

ABSTRACT

Corporate governance's perspective has begun from agency theory that principal as entity's owner give an authority to agent. The separate authority between ownership and management would make any different of interest both of them that may take potential conflict. Corporate governance's perspective will control the behavior and fixed the conflict among company stakeholder. The research about corporate governance's perspective toward the performance has commonly focused, but any findings show inconsistency results. Further reconciliation of this result, it's interesting to make research with different object.

This research has purpose to find any empirical evidence about influence of many element of corporate governance's implementation toward to performance of banking in Indonesia. The population is listed banking at Bursa Efek Indonesia (BEI) that chooses for 2004 -2007 as the sample. Purposive sampling method has used to take these sample data. Hypothesis testing used regression analysis.

Results show that influence of corporate governance that proximate by institutional ownership and leverage ratio has negatively and significant influence, otherwise commissioner activities, size board of director, and audit committee have positively influence. And existence of independent commissioner has no significantly influence. Generally this results indicating that Indonesian's banking has begin to implementing corporate governance's perspective toward increasing company performance and protect principal interest.

Keywords: Corporate governance's perspective, institutional ownership, commissioner activities, size board of director, and audit committee, existence of independent commissioner, Leverage, CFROA.