THE MODERATING EFFECT OF INDEPENDENT COMMISSIONERS ON FINANCIAL POLICY AND PUBLIC OWNERSHIP TOWARD CORPORATE FINANCIAL PERFORMANCE

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Abstract
The corporate financial performance is one of the measurement instrument, whether the company is sustainable. This study aims to determine the effect of financial policy and public ownership on corporate financial performance with the Independence of commissioners as a moderating variable in mining companies listed on Indonesia Stock Exchanges. This research uses a quantitative research model using secondary data. The data in this study were processed by the Moderating Regression Analysis (MRA) method supported by the IBM SPSS and Microsoft Excel programs as support software with data analysis techniques in the form of a classic assumption test and R2 test, F test, and t-test. The population in this study are companies that have reported annual reports consistently during the 2014-2017 period. This study used a purposive sampling technique and obtained as many as 19 companies by predetermined criteria. The results of this study indicate that financial policy proxied by debt policy (DER) has a significant and positive effect on corporate financial performance, public ownership has no significant effect on corporate financial performance, independence commissioners strengthen the relationship between financial policy on corporate financial performance and independence commissioners do not has a moderating role between the relationship between Public Ownership and corporate financial performance. This study uses data from mining sector companies; and it is recommended for further research to use other sectors such as Property & Real Estate Sector, Manufacturing Sector, and others listed on the Indonesia Stock Exchange. The implications of this study for the company management, this research can provide input to the company to be able to choose and use an independent commissioner who fulfills expertise in the financial and business fields of his company to decide on his company's financial policy.

Keywords: Independence of Commissioners, Financial Policy, Public Ownership, Corporate Financial Performance.

JEL Classification: G31, G32, M48
INTRODUCTION

The company's competition in the current era of globalization requires every company to be able to develop innovation, improve its performance, and make business expansion so that it can continue to run and survive in the business world competition. To be able to maintain the sustainability of the company's business, the company is required to be able to protect the company's financial performance by implementing a good system. The implementation of a good system can be done with effective supervision and appropriate decision-making so that the achievement of company goals can be seen by improving the company's financial performance (Machmud et al., 2020).

The company's financial performance is a picture of the financial condition of a company that can be analyzed with several financial analysis tools, so the company can know the good and bad state of the company's finances that can be reflected in the improved financial performance of the company within a certain period. Financial indicators can measure the company's financial performance in general. According to Hamdany (2018), to be able to know precisely that the condition and financial performance of the company are needed an appropriate analysis. One tool that can identify a company's financial performance measurement is with the company's financial data.

A corporate financial performance goodly can be seen from the company's financial statements for several periods of financial reporting. The company's financial statements can be used and beneficial for the community, investors, shareholders, and the management of the company itself in the process of making decisions and developing assets that will be owned by the company. The trend of companies that have a company's financial performance that increases every year will get the trust of investors who will invest their funds in the company. Whereas for investors who have invested their funds in the company in addition to giving more trust, it will give satisfaction to investors who will invest in the company.

Corporate financial performance in this study uses the ratio of profitability of companies whose measurements with return on assets (ROA), which adopt measurements of corporate financial performance from research Yusuf & Surjaatmadja (2018). The selection of measurements using a return on assets in this study is based because for investors, assessing the company's ability to generate profits is very important and the most highlighted in the operationalization of the company. Investors see that return on assets is one of the benchmarks to provide a basis and assessment of the investments they will make in the company.

According to Masindet et al. (2016), the measurement of financial performance with return on assets (ROA) is more comprehensive in predicting the overall rate of return both from debt and capital. This is considering, if a company's profits increase, the value of the company in the capital market will rise. Companies that can improve performance means that the company can show how effectively the company utilizes funds obtained from owners of shareholders, as well as how effectively the company utilizes funds from other sources for the benefit of the owner.
The level of achievement for the good of corporate financial performance, requires responsibility in managing the company. Management of the company's operations is directed to professionals who are commonly called company management. This is done because the owners of capital have many limitations in managing their own company. By handing over the management of the company to a professional party, it is hoped that it can help capital owners to maintain the sustainability of the company.

Management of a company surrendered to the company management requires decisions relating to financial policies (financial) and non-financial (non-financial) policies. This study limits to only use the variable financial policy (financial policy) company. Financial policy is a policy in a company that is related to managing a company's financial resources that affect the company's operations. The financial policy in this study is proxied by a debt policy using a measurement of debt of equity ratio (DER).

According to previous research conducted by Indriawati (2018), Maulina et al. (2018), and Septiani et al. (2016) states that financial policies proxy by debt policy affects corporate financial performance. In contrast, different results were carried out by Piristina & Khairunnisa (2019) and Destiana & Muslih (2016) where their research, stated that financial policy did not affect corporate financial performance. Based on the previous research described above, we get inconsistent results, because there is an influential financial performance and, there is no effect on corporate financial performance. Because of the above, the researchers conducted this research, where to see the research gap that occurred in this study.

The independent commissioner holds an important role and control in directing and overseeing the operations of the company and ensuring that managers can improve corporate financial performance as part of achieving the company's goals. Several previous studies on independent commissioners on corporate financial performance have been conducted by (Saleh et al. (2017), Saputra (2018), and Zulfikar et al. (2017).

Other research variables used in this study are public ownership. Several studies on the structure of share ownership have been carried out by previous studies, including Endang et al. (2020) and Mohammed (2018). Public ownership is ordinary shares that have been owned by the public or the general public, because their shares are traded on the capital market. Ownership can be by a large group that has nothing to do between individuals and or an investment institution. Thus the existence of public ownership, the company gets tighter supervision from the community, because people feel they have rights in the company.

This study takes a sample of public companies listed on the Indonesia Stock Exchange, especially companies engaged in the mining sector. This is because in general the mining sector companies take the form of integrated businesses, so it can be said that the mining sector is one of the pillars of economic development in Indonesia, because of its role as a provider of energy resources needed for a country's economic
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growth. The potential that is rich in natural resources of a country such as Indonesia can grow opportunities for companies to explore mining these resources.

Companies engaged in the mining sector generally can be in the form of integrated businesses in the sense that the company has exploration, development of construction, production, and processing business as a single business entity or in the form of separate businesses, each of which stands alone. So it can be said that the mining sector is one of the pillars of economic development of a country, because of its role as a provider of energy resources that are indispensable for a country's economic growth. The potential that is rich in natural resources will be able to foster the opening of companies to explore mining of existing natural resources.

This research contributes as additional literature to researchers who research with empirical studies on public companies listed in Indonesia Stock Exchange, especially the mining sector, especially in the company's annual report. This study is different from previous researchers because in this study for the public ownership variable acts as a moderating variable. This would like to know whether the presence of public ownership can strengthen the relationship between financial policy and corporate financial performance and also the relationship between independent commissioners on corporate financial performance. Also, the renewal of this study is compared with previous studies, namely: this study uses a sample of mining sector companies, where previous studies generally use samples in manufacturing and banking sector companies.

LITERATURE REVIEW

Agency Theory shows the relationship between the principal (owner) and agent (management). When there is a separation between the owner and the management, the owner gives his authority to management to manage the company. Agency theory was popularized by Jensen & Meckling (1976). This theory arises when there is a cooperative contract relationship between managers and shareholders whose relationship is between management (agent), shareholders (principal). The cooperation contract relationship is in the form of giving authority by the leadership to the agent to work for the achievement of the company (Aluy et al., 2017).

This theory states that the company is a place or intersection point for contractual relationships that occur between management, owners, creditors, and the government.

Problems that arise from the desire of managers to optimize personal welfare by deceiving owners and other stakeholders who do not have access and adequate information. The essence of an agency relationship is the separation of functions between ownership in investors and control in management. The separation between company owners and managers by management tends to cause agency conflict between principals and agents. Conflicts of interest between principals and agents occur because of the possibility that agents do not always act by the wishes of the principals, resulting in agency costs.
A financial policy that is measured by measuring debt of ratio (DER) indicates DER with a number below 1.00, acting out that the company has a debt that is smaller than its equity. But as investors, we must also be observant in seeing this DER, because if the total debt is greater than equity, then we must look further at whether current debt or larger long-term debt. According to Saputra & Rafiqa (2018), who said that the issue of independence was an important factor in ensuring the effectiveness of the board through the supervision and strategic role of the existing board of commissioners. The main factor of an independent commissioner is to place how many independent commissioners are on the company's board of commissioners. The independent board of commissioners is in a position to ensure that management has truly worked for the interests of the company by established strategies and safeguards the interests of shareholders, namely to increase the economic value of the company. Independent commissioners are chosen because they have the task of supervising and controlling the company directly and independently to minimize agency costs that may occur due to differences in interests.

Public ownership is a common stock that has been owned by the public; its ownership can be by a large group that has no relationship between individuals and or an investment institution. This is with the public, the company gets more supervision from the community, because people feel they have rights in the company so that every company policy and activity becomes the main concern (Machmud et al., 2020).

The financial report performance of an organization, especially companies that are looking for profit. Can be measured by profitability ratios, where one measure is used to measure the performance of management in managing company wealth. Profitability is measured using one of the indicators contained in the profitability ratio, namely Return on Assets (ROA). By comparing net company earnings with total assets (Hamza & Suman, 2018).

The following is a research framework in this research:

![Research Framework](image_url)

**Figure 1. Research Framework**

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The Effect of Financial Policy on Corporate Financial Performance

Financial Policy using a debt policy that is proxied by the DER Debt Equity Ratio. A company's debt policy can be used as a signal to differentiate between companies that are good and bad. Masindet et al. (2018) state that an increase in the amount of debt is defined as the company's ability to pay obligations in the future or that there is a low business risk, this will be responded to positively by the market. Research conducted by Indriawati (2018); Masindet et al. (2018); and Piristina & Khairunnisa (2019) stated that financial policy influences corporate financial performance, while the research conducted by Rahadi & Octavera (2018) states the results of the research are contrary to previous research. Based on the description of developing the hypothesis above, the hypothesis can be formulated as follows:

Ha1: Financial policy influences corporate financial performance

The Effect of Public Ownership on Corporate Financial Performance

Hamza and Suman (2018) argued that Agency cost is believed to be reduced by increasing public ownership in companies. In public ownership, there is also institutional ownership because it is believed that the higher the institutional ownership, the more effective the supervision of shareholders in companies to reduce agency costs and improve corporate financial performance. Research conducted by Abdullah et al. (2017); Lawal et al. (2018); and Mohammed (2018) show that public ownership influences corporate financial performance. Based on the description of developing the hypothesis above, the hypothesis can be formulated as follows:

Ha2: public ownership influences corporate financial performance

The Effect of Independent Commissioners as Moderating Variable on financial policy towards corporate financial performance

The Independent Commissioner must align the interests of the majority shareholders with the minority shareholders in the ownership of company shares. Independent commissioners are parties that are not affiliated with the company. In agency theory, boards of commissioners who have a greater proportion of independent directors tend to have more effective monitoring capabilities. Independent commissioners can deal with any self-serving actions or opportunistic behavior by managers, resulting in effective supervision (Destiana & Muslih, 2019). As the role of the independent commissioner who does not side with any party, in this study, the independent commissioner acts as a moderating variable. This is done to see the role of independent commissioners in the relationship between financial policy and corporate financial performance. If the independent commissioner strengthens the relationship between financial policy and corporate financial performance, then it can be said that the independent commissioner plays a very good role, thereby increasing corporate financial performance. Based on the description of developing the hypothesis above, the hypothesis can be formulated as follows:
Ha3: Independent commissioner strengthens the influence of financial policy on corporate financial performance

The Effect of Independent Commissioners on Public Ownership towards corporate financial performance

The Board of Independent commissioners is in a position to ensure that management has truly worked in the best interests of the company according to established strategies and safeguards the interests of shareholders, namely to increase the economic value of the company. Independent commissioners are chosen because they have the task of supervising and controlling the company directly and independently to minimize agency costs that may occur due to differences in interests (Machmud et al., 2020). In this study, we want to know the role of independent commissioners in the relationship between public ownership and corporate financial performance. Is the decision to buy and sell shares in the capital market in the general public (public ownership) there is oversight from members of the board of independent commissioners (independent commissioner). Based on the description of developing the hypothesis above, the hypothesis can be formulated as follows:

Ha4: Independent commissioner strengthens the influence of public ownership on corporate financial performance

METHOD

Be observed from the types of data in this study, and this study is included in the type of quantitative research where the data used is expressed in terms of intervals and ratios. Quantitative research is research that uses numbers as a research approach. Data commonly used in this type of research are usually expressed in numerical or numerical values, which can be divided into interval or ratio data (Pardede, 2014). Based on the level of explanation, this research is included in the type of associative research. Associative research is research that aims to determine the relationship between two or more variables.

Company data used in this study are mining sector companies listed on the Indonesia Stock Exchange (IDX) from 2014 to 2018. Where the type of data used is secondary data. The secondary data used in this study is in the form of an annual financial report and a summary of the performance of listed companies that the author obtained from the Indonesia Stock Exchange by accessing the official website of the Indonesia Stock Exchange (www.idx.co.id) and from the mining sector company website that was observed and sampled in this research.

This research uses Multiple Regression Analysis and Moderating Regression Analysis techniques using panel data. The regression equation model in the study, as follows:

\[ Y = \alpha + \beta_1 \text{Fin\_Pol} + \beta_2 \text{Pub\_Own} + \beta_3 \text{Fin\_Pol*Ind\_Com} + \beta_4 \text{Pub\_Own*Ind\_Com} + \epsilon \]

Notes:
CorFin_Per : Corporate Financial Performance
The operational definitions of the variables in this study are as follows:

Table 1. Operationalization of Variables

<table>
<thead>
<tr>
<th>No</th>
<th>Variable (Proxy)</th>
<th>Scale</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Independent</td>
<td>Ratio</td>
<td>Total Liabilities / Total Equity</td>
</tr>
<tr>
<td></td>
<td>Variable</td>
<td></td>
<td>(Indriawati, 2018)</td>
</tr>
<tr>
<td></td>
<td>Financial Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Independent</td>
<td>Ratio</td>
<td>( \frac{\text{total shares of public ownership}}{\text{total Shares Outstanding}} \times 100% )</td>
</tr>
<tr>
<td></td>
<td>Variable</td>
<td></td>
<td>(Abdullah et al., 2017)</td>
</tr>
<tr>
<td></td>
<td>Public Ownership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Moderating</td>
<td>Ratio</td>
<td>( \frac{\text{Total Independent Commissioner}}{\text{Total Members of the Board of Commissioners}} \times 100% )</td>
</tr>
<tr>
<td></td>
<td>Variable</td>
<td></td>
<td>(Zulfikar et al., 2017)</td>
</tr>
<tr>
<td></td>
<td>Independent</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commissioners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Dependent</td>
<td>Ratio</td>
<td>( (\text{Net Income / Total Asset}) \times 100% )</td>
</tr>
<tr>
<td></td>
<td>Variable</td>
<td></td>
<td>(Hikmah &amp; Fitria, 2019)</td>
</tr>
<tr>
<td></td>
<td>Corporate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author's data processed (2020)

RESULT

Sample selection criteria using a sample selection technique with purposive sampling, where the sample selection criteria are based on several criteria. By using the purposive sampling method, 19 companies that met the criteria were obtained by observing the data period for 4 years, so that the total data to be observed was 63 samples of the company's data analysis unit. The following is a summary of the research criteria from the sample selection conducted in this study, as follows:

Table 2. Determination of Samples by Purposive Sampling

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining sector companies listed on the Indonesia Stock Exchange during 2014-2017</td>
<td>41</td>
</tr>
<tr>
<td>Mining companies that are not listed consecutively on the Indonesia Stock</td>
<td>(3)</td>
</tr>
</tbody>
</table>
Based on table 2 above, it shows that the amount of data in the study (N) is 76 data analysis, that is based on sample criteria (purposive sampling), then obtained 19 companies with 4 periods (2014-2017).

**Table 3. Descriptive Statistics**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange during the study period of the 2014-2017 study period</td>
<td></td>
</tr>
<tr>
<td>Mining companies that suffered losses on the Indonesia Stock Exchange during the observation year of the study period 2014-2017</td>
<td>17</td>
</tr>
<tr>
<td>Mining companies that do not have complete data for research needs during the 2014-2017 study observation period</td>
<td>2</td>
</tr>
<tr>
<td>Number of company samples</td>
<td>19</td>
</tr>
<tr>
<td>Year of observation (year)</td>
<td>4</td>
</tr>
<tr>
<td>Number of data analysis units during 2014-2017</td>
<td>76</td>
</tr>
</tbody>
</table>

Sumber: Author's data processed (2020)

Corporate Financial Performance in this study produced a minimum value of 0.00090 and a maximum value of 1.22410 with a standard deviation of 0.15472, which indicates that the distribution of data on the corporate financial performance variables that became the study sample is close together or in other words not overly fluctuate so that it can be said that the data is good enough to be used and proceed to regression in this study. Also, this shows that most of the companies in this study sample had environmental awareness that had an index at a low level with a standard deviation below the mean value, namely: 0.09137 <0.15472, which means that the data had a heterogeneous distribution.

The Financial Policy in this study produced a minimum value of 0.17000 and a maximum value of 8.85000 with a standard deviation of 1.61285, which shows that the distribution of data on the financial policy variables being the study sample is close together or in other words not too fluctuating so it can be said that the data is quite good used and proceed to regression in this study. Also, this shows that most of the companies in this study sample have environmental awareness that has an index at a low level with a standard deviation below the mean value, namely: 1.22868 <1.61285, which means the data has a heterogeneous distribution.

Public Ownership in this study produced a minimum value of 0.02500 and a maximum value of 0.69820 with a standard deviation of 0.16470, which shows that the distribution of data on the public ownership variable being the sample of the study is
close together or in other words not too fluctuating so it can be said that the data is quite good used and proceed to regression in this study. Also, this shows that most of the companies in this study sample have public ownership that has an index at a high level with a standard deviation below the mean value, namely: 0.29393 > 0.16470, which means the data has a homogeneous distribution.

The Independent Commissioner in this study produced a minimum value of 0.14000 and a maximum value of 0.67000 with a standard deviation of 0.11885, which shows that the distribution of data on the public ownership variables being the study sample is close together or in other words is not too volatile so it can be said that the data is quite good used and proceed to regression in this study. Also, this shows that most of the companies in this study sample have Independent commissioners who have an index at a high level with a standard deviation below the mean, which is: 0.39006 > 0.11885, which means the data has a homogeneous distribution.

Table 4. The Moderating Effect of Independent Commissioners on Financial Policy and Public Ownership toward Corporate Financial Performance

<table>
<thead>
<tr>
<th>Model: CorFin_Per = β0 + β1 Fin_Pol + β2 Pub_Own + β3 Ind_Com + β4 Fin_Pol<em>Ind_Com + β5 Pub_Own</em>Ind_Com + ε</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prediction</td>
</tr>
<tr>
<td>Cons</td>
</tr>
<tr>
<td>Fin_Pol</td>
</tr>
<tr>
<td>Pub_Own</td>
</tr>
<tr>
<td>Ind_Com</td>
</tr>
<tr>
<td>Fin_Pol*Ind_Com</td>
</tr>
<tr>
<td>Pub_Own*Ind_Com</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R2</td>
</tr>
<tr>
<td>F-Statistic</td>
</tr>
<tr>
<td>Prob (F-Statistic)</td>
</tr>
<tr>
<td>Number of Observation</td>
</tr>
</tbody>
</table>

Variable Dependent: Corporate Financial Performance (CorFin_Per)
Variable Independent:
1. Fin_Pol: Financial Policy
2. Pub_Own: Public Ownership
Variable Moderating
1. Ind_Com: Independent Commissioner

Notes: CorFin_Per: Corporate Financial Performance; Fin_Pol: Financial Policy; Pub_Own: Public Ownership; Ind_Com: Independent Commissioner

Based on table 3, the regression model can be formulated as follows.

CorFin_Per = 0,127 + 0,059 Fin_Pol + 0,443 Pub_Own + 0,269 Ind_Com + 0,115 Fin_Pol*Ind_Com + 1,036 Pub_Own*Ind_Com + ε
The adjusted R² value of 0.141 indicates that Financial Policy and Public Ownership Affect Corporate Financial Performance by 14.10%. The F test value of 3,459 with a significance value of 0.008 indicates that Financial Policy and Public Ownership have a positive and significant effect together on Corporate Financial Performance.

From table 3 above, which contains a summary of the results of the regression model in this study, it can be concluded as follows:

1. The results of the first hypothesis regression test (H1) show that the Financial Policy (Fin_Pol) has a positive and strong significance effect on Corporate Financial Performance (CorFin_Per) with sig 0.012. The level of significance of the Financial Policy (Fin_Pol) variable to Corporate Financial Performance (CorFin_Per) is strong due to the sig. 0.012. According to Hair (2014), the significance level above 1% to 5% is the normal significance level.

2. The results of the second hypothesis regression test (H2) show that Public Ownership (Pub_Own) has no positive and significant effect on Corporate Financial Performance (CorFin_Per) with sig. 0.895 (> 0.05). The level of significance in this hypothesis does not exist, because there is no influence between the Public Ownership (Pub_Own) variable on Corporate Financial Performance (CorFin_Per).

3. The results of the third hypothesis regression test (H3) show that the Independent Commissioner (Ind_Com) as a moderating variable has a positive and significant effect on the Financial Policy (Fin_Pol) variable on Corporate Financial Performance (CorFin_Per) with sig. 0.030 (<0.05). The level of significance of this hypothesis is strong. Where in this hypothesis it is stated that the Independent Commissioner (Ind_Com) can strengthen the relationship between Financial Policy (Fin_Pol) and Corporate Financial Performance (CorFin_Per).

4. The results of the fourth hypothesis regression test (H4) show that the Independent Commissioner (Ind_Com) as a moderating variable does not significantly influence the Public Ownership (Pub_Own) variable on Corporate Financial Performance (CorFin_Per) with sig. 0.742 (> 0.05). The level of significance of this hypothesis has no significant effect. Where in this hypothesis, it is stated that the Independent Commissioner (Ind_Com) cannot strengthen the relationship between Public Ownership (Pub_Own) to Corporate Financial Performance (CorFin_Per).

**DISCUSSION**

In this study, the results of the study found that financial policy has a significant and positive effect on corporate financial performance. The results of the study stated that companies that have good financial policies would improve company performance, particularly corporate financial performance. This study is in line with research conducted with Indriawati, (2018) and Masinjet et al. (2016), which states that for each company's financial policy taken properly and effectively, it will improve the company's financial performance. A good financial performance of the company will increase the value of the company's shares that continue to move high in the capital
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market, thus attracting investors to invest their funds in the company. In the descriptive analysis that has been done, we see that the average value of the financial policy as measured by the measurement of debt of ratio in the companies sampled in this study has a value of 1.23. This means that it can still be tolerated for the value of debt to equity ratio which is one indicator of the financial health of companies related to debt ranging from 1 to 1.5 for medium and large scale companies, where the company has long-term debt no greater than current debt, the company will not be threatened by liquidity disturbances and company profits will also not be threatened to be used as a cost to pay debts that have an impact on good corporate financial performance.

In this study, the results of the study found that public ownership does not affect corporate financial performance. The results of the study stated that both companies whose ownership of small or large public shares did not improve the financial performance of the company. This research is in line with research conducted with Abdullah et al. (2017) and Hikmah & Fitria, (2019) which states that even large public ownership will not improve the company's financial performance, because investors who come from the general public want to own the company shares to obtain profit, where there is no direct action taken by the shareholder to help carry out the company's strategy. From the results of descriptive analysis of the data for company samples used, the average value for the public ownership variable is 29.39%, which shows that only average public ownership with this value does not affect corporate financial performance. Where this shows that public ownership for each company to be able to influence corporate financial performance should be above 30% of the company's total shares.

In this study, the results of the study found that the Independent Commissioner strengthened the relationship between financial policy and corporate financial performance. The results of this study state that a company that has a good independent board of commissioners in terms of the proportion of the board and the expertise of the independent commissioners themselves will improve company performance, particularly corporate financial performance. This study is in line with research conducted with Machmud et al. (2020) which states that for each company's financial policy that is taken properly and effectively with the input and suggestion from an independent commissioner, it will improve the company's financial performance. So it can be concluded that the members of the board of commissioners in a company should be filled mostly by independent commissioners from outside who are referred to as independent commissioners.

In this study, it was found that the Independent Commissioner had no significant effect on the relationship between financial policy and corporate financial performance. The results of this study stated that companies that have a good independent board of commissioners in terms of the proportion of the board and the expertise of the independent commissioners themselves would not affect the relationship of public share ownership owned by the public in improving company performance. This study is in line with research conducted with Lawal et al. (2018), which states that for each company financial policy that is taken properly and
effectively with the input and suggestion from an independent commissioner, it will not affect the relationship between public ownership and corporate financial performance. So it can be concluded that a member of the board of commissioners filled by someone who is an expert and known in the community will not affect public ownership of corporate financial performance.

CONCLUSION

Based on the results of this study, it can be concluded that financial policy has a positive and significant effect on corporate financial performance with a significance value of 0.0120, where a significance level of 0.0500. Public Ownership does not influence on corporate financial performance because it has a significant level of 0.895, where a significance level of 0.0500. The role of the independent commissioner variable as a moderating variable in this study, the result is that the independent commissioner strengthens the relationship between the influence of financial policy on corporate financial performance, where the significance value is 0.014 with a significance level of 0.0500. In contrast, the role of independent commissioners in the relationship between public ownership of corporate financial performance does not have a significant effect with a significance value of 0.742, where the significance level of 0.0500.

Based on the discussion and conclusions obtained, the implications of this study are: (1) For academics and researchers, to be able to develop other measurements that can be used in corporate financial performance variables, such as return on equity, return on investment, or earnings per share. (2) For the company management, this research can provide input to the company to be able to choose and use an independent commissioner who fulfills expertise in the financial and business fields of his company to decide on his company's financial policy. (3) This study only uses data from mining sector companies, so it does not use data from sectors other than mining, further research should use other sectors such as Property & Real Estate Sector, Manufacturing Sector, and others listed on the Indonesia Stock Exchange.

Based on the discussion and conclusions in this study, researchers also provide suggestions on several things that are expected to help the company in improving corporate financial performance. Suggestions are given as follows: (1) Companies listed on the Indonesia Stock Exchange should conduct regular financial audits and analyze more closely the factors, that can affect corporate financial performance both directly and indirectly. (2) The factors that influence the increase in corporate financial performance are not only from the three research variables conducted, namely financial policy, public ownership, and independent commissioner. While in addition to these three factors there are still many other factors that affect corporate financial performance.
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