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The Effect of the Performance of the Board of Commissioners and Directors on Company Profitability in the 2019-2021 Jakarta Islamic Index (JII) with Salary as a Moderating Variable

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Abstract

Introduction: During the pandemic, many companies experienced a decline in profitability. One is what happened to companies included in the Jakarta Islamic Index (JII). During the pandemic, the performance of the board of commissioners and directors could have been more optimal. In contrast, the number of salaries for the board of commissioners and directors remained even increased. This can be seen from the profitability of several companies that are members of the Jakarta Islamic Index (JII), which are still below the average standard. The profitability of several companies that are members of the Jakarta Islamic Index (JII) is experiencing an imbalance. This study aims to determine the effect of the board of commissioners and directors on the profitability of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021 and salary as a moderating variable. **Research Methods:** This study uses a population of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021, using a sample of 54 companies. The type of this research is quantitative research. Meanwhile, data collection techniques use documentation and observation of the annual reports of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021. Data analysis used is moderation regression analysis, classic assumption test, hypothesis testing, and coefficient of determination (R2). **Result:** the results of this study indicate that the boards of commissioner variables affect the profitability of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021. The Directors influence the profitability of companies that are members of the

Jakarta Islamic Index (JII) for 2019-2021. Meanwhile, salaries significantly moderate the influence of the board of commissioners and directors on the profitability of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021. **Conclusion:** The results of this study indicate that the board of commissioners variables affect the profitability of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021.

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INTRODUCTION

The development economy in the world is very rapid. This is marked by the progress economy in developed countries and the country's development as experienced by Indonesia (Afriyanti & Prasetiyo, 2021). Now, this progress in the field economy naturally must supported by an adequate company because influential to the economy of a country (Rizal, 2022). Variables outside the research model affect 73.6 %, namely incorporated companies in the Jakarta Islamic Index (JII) is swift and the level of complexity tall one can influence a company. The number of incorporated companies in the Jakarta Islamic Index (JII) is not yet balanced with the performance of the board of commissioners and directors is less than optimal. Apart from this, the problem that all companies are facing is the pandemic period (Ulya, 2021). This can be seen from the profitability of several companies that are members of the Jakarta Islamic Index (JII) in 2019-2021, which is still below the average standard as shown in the following graph (AK Thoyib, 2022):

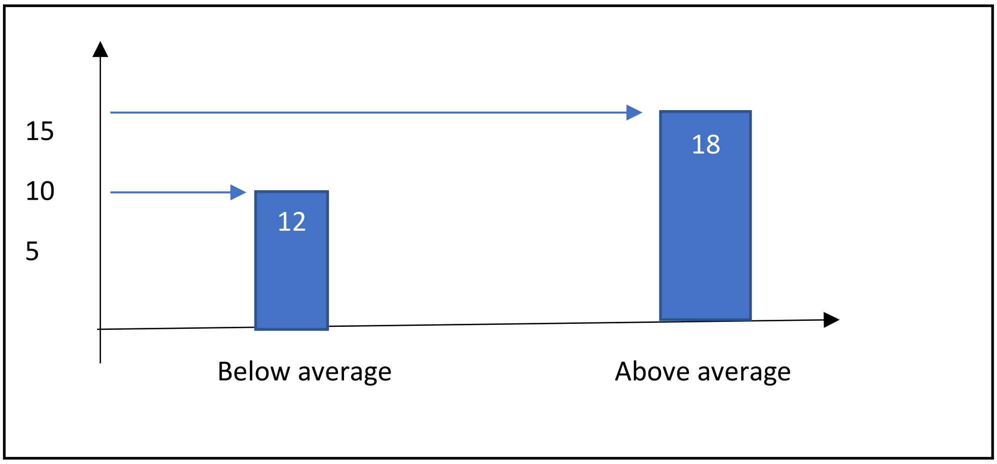

Figure 1. ROE calculation
Source: ROE Calculation Results for the 2019-2021 Jakarta Islamic Index

In this research, the performance of the board of commissioners and directors is not optimal. This is because the number of board of commissioners and directors does not meet the established standards; if the number of board of commissioners is above 2, then it negatively affects the profitability of companies that are members of the 2019 Jakarta Islamic Index (JII). 2021, and if the number of directors is more than 2, it will positively affect the profitability of companies that are members of the Jakarta Islamic Index (JII) in 2019-2021. Plus, the pandemic period is never-ending. So, the profitability achievements of several companies that are members of the Jakarta Islamic Index (JII) are still below the average standard, with 18 companies above average and 12 below average (AK Thoyib, 2022). The results of this determination use the REO (Return On Equity) formula.

Ratio profitability is the ratio. To evaluate internal company capabilities, look for profit. The ratio also delivers size-level effectiveness management in a company. This matter is shown by the profits generated from sales and income investment to reach the company. For the company, a problem of profitability is significant. For company leaders, profitability is used as a reject measure of success or not the company he leads; meanwhile, for company employees, increasingly high profitability obtained by the company, then there is an opportunity for increase wages employee. High profitability will support operational activity in a way any one factor influences maximum high and low profitability, that is application of Corporate Governance in companies. Application corporate governance increases company performance by creating a retrieval process and more decisions, improving the efficiency of company operations, and increasing service to stakeholders (Kasmir, 2014). In the implementation company, corporate governance is influenced by several parts. The board of commissioners, directors, and salaries are among them as a moderating variable (Robbins Judge, 2021).

Where is the board of commissioners? is the board of directors (in Indonesia called the board of commissioners) central to corporate governance? Because companies do not have enough legal responsibility for the affairs of a company board of directors legally and responsibly answer for set targets, corporate develop broad and selective policies _ at the personnel level for carrying out goals and policies. Directors can mediate disputes among internal managers and supervisors' policy management and advise management. Salary is a fixed amount paid to workers for services or work performed. Wages are calculated in a way weekly, monthly, or annually. This matter is appointed for pay employees. Wages refer to income from the individual through work. Wages are one of the essential elements that can influence the performance of employees because wages are a tool For fulfilling various needs of employees, so that with the salary given, employees will motivated. For work, I am more active and diligent. There is no direct want to give role OCBIP extra. Payroll objectives include:

1. Bond Work the Same
   Giving wages intertwined bond work equally formally between companies and employees. The employee must do his duties well, while the company must pay wages per the agreed agreement.
2. Satisfaction Work
   With reply services, employees can fulfil physical, social status, and egoistic needs to obtain satisfaction from their position.
3. Procurement Effective

If the salary program is set sufficiently large, procuring quality employees for the company will be more accessible.

4. Motivation

   The manager will quickly motivate his subordinates if reply services are provided enough.

5. Stability Employee.

   A compensation program, on principle, is fair and decent, as well as external competitive consistency, which means stable employees are more guaranteed because of the relative turnover.

6. Discipline.

   They are giving a reply sufficient service more than disciplining employees the better. Employees will realise as well as obey applicable regulations.

Application mechanism Good Corporate Governance by the board of commissioners and directors can repair the existing company image, protect interest stakeholders, and increase obedience to regulation legislation which valid and codes ethics in the company within the frame imaging sound company system. So, on the contrary, the company can create a lousy company image without the optimal work of the board of commissioners and directors. Application of corporate governance within the company is expected to be influential to company performance, due to application of corporate governance can increase performance finances, reduce risk consequence action inclined management profitable self Alone. The company that applies *good* corporate governance will be more efficient and power the competition increase. The problems displayed show that corporate governance (board of commissioners, directors) and salary are essential for increased profitability (Makrifat, 2019).

RESEARCH METHODS

The quantitative centre pays attention to existing symptoms and characteristics specific to the man's life, which he calls a variable. In the quantitative approach, the relationship between variables is analysed using objective theory using a quantitative type study. (V. Wiratna Sujarweni, 2015) research object: These companies were incorporated in the Jakarta Islamic Index (JII) in 2019-2021. According to Sugiyono, a variable study is shaped only by those determined by the researcher who obtained information about a matter and then withdrew the conclusion (V. Wiratna Sujarweni, 2015). In this research, 4 variables will be studied, namely, two independent variables (X), board of commissioners (X1) and directors (x2), salary (z), and one dependent variable, namely profitability (Y). In research, use ratio profitability in the study. This can be measured using Return On Equity (ROE) or capital reliability, a ratio for measuring profit clean after tax with your capital. (V. Wiratna Sujarweni, 2015). This ratio describes the percentage of net profit obtained from own capital. The higher this ratio, the better because it means the position of the company owner is more muscular and vice versa. In this way, the company can pay dividend costs to shareholders. The ROE formula in this research is as follows:

$$\textit{Return On Equity}\ \text{(REO)} = \frac{\text{Laba Setelah Pajak}}{\text{Total Equitas}}$$

RESULTS

This research consists of the variable company profitability as the dependent variable, the board of commissioners directors as the independent variable, and salary as the moderating variable. This research aims to analyse the influence of the board of commissioners and directors on the profitability of companies that are members of the Jakarta Islamic Index (JII) in 2019-2021.

The population in this study consists of all companies that are members of the 2019-2021 Jakarta Islamic Index (JII). The sample for this research was determined using a total sampling technique: all 54 companies that were members of the Jakarta Islamic Index (JII) in 2019-2021.

Research the performance of the Board of Commissioners and Directors is not optimal; this is because the number of Board of Commissioners and Directors does not meet the established standards; namely, if the number of Board of Commissioners is above 2, it will harm the profitability of companies that are members of the 2019 Jakarta Islamic Index (JII). 2021, and if the number of directors is more than 2, it will positively affect the profitability of companies that are members of the Jakarta Islamic Index (JII) for 2019-2021. (Binoto Nadapdap, 2016) so the profitability of several companies included in the Jakarta Islamic Index (JII) is still below the average standard, with 12 companies above average and 18 below average. The results of this determination use the REO (Return On Equity) formula.

The following is a list of names of companies used as samples for this research, namely:

Table 1. Research Sample

No	Code	Share Name	Year	Amount	
				Commissioner	**Directors**
1	ADRO	PT. Adaro Energy Indonesia Tbk	2019	5	6
			2020	5	6
			2022	5	6
2	AKRA	PT. AKR Corporindo Tbk	2019	3	8
			2020	3	7
			2021	3	7
3	ANTM	PT. Aneka Tambang Tbk	2019	8	12
			2020	7	6
			2021	8	11

No	Code	Share Name	Year	Amount	
				Commissioner	Directors
4	BRPT	PT. Barito Pacific Tbk	2019	4	4
			2020	4	5
			2021	4	5
5	CPIN	PT. Charoen Pokphand Indonesia Tbk	2019	3	6
			2020	3	6
			2021	3	6
6	EXCL	PT. XL Axiata Tbk	2019	9	5
			2020	9	6
			2021	8	6
7	ICBP	PT. Indofood CBP Sukses Makmur Tbk	2019	6	10
			2020	6	11
			2021	6	11
8	INCO	PT. Vale Indonesia Tbk	2019	6	6
			2020	10	7
			2021	10	5
9	INDF	PT. Indofood Sukses Makmur Tbk	2019	8	8
			2020	8	8
			2021	8	10
10	INTP	PT. Indocement Tunggal Prakarsa Tbk	2019	6	9
			2020	6	9
			2021	7	7
11	KLBF	PT. Kalbe Farma Tbk	2019	7	6
			2020	7	5
			2021	7	5
12	PGAS	PT. Perusahaan Gas Negara Tbk	2019	6	6
			2020	6	6
			2021	6	6
13	PTBA	PT. Bukit Asam Tbk	2019	6	5
			2020	6	6
			2021	6	5
14	SMGR	PT. Semen Indonesia (Persero) Tbk	2019	7	7
			2020	7	7
			2021	7	6
15	TLKM	PT. Telkom Indonesia (Persero) Tbk	2019	6	9
			2020	9	9

No	Code	Share Name	Year	Amount	
				Commissioner	Directors
			2021	9	9
16	TPIA	PT. Chandra Asri Petrochemical Tbk	2019	7	7
			2020	7	7
			2021	14	14
17	UNTR	PT. United Tractors Tbk	2019	6	6
			2020	6	6
			2021	6	6
18	UNVR	PT. Unilever Indonesia Tbk	2019	5	13
			2020	6	10
			2021	6	10

Source: www.idx.co.id

A. Descriptive statistics

Descriptive statistics on research this used to view data from the board of commissioners, directors, salaries, and profitability of the company being viewed as average value (mean), standard deviation, variance, maximum, and minimum. Presentation of data in descriptive statistics is carried out in the form of tables and graphs. Statistics on the board of commissioners, directors, salaries, and profitability of the company are as follows:

Table 2 Descriptive Statistics Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
COMMISSIONER	53	3.00	14.00	6.4528	2.06217
BOARD OF DIRECTORS	53	4.00	14.00	7.3774	2.25513
WAGES	53	18.76	29.06	26.0650	2.92276
PROFITABILITY	53	.01	1.67	,8019	,52289
Valid N (listwise)	53				

There is an explanation of each result the is as follows:

1. Board of Commissioners

The board of commissioners is responsible for setting targets for and developing broad and selective policies at the personnel level to carry out goals and policies of Corporate Governance. The table above shows that data from the board of commissioners on the incorporated companies in the Jakarta Islamic Index (JII) for 2019-2021 has a minimum score of 3 people and a maximum of 14 people. Whereas for an average of 6.4 Next mark standard deviation of 2.062, the board of commissioners in a study is relatively tall (yansyah, 2021).

2. **Directors**

Directors can mediate disputes between internal managers and supervisors regarding policy management and advise management. The table above shows that the Directors' data on the incorporated companies in The Jakarta Islamic Index (JII) for 2019-2021 has a Minimum score of 4 people and a score maximum of as many as 14 people. Meanwhile, the average is 7,377, the next mark standard deviation of 2.551, which shows that the board of commissioners in a study is relatively tall (Kusumandri, 2015).

3. **Wages**

Salary is remuneration paid periodically to permanent employees with definite guarantees. The table above shows that salary data for companies that are members of the Jakarta Islamic Index (JII) for 2019-2021 has a minimum value of 18.76 and a maximum value of 29.06. Meanwhile, the average is 26,065, which marks a standard deviation of 2.9227, which shows that wages in a study are relatively tall (Bahri, 2019).

4. **Profitability**

Ratio profitability is the ratio for evaluating internal company capabilities and looking for profit. The table above shows that profitability data on the merged companies in The Jakarta Islamic Index (JII) for 2019-2021 has a minimum value of 0.01% and a maximum of 1.67%. Whereas for an average of 0.80%. Furthermore, the standard deviation of 0.522% shows that profitability in the study is relatively high (Salsabila, Nadiah Ayu, and Miranti, 2021).

B. Test Assumptions Classic

The classical assumption test was carried out to determine the feasibility of using a regression model in this research. This test was carried out by testing the normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test with the following results:

1. **Normality test**

This quantitative study uses the method statistics where the general scale of the data using intervals or ratios and distribution of population data must fulfil average assumptions. The normality test aims for the test is to determine whether the resulting board of commissioners from regression profitability typically or not. The good regression model is the resulting residual value distributed normally. The normality Test was carried out in the study. This is:

Table 3 Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardised Residuals
N		53
Normal Parameters [a, b]	Mean	,0000000
	Std. Deviation	,47364346
Most Extreme Differences	Absolute	,117
	Positive	,085
	Negative	-,117
Kolmogorov-Smirnov Z		,855
Asymp. Sig. (2-tailed)		,458

a. Test distribution is Normal.

b. Calculated from data.

Source: Processed data, 2023

Table 3 above can explain the normality test results in the. Table Kolmogorov-Smirnov test was obtained mark asymp sig 0.458 > 0.05. so that it can be concluded that the data is usually distributed; because the data is normally distributed, it can be used in regression model testing moderation.

2. Autocorrelation Test

The autocorrelation test used to aim for the test is in the linear regression model. There is a correlation between observation data. A good regression model should not use the autocorrelation-test—test method using the Durbin-Waston test (dw test). If correlation occurs, it is called an autocorrelation problem. Autocorrelation arises because observations that are less sequential over time are related. Following autocorrelation test results in This study :

Table 4 Autocorrelation

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,514 [a]	,264	,203	,40751	1,747

a. Predictors: (Constant), moderation, salary, commissioners, directors

b. Dependent Variable: profitability

Table 4 above explains that the results of the autocorrelation test in the summary table are obtained mark Dw = 1.747. So, you can conclude that there is autocorrelation.

3. Multicollinearity Test

A multicollinearity test is required to know whether There is or not a variable independent who owns similarity between variable independent in a model. The similarity between independent will result in a robust correlation. Besides that, this test also avoids habit in the retrieval process decision about the influence on the partial test of each variable dependent. If VIF is generated between 1-10 then no happen multicollinearity. (V. Wiratna Sujarweni, 2015)

Following this multicollinearity test results in this study:

Table 5 Multicollinearity test

Coefficients [a]

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,324	,445		-2,977	,005		
	COMMISSIONER	,163	,079	,660	2,058	,045	,149	6,713
	DIRECTORY	,159	,068	,795	2,352	,023	,134	7,458
	WAGES	,077	,030	,335	2,557	,014	,894	1,119
	MODERATION	-,001	,000	-1,085	-2,102	,041	,058	17,377

a. Dependent Variable: PROFITABILITY

Source: processed data, 2023.

Table 5 above _ can explains that the results multicollinearity in the coefficients table shows that each data has a VIF value for the board of commissioners, 6.713, board of Directors 7,458 salaries of 1,119, and tolerance as big as the board of commissioners 0, 149, directors 0.134, and salary 0.894. The entire variable in the study owns a VIF value < 10 and a value tolerance> 0.1, so it can be concluded that multicollinearity does not happen.

4. Heteroskedasticity Test

The heteroscedasticity test is a situation where the confounding variance and error are not constant for all independent variables. The promising regression modality is no heteroscedasticity (Putra & Nurhidayati, 2022). The heteroscedasticity test can be carried out using the Glajser test by testing the significance level of the influence of the independent variable on the absolute residual value. If the mark significant > 0.05 means No happen heteroscedasticity, and vice versa, if the mark significant < 0.05 means happen heteroscedasticity. (V. Wiratna Sujarweni, 2015) Heteroscedasticity test results in research This is as follows:

Table 6. Heteroskedasticity Test

Coefficients [a]

Model		Unstandardised Coefficients		Standardised Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,094	,278		-,338	,736
	COMMISSIONER	,060	,049	,439	1,207	,233
	DIRECTORY	,031	,042	,280	,730	,469
	WAGES	,016	,019	,127	,857	,396
	MODERATION	,000	,000	-,628	-1,073	,288

a. Dependent Variable: ABRES

Table 6 above explains that the heteroscedasticity test results obtained data from the board of commissioners' sig value of 0.736, directors' sig value of 0.233, and salary own sig value is 0.396 throughout variable in the study. This has a sig value > 0.05, so it can concluded that there is no heteroscedasticity.

C. Analysis Regression Moderation

Analysis regression was used to know the influence mechanism of Corporate Governance (board of commissioners and directors) towards profitability. Apart from that, also analysis regression was used To test the truth of the proposed hypothesis _ in the study. This is the model as follows: $Yi = a + b_1 X1_i + b_2 X2_t + b_3 Z_t + b_4 X1*X2*Z_t + e$

Where:

Y	= Company profitability
X1	= Board of Commissioners
X2	= Directors
Z	= Salary
X1*X2*Z	= Interaction of Commissioners, Directors and Salaries
b1-b4	= Regression coefficient
a	= Constant
e	= Standard error

The regression model in this research is as follows:

Table 7. Moderation Regression Analysis

Coefficients [a]

Model		Unstandardised Coefficients		Standardised Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,324	,445		-2,977	,005
	COMMISSIONER	,163	,079	,660	2,058	,045
	DIRECTORY	,159	,068	,795	2,352	,023
	WAGES	,077	,030	,335	2,557	,014
	MODERATION	-,001	,000	-1,085	-2,102	,041

Based on the results of regression moderation in table 7 above so obtained a regression model moderation is as follows:

$$Yi = a + b_1 X1_i + b_2 X2_i + b_3 Z+e$$

$$Y = -1.324 – 0.163+ 0.159 +0.77$$

Based on the regression model above can be explained as follows:

1. Constant of -1.324 shows that If the variable Board of commissioners, directors, and salaries value is less than 1, then the profitability of the merged company in The Jakarta Islamic Index (JII) for 2019-2021 was -1,324 units with assumption other factors are considered still.
2. Coefficient regression of the board of commissioners as big as 0.163 shows that If the number of board of commissioners experiences an increase of 1 unit profitability, the company experiences an increase of 0.163 units. The coefficient is negative, so there is a relationship between the board of commissioners and company profitability. The more significant number of board of commissioners will raise company profitability
3. Coefficient regression directors of 0.159 shows that if the amount directors experience an increase of 1 unit, directors experience an enhancement of 0.159 unit. The coefficient is positive, so connections between directors and company profitability happen. The more lots amount directors so will increase company profitability.
4. Wages

   Coefficient wages of 0.77 shows that If the amount of wages experiences an increase of 1 unit, wages experience an enhancement of 0.077 units. The coefficient is positive so that connection salary moderates the board of commissioners and directors on company profitability. The higher lots wages will increase the performance of the board of commissioners and directors, influencing the company's profitability.

D. Hypothesis testing

Hypothesis test results in this study are two, namely the T-test and the F-test, with results as follows:

1. T-test

The T statistical test measures how far the influence of individual independent or independent variables is in explaining the related dependent variable. An independent variable affects the dependent variable if the profitability significance value is less than 0.05. If t count > t table, then it can be stated that the independent variable affects the dependent variable. T-test results in a study this is as follows:

Table 8 T-test

Coefficients [a]

Model		Unstandardised Coefficients		Standardised Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,324	,445		-2,977	,005
	COMMISSIONER	,163	,079	,660	2,058	,045
	DIRECTORY	,159	,068	,795	2,352	,023
	WAGES	,077	,030	,335	2,557	,014
	MODERATION	-,001	,000	-1,085	-2,102	,041

a. Dependent Variable: PROFITABILITY

Based on the results shown in table 8 can be explained t-test as follows:

a. Influence of the Board of Commissioners on Company Profitability

The influence of the board of commissioners on company profitability can be seen in Table 4.11 coefficients above obtained calculated t value for the board of commissioners is 2.058 with a sig of 0.045. Therefore, sig value 0.045 < 0.05, then $H_0 1$ is accepted, and $H_a 1$ is rejected. So, the board of commissioners is influential and significant to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021.

b. Influence Directors to Profitability

Influence directors on Company profitability can be seen in table 4.11 coefficients above obtained calculated t value for directors is 2.352 with a sig of 0.023 < 0.05, then $H_0 2$ is accepted and $H_a 2$ is rejected. So, the Directors influential significant to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021

c. Influence Wages to Profitability

The influence of directors on company profitability can be seen in Table 4.11. The coefficients above obtained calculated t value for a salary of 2,557 with a sig of 0.014 < 0.05, then $H_0 2$ is accepted, and $H_a 2$ is rejected. So, wages significantly influence to profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021

d. Salaries Moderate the Board of Commissioners and Directors on Company Profitability

Influence salaries moderate the board of commissioners and directors to company profitability can be seen in table 4.11 coefficients above calculated t value For salary moderation -2,102 with a sig of 0.014 < 0.05, then $H_0 2$ is accepted, and $H_a 2$ is rejected. So that wages moderate the board of commissioners and directors to the profitability of the merged company in Jakarta Islamic Index (JII) 2019-2021

2. F test

The F test tests the significance equation used _ for knowing how much significant influence variable free (X1, X2) and (Z) in a way together to variable No free (Y), ie, company profitability. (V. Wiratna Sujarweni, 2015) simultaneous tested with see sig value, if Sig value below 0.05 is variable independent influential to variable dependent and if F counts bigger from F table, then there is influence in a way silmutan between variable independent with variable dependent. Following F test results in the study, This is :

Table 9 F Test

ANOVA [a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2,858	4	,714	4,302	.005 [b]
1	Residual	7,971	48	,166		
	Total	10,829	52			

a. Dependent Variable: PROFITABILITY

b. predictors: (constant), moderation, salary, commissioners, directors

source: processed data, 2023

Based on table 9 above, F test results in Table ANOVA obtained the calculated F value of 4.302 with an A sig value of 0.005. therefore, a sig value of 0.005 is smaller than 0.05 than the variables are board of commissioners, directors influential significant to company profitability and wages moderates the board of commissioners, directors to the profitability of the merged company in Jakarta Islamic Index (JII) 2019-2021.

3. Coefficient Determination

The coefficient of determination (R2) is used to determine the percentage change in the dependent variable (Y) caused by the independent variable (X). If (R^2) is more significant, then the percentage change in the dependent variable (Y) caused by the independent variable (X) is higher. If (R^2) is smaller, then the percentage change in the dependent variable (Y) caused by the independent variable (X) is lower (V. Wiratna Sujarweni, 2015) .

Table 10 Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,514 [a]	,264	,203	,40751
a. Predictors: (Constant), moderation, salary, commissioners, directors				

Source: Processed data, 2023

Based on Table 10 above, coefficient determinations in the model summary table are obtained mark R^2 is 0.264 or 26.4 %. So, the presentation contribution influence of the board of commissioners, directors, and salaries to the profitability of the merged company in the Jakarta Islamic Index (JII) in 2019-2021 was 26.4%. Whereas the remaining 73.6% is influenced by variables others who didn't enter the research model (Hendrayadi, 2016)

DISCUSSION

Based on the results have been explained in the results research then you can withdraw to the reference dialogue below:

1. **Influence of the Board of Commissioners on Company Profitability**

The influence of the board of commissioners on company profitability can be seen in Table 4.11 coefficients above obtained calculated t value for the board of commissioners is 2.058 with a sig of 0.045. Therefore, sig value 0.045 < 0.05, then H_0 1 is accepted, and H_a1 is rejected. So, the board of commissioners is influential and significant to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021 (Tazkiya, 2022).

The board of commissioners has a significant influence on financial performance. This could happen due to changes in the composition and number of the board of commissioners during 2019-2021 so that the supervisory role has been carried out optimally. The position of the board of commissioners, which often changes frequently, is deemed unfavourable for supervising management and advising the board of directors in making decisions that can impact the company's profitability. Apart from that, with the increasing number of boards of commissioners, the supervisory function becomes more effective in coordination, communication, and decision-making (Ongko, 2017).

This research shows that the number of board of commissioners in companies that are members of the Jakarta Islamic Index (JII) in 2019-2021 affects the company's profitability. This shows that the number of board of commissioners influences the implementation of internal procedures regarding the implementation of corporate governance, which is the goal that increases company profitability, increases company performance through the creation of a retrieval process, more decisions improve efficiency of company operations as well more increase service to stakeholders (V. Wiratna Sujarweni, 2015).

The research result is relevant to the previous study previously that is research conducted by Adelia Putriningtias, with the title "Influence Elements of corporate governance and Ownership Institutional to Profitability of Banking Companies Listed on the stock exchange indonesia 2017-2021 period," that the Board of Commissioners' influential to company profitability (Adelia Putriningtias, 2023).

2. Influence Directors to Company Profitability

Influence directors on company profitability can be seen in the 10 coefficients table above obtained calculated t value for directors is 2.352 with a sig of 0.023 < 0.05, then $H_0 2$ is accepted, and $H_a 2$ is rejected. So, the directors' influential significant to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021. Directors are influence significant to company profitability. This can happen Because directors are expected to ensure transparency and openness in reporting corporate finance, fair treatment to holders, and share minorities and other stakeholders. Besides that, increasing the number of directors, Lots will influence company profitability. Directors must have no connection affiliate Good with holder share or other directors/commissioners and not concurrently become directors in another company. Directors must also understand regulation legislation in the capital market (Saiful Anwar, 2019).

The acceptance of hypothesis testing second in a study shows that the company's directors influence profitability. That matter was caused role of Directors in support of the duties of the board of commissioners in supervision management held with good. Supervision from a party outside or independent needed to advise management so company management as a mover wheel business can create practical and efficient performance _ so that enhancement capability at a time smooth circumstances company finances can achieved with the implementation of good corporate governance (Indra Surya, 2008).

Research results in this relevant to the study previously conducted by Ismi Windra Design, mubarokah1, Sri Widayanti, the influence of good corporate governance (board of directors) and corporate social responsibility on company profitability, Journal (East Java: University National Development of Veterans, 2022). Research shows that the board of directors favours company profitability (Ismi Windra Design, Mubarokah, 2022).

f. Influence Wages to Profitability

Influence directors on company profitability can be seen in the 10 coefficients table above obtained calculated t value for salary is 2.557 with a sig of 0.014 < 0.05, then $H_0 2$ is accepted, and $H_a 2$ is rejected. So wages significantly to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021

The research result is relevant to the study previously carried out by Deri Kusmadeni, Mohamad Makrus on the influence of production material costs, costs of marketing (Putri & Ulya, 2021), and costs wages to profitability case study (Bread Bakery Business in Pangkalpinang), Journal (Pangkalpinang: Abdi Nusa Pangkalpinang College of Health Sciences, 2023). Research shows that variable wages influence company profitability (Deri Kusmadeni, Mohamad Makrus, 2023).

g. Wages Moderating the Board of Commissioners and Directors to Company Profitability

Influence wages moderates the board of commissioners and directors to Company profitability. The 10 coefficients table above obtained calculated t value For moderation salary -2.102 with a sig of 0.014 < 0.05, then H_o2 is accepted, and H_a2 is rejected. So, wages moderate the board of commissioners and directors to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021 (Kalinda, 2019).

CONCLUSION

Based on the explanation results study about the Influence of corporate governance mechanism (board of commissioners, directors, and salaries) against the profitability of merged companies in the 2019-2021 Jakarta Islamic Index (JII). As explained in the chapter, the researcher takes the conclusion as follows:

1. Influence of the Board of Commissioners on Company Profitability
   The calculated t value for the board of commissioners is 2.058 with a sig of 0.045. Therefore, sig value 0.045 < 0.05, then H_o1 is accepted, and H_a1 is rejected. So, the board of commissioners is influential and significant to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021.
2. Influence Directors To Profitability
   The calculated t value For directors is 2.352 with a sig of 0.023 < 0.05, then H_o2 is accepted, and H_a2 is rejected. So, the director's influential significant to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021
3. Influence Wages To Profitability
   The calculated t value For salary is 2.557 with a sig of 0.014 < 0.05, then H_o2 is accepted, and H_a2 is rejected. So, wages significantly influence to profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021
5. Wages Moderating the Board of Commissioners and Directors to Company Profitability
   Calculated t value for moderation salary -2.102 with a sig of 0.014 < 0.05, then H_o2 is accepted, and H_a2 is rejected. So, wages moderate the board of commissioners and directors to the profitability of the merged company in the Jakarta Islamic Index (JII) 2019-2021.

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