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Beyond Harmonization: Exploring the Synergies of ACGS Implementation in Singapore, Thailand and Indonesia

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Abstract: This study analyzes the ASEAN Corporate Governance Scorecard (ACGS) performance of three companies: Keppel (Singapore), Central Retail (Thailand) and Bakrie & Brothers (Indonesia). This research employs a qualitative method with a descriptive approach. The data analysis technique used is document content analysis. The data analysis procedure is carried out by collecting data sources, analyzing the collected data using the ASEAN Corporate Governance Scorecard and calculating the final score based on the predetermined weights. The results of this study indicate that Central Retail achieved the highest score among the companies, followed by Keppel and Bakrie, in the implementation of ASEAN Corporate Governance Scorecard Level 1. This finding aligns with institutional theory, which suggests that the implementation of corporate governance (CG) practices is influenced by institutional norms and expectations, as reflected in the ASEAN Corporate Governance Scorecard.

Keyword: ACGS, Corporate Governance, Institutional Theory

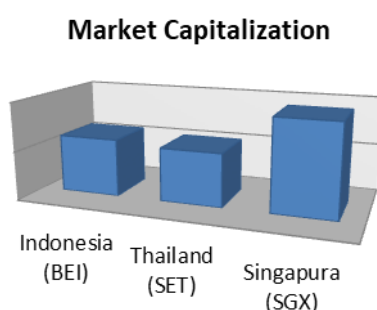
INTRODUCTION

Good corporate governance is a crucial pillar for a healthy and sustainable economy. This is particularly important in today's globalized era, where investors and stakeholders are increasingly scrutinizing companies' credibility and accountability (Susilowati et al., 2023). Good corporate governance plays a pivotal role in ensuring that companies operate efficiently, transparently, and responsibly towards all stakeholders, including shareholders, employees, customers, and society at large (Asensio et al., 2019). By ensuring that decisions are made with consideration for the interests of all stakeholders, including the company's long-term needs and its impact on society, companies can engage in responsible business practices (Ghazali, 2020). This is essential in addressing global challenges such as climate change, inequality, and economic uncertainty (Rendtorff, 2020). By adopting this approach, companies not only enhance shareholder value but also contribute to broader environmental and social sustainability (Bui & Krajcsák, 2024).

In the Southeast Asian region (ASEAN), the implementation of good corporate governance has become a major focus to enhance competitiveness and attract foreign investment. One significant instrument employed to promote good corporate governance in ASEAN is the ASEAN Corporate Governance Scorecard (ACGS). The ACGS has emerged as a critical tool in driving sound corporate governance practices across the ASEAN region. By evaluating and ranking corporate governance across member countries, the ACGS provides a deeper understanding of the strengths and weaknesses in corporate governance practices at the regional level. This enables countries to identify areas where improvement is needed and develop strategies to enhance their corporate governance standards (Tanjung, 2023). Moreover, the ACGS also contributes to promoting transparency and accountability, as companies with low rankings may feel pressure to improve their practices to better align with the established standards. Consequently, the ACGS not only enhances the competitiveness of firms in the global market but also helps create a more stable and integrity-driven business environment in the ASEAN region, which can, in turn, attract foreign investment and support sustainable economic growth.

The pillars enshrined in the ACGS are shareholder rights and roles, corporate governance structure and responsibilities, transparency and disclosure, accountability and audit, and the rights of other stakeholders. By adhering to these principles, companies in the ASEAN region are projected to enhance their governance quality, mitigate risks, and foster investor confidence, ultimately supporting sustainable economic growth across the region (Maione, 2023). This carries broad positive implications, as enhanced investor confidence will drive greater investments into the ASEAN region. These increased investments can help fuel sustainable economic growth across the region, creating employment opportunities, boosting incomes, and delivering other socioeconomic benefits to ASEAN communities (Klepczarek, 2023).

The ACGS facilitates improved transparency and disclosure by listed companies, promotes the adoption of sound corporate governance practices, assists investors in assessing investment risks and prospects, and enhances the competitiveness of the ASEAN capital market (Doni et al., 2022). The ASEAN capital market encompasses several countries, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. The stock exchanges with significant capitalization are those in Singapore, Thailand, and Indonesia. This is illustrated in Graph 1.



Graph 1. Market Capitalization in ASEAN

Source: Processed Data, 2024

The Singapore Exchange (SGX) boasts a robust market capitalization and serves as a prominent financial hub in Asia. Examining the application of the ACGS to companies listed on the SGX can be an intriguing topic, given its potential impact on corporate governance in Singapore and the broader ASEAN region. The Stock Exchange of Thailand (SET) stands as one of the exchanges with a substantial market capitalization in the ASEAN region. Thailand possesses a large and rapidly growing economy, and the SET serves as the primary

platform where Thai companies and companies from other countries can be listed and traded. The implementation of the ACGS on companies listed on the SET is also an interesting aspect to consider. The Indonesia Stock Exchange (BEI) also plays a significant role in the context of market capitalization in ASEAN. Indonesia is one of the nations with the largest economies in the ASEAN region, and the BEI serves as the primary platform where Indonesian companies can be listed and traded. While the BEI may not possess a market capitalization as large as the Singapore Exchange (SGX) or the Stock Exchange of Thailand (SET), nevertheless, the BEI's role in the Indonesian economy and Indonesia's role in the ASEAN region position it as a crucial player in the ASEAN capital market.

Several studies have addressed the topic of ACGS implementation, including Soleha et al. (2024) who analyzed ACGS implementation in banking companies. Apsari, P. D., & Puspita (2023) analyzed the implementation of the ASEAN Corporate Governance Scorecard (ACGS) in Indonesia. Putra & Adam (2024) examined the effect of ACGS implementation on the profitability of Indonesian public companies in 2021. Panangian & Sudarma (2022) analyzed ACGS implementation at PT Lippo Karawaci and suggested further research on the same topic but with different research objects. Therefore, this study was conducted with a different research object and a broader context, exactly in three ASEAN countries Singapore, Thailand and Indonesia.

THEORETICAL FRAMEWORK

Institutional Theory

Institutional Theory (IT) is a prominent theory in the social sciences, particularly in the fields of organizational sociology, management, and accounting. IT serves as a conceptual framework for understanding how structures, rules, norms, and practices within organizations and societies are formed, evolve, and transform over time. This theory delves into how institutions (such as companies, governments, non-profit organizations, and others) are not only influenced by their external environments but also how they, in turn, influence and shape those environments (Voronov & Weber, 2020).

Institutional Theory (IT) provides a keen lens for comprehending organizational behavior within its social context. At the heart of this theory lies the notion that organizations are embedded within intricate networks of institutions, and their structures, cultures, and practices are shaped by external norms, values, and rules (Glynn & D'anno, 2023).

Furthermore, this theory elucidates how organizations, to achieve legitimacy and survival, tend to adapt to the institutional expectations and pressures prevailing within their environment. This can manifest through various mechanisms, such as institutional isomorphism, where organizations mimic the structures and practices of other organizations perceived as successful or legitimate, or institutional legitimacy, where organizations strive to gain the approval and support of external stakeholders.

Institutional Theory encompasses several distinct perspectives, such as neo-institutionalism, which focuses on formal structures and rules, and socio-cultural institutionalism, which emphasizes socially shared norms, values, and meanings. Institutional Theory (IT) is frequently employed in organizational studies to elucidate why certain organizations adopt specific forms and practices, how institutional change occurs, and how organizations can acquire and maintain legitimacy within their environments (Coates et al., 2023).

Publicly traded companies in the ASEAN region utilize the ACGS as a widely accepted benchmark for best practices in their endeavors to enhance their legitimacy in the eyes of stakeholders. The ACGS can serve as a norm followed by organizations in their

efforts to meet the expectations and professional standards within the region (Bi et al., 2022).

In the ASEAN context, the ACGS can function as a tool for fostering homogeneity among organizations within specific domains, such as the banking sector or multinational corporations. By employing a common instrument, organizations can share best practices and engage in benchmarking, potentially enhancing overall efficiency and performance across the region (Effah et al., 2023).

Institutional Theory and the ACGS are intricately intertwined. Institutional Theory can assist firms in comprehending how unwritten norms, values, and rules influence corporate governance. The ACGS can empower companies to manage accountability and governance costs in a manner aligned with these norms and values (Handley & Molloy, 2022).

The ASEAN Corporate Governance Scorecard (ACGS)

The Association of Southeast Asian Nations (ASEAN) has emerged as a dynamic economic bloc, boasting a population of over 660 million and a rapidly growing GDP. However, to fully unlock its economic potential and attract sustained foreign investment, strong corporate governance practices are crucial (Parada et al., 2020). This is where the ASEAN Corporate Governance Scorecard (ACGS) comes into play.

Developed by a consortium of regional governance experts, the ACGS serves as a robust instrument for evaluating and ranking corporate governance practices across publicly listed companies in the six member nations: Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The scorecard itself is a comprehensive framework built upon five core pillars:

1. **Rights and equitable treatment of shareholders:** This principle ensures that shareholders have a clear voice in the company's direction and are protected from unfair practices. It assesses factors like voting rights, information access, and mechanisms for addressing shareholder concerns.
2. **Structure and responsibilities of the board:** A well-functioning board with clear roles and responsibilities is essential for effective corporate governance. The ACGS evaluates the composition and independence of the board, along with its oversight capabilities and risk management practices.
3. **Transparency and information disclosure:** Transparency fosters trust and accountability. The ACGS assesses the timeliness and accuracy of financial reporting, the company's commitment to regular disclosures, and its communication channels with stakeholders.
4. **Accountability and audit:** Strong accountability mechanisms are necessary to ensure responsible management actions. The ACGS evaluates the effectiveness of internal controls, the independence of external auditors, and the company's processes for addressing financial irregularities.
5. **Rights of stakeholders other than shareholders:** Good corporate governance goes beyond just shareholders. The ACGS considers the rights and interests of other stakeholders, such as employees, creditors, and the broader community, by evaluating how companies address environmental and social concerns (Samlal, 2020).

The implementation of the ACGS has already yielded positive results. Companies across ASEAN are increasingly recognizing the importance of good governance and are actively working to improve their ACGS rankings. This, in turn, is leading to a more transparent and accountable business environment in the region, attracting foreign investment and fostering sustainable economic growth (Ulrich & Speidel, 2023).

However, challenges remain. There are ongoing efforts to ensure consistency in the application of the ACGS across different member countries. Additionally, promoting a

strong corporate governance culture within companies requires ongoing education and capacity building for directors and management teams (Stacchezzini et al., 2020).

Despite these challenges, the ACGS has established itself as a cornerstone for strengthening corporate governance in ASEAN. As the region continues to develop, the ACGS will undoubtedly play a vital role in attracting investment, promoting transparency, and ultimately, ensuring sustainable economic prosperity for all member nations (Kumkit et al., 2024).

METHOD

This research employs a qualitative research methodology. Patton (2020) emphasizes that qualitative research places greater emphasis on in-depth meaning, understanding, and interpretation of a phenomenon. Creswell (2019) outlines several common types of qualitative research, including case studies, ethnography, phenomenology, grounded theory, and narrative research. Miles & Huberman (2019) describe qualitative data analysis steps that are conducted iteratively and flexibly, following the research process and the researcher's understanding of the data.

Documentation data collection technique is a crucial method in qualitative research for gathering information from various written sources. The documentation data in this study consists of the companies' annual reports for the year 2023. The rationale for selecting 2023 is that the ACGS was revised and adopted during the ACMF International Conference.

According to Muljono (2002), research instruments are tools used by researchers to collect data for a study. In qualitative research methods, the researcher plays a crucial role as the primary instrument in the research process. This is because the researcher is the only one who directly collects data and carries out the pre-designed research procedures (Putri, 2016). This implies that the researcher themselves conduct the data analysis in this study.

The study utilizes both primary and secondary data. According to Hamta (2019), based on the method of acquisition, data can be classified into two categories: primary and secondary data. Primary data is collected directly from the subject of the research, while secondary data is derived from previous studies or research, or from publicly available data from other organizations. Primary data consists of documents obtained directly from the companies' official websites, such as annual reports, notices and minutes of AGMs, company articles of association, board charters, codes of ethics, and other documents related to ACGS indicators that are publicly accessible and valid. Secondary data, on the other hand, is gathered from external sources such as journals, articles, or previous research. Based on the ASEAN Corporate Governance Scorecard (ACGS) assessment criteria, here's a breakdown of the ACGS scoring ranges: 90-100: Very Good, 80-90: Good, 70-79: Fair, 60-69: Needs Improvement, Below 60: Poor.

RESULTS AND DISCUSSION

Company Profile of Keppel Coroporation

Keppel Corporation, a Singaporean multinational with a rich history, has transformed from its shipbuilding roots into a diversified conglomerate shaping a sustainable future. Headquartered in Singapore, Keppel operates across three core sectors through its subsidiaries.

The first pillar of Keppel's business is infrastructure. This sector focuses on solutions that address the growing global demand for clean energy and a sustainable environment. Keppel is a leader in renewable energy, providing expertise in areas like wind farms, solar solutions, and waste-to-energy plants. Additionally, they offer environmental services, helping industries and cities manage waste and pollution effectively.

The second pillar is real estate. Keppel plays a significant role in developing and managing properties across residential, commercial, and industrial segments. They leverage their expertise to create high-quality, sustainable living and working spaces that cater to the evolving needs of communities.

The third pillar is connectivity. Through this sector, Keppel provides telecommunication services and operates data centers, ensuring smooth information flow and connectivity in a digital age.

Interestingly, Keppel's commitment to sustainability extends beyond its individual sectors. The company recognizes the importance of a greener future and actively integrates eco-friendly solutions across its entire business portfolio. This focus on sustainability positions Keppel as a responsible and forward-thinking corporation.

Standing strong with over SGD 68 billion in assets under management (as of 2023), Keppel is a publicly traded company on the Singapore Exchange (SGX) under the code BN4.SI. Previously known as Keppel Shipyard, the company has strategically diversified its business interests, recently selling its oil rig building division, Keppel Offshore & Marine, to further streamline its focus. Keppel is also recognized for its adherence to good corporate governance practices, making it a trusted name in the global business landscape.

Keppel Corporation, a Singaporean conglomerate with a forward-thinking approach, has identified three core values that guide its operations and contribute to its success: Agile, Can-Do, and Trusted (ACT). These values are not just words on a page; they are actively woven into the fabric of Keppel's business culture, influencing decision-making and shaping its interactions with stakeholders.

Agility lies at the heart of Keppel's approach. The company recognizes that the world is constantly evolving, and the ability to adapt is crucial for survival and growth. Keppel fosters a culture of innovation and embraces new technologies readily. This agility allows them to anticipate market shifts, identify emerging opportunities, and develop solutions that cater to the ever-changing needs of their clients. For instance, Keppel's shift towards sustainable infrastructure solutions demonstrates their ability to adapt their business model in response to global environmental concerns.

Can-Do embodies the unwavering spirit of Keppel. It reflects a deep-seated belief in the company's ability to overcome challenges and deliver on its promises. This value is evident in Keppel's track record of successfully completing complex projects, often venturing into uncharted territory. It fosters a collaborative environment where employees are empowered to take ownership, solve problems creatively, and find innovative ways to achieve ambitious goals. This can-do attitude inspires confidence in Keppel's partners, investors, and clients, who know they can rely on the company's commitment to excellence.

Trusted underscores Keppel's dedication to ethical practices and transparency. The company prioritizes building strong relationships based on mutual respect and integrity. This translates into upholding the highest standards of corporate governance, ensuring responsible environmental practices, and maintaining a commitment to safety across all operations. By prioritizing trust, Keppel fosters long-term partnerships and attracts top talent who share the company's values. With a trusted reputation, Keppel positions itself as a reliable and dependable partner in the global marketplace.

In conclusion, Keppel's core values of Agile, Can-Do, and Trusted act as a compass, guiding the company's strategy, fostering a positive work environment, and ultimately contributing to its long-term success. These values allow Keppel to navigate a dynamic world, tackle challenges head-on, and build strong relationships with stakeholders, solidifying its position as a leading and responsible global conglomerate.

Measuring ACGS Implementation in Keppel Corporation

Measuring the implementation of the ASEAN Corporate Governance Scorecard (ACGS) can be done through several methods, including:

- Self-assessment: Companies can conduct their own assessment of ACGS implementation based on the guidelines and criteria set by the ASEAN Corporate Governance Scorecard Working Group.
- Benchmarking: Companies can compare their ACGS implementation with other companies in their industry or in the ASEAN region.

Based on the ACGS assessment conducted in this company using the applicable ACGS, the following results were obtained:

Table 1. Keppel Level Score

PRINCIPLE	TOTAL POINTS	POINTS ACHIEVED	WEIGHTING	SCORE
A	30	15	10%	5
B	18	14	10%	7.78
C	22	22	15%	15
D	29	23	25%	19.8
E	57	48	40%	33.68
Level 1 Score	156			81.26

Source: Processed Data, 2024

This table appears to summarize the results of an assessment of Keppel's corporate governance practices using a framework with five principles: A, B, C, D, and E. Each principle is assigned a total number of points, and Keppel's performance against each principle is evaluated based on the number of points achieved. The weighting column indicates the relative importance of each principle, and the score column calculates the weighted score for each principle. The final score, labeled "Level 1 Score," is the sum of the weighted scores for all five principles.

While Principle E holds the highest absolute point count, it's crucial to consider the relative importance of each principle as indicated by their respective weightings. Principle E, with a weighting of 40%, carries a significant influence on the overall score compared to the other suggests that Keppel's strong principles.

This performance in Principle E, particularly in areas like stakeholder engagement, transparency, and disclosure, has a substantial impact on its overall corporate governance standing.

Based on the table, Keppel has achieved a total of 81.26 points out of a possible 156 points. This represents an overall score of 52.12%, which falls within the range for a Level 1 score. A Level 1 score is typically considered to be a good indication of strong corporate governance practices.

It is important to note that this is just a snapshot of Keppel's corporate governance performance at a single point in time. A more comprehensive assessment would involve evaluating the company's practices over a longer period and considering other factors, such as the company's financial performance and its track record of compliance with laws and regulations.

Company Profile of Central Retail Corporation

Central Retail Corporation (CRC), a titan in the Thai retail landscape, has established itself as a prominent player across Asia and Europe. Founded as a humble shophouse in Bangkok, CRC has transformed into a multi-format, multi-category retail giant, bringing value to customers worldwide.

CRC's business can be broadly categorized into three core segments:

- **Fashion:** This segment reigns supreme, encompassing a vast network of department stores under the iconic Central Department Store brand. Here, shoppers can indulge in a curated selection of international and local fashion brands, cosmetics, and lifestyle products. CRC further expands its reach through standalone brand shops and a strong wholesale presence.
- **Hardline:** This segment caters to the home and improvement needs of consumers. CRC offers a diverse range of products under various retail banners, including HomeWorks (furniture and homeware), OfficeMate (stationery and office supplies), and B2S (books and educational supplies).
- **Food:** CRC understands the importance of satiating appetites. Through its Tops supermarkets, Tops FoodHalls offering premium selections, Tops Fine Food focusing on gourmet products, and the ubiquitous Tops Daily convenience stores (formerly FamilyMart stores converted), CRC ensures convenient access to groceries, fresh produce, and everyday essentials. Additionally, GO Wholesale caters to bulk purchases for businesses and families.

Central Retail's commitment extends beyond just product offerings. The company prioritizes sustainability initiatives, incorporating eco-friendly practices throughout its operations. They actively support local communities and champion social responsibility programs. CRC's success is attributed to its unwavering focus on customer satisfaction. The company fosters a culture of innovation, consistently seeking ways to enhance the shopping experience through digital integration, loyalty programs, and personalized offerings. Their robust online presence complements their physical stores, providing customers with seamless omnichannel shopping options.

Looking towards the future, Central Retail Corporation is poised for continued growth. With a strong foothold in Thailand and a growing presence in Southeast Asia, CRC is actively exploring new markets and strategic partnerships. Their commitment to innovation, customer focus, and responsible business practices positions them as a leading force in the ever-evolving retail landscape.

Central Retail Corporation (CRC) embodies their core values through the acronym "I•CARE," which stands for:

- **Innovation (I):**
CRC prioritizes staying ahead of the curve by embracing digitalization and fostering a culture of innovation. This translates into a constantly evolving shopping experience for customers, with elements like online integration, loyalty programs, and personalized offerings.
- **Customer (C):**
Customer satisfaction sits at the heart of CRC's philosophy. This is evident in their commitment to providing excellent service, offering high-quality products across diverse categories, and ensuring convenient access through a variety of retail formats (department stores, supermarkets, convenience stores, etc.).
- **Alliance (A):**
CRC emphasizes teamwork and collaboration, both internally within their workforce and externally with partners and suppliers. This collaborative spirit fosters a strong sense of community and allows them to achieve greater success by leveraging each other's strengths.
- **Relationship (R):**
Building strong relationships with all stakeholders is a cornerstone of CRC's approach. This includes fostering positive relationships with employees, suppliers, customers, and the communities they serve.
- **Ethics (E):**

Operating with integrity and upholding ethical standards is paramount for CRC. This translates into responsible business practices, environmental sustainability initiatives, and a commitment to fair treatment of employees and customers.

By adhering to these core values, Central Retail Corporation aims to deliver a positive and enriching experience for all stakeholders, while ensuring their own long-term success and responsible growth within the retail landscape.

Measuring ACGS Implementation in Central Retail Corporation

In the context of corporate governance, institutional theory suggests that companies are influenced by the institutional norms and expectations of their environment. This includes both formal regulations and informal practices that are considered to be legitimate and appropriate. Companies that conform to these norms are more likely to be perceived as legitimate and trustworthy, which can lead to a number of benefits, such as increased investor confidence, improved access to resources, and a stronger reputation. By using the ASEAN Scorecard to measure corporate governance practices, companies can demonstrate their commitment to institutional norms and expectations.

Based on the assessment conducted using the ASEAN Corporate Governance Scorecard, the following results were obtained:

Table 2. Central Retail Level Score

PRINCIPLE	TOTAL POINTS	POINTS ACHIEVED	WEIGHTING	SCORE
A	30	28	10%	9.3
B	18	15	10%	8.3
C	22	20	15%	13.63
D	29	25	25%	21.55
E	57	50	40%	35
Level 1 Score	156			87.78

Source: Processed Data, 2024

This table appears to summarize the results of an assessment of Central Retail's corporate governance practices using a framework with five principles: A, B, C, D, and E. Each principle is assigned a total number of points, and Central Retail's performance against each principle is evaluated based on the number of points achieved. The weighting column indicates the relative importance of each principle, and the score column calculates the weighted score for each principle. The final score, labeled "Level 1 Score," is the sum of the weighted scores for all five principles.

Based on the table, Central Retail has achieved a total of 87.78 points out of a possible 156 points. This represents an overall score of 56.3%, which falls within the range for a Level 1 score. A Level 1 score is typically considered to be a good indication of strong corporate governance practices.

A score of 80 or above indicates that a company has implemented effective corporate governance practices in most areas. This includes having a strong board of directors, ensuring transparency and disclosure, protecting shareholder rights, and managing risks effectively. Companies in this range are typically considered to be attractive investments and are well-positioned for long-term success.

However, it's important to note that the ACGS is just one tool for assessing corporate governance. Other factors, such as a company's financial performance and its track record of compliance with laws and regulations, should also be considered when making investment decisions (Hajawiyah et al., 2020).

In the context of the provided table, where Central Retail has achieved a Level 1 Score of 87.78, it falls within the "Good" range, indicating that the company demonstrates strong corporate governance practices overall. This is a positive indication of the company's commitment to good governance and its potential for long-term success.

It is important to note that this is just a snapshot of Central Retail's corporate governance performance at a single point in time. A more comprehensive assessment would involve evaluating the company's practices over a longer period and considering other factors, such as the company's financial performance and its track record of compliance with laws and regulations.

Company Profile of Bakrie & Brothers

PT Bakrie & Brothers Tbk. (BNBR), a prominent Indonesian conglomerate, boasts a rich history dating back to 1942. Founded by the late H. Achmad Bakrie, the company has undergone a remarkable transformation, evolving from a single entity to a diversified powerhouse spanning numerous industries.

BNBR's journey began with a focus on the steel pipe processing industry, pioneering this crucial sector in Indonesia. This initial success laid the foundation for further expansion. By the 1970s, BNBR ventured into structural steel construction, metalwork, and various infrastructure projects, solidifying its position as a key player in Indonesia's development.

Today, BNBR operates under the leadership of the Bakrie family and has strategically segmented its business into three core divisions:

- **Bakrie Infrastructure:** As a frontrunner in Indonesia's infrastructure development, this division oversees the construction and management of toll roads, power plants, ports, and telecommunication infrastructure. Their projects have significantly contributed to enhancing connectivity and fostering economic growth across the nation.
- **Bakrie Building Industries:** This division acts as a leading provider of building materials and solutions in Indonesia. From residential and commercial construction to industrial projects, Bakrie Building Industries offers a comprehensive range of products and services, including the renowned "Total Building Solution" concept.
- **Bakrie Amanah:** This division reflects BNBR's commitment to social responsibility and sustainable practices. Bakrie Amanah focuses on fostering social development, environmental protection, and community empowerment initiatives, demonstrating the company's dedication to building a better future for Indonesia.

Beyond its core divisions, BNBR actively explores new opportunities and strategic partnerships. The company recognizes the dynamic nature of the Indonesian market and strives for continuous innovation. Their commitment to technological advancements ensures they remain competitive within the ever-evolving business landscape.

Looking towards the future, PT Bakrie & Brothers Tbk. remains dedicated to its core values of integrity, innovation, and collaboration. With a strong emphasis on sustainability and social responsibility, BNBR is well-positioned to continue its legacy of growth and contribute significantly to Indonesia's ongoing development. The company's diversified portfolio, combined with its unwavering commitment to excellence, ensures its position as a leader in shaping Indonesia's future.

PT Bakrie & Brothers Tbk. (BNBR) embodies a set of core values encapsulated in the acronym "PIAGAM BAKRIE." Each letter represents a fundamental principle that guides the company's conduct and decision-making:

1. **Profesionalisme (Professionalism):** BNBR prioritizes a professional work ethic across all levels of the organization. This translates to a commitment to excellence, continuous learning, and upholding high standards in every aspect of their operations.
2. **Integritas (Integrity):** Integrity is at the heart of BNBR's philosophy. This manifests in conducting business with honesty, fairness, and transparency. The company strives to

build trust with all stakeholders, from investors and employees to customers and communities.

3. amis (Religious): BNBR acknowledges the importance of spiritual values in the workplace. This doesn't translate to a specific religion, but rather an emphasis on ethical behavior, respect for others, and a sense of purpose that transcends purely financial goals.
4. Amanah (Trustworthiness): Building and maintaining trust is paramount for BNBR. This involves fulfilling commitments, acting responsibly, and being accountable for actions. The company aims to be a reliable partner in all its endeavors.
5. Gemilang (Excellence): BNBR strives for excellence in everything they do. This involves setting ambitious goals, fostering a culture of innovation and continuous improvement, and delivering exceptional results for all stakeholders.
6. Melayani (Serving): BNBR recognizes its responsibility towards society. This core value translates to serving not just shareholders but also the communities where they operate. The company actively engages in social responsibility initiatives and aims to contribute to the betterment of society as a whole.

PIAGAM BAKRIE serves as a compass for BNBR, guiding its actions and ensuring alignment between its core values and its long-term vision. By adhering to these principles, BNBR aims to create a sustainable and successful business that is not only profitable but also makes a positive impact on the world around it.

Measuring ACGS Implementation in Bakrie & Brothers

Institutional theory provides a valuable framework for companies to understand and implement the norms and expectations that are relevant to their environment. By aligning their corporate governance practices with these norms, companies can demonstrate their commitment to good governance and position themselves for long-term success. GCG evaluation plays a crucial role in identifying these norms and assessing a company's adherence to them. Based on the ASEAN Corporate Governance Scorecard (ACGS) assessment criteria, the following results were obtained:

Table 3. Bakrie & Brothers Level Score

PRINCIPLE	TOTAL POINTS	POINTS ACHIEVED	WEIGHTING	SCORE
A	30	15	10%	5
B	18	13	10%	7.2
C	22	16	15%	10.90
D	29	20	25%	17.24
E	57	46	40%	32.28
Level 1 Score	156			72.62

Source: Processed Data, 2024

This table appears to summarize the results of an assessment of Bakrie's corporate governance practices using a framework with five principles: A, B, C, D, and E. Each principle is assigned a total number of points, and Bakrie's performance against each principle is evaluated based on the number of points achieved. The weighting column indicates the relative importance of each principle, and the score column calculates the weighted score for each principle. The final score, labeled "Level 1 Score," is the sum of the weighted scores for all five principles.

Based on the table, Bakrie has achieved a total of 72.62 points out of a possible 156 points. This represents an overall score it can called "fair"category which falls within the

range for a Level 1 score. Level 1 score is typically considered to be a good indication of strong corporate governance practices.

Comparative Analysis of ACGS Scores for Keppel, Central Retail, and Bakrie

Central Retail has the highest overall score (87.78), followed by Keppel (81.26) and Bakrie & Brothers (72.62). However, all three companies achieved "Level 1" status, indicating a satisfactory level of corporate governance based on ACGS criteria.

Table 4. Comparative Score

Company	Total Score	Level	Strengths	Weaknesses
Keppel	81.26	Level 1	Strong board oversight, sound audit and risk management practices, commitment to transparency and disclosure	Relatively low score for stakeholder engagement
Central Retail	87.78	Level 1	Strong commitment to transparency and disclosure, effective internal control systems	Relatively low score for board oversight
Bakrie & Brothers	72.62	Level 1	Strong commitment to shareholder rights, effective risk management practices	Relatively low scores for transparency and disclosure and stakeholder engagement

Source: Processed Data, 2024

Central Retail stands out for its commitment to transparency and disclosure, fostering trust through open communication with stakeholders. Their well-established internal control systems further solidify financial stability and compliance. However, their ACGS score highlights a potential need to strengthen board oversight, ensuring a well-functioning board with clear roles and effective oversight of management activities. Keppel, on the other hand, excels in board oversight and risk management. Their strong board structure and robust risk management practices demonstrate a proactive approach to strategic decision-making and mitigating potential risks. Additionally, Keppel prioritizes transparency and disclosure, keeping stakeholders informed. However, their ACGS score suggests room for improvement in stakeholder engagement, particularly in fostering communication and collaboration with a broader range of stakeholders beyond just investors.

Bakrie & Brothers prioritize shareholder rights, ensuring fair treatment and investor confidence. They also demonstrate strong risk management practices, similar to Keppel. However, their ACGS performance reveals weaknesses in transparency and disclosure. By providing more comprehensive and timely financial information, they can enhance stakeholder trust. Furthermore, all three companies could benefit from a more robust stakeholder engagement strategy. Actively engaging with employees, communities, and other stakeholders can build trust, address concerns, and promote a strong corporate social responsibility profile (Tran & Ha, 2023).

In conclusion, while each company demonstrates strengths in specific ACGS areas, there's room for improvement. By addressing weaknesses in stakeholder engagement, board oversight (for Central Retail), and transparency (for Bakrie & Brothers), they can elevate their corporate governance practices. Continuously monitoring their performance and benchmarking against industry leaders will ensure they remain competitive and adapt to evolving governance standards.

CONCLUSION

Based on the results of the research regarding the implementation of the ASEAN Corporate Governance Scorecard (ACGS) criteria, Central Retail achieved the highest score among the three companies assessed (Keppel, Central Retail, and Bakrie & Brothers). Central Retail emerged as the top scorer with a value of 87.78, followed by Keppel with a score of 81.26 and Bakrie with a score of 72.62. Based on these scores, Bakrie has the most room for improvement in implementing the ACGS principles within its annual report to achieve a better score in the coming year. The weakness from Bakrie company is relatively low scores for transparency and disclosure and stakeholder engagement. Despite the varying scores, all three companies demonstrate alignment with institutional theory. Companies are expected to adhere to established norms and expectations to maintain a positive performance and ensure long-term sustainability.

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