

Conference Paper

Good Corporate Governance Strengthening in Limited Company: Study at PERSERODA of South Sulawesi Province

Muh. Alwi, Armin Arsyad, Badu Ahmad, Muhammad Yunus

Doctoral Program of Public Administration, Faculty of social and political Sciences, University Hasanuddin

Abstract.

Good corporate governance is a vital system that regulates and controls companies, ensuring added value for all stakeholders. PERSERODA, a regional company, has undergone a transformation to become a Regional Public Company in accordance with the law. This study aims to analyze the implementation of good corporate governance in PERSERODA's management.

The research utilized a qualitative method, and the study location was PERSERODA in South Sulawesi Province. The primary data collection techniques included in-depth interviews and participatory observation. The research findings indicate that the principles of good corporate governance have not been fully and consistently applied to the company's activities, resulting in PERSERODA not fully maximizing its contribution to the region. To enhance the company's performance and output, it is essential to comprehensively apply the principles of good corporate governance throughout the organization. This will lead to increased quality in the company's operations and the outcomes it generates.

Keywords: good corporate governance, limited company, PERSERODA

Corresponding Author: Muh.
Alwi; email:
alwi@ecampus.ut.ac.id

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1. Introduction

Good corporate governance, in a way definitive, is the governing and controlling system company that creates a mark plus for all stakeholders [1]. There are two things to emphasize in the draft: First, important rights holder share: to obtain information with right and on time and, second, obligation company for making disclosures accurate, precise time, transparent to all information performance company, ownership, and stakeholders. Good Corporate Governance is fundamental for every organizational business if it wants to become a capable company competing in the global market. Phenomenon like This No regardless of support and roles as well as leader company, through style applied leadership. [2]. In the financial market alone, there is enhanced awareness that Good Corporate Governance is related to big companies. The institutional investor community

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believes that repair in Corporate Governance tends to improve performance instead of hindering development companies [3].

Good Corporate Governance will give four benefit big namely: increase performance company through creation of the taking process more decisions well, improve efficiency operational company as well as more increase service to stakeholders; increasing corporate values; increase investor confidence; as well as holder share will feel satisfied with performance company Because at a time will increase shareholder's value and dividends [4]. The concept of good corporate governance requires four main components: fairness, transparency, accountability, and responsibility. The fourth component is important because the application of the principles of good corporate governance in a consistent manner can increase quality report financial as well as inhibit activity manipulation, resulting in performance report finance and no description of a firm's fundamental values [5].

A business entity owned by an area is a company established by the government capital area or entirely owned by the government area. Objective establishment of a company area for the development and construction potency economy in the area concerned. BUMD requires optimized management to become a reliable economy so that it can play an active role in operating functions and duties, or as a strength economy area (Satria, 2019). From a business perspective, BUMD becomes a tool for obtaining profit. Indicator success of a BUMD can be seen from its position in market share, donations to the finance area, donations to the activity economy, and development area. For BUMDs that move in the field expediency public (public utility), then indicator success the will looked from ability to provide the required items public good in quantity or adequate quality [6].

In Indonesia, there are a number of form companies that can be labelled as business entities owned by one of which is located in South Sulawesi Province. BUMD in South Sulawesi Province is moving in a multi-dimensional orientation, starting from finance, banking, services insurance, parking, and up to company construction. One of the BUMD owned South Sulawesi Province and received considerable attention from the government as a regional company (PERSERODA). PERSERODA is a regional company that was changed shape to become a Regional Liability Company according to the provision in Constitution Number 23 of 2014 concerning Regional Government. kindly technical all form activity and scope about PERSERODA regulated in Regional Regulation of South Sulawesi Province Number 2 of 2020 concerning change from law company area of South Sulawesi to company area.

GCG is required to encourage the creation of an efficient, transparent, and consistent market with laws and regulations. GCG implementation needs to be supported by three interconnected pillars: the state and its agencies as regulators, the business world as market players, and the community as users of business products and services. There are four main components needed in the concept of GCG: fairness, transparency, accountability, and responsibility (Kaen, 2003; Shaw, 2003). These four components are important because the consistent application of the principles of good corporate governance has been shown to improve the quality of financial reports and can also become an obstacle to performance engineering activities, resulting in financial reports not reflecting the company's fundamental values.

PERSERODA's activities in South Sulawesi Province are still lacking. A very low level of transparency is a problem in PERSERODA of South Sulawesi Province. In addition, the form accountability held by managers is not yet capable of being done in a fair and right manner. which is not lost importance is form responsibility to society and the environment not yet can show significant results so that not yet can be maintained in a manner continuous. based on description draft as well as description general about phenomenon that occurs, then study This aim for analyze application the principles of good corporate governance of the company area South Sulawesi Province. With his study, this expectation can provide a contribution idea for company areas to be able to improve the governance model company towards more OK.

2. Methods

Qualitative research methods were used in this study. The qualitative research method in this study aims to explain or describe problems in a systematic, factual, and accurate manner [7]. Location research, namely at PERSERODA of South Sulawesi Province, the selection of these locations was based accordingly on the problem that governance at PERSERODA is not appropriate with condition ideally based on suitable concept. Informants in this study are people who are authorized to provide information about PERSERODA governance, especially at the level of directors and managers of PERSERODA South Sulawesi province.

Primary and secondary data were obtained. Primary data are obtained directly from original sources (not through intermediary media), which can be in the form of individual or group subject (person) opinions, observations of an object (physical), events or activities, and test results. Secondary data are obtained in a ready-made form or in the form of publication data. The primary data in this study are the results of direct interviews with

informants and observations about traditional village institutions' keitemung, while the secondary data consist of data related to the structure of customary village institutions as well as design organization in a manner generally obtained from the internet, books, journals, and previous researchers.

Participatory observation, namely observation where the researcher is involved in the daily activities of the people being observed or used as a source of research data. The study of documentation, namely, studying documents or records of events that have passed. The data analysis technique in this study uses the data analysis model from Miles, Huberman, and Saldana [8], namely, interactive analysis.

3. Results and Discussion

Good corporate governance, known as good corporate governance, emerged not solely because of the awareness of the importance of the concept of GCG, but was motivated by the rise of scandal befalling company companies. Company or corporation moment: This has developed from something relatively not clear become the institution's great world economy dominant. Strength the sometime capable dictate until to in government a country, so be No Empower in face deviation the behavior of the perpetrators influential business [9].

Research that focuses on the size success of PERSEKOD South Sulawesi in the analysis through the application of the principles of good corporate governance. There are four main components needed in the concept of good corporate governance: fairness, transparency, accountability, and responsibility [5] [10]. Thus, from the focus application-oriented research to the four principles, the results found in this study are as follows:

First, based on principle transparency, information must be disclosed in an appropriate and accurate manner. Disclosed information, including circumstances finance, performance finance, ownership, and management companies. Openness is done so that the holder shares and others know the circumstances of the company so that the markholder share can improve [5] [10]. In PERSEKOD, South Sulawesi Province found that a transparency company had not yet walked with OK. This shows that there is no openness information base at the organizational level: good from the manager to the board of directors or from manager to employees. In addition, true employees who get information mainly in company complained about Still often lateness information provided by the ranks at the top level of the company, which makes employees build diverse perceptions.

Both on the side accountability, where the company has to take responsibility performance in a transparent and fair manner. The company must manage in a manner That is true, measurable, and appropriate with an interest company that still considers interest holder shares and shareholders' interests. Accountability is a prerequisite for achieving sustainable performance [5] [10]. The results of the study show that accountability in PERSERODA South Sulawesi Province is still very low. The condition seen with the Still low-form accountability administration run by managers to classify the board of directors underestimates the report-responsible reported answer. Besides accountability administration, accountability substances such as application values as well as prevailing norms in the Provincial PERSERODA company South Sulawesi have not yet approached all ranks administrator in an organization that makes mark accountability in a manner that does not reach a maximum.

Third, responsibility. Companies, leaders, and managers do activities in a manner responsible for answering questions. The company must obey regulation legislation and carry out insufficient answers to society and the environment so that continuity business can be maintained for a long period and confession as a good corporate citizen [5] [10]. The company under the shade of the PERSERODA government of South Sulawesi Province is not yet capable of responding well to situations that occur and tends to ignore aspects that can influence the company. Weak-level responsibility to PERSERODA of South Sulawesi Province is also seen from side program planning and implementation, not yet mapu answer challenges faced by the company.

Last and not lost importance is defined as fairness as fair and equal treatment within fulfilling arising stakeholder rights based on agreement as well as regulation-applicable laws. Fairness also includes existing clarity rights financiers, system law, and enforcement regulations for protecting investors' rights in particular holders who share minorities from various forms of fraud [5] [10]. The results of the research conducted through interviews and observations show level fairness in the PERSERODA of South Sulawesi Province completely Still not ideal. Form opportunity given company in reception employee, career and implement his job not professionally walk well and sometimes tend based on appraisal subjective superiors company. In addition, the company in gives stakeholders an opportunity to give input and submit opinions for interested companies as well as open access to information in accordance with principle transparency in scope, their respective positions yet fully walk. Group managers tend not to give enough access to the board of directors related to substantive and technical matters from which activities are carried out, which potentially raises conflicts and setbacks for the company.

4. Conclusion

When applying Corporate Governance values, the company uses a strong belief approach to benefit from the implementation of good corporate governance. Based on firm belief, high spirits will grow for application in accordance with international standards. In matter application, the principle of good corporate governance must realize that the implementation of good corporate governance will only be effective with existing principle obedience in business activities every day, especially formerly implemented by rank management and then followed by all employees. Through consistent, firm, and continuous implementation from the entire perpetrator business. In the PERSERODA context in South Sulawesi Province, the application principles of good are yet to be fully effective. From the results of the research conducted, four main principles in GCG yet anyone can apply in a manner comprehensive and consistent in activities company so that PERSERODA is capable of maximizing contribution to the area. Indeed, Applying the principles of good corporate governance in a manner that is comprehensive in the company will be capable of increasing quality company good from side performance as well as aspects of the resulting output company.

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