RECOGNIZING THE ROLE OF INTERNAL MECHANISM CORPORATE GOVERNANCE ON INDONESIAN ISLAMIC BANKING PERFORMANCE

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ABSTRACT

The aim of this study has been to provide conceptually the corporate governance mechanism on Indonesian Islamic banking performance. The intention has been to provide a critical explanation of the specific model on corporate governance in Islamic banking. Existing literature on corporate governance in Islamic banking appears to be rather limited in general. This may be due to both researches and practice in corporate governance in Islamic banking its early stages in development. The present evidence also suggests that internal mechanism corporate governance lies in understanding Indonesian Islamic banking performance. This study adds to present literature in Islamic Banking research area by explaining conceptually the linkages between Board of Commissioners Characteristics namely number of independent board of commissioners, number of inside board of commissioners, board of commissioner’s size, board independence, board tenure, board age in order to increase the performance of Indonesian Islamic banking performance

Keywords: Internal Mechanism, Corporate Governance, Islamic Banking Performance