ABSTRACT

Implementation and management of corporate governance is good or better known as good corporate governance is a concept that emphasizes the importance of shareholder rights to obtain information with true, accurate, and timely. In this study, the issues to be discussed is how to influence the activity of the board of commissioners, board of directors, board of independent commissioners and audit committees on financial performance.

The research was conducted using secondary data (ie, data obtained indirectly). Sampling was done by purposive sampling (where samples are used if they meet specified criteria). The number of banks sampled in accordance with the criteria there are 19 banks during the years 2007-2009. The method of analysis used is multiple linear regression.

From the analysis obtained results that the activities of the board and audit committee have a positive, while the board of directors and board of commissioners of independent have negative effect on financial performance. The information obtained from the results of this study is expected to be used as an essential factor in the decision-making process in order to improve the profitability of the business. It is expected that the management of the company is capable of running the GCG best and consistent, so that the score will be high and the outcome of GCG profitability of high level of the company.

Keywords: activities of the board of commissioners, board of directors, board of commissioners of independent audit committee, financial performance