

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

This research objective is to find out the empirical evidence of the impact of BOC's characteristic to the performance of Shariah Banking in Indonesia. Based on the testing result and the discussion have been explained in the previous chapter, then it can be concluded that:

“The number of board of commissioner, meeting frequency board of commissioner, proportion of independent commissioner and the background of commissioner don't have significant impact toward bank's performance”

5.2 Research Limitation

This research has several limitations, which consist of

1. Independent variable is only take one aspect corporate governance structures which is board of commissioner; size, independent boc proportion, boc's meeting frequencies, and boc's background.
2. This research take Shariah Banking as the object research, where in Indonesia is only 12 Banks being recorded nationally. There is so many Regional Banks who also have their Shariah Unit but not recognized nationally.
3. Differences in corporate governance model and terms from other countries. Indonesia absorb Continental European model as its Corporate

Governance system, that there are some differences from the other model and law tradition from other countries.

4. Some companies do not disclose its annual report in its website so it reduces the sample of the research.

5.3 Suggestions

Based on the research limitation and the result of the analysis, there are some suggestion can be used for the future research, such as;

1. From the variable used as the commissioner characteristic effect toward company, generally they don't give any significant impact to the company's performance. Thus, company must really maximize the function commissioner itself, to boost the performance. In arranging the commissioner such as the determining the size, it must be really adjusted toward company's need, because it will also related to the cost of hiring the commissioner, so that, the commissioner function can be more effective in company.
2. Need additional independent variable because there is still many factors contributes in affecting company's performance in governance aspect that have not been tested such as Audit Committee, Institutional Ownership, Foreign Ownership and so on, so it can describe more specific result and conclusion.

3. The sample taken can be more than Shariah Bank Units (BUS) been recognized nationally in Indonesia. It could be *Usaha Unit Shariah* or Shariah Bank in each regional in Indonesia.

