

**RESEARCH COLLABORATION
LECTURE AND STUDENT**

**THE INFLUENCE OF FAMILY OWNERSHIP, FAMILY ALIGNED
BOARD, AND POLITICAL CONNECTION TOWARD THE
IMPLEMENTATION OF GOOD CORPORATE
GOVERNANCE IN BANKING
INDUSTRY**

UNDERGRADUATE THESIS

Submitted to Qualify the Study Program Requirement
Undergraduate Program of
Management Department



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**SEKOLAH TINGGI ILMU EKONOMI PERBANAS
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Thesis Advisor,

Date: 2nd May 2019



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MOTTO

But whosoever surrender his purpose to Allah while doing goods, his reward is with his Lord; and there shall no fear come upon them neither shall they grieve.

2:112

And remind for verily a reminder benefits the believer

51:53

He selects for His mercy to whom He wills. And Allah is the possessor of great bounty.

3:74



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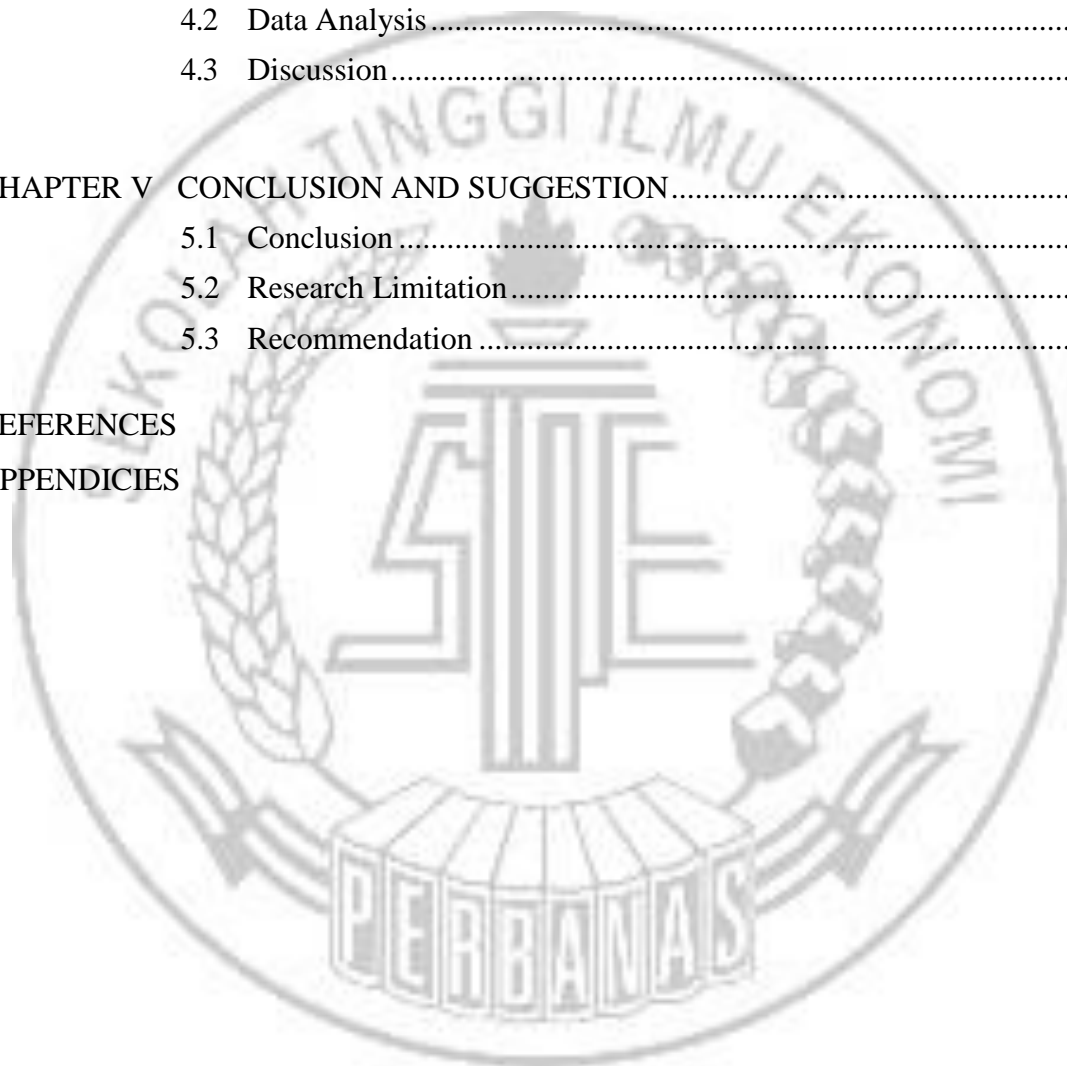
Sincerely,

The Author

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ABSTRACT

This research aims to investigate the effect of the family-owned bank, family aligned board and political connection to the implementation of good corporate governance in the banking industry from 2014 to 2017 period. This research used secondary data sourced by annual reports of banks. The number of sample is 58 banks each year. The analysis technique method used multiple regression analysis. The result showed that family ownership and the family aligned board has an insignificant positive effect and political connection has a significant negative effect on the implementation of good corporate governance. It means that the presence of political connection makes the bank has lower composite score or in other word the political connected bank have worse performance in implementing good corporate governance rather than counterpart.

Keywords: Family ownership, family aligned board, political connection, corporate governance, and bank.