



+62 813 8765 4578

+62 813 8765 4578

<https://dinastipub.org/DIJEMSS>[dinasti-info@gmail.com](mailto:dinasti-info@gmail.com)

## ANALYSIS OF THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD: CASE STUDY PT JAKARTA PROPERTINDO (PERSERODA)

Ferry Richard Hamonangan<sup>1</sup>, Ancella A. Hermawan<sup>2</sup>

<sup>1) 2)</sup> Faculty of Economics and Business, Universitas Indonesia, Depok, Indonesia

### ARTICLE INFORMATION

Received: 10<sup>st</sup> April 2020

Revised: 18<sup>st</sup> April 2020

Issued: 01<sup>th</sup> May 2020

Corresponding author:

**Maharani**

E-mail:

[ferry.hutapea@gmail.com](mailto:ferry.hutapea@gmail.com)



DOI:10.31933/DIJEMSS

**Abstract:** So far, a lot of research has seen the implementation of Good Corporate Governance (GCG) in private companies. Like SOEs, Regionally Owned Enterprises (BUMD), although running the same business as private companies, have different characteristics that can cause Agency Problems that can harm stakeholders. This study aims to analyze the quality of GCG implementation at PT Jakarta Propertindo (Perseroda), a BUMD owned by the Provincial Government of DKI Jakarta, using a scoring approach from the ASEAN Corporate Governance Scorecard. This study only uses criteria in the ASEAN Corporate Governance Scorecard that can be used to measure a BUMD. This is because the characteristics of BUMD are not exactly the same as pure private companies. The results indicate that PT Jakarta Propertindo (Perseroda) has not fully met all the GCG principles contained in the ASEAN Corporate Governance Scorecard.

**Keywords:** Corporate Governance, ASEAN Corporate Governance Scorecard, Regional Owned Enterprise

### INTRODUCTION

One of the main experiences that can be drawn from the events of the 1998 economic crisis in Indonesia is awareness of the importance of Good Corporate Governance (GCG). The experience of the 1998 crisis brought changes for the government and the private sector in strengthening the implementation of GCG in Indonesia through both government regulations and the demands of commitment from every element in the company to implement GCG. The government then took steps to strengthen governance in the economic and financial sectors by issuing policies that were expected to strengthen the implementation of GCG in Indonesia. One

other thing that is strengthened is the policy towards companies, especially listed companies, to convey the extent of GCG implementation that has been implemented in companies. A good and sustainable implementation of GCG is then felt to be increasingly important because it influences the decision making process, the balance of the framework and the overall understanding of company management.

The application of GCG should also be done by companies that are not listed on the stock exchange, both private and state-owned enterprises (BUMN) and Regional-Owned Enterprises (BUMD). Especially for BUMN and BUMD, the implementation of GCG is increasingly crucial because the application of GCG as mentioned above has the benefit of being able to mitigate risks, maintain product quality standards, make companies more efficient and ultimately contribute to the flow of investment and in turn create jobs. Efforts to raise awareness of the importance of GCG and its application in SOEs and BUMDs were then carried out by both the Government and BUMN and BUMD itself. The government sees that the implementation of good GCG is a must for all companies both public companies, private companies, BUMN and BUMD. Specifically for state-owned companies such as SOEs, besides having to follow the Minister of SOE Regulation on GCG, SOEs must also comply with the provisions of the Financial Services Authority (POJK) regulations if they are listed on the Stock Exchange. For BUMDs in Indonesia in general, they must follow Government Regulation No. 54 of 2017 concerning BUMDs, namely the Government mandating all BUMDs to run companies with good corporate governance.

The policy that mandates BUMD to implement GCG is not only to obtain the benefits mentioned above but also to reduce the possibility of fraud in managing the BUMD itself. This is because BUMDs so far tend to be known by practices that do not prioritize GCG in a decision making process, business fraud, and strong political intervention (Hou Wenxuan, 2010; Worang, 2006). But with some regulations and legal basis that have been issued by the government, it has not been fully effective for BUMN or BUMD in implementing GCG in companies, as in the latest case that has happened to BUMN Jiwasraya. It is proven that agency theory where the Directors and managers as agents prioritize personal interests over the interests of principals is still quite common in both SOEs and BUMDs.

The Provincial Government of DKI Jakarta also sees the growing importance of implementing GCG in BUMD within the DKI Jakarta Province. This was demonstrated by the DKI Jakarta Provincial Government by issuing Governor Decree No. 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regionally Owned Enterprises. However, Governor Decree Number 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regional Government-Owned Enterprises is still considered not comprehensive enough when compared with POJK or other regulations governing listed companies. Therefore, in the view of researchers, BUMDs even though they can meet the compliance required in Governor Decree Number 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regionally Owned Enterprises, but in reality there are

still some actions and events that reflect that the implementation of GCG in BUMD is not optimal. Evaluation of GCG implementation in BUMD by using tighter regulations is expected to provide a clearer picture of GCG implementation in BUMD.

PT Jakarta Propertindo (Perseroda) as one of the largest BUMDs of DKI Jakarta Province is the BUMD that handles most of the Government's assignment projects. Major projects currently underway include the construction of the Jakarta LRT project, the construction of an international-scale stadium, and the revitalization of Taman Ismail Marzuki. The Provincial Government of DKI Jakarta and the people of Jakarta certainly hope that the implementation of GCG in PT Jakarta Propertindo (Perseroda) is sufficient so that the projects can be completed well, especially because the financing of these projects is obtained from the Regional Capital Participation which incidentally is taxpayer money. PMD submission for the three projects alone in the 2020 APBD reaches approximately Rp. 2 trillion. In the event of agency theory and fraud, where the Directors or managers put their own interests above the interests of the principal, then the most disadvantaged parties are the stakeholders of PT Jakarta Propertindo (Perseroda), especially the people of Jakarta in general. Good GCG implementation is expected to help companies sustain in the future by minimizing the possibility of fraud.

## LITERATURE REVIEW

### Agency theory and Corporate Governance

One of the main theories related to Corporate Governance is Agency Theory. The theory put forward by Jensen and Meckling (1976) defines the relationship that one or more parties (principal) ask people or other parties (agents) to perform certain services for the benefit of the principal by delegating an authority to him. Agency problems then arise if the agent takes an action that prioritizes the interests of the agent compared to the interests of the principal. There are several types of agency problems including problems between shareholders and Directors and management, and problems between majority shareholders and minority shareholders.

In this study the focus will be on agency problems arising from the relationship of shareholders with the Board of Directors and company management. Principal or company owner hands over management of the company to management. A shareholder basically wants to increase wealth or wealth, but the manager as an authorized party tends to do something that maximizes his personal interests and sacrifices the interests of the shareholders. The company's directors try to get the maximum personal benefit through bonuses that will be obtained by the Directors and the Board of Commissioners if the company benefits. Therefore, the Board of Directors in an effort to get the bonus is done by trying to increase the company's revenue and profits in ways that are not in accordance with company rules. With this Board of Directors action, the shareholders will be disadvantaged because the company will provide an excessive amount of bonus or not.

Agency problems that occur within the company can be overcome by implementing GCG. GCG in this case has an important role where the management of the company must be

monitored and controlled to ensure that the management of the company is carried out in compliance with various applicable rules and regulations. With the existence of GCG, management is expected to be able to fulfill its responsibilities related to the interests of shareholders.

### **Corporate Governance on emerging market**

Claessens and Yurtoglu (2012) find that good corporate governance management is very beneficial for companies, especially in terms of better access to sources of financing, lower cost of capital, better performance, and more favorable treatment from all stakeholders. Corporate governance factors have strong predictive power on company performance, mainly due to debt monitoring and foreign ownership. However, there is a significant negative relationship between audit quality and performance. The results found that performance was not related to the level of timely disclosure and reporting. The results show that disclosure and timeliness are not factors that contribute significantly to the relationship between corporate governance and market performance.

According to Black, Carvalho and Gorga (2011) show that the characteristics of the country greatly affect aspects of governance that affect the market value of the company, and where the associated company is located. They support a flexible approach to governance, with enough space for the choice of company. According to research conducted by Utama, Utama and Amarullah (2015) in Indonesia the practice of GCG has a positive effect on cashflow rights and has a slight negative impact on cashflow leverage while cashflow rights and cashflow leverage have a slight negative impact on CG practices. Furthermore, the existence of multiple large shareholders (MLS) complements CG practices, but as the right of control the second largest shareholder becomes closer to the largest shareholder, the complementary relationship becomes less important. Listed companies controlled by the state or foreign companies operate CG better than other listed companies.

From some of the studies above it was found that GCG had a positive impact on the company but according to research by Chen, Li and Shapiro (2015) in China argued that good GCG practices in OECD countries such as active board of directors, separation of President Commissioner and CEO, significant presence of directors outside, and a two-level board cannot reduce the negative effect of controlling shareholders on company performance. This is due to 2 reasons, the first is that governance practices are primarily designed to resolve conflicts between shareholders and management but not to conflicts between controlling shareholders and minority shareholders. The second reason is that Directors are usually not independent to control shareholders, and Commissioners often have a low status and are weak in terms of corporate supervision.

### **Corporate Governance on State Owned Enterprise**

Simpson's (2012) research results show that state-owned companies only adhere to the minimal governance issues described in the legal framework that sets them. However, they show significant weaknesses in the area of evaluating the performance of the Board of Commissioners

and Directors, the criteria for the appointment of the Board of Commissioners and Directors, the balance of executive directors and non-executive directors, and other characteristics of the Board of Commissioners and Directors, which indicate deviations from general practice.

A study conducted by Yacob and Bstationi (2012) found that the corporate governance structure of BUMDs is that the council is one tier, which is common in Anglo-American settings. Board members are elected and appointed by the government. They are chosen from a government that is very capable and can be trusted by officers to represent and protect the interests of the government towards the company. As for ownership structure, it is a typical company with other Asian state-owned companies where the state has full ownership and control of the company. Research conducted at BUMN Mauritius (Rughoobur, 2018) found from the results of the study that the majority of respondents recognized the positive impact of good corporate governance in their daily organizations. However, they also report that constant government intervention acts as a barrier to the functioning of SOEs in Mauritius.

Research conducted on state-owned enterprises in China (Yan He et al., 2015) also found the same results, namely empirical results of research showing that inefficiency due to corporate governance is the main reason for lower efficiency in most state-owned manufacturing companies in China. In addition, the ratio of state-owned companies whose inefficiency is mainly caused by corporate governance with a total of state-owned companies is greater than private companies in each year. Research in China also found that good corporate governance in peer companies reduces the effects of scandal transmission. External governance has a stronger influence in reducing the effects of transmission of financial and non-financial scandals, while the concentration of ownership and quality of auditors plays a more tangible role in reducing the effects of transmission of financial scandals. State ownership helps reduce the negative influence of non-financial scandals in individual-owned companies, but not in state-owned companies (Yu X et al., 2015)

Another study conducted regarding the implementation of GCG in Indonesia found that some privatized Indonesian SOEs had higher efficiency and performance than their own SOEs (Prabowo et al., 2014). The results might show that SOEs can benefit from better corporate governance, high market power and other privileges and that the benefits outweigh the policy burdens imposed on these companies. Regarding GCG General Guidelines in Indonesia, there is a study that found that the main corporate governance guidelines are designed to deal with agency problems that occur in public companies with widespread shareholders compared to unregistered companies such as pure SOEs with the government as the representative of shareholders. He also found that the regulation had failed to solve two other important problems, conflicting goals and political interference (Kamal, 2010). However, the Indonesian code is currently the best solution in establishing a public company with fragmented shareholders.

Regarding the regulations regarding GCG in SOEs, it is regulated in SOE Ministerial Regulation Number PER -01 / MBU / 2011 concerning the Implementation of Good Corporate Governance in SOEs as updated with SOE Ministerial Regulation Number: PER -09 / MBU /



2012 concerning Amendment to SOE Ministerial Regulation Number: PER -01 / MBU / 2011 concerning Implementation of Good Corporate Governance in SOEs. For regulations related to GCG assessment in SOEs, there is a Decree of the Ministry of SOEs No. SK-16 / S.MBU / 2012 regarding Indicators / Parameters for Evaluation and Evaluation of the Implementation of Good Corporate Governance in SOEs. Whereas the BUMD regulations on GCG in general are regulated in Government Regulation Number 54 of 2017 concerning BUMD. For the Province of DKI in particular Governor Decree Number 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regional Government Enterprises has been issued. This Kepgub regulates the rights of shareholders, equal treatment of shareholders, Commissioners, Directors, External auditors, disclosure of information, and work safety environment.

## RESEARCH METHODS

To analyze the research problem, the research method used in this study is a qualitative method. The data processing process is firstly carried out by analyzing the company's compliance with Governor Decree Number 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regionally Owned Enterprises. Then proceed with a self assessment using the ASEAN Corporate Governance Scorecard. The two results of the analysis are then compared and then deepened through observation and interviews.

Comparisons are made because the regulations governing GCG in BUMD within the DKI Jakarta Provincial Government, namely Governor's Decree Number 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regionally Owned Enterprises are considered not as comprehensive as the regulations governing private companies, especially companies in the country ASEAN. Therefore Governor Decree No. 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regionally Owned Enterprises is then compared with the ASEAN Corporate Governance Scorecard. The ASEAN Corporate Governance Scorecard is actually designed for public companies in ASEAN countries so that in this study only the ASEAN Corporate Governance Scorecard criteria can be used to measure a BUMD because BUMD characteristics are not exactly the same as private companies. If in the ASEAN Corporate Governance Scorecard there are criteria that have not been applied to Governor Decree Number 96 of 2004, an explanation will be given that the criteria have not been applied or not applicable (NA). If an ACGS criterion is found in Governor Decree Number 96 of 2004 then a score is given as is the case with ACGS. The results of self-assessment, observation and interviews and these will then be explained systematically and compared with literature studies on relevant literature. The results obtained aim to get an overview of the implementation of GCG at PT Jakarta Propertindo (Perseroda) and an overview of how companies can improve the quality and effectiveness of GCG.

### Governor's Decree No. 96 of 2004

In the Governor's Decree No. 96 of 2004 concerning the Implementation of Good Corporate Governance Practices in Regional Government-Owned Enterprises, this is divided into

several topics, namely Shareholders or Capital Owners, Commissioners or Supervisory Board, Directors, external auditors, information, safety environment and work opportunities, stakeholders, business ethics and anti-corruption, donations, BUMD introduction programs, and incentives.

In the discussion of Shareholders or Capital Owners, it is discussed in more detail about the rights of Shareholders or Capital Owners, the provisions of the GMS, equal treatment to Shareholders or Capital Owners, and the accountability of Shareholders or Capital Owners. In this aspect, companies are required to protect the rights of shareholders or capital owners so that they can exercise their rights, namely the right to attend and vote at the GMS, the right to obtain comprehensive and correct information and data in a timely and regular manner regarding the company, and the rights to receive the distribution of BUMD profits. In addition there is a requirement for companies to treat all shareholders equally with the same share classification. In the last part, it was stated that shareholders are not permitted to interfere with the operational and supervisory activities of BUMD which are the responsibility of the Directors or Board of Commissioners

In the discussion of the Commissioner or the Board of Trustees, it is discussed in more detail about the functions, composition, meetings of the Commissioner or the Board of Trustees, information and the prohibition on taking personal advantage. In this aspect provides an explanation of the function of the Commissioner or the Board of Trustees, namely overseeing and giving advice to the company. In carrying out its duties the Board of Commissioners and Supervisors must comply with applicable regulations and must also monitor the effectiveness of GCG in the company. The composition of the Board of Commissioners or Board of Trustees must be regulated in such a way as to enable effective, precise and quick decision making. Meetings of the Commissioners or Supervisory Board must be held periodically at least once a month. The rules of meeting must also be determined by the Commissioners and the Supervisory Board and include in the minutes of meetings that must be made at each meeting. Each member of the Board of Commissioners is entitled to receive a copy of the minutes of the meeting and within 14 (fourteen) days submit approval or objection to the minutes of the meeting in question. The annual report also states that it must contain the number of meetings and attendance of each Commissioner or Supervisory Board. In addition, it also stipulates that the Commissioner or Supervisory Board is entitled to obtain information and is prohibited from taking personal advantage.

In the discussion of the Directors the Board of Directors discussed in more detail the duties and responsibilities of the Directors, the composition, the Long-Term Plan and Work Plan of the Company's Budget, the appointment agreement for the Members of the Board of Directors, the prohibition on taking personal benefits, the Board of Directors' meetings, the holding of lists by the Directors, and the Internal Control System. In this aspect, the Board of Directors in carrying out their duties must comply with applicable regulations and are responsible for carrying out their duties to shareholders. The composition of the Board of

Directors must be regulated in such a way as to enable effective, precise and quick decision making. In nominating Directors from outside the BUMD, they must consider the opinion of minority shareholders. Directors and Commissioners are also required to follow the company introduction program. The Board of Directors is required to prepare a Work Plan and Corporate Budget (RKAP). Directors are also prohibited from taking personal advantage. This aspect also regulates the board of directors meetings which must be held at least once every six months. The rules of meeting must be determined by the Directors and minutes of meetings must be made for each meeting. Each member of the Board of Directors has the right to receive minutes of the meeting, which within a period of 14 must be given the opportunity for the Board of Directors to give approval or objection to the copy of the minutes of meeting. It was also stated that in the annual report the company must contain the number of Directors' meetings and the attendance of each member of the Board of Directors. The Board of Directors must also establish an internal control system to secure BUMD assets and investments.

Other aspects regulated include, among others, the external auditor must be appointed by the GMS from candidates nominated by the Commissioners based on the proposal of the audit committee. The Audit Committee must submit the reason for the nomination and the amount of the proposed fee for the external auditor. The Directors and Commissioners / Supervisory Board must ensure that external auditors, internal auditors and the Audit Committee get the information needed to carry out their duties to the best of their abilities. In the case of information disclosure, it is stated that the company is required to disclose important information in the annual report and the company's financial statements to shareholders in accordance with statutory provisions. BUMD must also actively disclose the extent of GCG implementation and the problems encountered.

In the case of the environment, safety and employment opportunities the Board of Directors must ensure that the location and facilities meet the laws and regulations relating to environmental preservation and work safety. The Board of Directors must also employ employees without discrimination on background, ethnicity, religion, gender, age or disability. Directors are also required to provide a work environment that is free from all forms of harassment that may arise. BUMD must also respect the rights of stakeholders that arise based on statutory regulations. In the last part it is regulated that all aspects of the company are prohibited from accepting gratuities and bribes and are obliged to make a guideline on ethical behavior that contains ethical values of business.

### **ASEAN Corporate Governance Scorecard (ACGS)**

ACGS is guided by the OECD's Corporate Governance Principles as the main benchmarks in determining assessments. There are several items in the scorecard that are best practices in the international and regional world that may apply outside the requirements of national legislation. The Corporate Governance experts in ASEAN also considered several input from work bodies and rankings in ASEAN, including the Institute of Directors, shareholder



associations, and universities, in the preparation of the ASEAN scorecard. ACGS is actually designed for public companies in ASEAN countries.

The ACGS assessment is based on data and information that is available to the general public and is easily accessible contained in the company's annual report and company website. Other sources of information considered are company announcements, notices, circulars, articles of association, minutes of meeting of shareholders, corporate governance policies, and GCG guidelines and company code of ethics. Furthermore, for grading points on the scorecard, all disclosures must be unambiguous and sufficiently complete. In ACGS there are 5 parameters. These five parameters are guided by the principles of GCG in the OECD, namely Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

The ACGS used in this study is the ACGS form downloaded through the official ASEAN Capital Market Forum website as the originator of this assessment. ACGS uses two levels of assessment designed to be able to assess the actual implementation of the substance of good corporate governance. Level 1 consists of items which are basically the implementation of the laws, rules, regulations and requirements of each ASEAN member country and refer to the OECD principles. Whereas at Level 2 consists of bonus items that reflect new practices in GCG and penalty items that reflect actions and events that indicate poor governance

At Level 1 consists of 146 questions and is divided into five sections according to OECD principles. Each section has a different weight based on how important the area. The maximum score at Level 1 is 100 points. Some items may also provide an "Not Applicable" option. Where the practice is mandated by laws, regulations, or recording rules in a country, the company is assumed to have adopted the practice unless there is conflicting evidence. To get points, disclosures by companies must be quite clear and complete. The overall score in each Level 1 section is then calculated by adding all points in that section, adjusting for items that do not apply to the company. The total score for a company is then calculated by weighing the scores for each section with relative importance and adding up the weighted scores. The assessment aspects at level 1 are as in Table 1. Evaluation on each aspect is done by dividing the total score obtained by the company by the total questions in that aspect and then multiplying by the weight of that aspect.

**Table 1. ASEAN Corporate Governance Scorecard Level 1**

NO	ASPECT	QUESTION	WEIGHT
1	Shareholder rights	21	10
2	Equitable Treatment of Shareholders	15	15
3	Role of Stakeholders	13	10
4	Disclosure and Transparency	32	25
5	Responsibilities of the Board	65	40
	<b>Total</b>	146	100

Level 2 consists of bonus and penalty items intended to improve ACGS in assessing the extent to which companies implement good corporate governance in practice. The purpose of the bonus question is to identify companies that exceed expectations at Level 1 by adopting other developing corporate governance practices. Penalties are designed to downgrade companies with poor corporate governance practices that are reflected in their scores for Level 1, for example companies are being monitored by regulators because there are indications of violations. Level 2 contains 13 bonus questions and 25 penalty items as in table 2. each with a different number of points. The maximum bonus points that can be achieved are 13, while the maximum penalty points that can reduce the score is -25

**Table 2. ASEAN Corporate Governance Scorecard Level 1**

NO	ASPEK	Number of Question	Scores
1	Bonus	13	13
2	Pinalti	25	-25
	<b>Total</b>	<b>38</b>	<b>13</b>

Level 2 scores are obtained by a total score from the aspect of bonuses and penalty scores. In the best case scenario, a company will get a perfect score in the bonus section and no penalty score, thus getting a total score of 13 points. The maximum total score that can be obtained is 113 points (100 points from level 1 and 13 points from level 2). In some items, a value is given when a country has specific laws or requirements that allow all domestic companies to be assessed automatically to score points for certain items. The company is considered to have adopted the practice unless there is conflicting evidence. To ensure a transparent process, all countries must disclose their standard items before the assessment process begins

In the assessment at PT Jakarta Propertindo (Perseroda), the researcher will only focus on three aspects of the assessment, namely the Role of Stakeholders, Disclosure and Transparency, and the Responsibilities of the Directors and Board of Commissioners, and not including bonus and penalty aspects. The assessment on the aspects of shareholder rights and fair treatment of shareholders was not carried out by researchers considering that PT Jakarta Propertindo (Perseroda) is 100 percent owned by the Provincial Government of DKI Jakarta, either directly or indirectly, so that the Provincial Government of DKI Jakarta holds full control over the company. Besides that, the reason for not using all aspects is because ACGS was actually designed for public companies in ASEAN countries, so this study only used the criteria in ACGS that could be used to measure a BUMD. This is because the characteristics of BUMD are not exactly the same as pure private companies. Therefore the ACGS assessment process at PT Jakarta Propertindo (Perseroda) was carried out only on three aspects according to Table 3

**Table 3. ASEAN CG Scorecard on PT Jakarta Propertindo (Perseroda)**

NO	ASPECT	Number of Question	Scores
1	Role of Stakeholders	13	10
2	Disclosure and Transparency	32	25

3	Responsibilities of the Board	65	40
	Total	110	75

The assessment of PT Jakarta Propertindo (Perseroda) through this Scorecard is based on information contained in the annual report and the company's website. Other sources of information include company announcements, minutes of shareholder meetings, corporate governance policies, codes of conduct, and other GCG related documents. Only information that is publicly available and that is easily accessed and understood is used in the assessment. For awarding points in the Scorecard, disclosure must be unambiguous and complete enough

In the aspect of Stakeholder Role, it is divided into four subparameters, namely 1) The rights of stakeholders that have been established by law or through mutual agreement must be respected, 2) Stakeholders must have the opportunity to obtain effective compensation if their rights are violated, 3) Mechanisms for improving employee performance must be permitted to be developed; and 4) Stakeholders including individual employees and their representative bodies must be able to freely communicate their concerns about illegal or unethical practices to the Board of Commissioners or Directors. Each subparameter has a number of questions that must be met by the company.

In the aspect of Disclosure and Transparency, there are nine subparameters, namely 1) Transparent Ownership Structure, 2) Annual Report Quality, 3) Disclosure of Related Party Transactions, 4) Directors and Commissioners conduct transactions in company shares, 5) External Auditors and Auditor Reports, 6) Communication Media, 7) Timely submission / release of annual / financial reports, 8) Company Site, and 9) Investor Relations. Each subparameter has a number of questions that must be met by the company.

In the aspects of the responsibilities of the Directors and the Board of Commissioners, there are five subparameters, namely 1) Duties and Responsibilities of Directors and Board of Commissioners, 2) Structure of Directors and Board of Commissioners, 3) Process of Directors and Board of Commissioners, 4) People on the Board of Directors and Board of Commissioners, and 5) Performance of Directors and Board of Commissioners. Each subparameter has a number of questions that must be met by the company.

The author conducted an interview session with the Director of Corporate Finance and the staff of the Governance, Risk and Compliance (GRC) division. The selection of interviews with the Finance Director and Governance, Risk and Compliance (GRC) staff is based on the position of the Director of Finance of the company. An interview with the Finance Director of PT Jakarta Propertindo (Perseroda) on May 15, 2019 took place at the office of the Regional Government-Owned Enterprise Development Agency of DKI Jakarta Province. While the interview with the staff of the Governance, Risk and Compliance (GRC) division was conducted on May 17, 2019 at the office of the DKI Jakarta Provincial Development Board. Question material is based on a list of questions in ACGS. The author asks questions related to the list on the ACGS to confirm and ask more deeply related to the matters of GCG implementation at PT Jakarta Propertindo (Perseroda).

The author made observations on PT Jakarta Propertindo (Perseroda) through discussion meetings involving PT Jakarta Propertindo (Perseroda), both meetings with executives such as Regional Owned Business Development Board, Other Regional Work Unit (SKPD) such as DKI Jakarta Provincial Development Planning Agency, DKI Jakarta Provincial BPKD, as well as meetings with the legislative body, namely DKI Jakarta Provincial DPRD. Observations were also made when monitoring and evaluating the headquarters of PT Jakarta Propertindo (Perseroda).

## **FINDINGS AND DISCUSSION**

### **Company Profile**

PT Jakarta Propertindo (Perseroda) was originally a Pluit Environmental Management Agency (BPL) which was established in 1960 with the responsibility to manage the Pluit area. Subsequently in September 1997 PT Pembangunan Pluit Jaya was established with an abundance of assets from former BPL Pluit. Then PT Pembangunan Pluit Jaya merged with PT Pembangunan Pantai Utara Jakarta, so the company changed its name to PT Jakarta Propertindo on December 15, 2000 in accordance with Deed No. 89 of December 15, 2000, and the Decree of the Minister of Justice and Human Rights of the Republic of Indonesia Number C-25505.HT.01.04.TH.2000 dated 20 December 2000. The shareholders of PT Jakarta Propertindo (Perseroda) are the Provincial Government of DKI Jakarta with 99.99 percent ownership and Perumda Pasar Jaya with share ownership of 0.01 percent.

PT Jakarta Propertindo (Perseroda) has a portfolio including the development of the modern Pluit area, the Pulo Mas integrated area, beach reclamation, construction of office buildings, residences, shopping centers, and various other public facilities. In its journey PT Jakarta Propertindo (Perseroda) not only in charge of the property sector, but expanded to the infrastructure sector since 2005. Projects that are worked on extend to the construction of toll roads, reservoirs, and other infrastructure infrastructure. Finally in 2013 the focus of the company's work was divided into three Sub Holdings namely property, infrastructure, and utilities.

Armed with long experience, assets, and strong management and resources, PT Jakarta Propertindo (Perseroda) continues to expand and establish itself not only as a company that generates profits, but also as an agent of development that contributes to the wider community. Based on the Regional Regulation (Perda) of DKI Jakarta Province No.10 Year 2018 concerning Jakarta Propertindo Limited Liability Company (Regional Company) and Extraordinary General Meeting of Shareholders (EGMS) per December 2018 PT Jakarta Propertindo changed its name namely PT Jakarta Propertindo (Perseroda). In this regard, in accordance with the Circular of PT Jakarta Propertindo (Perseroda) No.004 / UT2000 / 109/2019 concerning Notification of Changes in Company Name of PT Jakarta Propertindo (Perseroda), states the effective change of company name to PT Jakarta Propertindo (Perseroda) at 1 April 2019.

## Results

In the discussion of Shareholders or Capital Owners, it is discussed in more detail about the rights of Shareholders or Capital Owners, the provisions of the GMS, equal treatment to Shareholders or Capital Owners, and the accountability of Shareholders or Capital Owners. In this aspect the company is considered to have complied with the provisions in this Regulation such as the right of shareholders to attend and vote at the GMS where in each GMS all shareholders are invited and present to vote on each GMS agenda. The right of shareholders to obtain information is fulfilled by the company by attending every meeting discussion by the DKI Jakarta Provincial Government. Whereas the right to receive profit sharing is fulfilled by the company by depositing dividends in accordance with the GMS agreement relating to dividend distribution on the company's profits obtained in the previous year. In the case of equal treatment to all shareholders, it is evident that in every decision-making agenda at the GMS, an opportunity is provided to the minority shareholders of the company, Perumda Pasar Jaya, to express their opinions and voting rights for the GMS decision.

In the aspect of the Commissioner or the Supervisory Board also PT Jakarta Propertindo (Perseroda) was considered sufficient to meet both aspects of the main duties and functions, composition, meetings of the Directors and Commissioners or the Supervisory Board, disclosure of information and prohibition on taking personal profit. The company has provided an explanation of the duties and functions of the Commissioners or the Supervisory Board in the articles of association and board manuals. The composition of the Board of Commissioners or Board of Trustees has been regulated in such a way as to enable effective, precise and quick decision making, although in this regulating article it is general in nature where it has not been explicitly stated that there is no obligation to have an independent Commissioner. The thing that needs attention is that there is no definitive President Commissioner until December 2019. Commissioner or Supervisory Board meetings have been held periodically at least once a month as evidenced in the company's annual report where each number of Board of Commissioners meetings is mentioned. Commissioners are also considered to have obtained the right to obtain information through Commissioners' meetings mentioned in the annual report with agendas to gain an understanding of the problems faced by the company.

In discussing aspects of the Board of Directors, the Board of Directors' duties and responsibilities are discussed in more detail about the duties and responsibilities of the Board, Long-Term Plans and Corporate Budget Work Plans, appointment agreements for Members of the Board of Directors, prohibition on taking personal benefits, Board of Directors meetings, organizing lists by the Directors, and the Internal Control System. PT Jakarta Propertindo (Perseroda) is considered to have sufficiently fulfilled the existing provisions such as an explanation of the duties and functions contained in the articles of association and company manual board. The composition of the Board of Directors has been arranged in such a way as to enable effective, precise, and quick decision making, although in this regulating article it is general in nature where it has not been explicitly stated that there is no obligation to have an



independent Directors. What needs attention is that there is still one position of the Board of Directors that remains vacant until December 2019. The Board of Directors is considered to have fulfilled the obligations in preparing the company's RKAP, evidenced by the discussion of the RKAP at a meeting in the DKI Jakarta Provincial Government. Directors' meetings have also been held at least once every six months as evidenced in the company's annual report. However, in some aspects there are still deficiencies such as the disclosure of information regarding honorarium for External Auditors.

In the external aspects of auditors, information, safety environment and work opportunities, stakeholders, business ethics and anti-corruption, donations, BUMD introduction programs, and the provision of PT Jakarta Propertindo (Perseroda) incentives are considered to have sufficiently fulfilled the obligations listed in the Decree. In the selection of the external auditor, the commissioner submits to the GMS an external auditor candidate based on the Audit Committee's proposal. The company has also set safety rules for working on projects handled by the company. Corporate ethics and anti-corruption have been contained in the company's code of ethics. The BUMD introduction program has been conducted for new Directors and Commissioners. Giving bonuses to employees is also given if the company benefits in the previous year. General assessment of PT Jakarta Propertindo (Perseroda) fulfills most of the things that are required or required in the Kepgub referred to, although in some cases there are still deficiencies that can be fixed again in the future.

From the assessment using PT Jakarta Propertindo's ACGS (Perseroda) on the Stakeholder Role aspect, it was able to fulfill 9 of the 13 questions on the list of questions raised in the ACGS assessment system. To calculate the value the formula is used (Number of items the company fulfills) / (Total questions) X (Weight), so the calculation of values for aspects of the Stakeholder Role is as follows  $(9/13) \times 10$ . From these calculations PT Jakarta Propertindo (Perseroda) get a score of 6.92 from a maximum of 10. According to 2015 ASEAN Corporate Governance Scorecard Country Reports and Assessments data, the average value achieved by companies in Indonesia in the aspect of stakeholder roles in 2015 was 6.96. PT Jakarta Propertindo (Perseroda) still scores below the average in the aspect of stakeholder roles but is close enough.

**Table 4. The Aspect of Role of Stakeholders Score**

ASPECT / Subparameter	TOTAL ITEM	JAKPRO	WEIGHTED	SCORE
The Role of Stakeholders	13	9	10	6,92
The rights of stakeholders that have been established by law or through mutual agreement must be respected	7	4		
Stakeholders must have the opportunity to obtain effective compensation if their rights are violated	1	1		
Employee performance improvement mechanisms must be allowed to be	3	2		

developed				
Stakeholders including individual employees and their representative bodies must be able to freely communicate their concerns about illegal or unethical practices to the Board of Commissioners or Directors	2	2		

From the assessment using ACGS PT Jakarta Propertindo (Perseroda) on the aspect of Disclosure and Transparency, able to fulfill 17 of the 32 questions listed in the ACGS assessment system. To calculate the value the formula is used (Number of items the company fulfills) / (Total questions) X (Weight), so the calculation of values for the aspects of Openness and Transparency is as follows  $(17/32) \times 25$ . From these calculations PT Jakarta Propertindo (Perseroda) get a value of 13.28 from a maximum of 25 as shown in table 5.6. According to the 2015 ASEAN Corporate Governance Scorecard Country Reports and Assessments data, the average value achieved by companies in Indonesia in the aspect of openness and transparency in 2015 was 17.5. PT Jakarta Propertindo (Perseroda) still scores below average in the aspects of openness and transparency. This is more due to PT Jakarta Propertindo (Perseroda) not yet having the obligation to submit information disclosure as in the case of other companies that are already in the form of public companies.

**Table 5. The Aspect of Disclosure and Transparency Score**

ASPECT / Subparameter	TOTAL ITEM	JAKPRO	WEIGHTED	SCORE
Disclosure and Transparency	32	17	25	13,28
Transparent Ownership Structure;	5	4		
Annual Quality Report;	8	7		
Disclosure of Related Party Transactions;	2	2		
Directors and Commissioners conduct transactions in company shares;	1	0		
External Auditor and Auditor Report;	2	0		
Communication media;	4	2		
Timely submission / release of annual / financial reports;	3	1		
Company Website	6	1		
Investor Relation	1	0		

Some important things that can be obtained from this assessment are related to the completeness of information in the Annual Report, disclosure of information regarding fees for external auditors, the availability of information on the company's website. The analysis related to openness and transparency is that PT Jakarta Propertindo (Perseroda) only provides information that is indeed needed by the public. This is because information disclosure has two different sides to the company. On one hand, it guarantees the transparency and transparency of information for the public in viewing company performance, but on the one hand, information disclosure also opens information to competitors in seeing the company's current condition.

However, there is still room for improvement for companies to improve the implementation of GCG in this aspect of openness and transparency. One of them is the

utilization of company sites. Openness on the site at the company such as the availability of information contained therein should be seen by PT Jakarta Propertindo (Perseroda) as a means to show that the projects that are being undertaken by PT Jakarta Propertindo (Perseroda) are well implemented and the public and investors can see that this matter indeed carried out well and full of responsibility.

PT Jakarta Propertindo's audited financial statements (Perseroda) showing the financial performance and financial situation of the company (usually including the balance sheet, income statement, cash flow statement and notes for financial statements) are the most widely used sources of information for the company. These reports allow for proper monitoring and also help the company's value. Investors are mainly interested in information that can explain the future performance of PT Jakarta Propertindo (Perseroda). In a way, failure of governance can often be related to failure to disclose the overall future of the company, especially where items on the balance sheet are not used to provide guarantees or similar commitments between related companies. Therefore it is important that transactions relating to the entire group of companies are disclosed in accordance with high quality that is recognized by standard.

The adoption of high quality accounting and disclosure standards at PT Jakarta Propertindo (Perseroda) is also expected to significantly be able to improve investors' ability to monitor companies by providing increased relevance, reliability and comparability of reporting, and increasing insight into company performance. PT Jakarta Propertindo (Perseroda) standards must be developed through openness, independence and processes involving the private sector and other interested parties such as professional associations and independent experts.

The results of an interview with the Finance Director stated that at this time PT Jakarta Propertindo (Perseroda) was trying to unify the information that came out of the company on the information channels owned by the company. At present the availability of information on performance and financial reports is still limited but this is more due to PT Jakarta Propertindo (Perseroda) not yet having the obligation to publish the company's annual and financial reports regularly to the public. The positive thing that researchers see is the desire of PT Jakarta Propertindo (Perseroda) in the future to be able to submit information on financial statements and the progress of the project progress that is currently being worked on by the company.

From the assessment using the ACGS of PT Jakarta Propertindo (Perseroda) on the aspects of the Responsibilities of the Directors and the Board of Commissioners were able to fulfill 29 of the 65 questions listed in the ACGS assessment system. To calculate the value the formula is used (Number of items that the company fulfills) / (Total questions) X (Weight), so the calculation of values for the aspects of the Responsibilities of Directors and Board of Commissioners is as follows  $(29/65) \times 40$ . From these calculations PT Jakarta Propertindo (Perseroda) got a value of 17.84 out of a maximum of 40. Where PT Jakarta Propertindo (Perseroda) was able to fulfill 29 of the 65 questions listed in the ASEAN CG Scorecard rating system as shown in table 5.16. According to the 2015 ASEAN Corporate Governance Scorecard Country Reports and Assessments data, the average value achieved by companies in Indonesia in

the aspects of the Responsibilities of Directors and Board of Commissioners in 2015 was 20.99. PT Jakarta Propertindo (Perseroda) still scored below the average in the aspects of the Responsibilities of the Directors and Board of Commissioners with a value of 17.84 compared to the average value of companies in Indonesia.

Some important things that can be obtained from this assessment are related to the number of independent commissioners, disclosure of information to the committee supporting the Commissioners, and disclosure of criteria in the selection of Directors or Commissioners. One of the analyzes is the absence of independent Directors or Commissioners. To carry out its duties to monitor managerial performance and prevent conflicts of interest in the corporation, it is important that the board is able to carry out objectives with objective consideration. This means the independence and objectivity of management with respect to the composition and structure of the board. Independence in these circumstances usually requires that there be adequate and independent board members from management

In addition, the thing that needs to be considered is that the Directors and Board of Commissioners of PT Jakarta Propertindo (Perseroda) are required to act in the interests of the company, taking into account the interests of shareholders, employees and the public. One of the key elements of the fiduciary duties of the Directors and Board of Commissioners of PT Jakarta Propertindo (Perseroda) is the task of managing the company. The task of managing the company requires the Directors and Board of Commissioners of PT Jakarta Propertindo (Perseroda) to act on complete information, in good faith, with due diligence and care. The management task does not extend to business valuation errors as long as the Directors and Board of Commissioners of PT Jakarta Propertindo (Perseroda) are not negligent and decisions are made with due diligence. This principle requires the Directors and Board of Commissioners of PT Jakarta Propertindo (Perseroda) to act on full information. This practice means assuming they must obtain fundamentally sound company information and compliance systems and support the role of the Board of Commissioners' supervision and advice.

Another analysis related to the responsibilities of the Directors and Commissioners is that some assessments are still in the domain of PT Jakarta Propertindo (Perseroda) shareholders, namely the Provincial Government of DKI Jakarta. The number of independent commissioners and criteria in the selection of Directors or Commissioners is very dependent on the process carried out by the DKI Jakarta Provincial Government through the Regional Owned Enterprise Development Agency (BPBUMD). Therefore PT Jakarta Propertindo (Perseroda) cannot fulfill or deliver information related to these matters. As for matters relating to the committee supporting the Commissioners in the Annual Report documents not explained about the activities and meetings that have been carried out by each committee in carrying out its duties and functions. This is a room for improvement so that in future annual reports the company should be able to add details of activities and meetings that have been carried out by each committee. With this the public can see that each of these committees has supported the Commissioner in carrying out the oversight function and giving advice to the company. The election of the Directors and

Board of Commissioners is carried out with direct involvement from the government. The government in selecting competent teams and knowledgeable individuals is carried out to ensure the function of the Board of Commissioners in terms of accountability, oversight of executive activities, strategy formulation and policy making can be fulfilled.

Based on the results of interviews with the Finance Director that the decision to appoint the Directors and Commissioners of the company is still fully the rights of shareholders namely the DKI Jakarta Provincial Government. Researchers also see that this is outside the authority of PT Jakarta Propertindo (Perseroda), especially in determining the Independent Commissioner and information disclosure in the process of selecting Directors and Commissioners at PT Jakarta Propertindo (Perseroda). But this can be an input for shareholders to be able to enter nominations for independent Commissioners in the future in order to get more objective supervision of the performance evaluation of the Directors and the company.

**Table 6. The Aspect of Responsibilities of the Board Score**

ASPECT / Subparameter	TOTAL ITEM	JAKPRO	WEIGHTED	SCORE
Responsibilities of the Board	65	29	40	17,84
Duties and Responsibilities of Directors and Board of Commissioners;	6	5		
Structure of the Directors and Board of Commissioners;	24	9		
Process of the Directors and Board of Commissioners;	22	8		
People on the Board of Directors and Board of Commissioners; and	6	4		
Performance of the Directors and Board of Commissioners.	7	2		

PT Jakarta Propertindo (Perseroda) has taken several actions to improve the quality and effectiveness of Good Corporate Governance. This is seen from the company's ability to meet several subparameters in ACGS, although this is not required in the Decree of the Governor of DKI Jakarta Province No. 96/2004. Some of the subparameters carried out to improve the quality and effectiveness of GCG include paying attention to the role of stakeholders, providing a whistleblower system in the company, transparency of share ownership structure, quality of annual reports, disclosure of related party transactions, and clear explanations of the duties and responsibilities of the Directors

## CONCLUSION

The implementation of Good Corporate Governance at PT Jakarta Propertindo (Perseroda) has not fully met the principles of good corporate governance seen from the assessment using ACGS. PT Jakarta Propertindo (Perseroda) got a total score of 38.05 from a maximum of 75 with details getting a score of 6.92 out of a maximum of 10 for the Stakeholder Role aspect, getting a score of 13.28 out of a maximum of 25 for the Openness and Transparency



aspect, and getting a value of 17,84 out of a maximum of 40 for the aspects of the responsibilities of the Directors and the Board of Commissioners. When compared with the 2015 ASEAN Corporate Governance Scorecard Country Reports and Assessments, the average value achieved by companies in Indonesia in the aspect of stakeholder roles in 2015 was 6.96, in the aspect of openness and transparency was 17.5 and in the aspects of the Directors' Responsibility and The Board of Commissioners is 20.99. This indicates that the implementation of GCG at PT Jakarta Propertindo still needs some improvement.

**Table 7. The ACGS Score on PT Jakarta Propertindo (Perseroda)**

NO	ASPECT / Subparameter	TOTAL ITEM	JAKPRO	WEIGHTED	SCORE
1	Role of Stakeholders	13	9	10	6,92
2	Disclosure and Transparency	32	17	25	13,28
3	Responsibilities of the Board	65	29	40	17,84
	Total	136		75	38,05

PT Jakarta Propertindo (Perseroda) has taken several actions to improve the quality and effectiveness of Good Corporate Governance. This is seen from the company's ability to meet several subparameters in ACGS, although this is not required in the Decree of the Governor of DKI Jakarta Province No. 96/2004. , transparency of share ownership structure, quality of annual reports, disclosure of related party transactions, and clear explanations of the duties and responsibilities of the Directors.

Suggestions for the Government, especially the Provincial Government of DKI Jakarta, are to strengthen the enforcement of GCG implementation in all BUMDs in the DKI Jakarta provincial government environment, both by strengthening regulations related to GCG and acting decisively by giving sanctions to BUMDs that do not meet the criteria required for good GCG implementation. . In addition, the Government also provides support to BUMDs, especially on the assignments of BUMDs so that assignments given are expected to be carried out effectively and efficiently. In the selection of the Board of Commissioners and Directors of the DKI Jakarta Provincial Government, they must also consider entering independent candidates to maintain the independence of the composition of the management of PT Jakarta Propertindo (perseroda). This is needed in strengthening supervision and decision making taken by management.

Suggestions for PT Jakarta Propertindo (Perseroda) to improve GCG implementation include 1) strengthening the Governance, Risk Compliance (GRC) team. The GRC functions to implement strategies in managing overall organizational governance, company risk management and compliance with regulations. Strengthening can be done by increasing the number of personnel, as well as training for staff at GRC to get training on the latest developments and GCG practices. 2) Directors or Independent Commissioners. The company should increase the number of independent commissioners to ensure a strong process towards effective decision making. The selection and appointment of independent commissioners by the nominating committee, which currently does not exist at PT Jakarta Propertindo (Perseroda), is important to

ensure the appointment of qualified directors with core skills, expertise and business talent. The professionalization of the board composition is very important for the Board of Commissioners to act in the interests of the company and ensure the effectiveness of conflict of interest management. 3) Performance Evaluation of Directors and Board of Commissioners. Evaluation of the Board of Commissioners as a whole and from each member, including committees under the Board of Commissioners, is a powerful tool to see how corporate governance impacts on company performance. The board must develop evaluation criteria and steps in the evaluation process. 4) Revised annual report One of the benefits of implementing GCG is better access to capital and lower cost of capital. This can be achieved if investors can find out the company's performance and the direction the company will go in the future. Some things to consider are submitting reports related to the work of the committees supporting the Board of Commissioners and other information deemed relevant to stakeholders. 5) Adding information to the company website. Some things that can be done to increase company transparency are submitting annual reports and audit financial reports on the company's website. It is also hoped that PT Jakarta Propertindo (Persero) will be able to convey the general development of strategic projects currently being undertaken.

For further research material, comparisons can be made between BUMDs between BUMDs in the DKI Jakarta province and between BUMDs in several provinces. This is to see whether the general situation of BUMDs in other provinces shows the same or different things. With the hope of being able to provide input to the Government in developing policies on GCG that are better targeted towards all BUMDs in Indonesia.

From the results of this analysis the researchers were aware of limitations in the study carried out, among others, limited time and sources of information, as well as limitations in terms of sampling which only included one BUMD. In addition, in this study interviews were not conducted with all stakeholders of PT Jakarta Propertindo (Persero). Matters relating to stakeholders are only obtained through documents such as the Annual Report and the Company's Financial Statements, the company's website, the company's GCG documents.

For further research that is more comprehensive and due to the limitations of the Regulations governing GCG in the Provincial Government of DKI Jakarta, a GCG assessment can be done using a more comprehensive SOE Ministerial Regulation. In addition, further research can include research on the implementation of GCG in all BUMDs within the DKI Jakarta Provincial Government.

## REFERENCE

- ACMF. (2017). *ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0*. ([https://www.theacmf.org/images/downloads/pdf/asean\\_cg\\_scorecard\\_12\\_may\\_2017.pdf](https://www.theacmf.org/images/downloads/pdf/asean_cg_scorecard_12_may_2017.pdf) diakses tanggal 4 Februari 2019).
- Ammann, Manuel & Oesch, David. (2011). *Corporate governance and firm value: International evidence*. Journal of Empirical Finance, 18, 36–55.

- Ararat, Melsa & Black, Bernard. (2017). *The effect of corporate governance on firm value and profitability: Time-series evidence from Turkey*. *Emerging Markets Review*, 30, 113–132.
- Bhagat, Sanjai & Bolton, Brian. (2008). *Corporate governance and firm performance*. *Journal of Corporate Finance*, 14, 257–273.
- Black, Bernard & Gorga, Érica. (2012). *What matters and for which firms for corporate governance in emerging markets? Evidence from Brazil (and other BRIK countries)*. *Journal of Corporate Finance*, 18, 934–952.
- [Cadbury Committee. \(1992\)](#). *Cadbury Committee The Report of the Committee on the Financial Aspects of Corporate Governance*. London: Gee and Co. Ltd.
- Chen, Victor Zitian, Jing Li & Shapiro, Daniel. (2011). *Are OECD-prescribed “good corporate governance practices” really good in an emerging economy?*. *Asia Pac J Manag*, 28, 115–138.
- Claessens, Stijn & Yurtoglu, Burcin. (2013). *Corporate governance in emerging markets: A survey*. *Emerging Markets Review*, 15, 1–33.
- [Claessens and Fan. \(2002\)](#). Corporate governance in Asia: a survey. *International Review of Finance*, 3 (2002), pp. 71-103.
- [Jensen and Meckling. \(1976\)](#). Theory of the firm: managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3 (1976), pp. 305-360.
- [Karolyi. \(2012\)](#). Corporate governance, agency problems and international cross-listings: A defense of the bonding hypothesis. *Emerging Markets Review*, 13 (4) (2012), pp. 516-547.
- [Klapper and Love. \(2004\)](#). Corporate governance, investor protection, and performance in emerging markets. *Journal of Corporate Finance*, 10 (2004), pp. 703-728.
- OECD. (2000). *G20/OECD Principles of Corporate Governance*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264236882-en>
- Simpson, Samuel Nana Yaw. (2014). *Boards and governance of state-owned enterprises*. *Corporate Governance*, Vol. 14 Issue: 2, 238-251.
- Utama, Cynthia Afriani, Utama, Sidharta & Amarullah, Fitriany. (2017). *Corporate governance and ownership structure: Indonesia evidence*. *Corporate Governance: The International Journal of Business in Society*, Vol. 17 Issue: 2, 165-191.
- Yaacob, Hisham & Basiuni, Jefri. (2014). *Corporate governance model of a state-owned enterprise: evidence from an Asian emerging market*. *Corporate Governance*, Vol. 14 Issue: 4, 504-514.
- Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintah Daerah.
- Peraturan Pemerintah Nomor 54 Tahun 2017 tentang Badan Usaha Milik Daerah.
- Peraturan Menteri BUMN Nomor PER -01/MBU/2011 tentang Penerapan Tata Kelola Perusahaan yang Baik (*Good Corporate Governance*) pada BUMN.

Keputusan Gubernur Provinsi DKI Jakarta Nomor 96 Tahun 2004 tentang Penerapan Praktik Good Corporate Governance pada Badan Usaha Milik Daerah di Lingkungan Pemerintah Daerah Khusus Ibukota Jakarta.

Keputusan Sekretaris Kementerian BUMN Nomor SK-16/S.MBU/2012 tentang Indikator/Parameter Penilaian dan Evaluasi Atas Penerapan Tata Kelola Perusahaan Yang Baik (*Good Corporate Governance*) Pada BUMN.