0.05, the **H1 hypothesis is accepted**.
- b. The results of the analysis show that the variables. **The Audit Committee** also shows a positive and significant influence, with a coefficient reaching 0.094 and a significance of 0.001. Therefore, hypothesis **H2 is accepted**.
- c. The results of the analysis show that **Institutional Ownership**, which has a coefficient of only 0.003 and a significance of 0.817. The value exceeds the threshold of 0.05, so the **H3 hypothesis is rejected**.
- d. The results of the analysis show that **the Managerial Ownership variable** shows a coefficient reaching 0.056 with a significance of 0.046. Because this value is < 0.05, the **H4 hypothesis is accepted**.
- e. Although not explicitly shown in this table, the F-test results in the previous regression indicate that the models are simultaneously significant. Therefore, hypothesis **H5 is accepted**.

**2. F test**

**Table 7**  
**F Test**  
**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.122	4	.530	4,608	.010 <sup>b</sup>
	Residual	2,072	18	.115		

Total	4,194	22		
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Source: Data Processed by Researchers (SPSS Output, 2025)

Based on the results of the ANOVA analysis on the multiple linear regression model, the F value reached 4.608 with a significance (Sig.) of 0.010.

### 3. Coefficient of Determination

**Table 8**  
**Coefficient of Determination**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 <sup>a</sup>	.506	.396	.33929

a. Predictors: (Constant), Kepemilikan Manajerial, Komite Audit, Kepemilikan Institusional, Dewan Komisaris

Source: Data Processed by Researchers (SPSS Output, 2025)

The Model Summary output, the R Square reached 0.506. This means that 50.6 % of the variation occurring in the dependent variable can be explained by the five independent variables. The remaining 49.4 % is explained by other factors outside the regression model. Meanwhile, the Adjusted R Square reached 0.396 indicating adjustments to the number of independent variables and the sample size used, approximately 39.6% of the variance in the dependent variable can still be explained by the model.

#### **The Influence of the Board of Commissioners on the Performance of National Banking in Banking Companies Listed on the Indonesia Stock Exchange (BEI) for the 2021-2024 Period**

The findings of the regression analysis indicate that the Board of Commissioners variable has a positive and significant influence on banking financial performance, as reflected in the sig value reaching 0.012 ( $p < 0.05$ ) and the regression coefficient reaching 0.039. This means that the greater the number of board of commissioners members in a bank, the greater the tendency for an increase in the resulting ROA.

The results of this study align with the findings of **Farhani (2024)**, who concluded that boards of commissioners have a positive influence on company performance in the mining sector. A similar finding was also found by **Andini et al. (2024)** in the banking sector, indicating that a competent and actively functioning board of commissioners is capable of encouraging asset optimization and maintaining the stability of financial institutions.

#### **National Banking Performance in Banking Companies Listed on the Indonesia Stock Exchange (BEI) for the 2021-2024 Period**

The regression test findings indicate that **the Audit Committee** has a positive and significant impact on banking financial performance, with a coefficient of **0.094** and a significance level of  **$p = 0.001$**  ( $p < 0.05$ ). This indicates that the larger and more effective the audit committee in a bank, the better the resulting financial performance.

Research by **Musani et al. (2023)** shows that an actively functioning audit committee can improve internal oversight and strengthen managerial control systems, thus positively impacting bank operational efficiency and profitability.

### **The Influence of Institutional Ownership on National Banking Performance for Banking Companies in the Indonesian Stock Exchange (BEI) for the 2021-2024 Period**

The findings of the regression analysis indicate that institutional ownership does not have a significant influence on banking financial performance, with a significance value of 0.817 exceeding the threshold of 0.05. This finding indicates that a high proportion of share ownership by institutions such as financial institutions, pension funds, or investment companies does not necessarily lead to increased bank performance, particularly for the profitability aspect calculated through ROA.

These findings are consistent with research conducted by Situmorang and Simanjuntak (2019), which concluded that institutional ownership has no significant impact on Return on Equity (ROE) in the banking sector. Similarly, Cahyani (2024) found that in unstable economic conditions, institutional investors tend to adopt a defensive stance and are less involved in managerial oversight.

### **National Banking Performance in Banking Companies Listed on the Indonesian Stock Exchange (IDX) for the 2021-2024 Period**

The regression findings in the study indicate that managerial ownership has a positive and significant influence on banking performance, with a coefficient value of 0.056 and a significance level of 0.046. These figures indicate that, despite the relatively small proportion of management shares, this ownership still contributes to improving the bank's financial performance, as measured by ROA. These findings reinforce the notion of agency theory, which asserts that when managers also act as owners, the interests of both owners and managers are more aligned.

Syahputra (2023) stated that managerial ownership has a close relationship with management accountability, because the higher the ownership portion, the greater the responsibility attached to each strategic policy taken. Harijanto and Widiatmoko (2023) also emphasized that share ownership by managers has a positive impact on profit stability and operational performance, due to the motivation to maintain the company's reputation and success.

### **The Simultaneous Influence of the Board of Commissioners, Audit Committee, Institutional Ownership, and Managerial Ownership on National Banking Performance for Banking Companies Listed on the Indonesian Stock Exchange (IDX) for the 2021-2024 Period**

The results of simultaneous regression analysis indicate that the four independent variables representing GCG mechanisms, namely the board of commissioners, audit committee, institutional ownership, and managerial ownership, simultaneously have a significant influence on banking financial performance. This is indicated by the significant F-test findings (sig  $p < 0.05$ ), which indicates that the overall regression model is able to explain the variability of ROA as a performance indicator.

These findings are consistent with those of Musani et al.'s (2023) research, which concluded that the comprehensive implementation of GCG principles significantly impacts bank performance, both in terms of operational efficiency and increasing company value. Similarly, Gofar (2021) emphasized that integrated GCG implementation encourages more responsible decision-making and creates more transparent and sustainable business processes. In Dahlan's (2024) view, harmonization between managerial and supervisory functions is key to building a robust GCG system, where all company organs perform their roles in harmony for the sake of long-term corporate goals.

## CONCLUSION

Based on the findings of data analysis, hypothesis testing, and discussions in the previous chapter regarding the influence of GCG mechanisms on banking performance, several things can be concluded, including :

1. The Board of Commissioners has a positive and significant impact on banking financial performance calculated using ROA, with  $t = 2.790$  and  $\text{sig} = 0.012 (< 0.05)$ .
2. The Audit Committee has a positive and significant impact on bank performance, with  $t = 3.817$  and  $\text{significance} = 0.001 (< 0.05)$ .
3. Institutional ownership does not have a significant impact on banking performance, with  $t = 0.235$  and  $\text{significance} = 0.817 (> 0.05)$ .
4. Managerial Ownership has a positive and significant influence on banking performance, with  $t = 2.149$  and  $\text{significance} = 0.046 (< 0.05)$ .
5. Simultaneously, the findings of the F test indicate that the GCG mechanism simultaneously has a significant impact on banking performance ( $F = 4.608$ ;  $\text{Sig.} = 0.010 < 0.05$ ).
6. The coefficient of determination value ( $R^2 = 0.506$ ) shows that around 50.6 % of the variation in bank performance (ROA) can be explained by the GCG mechanism, while the rest is influenced by other factors outside the research model.

Overall, the Board of Commissioners, Audit Committee, and Managerial Ownership are the main GCG mechanisms that effectively drive banking performance, while institutional ownership has not yet provided a significant influence individually.

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