

Does Independent Directors Earn Higher Compensation?

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Abstract

This study aimed to explore the effect of independent directors of a publicly listed company in Indonesia on their total compensation. Following the footsteps of other developing countries, Indonesian corporations have recently appointed more independent directors. Independent directors are thought to play an important role in determining executive compensation. This Paper takes a sample of 50 publicly listed company in Indonesia ranked as the “best of the best company in 2020” by well known business magazine, Forbes. Those 50 companies were filtered by its financial performance and their practice of good corporate governance. 50 Financial reports spanning from the year 2015 – 2019 listed in the list were collected to analyze the relationship between the number of independent director and total compensation received. The results of the studies suggest that the number of independent director does have an effect on their total compensation received. There is a significant positive relationship between the number of independent directors in a board structure and their total compensation received as indicated in both t-test and f-test of this study.

Keywords:

Independent Directors, Total Compensation, Corporate Governance

Introduction

Executive pay has been under media scrutiny for the exorbitant amount paid to the company's executive's executive. Executive compensation has been a prevalent issue in the business world for the last ten years, according to Forbes' annual survey of pay. Research done by economic policy institute in United States with sample taken from various top United States firm shows that the increase of remuneration were substantial, with a 1,204.8% change in options realized (Mishel & Wolfe, 2019). Executive compensation refers to the payment awarded to the executive position such as board of directors.

Taking a look back in 2014, a lawsuit was filed against Facebook over the amount of compensation paid to their board of directors. (Jim, 2014). Similar cases occurred in Indonesia with state-owned enterprise being under scrutiny of media and Indonesian population at large. Medcom (2020) report suggested that in 2018 remuneration paid to the directors amounted to \$47 million USD for 11 person and 7 Commissioner. Executive pay is a topic of debate for many in the corporate world over the past few years. The issue of executive pay has been debated on the economic side of the issue, rather than the performance side. Some companies are implementing corporate governance to instill a more transparent approach on company's business.

The rise of good corporate governance practices in companies around the world has shed a little light on the justification of executive compensation. This practice enforces public companies to be transparent regarding to the operation of the company, this includes the payment made to executives. The logical reasoning behind corporate

transparency is because they are no longer a private firm and must acknowledge right of shareholder as they are publicly listed. Research on executive compensation in Indonesia are limited, based on writer's exploration there are only a few publications that researches on this variable. Multiple reasons may cause these limited local references, firstly it is rather difficult for executives to be open on how much they earned, and second its rooted in our culture that revealing one's earning is a taboo subject or inappropriate to do.

Following the trend of the practice in good corporate governance a well known magazine by the name of Forbes has been releasing a list of best performing publicly traded firm in Indonesia for ten consecutive years. The list was measured by company's performance and scanned for their corporate governance activities. Several firms stated on the list were a successive nominee, noting the fact that there are at least 700 publicly listed company in Indonesia.

Executive compensation most of the time in practice was found out to be excessive, there were cases whereby executives of a firm received a large compensation despite knowing that the company is not doing well. Prior literature suggests that setting the standard compensation of the executives is rather difficult, however prior literature suggest that the closest approach is by measuring the economic factors. Out of all the studies, factors that have a significant relationship with director's compensation were, financial performance, size & complexity of the firm and lastly is corporate governance. Issue of excessive director compensation is emerging as new focus. This research aims to identify the factors that are affecting independent director's compensation in Indonesia. Based on the background of this study, the author concludes the research problems will focus whether the presence of independent director within a company influence their total compensation received. The research objective of this study revolves around the problem statement mentioned previously. Primary objective of this study is to find out whether the presence of independent director had any influence over their total compensation received.

Literature Review

Compensation is all income in relation to services provided to the company by an individual. Compensation could also be regarded as a communication tool for firms as it helps to evaluate the performance of individuals and bridges conflict between stakeholders and management. The establishment of an effective compensation system is important as it may have an impact on strategic performances (Hasibuan, 2017). Speaking on the matter of independent directors, executive compensation usually goes hand in hand when it comes to remuneration paid out to them.

Compensation is a mechanism by which management used to motivate and manage people (Anthony & Govindarajan, 2005). Executive compensation in Indonesia typically comes in the form of incentives or monies. However, compensation for directors is rather uncommon in Indonesia. The country has one of the highest levels of executive pay in the world by comparison with other Asian countries and regions. Executive compensation should be adjusted according to the situation of the general environment, says Conyon (2006) If firm performance is below par compensation paid out to executive or directors should be altered. However, if it was above industry standards it could be concluded that such firm does not adopt the pay performance philosophy.

The board of directors of the company has the ultimate responsibility to assess and compose appropriate composition of compensation paid towards independent directors. Some boards may set up a special remuneration committee to ensure a transparent and non-biased approach in deciding the compensation package paid out to independent directors. According to research by Wan (2005), boards with a higher percentage of independent directors have no substantial connection with the amount of compensation to the CEO. Research conducted by Ozkan (2007) shows that companies with a greater board size and a higher number of independent directors have a positive and substantial impact on the pay for CEOs. Fernandes (2008) and

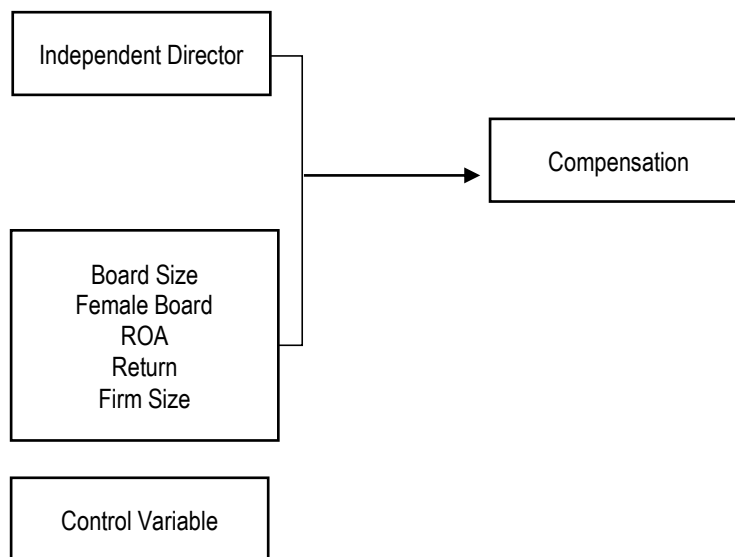
Ozkan(2007) analysed the correlation between firm results, board structure and top executive pay. The Literature Review explains the influence of the board structure in various countries and environments. Based on a literature review, it can be inferred that the composition of the boards may influence the executive or director's pay structure.

Firm performance is one of the bases that can be used to measure how good a firm is performing financially. Good financial performance with the addition of implementing good corporate governance could be considered as a well performing firm. Performance and corporate governance in return provide a compensation package for executive or director. Studies done by Majid et al. (2019); Smirnova & Zavertiaeva (2017) indicates that firm performance measured in ROA, EPS, profitability, and other accounting measures showed a positive significant relationship towards compensation.

The correlation between firm's size and compensation is not a surprising and have several research to back the claim. Research done in Germany by Andreas et al, (2010) indicates that for every size doubling of a firm by measuring an asset the total director compensation also increases by 26%. The end of the research also indicates that firm size plays an important role in affecting director's compensation as it showed a positive significant relationship. Research done in Pakistan indicates that firm size is the major determinants of CEO compensation (Usman et al., 2015). In Spain, firms' size positively affect the compensation for all categories of directors, be it independent directors or non-independent directors (Acero & Alcalde, 2019). The research studies performed, based on the theories above, all support the argument that firm size is a concluding factor in determining compensation for directors' alike.

Larger boards are likely to contribute to higher level of expertise. Larger board could lead to less internal control and thus executives like directors' and such will have more influence over their own pay. The larger the board the less effective the monitoring hence the higher the compensation could be set. Other literature indicates that larger boards are related to higher compensation for executives i.e. (Crocì et al., 2012; Fahlenbrach, 2009; Ozkan, 2011; Shah et al., 2009). Previous research suggests firm size accounts as the variable that have a significant positive relationship with executive or directors' compensation. (Acero & Alcalde, 2019; Andreas et al., 2010; Usman et al., 2015; Ying-fen & Wei-Chi Liu, 2004) at the same time those previous research also indicates that company's performance plays a role in deciding executive or director's compensation. Board size, board diversity, diversity and even dissemination of information are important variables in other research they were proven to have a significant relationship with total compensation received (Al-Najjar, 2017; Buigut et al., 2014).

This study will investigate whether the presence of independent director in a company could influence their total compensation received. The following research model is used to conduct this research.



Source : Researcher (2021)

Research Methods

The approach for this study is quantitative research variables chosen to study the factors affecting independent director compensation in publicly listed Indonesia companies. The relationship between the variables

was then studied using a research model. Independent variable chosen was independent director with several controlling variables namely, board size, female board as dummy variable, return on assets (ROA) and stock market price

Purposive sampling is a method of sampling whereby the sample criteria was determined by the researcher (Sugiyono, 2019). The sample were determined by special characteristics that are in accordance with the research objectives so that it is expected to be able to answer the research problem. Purposive sampling is used because not all samples meet the criteria to be studied, so the researcher chooses this technique so that certain criteria or considerations can be perfectly fulfilled as a sample of this study. The sample criteria used in this study are companies that are listed as best of the best company in 2020 by Forbes Indonesia. Companies included in this list above was ranked based by using various metrics, including three-year ROA, company growth, to make it more valid, the list was then screen further for their practice of good corporate governance (Forbes, 2020).

Total director compensation was used to measure the compensation received by executives. The dependent variable was measured by natural logarithm of the total compensation, LN(1+compensation) which is measured by the sum of the base salary and bonuses, in Indonesian context this remuneration package was awarded to those individuals assigned as the directors of the company (Chou & Buchdadi, 2018). Therefore, this variable was measured as follows:

$$Y = \ln (1+\text{Total Compensation})$$

Indonesian companies follow a two-tier system with a clear separation of supervisory and managerial functions (Noor Pradita & Afriani Utama, 2020). Individuals with no ties to the controlling shareholders, management, or other board members are considered independent directors (Tulung & Ramdani, 2018). The presence of an independent director on the board to represent the interests of the company's minority shareholders. Independent director variable was measured by the percentage of ratio of independent director to the number of board of directors (Noor Pradita & Afriani Utama, 2020).

$$X = \frac{\text{Number of Independent Directors}}{\text{Board Size}} \times 100\%$$

In this study there are five control variables, namely stock price return (C1), female board (C2), return on assets (C3), board size (C4) and firm size (C5). The explanation for each control variables is as follows. The stock price return in this study refers to the yearly rate of return or more commonly known as annual percentage rate. Female boards refer to the gender of the directors in board of directors, this variable also serves as a dummy variable. Return on assets or ROA is a measurement that tracks the ability of a company to generate profits from all its assets used. The Return on Assets (ROA) ratio depicts the relationship between a company's earnings and asset base. Board size refers to the number of board members in the company's very own organizational structure. (Tulung & Ramdani, 2018). Board size could also refer to the total number of directors on the board if the countries adopt a two-tier system in which monitoring role were done by commissioners and operational day to day management were overseen by board of directors. The last control variable is firm size, many previous studies investigated firm size as a determinant of compensation and reported that firm size variable was indeed one of the major determinants of compensation, in this study firm size is measure by taking the natural logarithm of total assets. Board size and firm variables were measured by using its natural logarithm, stock price return and return on assets were measured by percentage and ration whereas female board is treated as dummy variable. The formula is as follows.

$$C1 = \frac{\text{End of Year Price}-\text{Beginning of Year Price}}{\text{Beginning of Year Price}} \times 100\%$$

C2 = 1 if there were any females serving as board of director and 0 if all the board members are male.

$$ROA (C3) = \frac{\text{Net Income}}{\text{Total Assets}}$$

$$\text{Board Size (C4)} = \ln(1 + \text{Total Number of Directors in Board of Directors})$$

$$\text{Firm Size (C5)} = \ln(1 + \text{Firm's Total Assets})$$

The data were extracted from company's annual report from the year 2015 – 2019. The object of the sample was a list published by a well-known business magazine. The list comprises of fifty (50) publicly company listed in Indonesian exchange. It was grouped as "Best of the Best Company 2020" published in Forbes magazine Indonesia. Panel regression analysis is used in this study. Data analysis covers a few test, descriptive statistics and Hypothesis testing will also be analysed. Two statistical software is used to help analyse the data set. The study was carried out by SPSS and E-views. In this study F-test, T -test and co-efficient determination is used to analyse the hypothesis.

The F-statistic determines whether a model is statistically different from the mean. If the (prob) value is more than 0.05, the acceptable decision is to accept null hypothesis. The F-test compares the mean sum of squares for the model's residuals and the overall mean of the data. The t-test is a type of statistical analysis in which the measured mean is compared to the population mean, or a baseline mean, in terms of standard deviation, it determines whether two means are significantly different (Levine et al., 2014) If the (prob) value is more than 0.05 the decision is to reject the hypothesis or the independent variable has no significant relationship towards dependent variable. The coefficient of determination will also be used to analysed the sample set, it is a measurement used to explain how much variability in one factor can be attributed to its relationship to another. The "goodness of fit" of this correlation is represented as a value between 0.0 and 1.0. It indicates the number of data points that fall within the results if the regression equation's line.

Results and Discussion

The data were gathered from company's annual report spanning from 2015 – 2019, fifty (50) companies were listed in the list for best of the best company in 2020. Total number of samples gathered are shown below.

Table 1 Data Sample Gathered

Year	N
2015	50
2016	50
2017	50
2018	50
2019	50
Grand Total	250

Source: Secondary Data Processed (2021)

Table 2 Descriptive Statistics

Variable	Descriptive Statistic				
	N	Mean	Minimum	Maximum	Standard Deviation
Compensation	250	23.883	0.000	27.091	2.068
Independent Director	250	0.197	0.000	1.000	0.164
Return	250	0.149	-0.722	3.620	0.445
Female Board	250	0.476	0.000	1.000	0.500
ROA	250	0.730	-0.300	0.316	0.053

Board Size	250	1.829	0.000	2.565	0.327
Firm Size	250	29.568	0.000	34.887	2.779

Source: Secondary Data Processed (2021)

The mean or average compensation received is around 23.953 in the form of natural logarithm number, by inverting this figure we will get a figure of 23,564,330,827 billion rupiah. Maximum compensation received stands at 27.091 or 583,027,388,061 billion rupiah, for independent directors. The mean indicates on average there is at least 1 (one) independent director in this sample. Maximum number is or 2.7 if we inverse this figure back from the natural logarithm it indicates the maximum number is 2 persons.

The mean for annual return of stocks stands at 14.9%, this indicates the average stock return is around 14.6%. The average ROA return in this sample is 0.073 or 7.30%. Board size and firm size average stands at 1.829 and 29.568 in the form of natural logarithm by inverting the numbers the average for both variables stands at 6.207 and 6,937 trillion rupiah respectively, this means the average board number in the sample have at least 6 board members, whereas the firm size in terms of total assets stands at 6,937 trillion rupiah. The minimum value for return of stocks is -0.722 which indicates a loss of -72% in stock price. The maximum value in this sample for return is 3.620 and ROA is 0.316. The highest value of stock return is at 362% and the highest return on assets is 31.60%.

Outlier test was conducted to test for extreme values since the data spread were not normal. Z-score was used to identify extreme values. Outlier test found that there were outlier data with extreme value of >3 or <-3, tabulated below are those data set with extreme values under Z-score criteria. Data listed as extreme value were removed before further testing.

Table 3 Outlier

Outlier Test			
Company	Year	Remarks	
Bank Rakyat Indonesia	2015	Extreme Value	
Bank Rakyat Indonesia	2016	Extreme Value	
Bank Rakyat Indonesia	2017	Extreme Value	
Bank Rakyat Indonesia	2018	Extreme Value	
Bank Rakyat Indonesia	2019	Extreme Value	
Multifiling Mitra Indonesia	2016	Extreme Value	
Multifiling Mitra Indonesia	2019	Extreme Value	
Sekar Laut	2017	Extreme Value	
Sillo Maritime Perdana	2015	Extreme Value	

Source: Secondary Data Processed (2021)

The next section is regression analysis of panel data. This analysis is a combination of cross section data and time series, in which the same unit cross section is measured at different times. In this data sample the number of time units is different for everyone therefore resulting in an unbalanced panel. This were due to the elimination of extreme value done previously in outlier test. This analysis includes few tests including Chow test, Hausman test, hypothesis testing in the form of t – test and F – test and lastly goodness of fit model to see which model fit best for this research.

Table 4 Common Effect Model Output

Common Effect Model			
Variable	Coefficient	t-Statistics	Prob.

Independent Director	3.823	7.949	0.000
Return (C1)	-0.192	-1.406	0.160
Female Board (C2)	0.005	0.052	0.957
ROA (C3)	2.190	2.212	0.027
Board Size (C4)	1.493	5.362	0.000
Firm Size (C5)	0.481	12.28	0.000

Source: Secondary Data Processed (2021)

Table 5 Fixed Effect Model Output

Fixed Effect Model			
Variable	Coefficient	t-Statistics	Prob.
Independent Director	0.797	1.482	0.139
Return (C1)	-0.142	-2.186	0.030
Female Board (C2)	-0.010	-0.086	0.931
ROA (C3)	-0.231	-0.205	0.837
Board Size (C4)	0.556	1.802	0.073
Firm Size (C5)	0.695	6.630	0.000

Source: Secondary Data Processed (2021)

Table 6 Random Effect Model Output

Random Effect Model			
Variable	Coefficient	t-Statistics	Prob.
Independent Director	1.381	2.918	0.003
Return (C1)	-0.150	-2.343	0.020
Female Board (C2)	0.036	0.332	0.740
ROA (C3)	0.341	0.340	0.733
Board Size (C4)	0.644	2.439	0.015
Firm Size (C5)	0.554	10.73	0.000

Source: Secondary Data Processed (2021)

Table 7 Chow Test Output

Chow Test			
Effect Test	Statistic	d.f.	Prob
Cross-section F	21.90	(48,18)	0.000
Cross-section Chi - Square	456.7	48	0.000

Source: Secondary Data Processed (2021)

The result indicate that the p value is 0.000 or less than 0.05, hence the better model is Fixed Effect Model (FEM) and further test is required to select between Random Effect model (REM) or Fixed Effect model.

Table 8 Hausman

Hausman Test			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f	Prob
Cross-section random	13.58	6	0.034

Source: Secondary Data Processed (2021)

Further test is required to select best model fitted to interpret the data panel. If the p value of this test exceeds 0.05 then Random Effect model is best suited for data interpretation. A p value less than means Fixed Effect Model is the appropriate model amongst all three.

Table 9 Fixed Effect Model Output

Fixed Effect Model			
Variable	Coefficient	t-Statistics	Prob.
Independent Director	0.797	1.482	0.139
Return (C1)	-0.142	-2.186	0.030
Female Board (C2)	-0.010	-0.086	0.931
ROA (C3)	-0.231	-0.205	0.837
Board Size (C4)	0.556	1.802	0.073
Firm Size (C5)	0.695	6.630	0.000

Source: Secondary Data Processed (2021)

Table 10 F – Test Output

F - Test	
F- Statistic	74.54
Prob (F - Statistic)	0.000

Source: Secondary Data Processed (2021)

F – test is conducted to analyze the significance relationship of independent variable towards dependent variable simultaneously. If (prob) value exceeds 0.05, the null hypothesis is accepted and independent variable has no significant relationship with dependent variable. If it is less than 0.000, however, the number of independent directors simultaneously has a significant relationship towards the total compensation received. This is aligned to the finding of both Andreas et al (2010) & Fernandes (2008) in which the larger the number independent director in a company structure the higher the likelihood of larger total compensation received.

Table 11 t – Test Output

Group Statistics					
Rank for	N	Mean	Std. Deviation	Std. Error Mean	
Compensation	0	117	24.356	1.468	0.136
	1	124	23.573	1.147	0.103

Source: Secondary Data Processed (2021)

H0: The difference of the means is equal to zero

H1: The difference of the means is not equal to zero

The t – test is conducted to analyze the significance of independent variable towards dependent variable partially. If (Prob) value exceeds 0.05 the null hypothesis is rejected or in other word the independent variable has no significant relationship towards dependent variable. For this test the sample were divided into two groups making this an independent sample t-test. The first group belong to group with the percentage of independent director to

the number of board of directors with less than 20% represented with number "0", the other group belongs to group with the presence of independent directors amounting to more than 20%.

Table 12 Independent Sample t-test
Independent Sample t-test

	Levene's Test for Equality of Variances		t-test for Equality of Means				95% Confidence Interval of the Difference		
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Equal variances assumed	12.970	0.000	4.626	239	0.000	0.783	0.169	0.449	1.116
Equal variances not assumed			4.594	219.401	0.000	0.783	0.170	0.447	1.118

Source: Secondary Data Processed (2021)

Table 11 provides information about the group comparisons including sample size (n), mean, standard deviation and standard error for compensation received. Table 12 displays the results most relevant to the independent samples t-test. The p-value of Levene’s test shows “.000”, so null of Levene’s test is rejected and conclude that the variance in compensation received between the two groups were significantly different. The average compensation received was 0.783 or 2 times larger for group 1 compared to group 0. This suggests that the mean compensation received for group 0 and group 1 is significantly different.

Table 13 t – test (Group 1)

t – test Group 1			
Variable	Coefficient	t-Statistics	Prob.
Independent Director	3.593	1.027	0.000
Return (C1)	-0.183	0.174	0.297
Female Board (C2)	-0.325	0.148	0.030
ROA (C3)	2.610	1.291	0.045
Board Size (C4)	0.760	0.550	0.169
Firm Size (C5)	0.578	0.056	0.001

Source: Secondary Data Processed (2021)

Table 14 t – test (Group 0)

t – test Group 0			
Variable	Coefficient	t-Statistics	Prob.
Independent Director	1.533	1.262	0.210
Return (C1)	-0.263	-2.086	0.039
Female Board (C2)	-0.135	-0.541	0.589
ROA (C3)	4.278	1.822	0.071
Board Size (C4)	0.298	0.415	0.678

Firm Size (C5)	0.662	0.373	0.000
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Source: Secondary Data Processed (2021)

t – test was conducted again using the sample from group 1 and group 0. The result in table 13 showed the *p* value with less than 0.05 which indicates the variable of independent director has significant relationship with total compensation received, this shows that the higher the number independent director in a board composition the higher compensation received.

Table 15 Adjusted R - Squared

Cross - Section fixed			
R - squared	Adjusted R - squared	F - statistics	Prob (F - statistic)
0.955	0.943	74.54	0.000

Source: Secondary Data Processed (2021)

The value of adjusted R – squared the represent the model fit of the study, or in other word how big does an independent variable could explain the dependent variable of the study. The value tabulated in output indicate a value of 0.943, which means the independent variable selected (independent directors) could explain the variable dependent (compensation) by 94.3%, the remaining 5.7% could be explain by other variables that is not present in the model.

Conclusion

The research that has been carried out has the aim of analyzing the effect of number of independent directors on total compensation received. The average compensation received was 0.783 or 2 times larger for group 1 compared to group 0. This suggests that there is a relationship between the higher the number of presence of independent director in a board structure and the compensation received, the higher the number were the higher their compensation received as well. Both F-test and t-test indicates a positive significant relationship of the presence of independent directors positively influence the total compensation received.

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Appendix

Best Performing Publicly Traded Firm By Forbes

Company	Stock Ticker	Firm's Industry	Firm Subsector
Indoritel Makmur Internasional	DNET	Trade Services & Investments	Computer & Services
Mayora Indah	MYOR	Consumer Goods	Food & Beverage
Sinar Mas Multiartha	SMMA	Finance	Others
Ultrajaya Milk Industry & Trading Company	ULTJ	Consumer Goods	Food & Beverage
Sarana Menara Nusantara	TOWR	Infrastructure, Utility & Transportation	Non Building Construction
Ace Hardware Indonesia	ACES	Trade Services & Investments	Retail Trade
Industri Jamu dan Farmasi Sido Muncul	SIDO	Consumer Goods	Pharmacy
Gudang Garam	GGRM	Consumer Goods	Tobacco
Indofood CBP Sukses Makmur	ICBP	Consumer Goods	Food & Beverage
Bank MEGA	MEGA	Finance	Bank
United Tractors	UNTR	Trade Services & Investments	Wholesale
Mitra Keluarga Karyasehat	MIKA	Trade Services & Investments	Health Care
Telekomunikasi Indonesia	TLKM	Infrastructure, Utility & Transportation	Telecommunication
Sumber Alfaria Trijaya	AMRT	Trade Services & Investments	Retail Trade
Bank OCBC NISP	NISP	Finance	Bank
Bank Central Asia	BBCA	Finance	Bank
Pakuwon Jati	PWON	Property, Real Estate & Building Construction	Property & Real Estate
Kalbe Farma	KLBF	Consumer Goods	Pharmacy

Bank Rakyat Indonesia	BBRI	Finance	Bank
Bank Negara Indonesia	BBNI	Finance	Bank
Mitra Adiperkasa	MAPI	Trade Services & Investments	Retail Trade
Bukaka Teknik Utama	BUKK	Infrastructure, Utility & Transportation	Non Building Construction
KMI Wire and Cable	KBLI	Miscellaneous Industry	Cable
Siantar Top	STTP	Consumer Goods	Food & Beverage
Sillo Maritime Perdana	SHIP	Infrastructure, Utility & Transportation	Transportation
Kino Indonesia	KINO	Consumer Goods	Cosmetic & Household
Wijaya Karya	WIKA	Property, Real Estate & Building Construction	Building Construction
Selamat Sempurna	SMSM	Miscellaneous Industry	Automotive & Component
Tigaraksa Satria	TGKA	Trade Services & Investments	Wholesale
Metrodata Electronics	MTDL	Trade Services & Investments	Computer & Services
Adira Dinamika Multifinance	ADMF	Finance	Financial Institution
Supreme Cable Manufacturing & Commerce	SCCO	Miscellaneous Industry	Cable
Sri Rejeki Isman	SRIL	Miscellaneous Industry	Textile & Garment
Tunas Ridean	TURI	Trade Services & Investments	Wholesale
Maskapai Reasuransi Indonesia	MREI	Finance	Insurance
Duta Pertiwi	DPNS	Basic Industry & Chemicals	Chemicals
Wijaya Karya Beton	WTON	Basic Industry & Chemicals	Cement
Pan Brothers	PBRX	Miscellaneous Industry	Textile & Garment
Metropolitan Land	MTLA	Property, Real Estate & Building Construction	Property & Real Estate

Nippon Indosari Corpindo	ROTI	Consumer Goods	Food & Beverage
Island Concepts Indonesia	ICON	Trade Services & Investments	Tourism, Restaurant & Hotel
Multifiling Mitra Indonesia	MFMI	Trade Services & Investments	Others
Petrosea	PTRO	Mining	Coal Mining
Wahana Ottomitra Multiartha	WOMF	Finance	Financial Institution
Jasuindotiga Perkasa	JTPE	Trade Services & Investments	Advertising, Printing & Media
Pioneerindo Gourmet International	PTSP	Trade Services & Investments	Tourism, Restaurant & Hotel
Supra Boga Lestari	RANC	Trade Services & Investments	Retail Trade
Akasha Wira International	ADES	Consumer Goods	Food & Beverage
Sekar Laut	SKLT	Consumer Goods	Food & Beverage
Pyridam Farma	PYFA	Consumer Goods	Pharmacy

Source : Forbes (2020)