

CHAPTER V

CONCLUSION

5.1 Conclusion

This chapter explains this study conclusion, which answers the research problem. The following are the conclusions of this study:

The author therefore concludes that there is no simultaneous effect of the independent variables (Managerial Share-ownership, Board of Commissioner Size, and CSR Disclosure) to bank's performance. Partially analyzed, BOC size and CSR disclosure are found to be independent variables, which positively significantly influence the bank performance, measured by NIM, OER and ROE. The statistic result shows that there is positive effect of board of commissioner size to bank financial performance in Indonesia. More number of commissioners is likely to give more contribution to the bank performance. Meanwhile, the CSR disclosure is indicated to have a significant positive influence on ROE. In contrast, the rest of independent variable, Managerial Share-ownership, is found to be not significant.

5.2 Limitation

This paper, however, has several limitations. Those limitations are listed as follows:

1. CSR in this study assessed holistically (as one whole component). It is a recommendation for the future researchers to analyze the indicator aspect by aspect. Therefore the results can be more specific.
2. The data of annual report in this study is limited to three years. This is because the regulation of reporting GCG has been optimally applied since 2009. Therefore, to date, the available data is limited to three years.
3. The score of CSR disclosure in this study is a result of individual content analysis, which was taken from previous study. The result obtained is only based on researcher's judgment. Therefore, the score of content analysis might be slightly different between on researcher to the others.
4. The only part of BOC that is taken in to consideration is size. However, there are still some other aspects of BOC. They are composition and activity of the BOC.

5.3 Recommendation

Based on this study result, there are several recommendations for shareholders and managers, government as regulator, and future researchers. The recommendations are listed as follows:

1. Shareholders and Managers
 - a. In order to improve the bank's performance, the author suggests the banks' management to pay attention more on the implementation of

CSR. This is based on the fact acquired that the implementation of CSR in Indonesia is still un-optimally implemented. The banks are suggested to pay closely attention to every aspects of CSR, and not only focus on some particular aspects. This is for a better distribution of CSR application.

- b. Companies in Indonesia, especially banks, are recommended to register their company to some public rating of CSR agent. This is to ease public in gathering information about the company's CSR performance. This will not only beneficial for public, but also for the company. By having an assessment from some trusted independent agent, the banks seem to have more credibility and a better company's image in public for such field.
- c. This study also recommends a larger size of BOC, considering the data shows many small size of BOC, for better financial performance of banks in Indonesia. This will increase the contribution of each commissioner on board and enhance effective decision-making. It will also bring about cohesion among the board members.

2. Regulator

The government is suggested to improve its regulation of CSR implementation, BOC size, and managerial share-ownership from year to year. Therefore the application of these aspects can improve from year to year, which in the end it will not only create a better

companies/banks, as they will more socially responsible, but also a better effect to the society and the nation.

3. Future Researcher

- a. Future researchers are recommended to use a wider range of data to obtain a more accurate data analysis. This is because the effect of corporate governance and CSR on banks performance takes quite some time to be seen. Thus, the future researches can be more comprehensive in presenting the results, which in the end can be more beneficial.
- b. Future researchers are recommended to find supports from experts in regarding to the CSR content analysis work. Thus the result will be more objective and reliable.
- c. Future researchers are recommended to consider the other BOC aspects: composition and activity. Therefore, the result can be used in decision-making process, in regard to the composition and activity of BOC.

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