The Effect of Ownership of Managerial, Independent Board of Commissioners, Board of Directors and Intellectual Capital on Financial Performance

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ABSTRACT

Financial performance is one of the significant aspects of measuring industrial profits. The purpose of this research is to find empirical evidence of the influence of Managerial Ownership, Independent Board of Commissioners, Board of Directors, and Intellectual Capital on Financial Performance. The population in this study are banking companies in 2018-2021 listed on the Indonesia Stock Exchange (IDX). The sampling technique used is a purposive sampling technique to obtain a sample of 79 samples that have met the criteria. The data analysis technique used is multiple regression analysis. Financial performance in this study was measured using the profitability ratio (ROA). The results of this study prove that the variables of managerial ownership, independent board of commissioners, and board of directors do not affect financial performance. While the intellectual capital variable has a positive effect on financial performance.
INTRODUCTION

Financial performance for the stakeholders of an industry is looking at the performance generated in the financial department that is going well (Agatha et al., 2020). According to Wahyuni et al (2022) the interaction between corporate strategy and corporate earnings management is influenced by financial performance. Financial performance is the result of managers' efforts to complete tasks delegated to those responsible for managing the company's finances (Saragih & Sri, 2021). Financial performance is an indicator of how well the company’s financial functions have been implemented (Sembiring, 2020). Financial statements are the final result of accounting processing and can be used as a communication tool between parties with an interest in reports or company activities and financial data or an activity (Wardhani & Suwarno, 2021). According to Leopard A. Bemstein cited by Faisal et al (2018) the description of financial statement analysis, namely the process of evaluating the current and past a company’s financial standing and operational outcomes, is known as financial statement analysis. In a company, the financial statements will later be used by creditors to approve loan loans, investors to evaluate shares, and potential investors to assess the company’s future prospects (Ilma, 2021).

Information from the Bank Indonesia Communication Department shows that Indonesia’s economic growth has started to slow down in 2019, but is still within a reasonable rate, namely 5.02% (Tiono & Djaddang, 2021). According to Sari & Widaninggar (2018) the banking sector, particularly conventional banking, is one of the sectors affected. Commercial Bank Business Group (BUKU) 4. A consortium of banks known as BUKU 4 banking has conducted all business operations both domestically and overseas and has a core capital of more than 30 trillion. Currently there are seven banks in Indonesia that fit this description, namely BCA, BNI, BRI, CIMB Niaga, Danamon, Mandiri and Panin. Because banking is connected to how people's living standards are distributed, it plays a crucial role in achieving societal objectives. Additionally, banks play a part in fostering the growth of the country's economy (Syah & Andrianto, 2022). While the Covid-19 outbreak was going on, some state-owned banking institutions saw a surge in revenues. SOE Minister Erick Thohir made a statement announcing the Association of State-Owned Banks (Himbara). PT Bank BRI (Persero) Tbk, PT Bank Mandiri (Persero) Tbk, PT Bank BNI (Persero) Tbk, and PT Bank BTN (Persero) Tbk, and are expected to generate a profit of Rp72.05 trillion by the end of 2021. According to data, this number rose sharply by 78.06 percent from 2020 profit, which was Rp 40.34 trillion. This achievement is inseparable from their performance in terms of finance, operations, and social responsibility, all of which are increasing rapidly (cnnindonesia.com, 2022).

As described above, increases and decreases in net income can cause shareholders to have concerns about how the company distributes its earnings to investors. The company's management needs to work harder to enhance the company’s financial performance of the business so that it can be even better, which is indicated by the profit (profit) obtained from the business (Kurniawati et al., 2020). Many things, including management ownership, an independent
board of directors, the commission, and intellectual capital, can affect how profitable a company is. These factors are seen in the business financial statements and from the analysis of these financial statements (Kurniawati et al., 2020).

The factor tested in this study is managerial ownership. According to Sembiring (2020) management ownership refers to the ownership by the directors and commissioners who take an active role in making decisions. Wardhani & Suwarno (2021) to boost the business’s financial performance, management will reduce the desire to use resources and minimize agenda costs as a result of conflicts of interest the more shareholders and shares owned by management. Increasing share ownership by managers should direct managers to operate by the principle intended to ensure that the company works smoothly (Jaya et al., 2019).

The next factor that affects the independent board of commissioners is concerned with financial performance. According to Intia & Azizah (2021) the board of commissioners, often known as the majority shareholders, is composed of independent board members who are not linked to the directors. They are also unattached to any professional or other connections, which could limit their ability to act impartially or exclusively in the best company interest. The Jakarta Stock Exchange has authorized the existence of independent commissioners under the JSE regulations of July 1, 2000 (Widyati, 2013).

The board of directors also affects financial performance. According to Sudrajad & Sukmajati (2016) a Bank Indonesia rule is 11/33/PBI/2009. According to the terms of the articles of association as referred to The board of directors is a corporate body recognized by Law No. 40 of 2007 governing limited liability companies that are fully authorized and responsible for running the business in a way that serves both the interests of the organization and its objectives. The board also speaks for the business in court and outside of it. As the person in charge of the firm, the owner selects the board of directors as the company’s leader (Amelinda & Rachmawati, 2021).

In addition, intellectual capital also affects financial performance. Intellectual capital is an intangible resource consisting of knowledge and is an asset that might impact the performance of the business in the future (Hertati, 2021). According to Caesar & Isbanah (2020) intellectual property is a type of intangible resource that can provide value to business and society through franchises, copyrights, patents, and the intellectual property rights of the company itself. Kurniawati et al (2020) stated that intellectual capital, or intellectual in the era of globalization we are in now, it is very important to apply it to business because many are starting to implement business by utilizing science rather than doing energy-based business. Agustami & Rahman (2015), that the distinction between a company’s market worth and the value of its assets or financial capital is essentially its intellectual capital.

The conclusions of the study by several previous researchers such as Agatha et al (2020), Jaya et al (2019), and Saragih & Sri (2021) state that managerial Ownership has a favorable impact on financial results. Previously researched by Candradewi & Sedana (2016) and Rosiana & Mahardhika (2020)
the board of commissioners has a favorable impact on financial results. Previous research conducted by Rosiana & Mahardhika (2020) and Amelinda & Rachmawati (2021) that the board of directors positively affects financial performance. The outcomes of research by Mursidah et al (2021), Nazra & Suazharsi (2019), and Kurniawati et al (2020) intellectual capital has a favorable impact on financial success.

However, in contrast to the results of previous research conducted by Wardhani & Suwarno (2021) and Widyati (2013) managerial ownership has no impact on financial results. Previous research conducted by Saifi (2019) revealed that the independent board of commissioners did not affect financial performance. Meanwhile, According to the analysis done by Intia & Azizah (2021), Ulfa et al (2021), and Asytuti (2019) the director's board does not influence financial performance. As for the findings of the study conducted by Purwanto & Mela (2021) intellectual capital has no impact on financial performance.

Based on the explanation of the disclosure of financial performance supported by various studies, this research is important to do, and the lack of research on financial performance makes this study crucial to do. The focus of this study is on banking firms that will be between 2018 to 2021, on the Indonesia Stock Exchange, listed. The objective of this study was to examine the impact of management ownership, the board of directors, the independent board of commissioners, and intellectual capital on financial success.

This article is organized as follows: 1) introduction, 2) literature objectives and explanation of hypotheses, 3) research methods, 4) analysis results and explanations, and 5) closing which contains conclusions, limitations, and suggestions.

THEORETICAL REVIEW

Resource Based Theory

According to Wernerfelt, Birger (1984), in his essay "A Resource-based View of the Firm," cited by (Barney et al., 2001) astates that the company's actions are influenced by labor, capital, and resources such as technical skills that can manage the business. towards strong long-term performance. Meanwhile, according to Utami (2009), this theory describes a broad managerial framework to identify resources that are important for businesses to have a sustainable competitive advantage.

According to Ramadhani & Agustin (2021), Resource-based theory discusses the company's resources and how businesses might build competitive advantages from the resources they have. Intellectual capital is about information and technology that might increase the more value for companies in the form of organizational competitive advantages (Rahayu et al., 2020).

Barney (2015), revealed that good components can affect performance in the long term. Meanwhile, according to Landion & Lastanti (2019) by using intellectual capital the company can process and utilize its resources as well as possible and can maintain its position in the business community.
Agency Theory

Jensen, Michael C and Meckling, William H originally proposed in 1976, the theory of agency. The relationship between the principal to the agent is covered by this idea (Intia & Azizah, 2021). According to Ramadhani & Agustin (2021) agency theory is the foundation for understanding corporate governance is the agency relationship concept. Sudrajad & Sukmajati (2016) the idea of corporate governance was developed based on agency theory, which states that a company has two interdependent parties: management and owners. Meanwhile, according to Hadiani & Andayani (2016) agency relationship, according to agency theory, begins when different persons (agents) are involved by one or more individuals (principals) to provide functions and then give authority to agents to make decisions.

The model of this framework may be stated as follows in light of the previous description:

The Effect of Managerial Ownership on Financial Performance

Company shareholders who come from management who participate in company decision-making are said to have managerial ownership (Agatha et al., 2020). Saifi (2019) shows how management share ownership can facilitate a mix of managerial and shareholder interests. Management's ownership of business shares is expressed as a proportion of shares owned by in the management. According to Jaya et al (2019) the bigger the ownership stake by management, the less management tends to use resources less efficiently and cut agency costs because management's share ownership increases.

The results of previous studies that support the above explanation were carried out by Saragih & Sri (2021), Melinda & Sutejo (2008), and Aluy et al (2017) who discovered empirical proof that managerial ownership improves financial performance. So, the following is the research premise:

H1= Managerial ownership has a positive effect on financial performance.
Influence of Independent Board of Commissioners on Financial Performance

Tertius (2015), a legal entity according to Law No. 40 of 2007 concerning Limited Liability Companies, the board of commissioners is in charge of giving general and/or specific oversight following the articles of association and direction to the board of directors. According to Setiawan & Setiadi (2020) independent commissioners are those who do not have a personal or professional relationship with the directors or shareholders. Maulana (2020) shows that the overall percentage of commissioners in the IDX rules considering that independent commissioners make up 30% of the company’s commissioners overall it becomes possible for independent commissioners is expected to protect the interests of minority shareholders of a company.

Research conducted by Febrina & Kurnia (2021), Gunawan et al (2019), and Wendy & Harnida (2020) having an independent board of commissioners improves financial results. A company's financial and accounting systems will be more supervised and controlled by the more commissioners it has, which will automatically improve the company's performance (Azizah & NR, 2020). So the research hypothesis is as follows:

H2= Independent board of commissioners has a positive effect on financial performance

Influence of the Board of Directors on Financial Performance

Bouaziz et al (2012) the board of directors of the company serves as a system of internal corporate directors is more significant both the task responsibility rests with the board of directors to lead the organization. It sets strategic goals, creates operational guidelines, and is responsible for overseeing business administration (Intia & Azizah, 2021). Prayanti & Laurens (2020), explains that the company's owner or another expert selected by the board of directors makes up the owner to runs and directs the company.

According to research conducted by Wendy & Harnida (2020) and Ratnasari et al (2016), the board of directors influences financial performance favorably. Rosiana & Mahardhika (2020), states when the board of directors is more involved in the affairs of the company, it will be able to manage operations more effectively, including in decision-making, which will result in higher profitability. So the research the following is the theory:

H3= The board of directors has a positive effect on financial performance

The Effect of Intellectual Capital on Financial Performance

Having intellectual capital means having resources for businesses that will ultimately be useful in the future (Ramadhani & Agustin, 2021). Purwanto & Mela (2021) revealed that among intangible asset components, intellectual capital is very important to increase business competitiveness and can be used efficiently by management to improve performance. It was explained that intellectual capital, more than physical capital and financial capital, is an
important resource to drive organizational efficiency, effectiveness, production, and creativity (Suminar & Idayati, 2020). And according to Saragih & Sihombing (2021) greater the levels of intellectual capital, the higher the company's financial performance.

In a study conducted by Kurniawati et al (2020), Nurdiyanto (2014), and Saragih & Sihombing (2021) empirical evidence shows that having a strong intellectual capital base boosts financial performance. It demonstrates how a business may operate more effectively and economically by utilizing intellectual capital. Thus, the following is the research hypothesis:

\[ H4 = \text{Intellectual Capital has a positive effect on financial performance} \]

**METHODOLOGY**

**Population and Sample**

The study's sample and population are banking organizations in 2018 - 2021. The Purposive sampling is the sampling method utilized in this investigation. Based on the sampling criteria for the study this obtained a sample of 26 companies for each year where the period the study's period is 2018−2021. This results in a total research sample size of 104. The sampling process takes into account the following factors: 1) Businesses in the banking sector that release annual reports between 2018 and 2021. 2) Financial institutions with complete data for the study's variables.

**Operational Definition and Variable Measurement**

**Dependent Variable**

**Financial performance**

Any variable that is impacted by other variables is said to be dependent. The dependent variable is yet another name for it. Return on assets is a metric for evaluating financial performance and is the study's dependent variable (ROA). One of the metrics used to gauge the degree of profitability of a company. According to Saragih & Sihombing (2021), the following formula may be used to determine ROA:

\[
\text{ROA} = \frac{\text{Net Profit}}{\text{Total Asset}} \times 100
\]

**Independent Variable**

**Managerial ownership**

The proportion of managers' shares owned indicates managerial ownership, meaning that managers have shares in the company or are stakeholders in the company (Epi, 2017). The formula is formulated as follows Agatha et al (2020):

\[
\text{Managerial Ownership} = \frac{\text{Number of managerial shares}}{\text{total shares outstanding}} \times 100\%
\]
Independent Board of Commissioners

A committee member who is independent of the board of directors, other committee members, significant shareholders, and the public is known as an Independent Board of Commissioners and has nothing to do with business or other relationships that may affect its capabilities. The formula is as follows Febrina & Kurnia (2021):

\[
IBC = \frac{\text{Total Independent Board Commissioner}}{\text{Total Commissioner Board}} \times 100\%
\]

Board of Directors

Prayanthi & Laurens (2020) disclose the owner of the company or a qualified individual selected by the owner to serve on the board of directors tasked with managing and directing the firm. The necessity of a board of directors and its significance for the development of GCG because it affects how well the company performs. According to Widyati (2013) the board of directors is measured using the following formula:

\[
\text{Board of Directors} = \sum \text{board of directors}
\]

Intellectual Capital

Landion & Lastanti (2019) intellectual knowledge, information, and intellectual property are all examples of tangible intellectual capital rights, and experience that can generate wealth rights, and experience that can generate wealth. Intellectual capital is the sum total of all that is understood and provided by everyone in the business giving it a competitive advantage. The formula is as follows Mursidah et al (2021):

\[
VA = OP + EC + D + A
\]

Information:

\[
\begin{align*}
VA &= \text{Value Added} \\
OP &= \text{Operating Profit} \\
EC &= \text{Employee Cost (employee expense)} \\
D &= \text{Depreciation} \\
A &= \text{Amortization}
\end{align*}
\]

After calculating the VA, the next step is to calculate the VAIC component, as for the components, namely:
a. Calculating *Value Added Capital Employed (VACA)*

\[
VACA = \frac{VA}{CE}
\]

Note:

VACA = Capital Employed Value Added

CA = Available Funds (Total Equity)

b. Calculating *Value Added Human Capital (VAHU)*

\[
VAHU = \frac{VA}{HC}
\]

Note:

VAHU = Human Capital Value Added

HC = Employee Expenses

c. Calculating *Structural Capital Value Added (STVA)*

\[
STVA = \frac{SC}{VA}
\]

Note:

STVA = Structural Capital Value Added

SC = VA – HC

d. Calculating *the Value Added Intellectual Coefficient (VAIC)*

\[
iB_{VAIC} = VACA + VAHU + STVA
\]

Note:

VAIC = Value Added Intellectual Coefficient

VACA = Value Added Capital Employed

VAHU = Value Added Human Capital

STVA = Structural Capital Value Added

**Data analysis technique**

Agatha et al (2020) the multiple linear regression approach for data analysis using the standard assumption tests of normality, multicollinearity,
autocorrelation, and heteroscedasticity together with the t-test, f-test, and coefficient of determination test. The multiple linear regression model of this study is represented by the following equation:

\[ \gamma = \alpha + \beta_1\text{MO}_1 + \beta_2\text{IBC}_2 + \beta_3\text{BD}_3 + \beta_4\text{IC}_4 + \varepsilon \]

Information:
- \( \gamma \): Company Financial Performance
- \( \alpha \): Constant
- \( \beta_1, \beta_2, \beta_3, \beta_4 \): Regression coefficient
- \( \text{MO} \): Managerial Ownership
- \( \text{IBC} \): Independent Board of Commissioners
- \( \text{BD} \): Board of Directors
- \( \text{IC} \): Intellectual Capital
- \( \varepsilon \): Error

RESULT
1. Description of Population and Sample
   Secondary information is based on the monetary results of companies listed on the Indonesia Stock Exchange throughout the study's time frame 2018-2021. Based on the sample criteria that have been selected in this study, the research sample obtained was 26 companies.

2. Analysis Test Results
   a. Descriptive Statistical Analysis

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \text{MO} )</td>
<td>89</td>
<td>0.00002</td>
<td>0.80000</td>
<td>0.0525700</td>
<td>0.10709961</td>
</tr>
<tr>
<td>( \text{IBC} )</td>
<td>89</td>
<td>1.000000</td>
<td>6.00000</td>
<td>2.0279027</td>
<td>0.74422779</td>
</tr>
<tr>
<td>( \text{BD} )</td>
<td>89</td>
<td>3</td>
<td>13</td>
<td>6.56</td>
<td>2.923</td>
</tr>
<tr>
<td>( \text{IC} )</td>
<td>89</td>
<td>-6.4115</td>
<td>14.5368</td>
<td>3.476541</td>
<td>2.2284678</td>
</tr>
<tr>
<td>( \text{FP} )</td>
<td>89</td>
<td>-0.1806</td>
<td>0.0414</td>
<td>0.005698</td>
<td>0.0262585</td>
</tr>
</tbody>
</table>

Source: Data processed in 2022

Information:
- \( \text{MO} \): Managerial Ownership
- \( \text{IBC} \): Independent Board of Commissioners
- \( \text{BD} \): Board of Directors
- \( \text{IC} \): Intellectual Capital
- \( \text{FP} \): Financial Performance

Based on the financial performance variable has an average value of in the table above. 0.005698. The managerial ownership variable's typical value is
0.0525700. Meanwhile, the independent board of commissioners variable has a mean value of 2.0279027, the board of directors the average value of the variable is 6.56, and intellectual capital has an average value of 3.476541

b. Classic assumption test

1) Normality test

Table 2. One-Sample Kolmogorov-Smirnov Test

<table>
<thead>
<tr>
<th>Unstandardized Residual Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 79</td>
</tr>
<tr>
<td>asympt. Sig. (2-tailed)</td>
</tr>
<tr>
<td>0.200</td>
</tr>
<tr>
<td>Normal Distributed</td>
</tr>
</tbody>
</table>

Source: Data processed in 2022

It is evident from the table above that the results of the Kolmogorov-Smirnov One-Sample normality test on 79 data indicate that asympt. Sig. (2-tailed) of 0.200 > 0.05 to ensure the data in this study is normally distributed.

2) Multicollinearity Test

Table 3. Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>0.827</td>
<td>1.210</td>
</tr>
<tr>
<td>MO</td>
<td>0.931</td>
<td>1.074</td>
</tr>
<tr>
<td>IBC</td>
<td>0.793</td>
<td>1.261</td>
</tr>
<tr>
<td>BD</td>
<td>0.892</td>
<td>1.121</td>
</tr>
</tbody>
</table>

Source: Data processed in 2022

It displays a tolerance value based on the results of the aforementioned multicollinearity test and a VIF value of greater than 10 for each variable. The resulting tolerance values are 0.827, 0.931, 0.793, and 0.892 for the variables representing managerial ownership (MO), Independent Board of Commissioners (IBC), Board of Directors (BD), and Intellectual Capital (IC). The value of VIF created for Managerial Ownership (MO), Board of Independent Commissioners (IBC), Board of Directors (BD), and Intellectual Capital (IC), on the other hand, is 1.210; 1.074; 1.261; and 1.121. So it can be concluded that the results of the multicollinearity test are all independent variables in the regression equation, there is no multicollinearity.

3) Heteroscedasticity Test

Table 4. Heteroscedasticity Test Results
The variables Managerial Ownership (MO), Independent Board of Commissioners (IBC), Board of Directors (BD), and Intellectual Capital (IC) have significance values of 0.059 each, 0.648, 0.191, and 0.266, respectively, according to the results of the heteroscedasticity test through the Glejser Test in table 4. Given that all independent variables have significant values of more than 0.05, it can be said to ensure there is no heteroscedasticity problem with the regression model.

4) Autocorrelation Test

Table 5 Autocorrelation Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Durbin-Watson</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.201</td>
<td>Free From Autocorrelation</td>
</tr>
</tbody>
</table>

The outcomes of the Durbin-Watson autocorrelation test give a Durbin-Watson value of 2.201 based on table 5. Then, the value is compared to the dL and dU values. The Durbin-Watson table, where K is the number of independent variables and n is the quantity of data, shows this value. The dL and dU values for 79 data and 4 independent variables are 1.5302 and 1.7423, respectively once they have been contrasted with the outcomes of the Durbin-Watson table, it can be determined that $d_U < d_W < 4d_U$ or $1.7423 < 2.201 < 2.2577$ which indicates that there is no autocorrelation in the data.

c. Multiple Linear Regression Analysis

Table 6. Multiple Linear Regression Analysis Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant) -0.019</td>
<td>0.010</td>
<td>-2.012</td>
<td>0.047</td>
</tr>
<tr>
<td>MO</td>
<td>0.011</td>
<td>0.024</td>
<td>0.044</td>
<td>0.448</td>
</tr>
</tbody>
</table>
Based on table 6, the following is a multiple linear regression equation model that can be made:

\[ \gamma = -0.019 + 0.011 \text{ MO} + 0.001 \text{ IBC} + 0.000 \text{ BD} + 0.007 \text{ IC} + \varepsilon \]

d. Hypothesis testing

1) Coefficient of Determination Test (Adjusted R²)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.799 a</td>
<td>0.638</td>
<td>0.619</td>
</tr>
</tbody>
</table>

Source: Data processed in 2022

Table 7 explains the test's findings, which reveal an adjusted R square value of 0.619, or 61.9%. As a result, the independent variables of managerial ownership, an independent the commissioner, the board of directors, and intellectual capital can all be used to explain the dependent variable, which is financial performance. Other factors that were not looked at in this research account for the remaining 38.1%.

2) Model Fit Test (F Statistics Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>0.019</td>
<td>4</td>
<td>0.005</td>
<td>9.571</td>
<td>0.000 b</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>84</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0.061</td>
<td>88</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed in 2022

According to table 8, the computed F value is 9.571, which is denoted by a positive sign, indicating that the connection is going in the right direction. The significance value is 0.05 and the value statistically demonstrates a significant result at = 0.05, which is 0.000. It follows that the model can be used to predict the effects of financial success is influenced by managerial ownership, an impartial the board of directors, the commission, and intellectual capital.

3) Partial Parameter Significance Test (Test Statistical t)
Table 9. Statistical Test Results t

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(constant)</td>
<td>-0.019</td>
</tr>
<tr>
<td>MO</td>
<td>0.011</td>
<td>0.024</td>
</tr>
<tr>
<td>IBC</td>
<td>0.001</td>
<td>0.003</td>
</tr>
<tr>
<td>BD</td>
<td>0.000</td>
<td>0.001</td>
</tr>
<tr>
<td>IC</td>
<td>0.007</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Data processed in 2022

Table 9 enables the conclusion that the t-count results for managerial ownership variables are 0.448; the independent board of commissioners of 0.418; the board of directors of -0.171; and intellectual capital of 6.033. With a sample of 79, the resulting degrees of freedom df = 75 from n-k with a significance of 5% (0.05) so that the t-table value is 1.665.

DISCUSSION

Effect of Managerial Ownership on Financial Performance

According to the t-test results, the regression coefficient value of 0.011 with a positive direction had a significance value of 0.655 > 0.05. This shows that the management ownership variable as an independent variable does not affect financial performance. This is indicated by the findings, namely the value of \( t_{\text{count}} < t_{\text{table}} \) that is 0.448 < 1.665 which indicates that the first hypothesis is rejected. In this study, it is contrary to according to agency theory, there is more management ownership the less management's tendency to use resources, and reduced agency costs as a result of differences in interests, so that which will improve the company's financial performance. Additionally, managerial ownership is high according to agency theory, which explains why managers are able to manage the company effectively and actively participate in decision-making as minor shareholders.

This is in line with research conducted by Darwis (2009), Prahesti & Abundanti (2013), and Widyati (2013). Darwis (2009) states that managerial ownership has no bearing on financial performance because the proportion of managerial share ownership is still very small so that managers have not felt the benefits of such ownership. In contrast to the results of research conducted by Agatha et al (2020), Saragih & Sri (2021) and Jaya et al (2019) stated that managerial ownership has a positive impact on financial results.

Influence of Independent Board of Commissioners on Financial Performance
According to the regression coefficient value of 0.001 with a positive direction in the t-test, findings have a significance value of 0.677 > 0.05. The independent board of commissioners variable can thus be seen to not affect financial outcomes. The findings support the second idea but are rejected because the value of $t_{count} < t_{table}$ is 0.418 < 1.665. From the results of the research above, the number of independent boards of commissioners does not give too much in addition to the limited influence of having an independent board of commissioners, other factors can influence a company's decision-making and boost its financial performance. This is because many outsiders monitor the operations of financial sector companies, and regulations are in place to ensure that the financial sector remains strong and the presence of a number of commissioners, no matter how large or small, does not impact ROA. In this case, it is contrary to agency theory which explains that an independent board of commissioners is the basis for understanding corporate governance.

The research's findings are compatible with those Tertius (2015), Saifi (2019) and Ratnasari et al (2016) which state that the independent the performance of the board of commissioners has no impact on the performance of the finance. However, it is distinct from the research that was done Widjati (2013), Febrina & Kurnia (2021) and Gunawan et al (2019) which state that independent commissioners have a positive effect on financial performance.

**Influence of the Board of Directors on Financial Performance**

According to the t-test results, the regression A significance value of 0.865 > 0.05 was assigned to a coefficient value of 0.000 with a positive direction. This illustrates that the board of directors' independent variable has no bearing on financial success. The results, particularly the value, show that of $t_{count} < t_{table}$ that is -0.171 < 1.665 which indicates that the third theory is rejected. This is not in accordance with agency theory, because the number of different members each year can affect differences in the characteristics of the company so that the effectiveness of management in managing resource management is less than optimal. In addition, the existence of the board provides functions and then gives the authority to make corporate decisions. According to agency theory, the implementation of the idea of corporate governance is anticipated to increase trust in agents' (management's) ability to manage investors' (owners') wealth and owners' confidence that agents won't defraud for their own benefit.

This study is in keeping with studies conducted by Intia & Azizah (2021), Ulfia et al (2021), and Asytuti (2019) which revealed that the board of directors did not affect financial performance. But it is different from the findings of research done by Rahmawati et al (2017), Rosiana & Mahardhika (2020), and Amelinda & Rachmawati (2021) which state that the performance of the board of directors has an impact on the finances.
The Effect of Intellectual Capital on Financial Performance

The t-test findings indicated that the regression coefficient value of 0.007 with a positive direction had a significance value of 0.000 < 0.05. This demonstrates that the independent variable of intellectual capital has an impact on financial performance. The results, namely the significance of $t_{count} < t_{table}$ that is 6.033 > 1.665 which indicate that the fourth hypothesis is accepted. From these results, the company can manage its intellectual resources optimally so that it may continue to operate and expand under any circumstance. These findings are consistent with the resource-based theory, which describes how a company's existing resources can be exploited as competitive advantages and can help the organization achieve good long-term performance.

These outcomes are in keeping with studies carried out by Mursidah et al (2021), Choiriyah & Fitria (2019), and Agustami & Rahman (2015) which state that intellectual capital has a positive effect on financial performance. But it does not align with the findings of the research by Nazra & Suazhari (2019) and Purwanto & Mela (2021) which claim that the performance of the economy is unaffected by intellectual capital.

CONCLUSIONS

From this research, the following findings can be drawn: Financial performance is unaffected by managerial ownership, an independent board of commissioners, or a board of directors. While the financial performance is positively impacted by the intellectual capital variable.

LIMITATION

The difficulties of this research include only using indicators measuring managerial ownership, independent commissioners, board of directors as above which allows the research results to not be optimal so that they are not optimal in testing the effect of financial performance. In addition, this research only examines the banking sector.

RECOMMENDATIONS

Based on the findings and restrictions listed above, researchers might suggest areas for additional study can include measuring factors that weren't included in this study such that the outcomes are anticipated to have an impact on financial performance variables. Other businesses, including those in agriculture, food and beverage manufacturing, real estate, and other industries, are anticipated to be used in future research.

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