

**THE EFFECTS OF CORPORATE GOVERNANCE AND CORPORATE
SOCIAL RESPONSIBILITY TO THE PERFORMANCE
OF COMMERCIAL BANKS
IN INDONESIA**

THESIS

Proposed to Qualify The Study Program Requirement
Undergraduate Program
Department of Management



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**SEKOLAH TINGGI ILMU EKONOMI PERBANAS
SURABAYA
2014**

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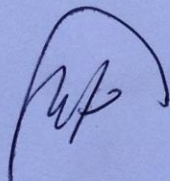
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THESIS

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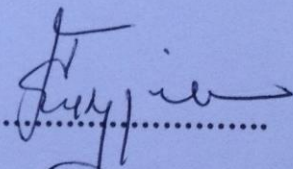
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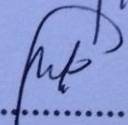
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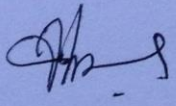
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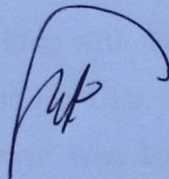
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Researcher

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THE EFFECTS OF CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY TO THE PERFORMANCE OF COMMERCIAL BANKS IN INDONESIA

Abstract:

Corporate governance has become one of the most important parts in business recently. The term of governance in this case is not new. Such term has been widely discussed over and over. Therefore, analysis and development concerning corporate governance has been done by some researchers since several decades ago. For example, it has been shown that good governance is effective in protecting stakeholder's interests and the effects of corporate governance on firm's performance have also been widely discussed. Another crucial part in most of business strategy is Corporate Social Responsibility, as it has also been the new business paradigm. This is due to the benefits that companies feel by implementing CSR within their businesses. In this attempt, this study aims to examine the effect of corporate governance, represented by managerial ownership structure and size of board of commissioners /BOC, and CSR expenditures disclosure on the performance of bank. In this study, Commercial Banks in Indonesia stand as the object of the study. We measure the bank's performance by Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), and Operating Efficiency Ratio (OER). By using regression analysis, this study provides finding that managerial share-ownership has no significant influence on bank performance. Meanwhile, BOC size and CSR disclosure is proven to have a positive significant effect on bank performance.

Keywords: Corporate governance, managerial ownership, board's size, CSR, performance