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GOOD CORPORATE GOVERNANCE (GCG) ON PT. BANK RAKYAT INDONESIA (Persero) Tbk.

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Abstract: To implement GCG (good corporate governance), companies must have standard limits, namely ethics and regulations to achieve success. Where ethics provides awareness for companies to run businesses that prioritize business ethics when dealing with stakeholders and to avoid conflicts. As for regulations, companies are required to implement and comply with statutory regulations. The purpose of implementing GCG is to conduct business with sound practices, in order to realize the company's goals in achieving its vision and mission by taking into account shareholders and stakeholders. The writing of this article uses descriptive qualitative methods to analyze and compare theories with implementation in the world of work or based on empirical experience so that researchers can identify information as deeply as possible and as carefully as possible to analyze the application of GCG (Good Corporate Governance) at PT Bank Rakyat Indonesia (Persero) Tbk. The results of this study indicate that the application of GCG in BRI companies applies the principles of GCG (Good Corporate Governance) which include: Accountability, Responsibility, Independence, Transparency, and Fairness.

Key Words: GCG (good corporate governance), Ethics, Regulations

INTRODUCTION

The implementation of GCG (Good Corporate Governance) is a benchmark in supporting economic growth and development in Indonesia. Along with that, companies are required to be able to balance it out. For this reason, a system is needed to control GCG (good corporate governance) in order to achieve the company's goals desired by the parties concerned and stakeholders in accordance with ethics and legislation.

Good corporate governance (GCG) is a process of managing company performance to create sustainable added value in the long term, Zarkasyi (2008). To implement GCG (good corporate governance), companies must have standard limits, namely ethics and regulations

to achieve success. Where ethics provides awareness for companies to run businesses that prioritize business ethics when dealing with stakeholders and to avoid conflicts. As for regulations, companies are required to implement and comply with statutory regulations.

PT Bank Rakyat Indonesia (Persero) Tbk is the biggest and oldest banking industry in Indonesia. In addition, it is able to play its role in supporting the growth of the economic and social sectors, both through raising funds, channeling funds and other banking services. So that PT Bank Rakyat Indonesia (Persero) Tbk applies GCG (good corporate governance) to realize the company's vision and mission, which is seen from its commitment to achieve long-term success by becoming the best bank for customers and stakeholders. To monitor the implementation of GCG (good corporate governance) internal and external assessments are carried out to meet the requirements of national governance standards in accordance with regulations issued by the government in a transparent manner.

LITERATURE REVIEW

Definition of GCG (Good Corporate Governance)

Good Corporate Governance is a system implemented by companies to improve long-term business success in realizing shareholder value by taking into account stakeholder interests, based on regulations and corporate ethical values, Sutedi (2011).

Good Governance is the rules and norms used by the leadership of the company and its staff so that the decision-making attitude is carried out in line with the interests of the company and shareholders. The rules and norms applied must follow government regulations and company policies. So that the application of good governance becomes a real action from the leadership of the company and its staff, then we need a system of Good Corporate Governance, Ali (2016).

Good Corporate Governance is a process used to improve company performance through monitoring management performance against stakeholders by basing it on ethical benchmarks and applicable regulations, Nasution (2007).

Corporate ethics is a form of professional ethics of a company, which has ethical principles and moral problems that arise in the business environment. Where corporate ethics applies to all aspects of business behavior starting from the behavior of individuals and entire organizations. Corporate ethics functions to control all activities within the company to give accountability to stakeholders based on regulations and ethical norms to achieve long-term success, Ali (2016).

Principles of Good Corporate Governance

Companies that apply the principles of Good Corporate Governance in the business environment to realize long-term business success by taking into account stakeholders by maintaining regulations and ethical values. Principles of Good Corporate Governance, KNKG (2006), As follows:

1. Independence

Company leaders and subordinates must work professionally and independently, must not dominate each other and cannot be influenced by any party.

2. Transparency

To make it easier for shareholders and stakeholders to dig up information about the company, the company provides relevant, accurate and factual information. So the company has a healthy system.

3. Accountability

The company's performance results must be accounted for, where the company provides data in a transparent, reasonable, measurable manner as desired by shareholders and stakeholders.

4. Responsibility

The company's management implements company policies in accordance with applicable regulations to carry out responsibilities towards the interests of shareholders and stakeholders so as to create long-term business relationships.

5. Fairness

In carrying out business activities within the company always pay attention to the principles of fairness, fairness and equality to shareholders.

Elements of Good Corporate Governance

Elements in Good Corporate Governance, Sutedi (2011). As follows:

1. Corporate Governance - Company Internal
 - a. Shareholders
 - b. The Directors
 - c. Board of Commissioners
 - d. Manager
 - e. Employee
 - f. Remuneration system based on performance
 - g. Audit Committee
2. Corporate Governance - Company External
 - a. Adequacy of laws and legal instruments
 - b. Investor
 - c. Information provider institutions
 - d. Public accountant
 - e. Institutions that favor the public interest
 - f. Lender

The Purpose and Benefits of Good Corporate Governance

Goal of Good Corporate Governance, Tunggal (2013). As follows :

1. Achieved the set goals.
2. The company's assets are maintained well
3. The company can run a business with sound practices
4. Company activities can be carried out transparently

Benefits of implementing Good Corporate Governance, Agoes (2009). As follows:

1. Facilitate access to domestic and foreign investment.
2. Getting cheaper capital costs.
3. Increase the confidence of shareholders and stakeholders in the company.
4. Protect directors and commissioners from lawsuits.

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5. Provide a positive impact that is better in improving company performance.

RESEARCH METHOD

In this article the qualitative descriptive analysis method is used. Where the qualitative descriptive method is to analyze and compare theories with implementation in the world of work or based on empirical experience so that researchers can identify information as deeply as possible and as carefully as possible to analyze the application of GCG (Good Corporate Governance) at PT Bank Rakyat Indonesia (Persero) Tbk. The subject of this research was PT Bank Rakyat Indonesia (Persero) Tbk. which is on Jl. Jend. Sudirman Kav. 44-46, Bendungan Hilir Tanah Abang, Central Jakarta. The object of research in this study is the application of GCG (Good Corporate Governance) at PT Bank Rakyat Indonesia (Persero) Tbk.

RESULT AND DISCUSSION

PT Bank Rakyat Indonesia (Persero) Tbk is the largest government-owned banking industry company. Where BRI has a vision and mission to be realized in order to achieve long-term success. For this reason, the application of GCG (Good Corporate Governance) at PT Bank Rakyat Indonesia (Persero) Tbk. In accordance with the principles determined by company policy, which is as follows:

1. Independence (Independency)

Company leaders and subordinates must work professionally and independently, must not dominate each other and cannot be influenced by any party.

Principal Guidelines for Implementation

- a. In completing the task, the company complies with operating standards.
- b. Internal banking regulations and statutory regulations do not take responsibility.
- c. Company leaders and subordinates are not influenced by certain interests and are free from conflict so that decision making can be done objectively.

2. Transparency

To make it easier for shareholders and stakeholders to dig up information about the company, the company provides relevant, accurate and factual information. So the company has a healthy system.

Principal Guidelines for Implementation

- a. The company applies laws and regulations, for decision making in accordance with the interests of shareholders and stakeholders.
- b. Information is communicated to shareholders and stakeholders in writing.

3. Accountability

The company's performance results must be accounted for, where the company provides data in a transparent, reasonable, measurable manner as desired by shareholders and stakeholders.

Principal Guidelines for Implementation

- a. Set long-term business goals to be accountable to shareholders and stakeholders.
- b. Company leaders submit annual financial reports at the General Meeting of Shareholders (GMS) to stakeholders and the general public.
- c. Submit reports in accordance with applicable regulations to the Financial Services Authority (OJK).

4. Responsibility

The company's management implements company policies in accordance with applicable regulations to carry out responsibilities towards the interests of shareholders and stakeholders so as to create long-term business relationships.

Principal Guidelines for Implementation

- a. Responsible for any actions that have the potential to harm other parties such as implied by laws, regulations, contracts or banking operational guidelines.
- b. To preserve nature through a company policy program that supports the preservation of natural resources.
- c. Banking companies act as good corporations through social and environmental responsibility.

5. Fairness

In carrying out business activities to create harmony, the company always pays attention to fairness, fairness and equality to shareholders and stakeholders.

Principal Guidelines for Implementation

- a. Shareholders and stakeholders are given the opportunity to provide input and express opinions for the benefit of banks.
- b. In employee recruitment and staff development, it is carried out professionally, not distinguishing between ethnicity, religion and race.
- c. Meet the obligations of the rights of shareholders and stakeholders.

Good Corporate Governance Policy

PT Bank Rakyat Indonesia (Persero) Tbk faces increasingly complex risks, therefore the need for GCG practices is increasingly enhanced by building trust in shareholders and stakeholders to realize commitment to the implementation of good corporate governance. The BRI company has a Good Corporate Governance policy that applies to BRI organizations and people in accordance with the Joint Decree (SKB) approved by the Board of Commissioners and Directors.

The Joint Decree (SKB) was formulated based on BRI's business development and evaluation of previous GCG practices that produced aspects of governance in the form of commitment, structure, process and results, as follows:

PILLAR 1 COMMITMENT GOVERNANCE	PILLAR 2 STRUCTURE GOVERNANCE	PILLAR 3 PROCESS GOVERNANCE	PILLAR 4 GOVERNANCE RESULTS
<ul style="list-style-type: none"> • Vision and mission • Company values • Board guidelines • Commissioner • Directors guidelines • Code of Ethics • Collective labor Agreement • Preservation of natural resources 	<p style="text-align: center;">Main Organs</p> <ul style="list-style-type: none"> • AGM • Board of Commissioners • The Directors <p style="text-align: center;">Supporting Organs</p> <ul style="list-style-type: none"> • Committees • Board of Commissioners' 	<ul style="list-style-type: none"> • Implementation of the GMS • Implementation of the functions, duties and responsibilities of the board of commissioners and directors • Implementation of bank business 	<ul style="list-style-type: none"> • Business Continuity • Customer Protection • Social and environmental responsibility • The benefits of banks for the community and

and the environment	secretary • Secretary • Company • Work unit • Risk management • Obedience • Internal audit work unit Policies and Procedures • Policy on preparing bank plans • Business policy • Supervision policy • Transparency and disclosure	activities • HR Management • Social and environmental responsibility • Information technology governance • Management of subsidiaries • Bank policy socialization • Process documentation	the national economy
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Picture 1. Good Corporate Governance Policy

Good Corporate Governance Commitment

1. Vision and Mission

PT Bank Rakyat Indonesia (Persero) Tbk has a vision to reflect the goals achieved in the future and the mission to find ways to achieve the vision that has been set.

2. Company Values

BRI companies have corporate values that embrace the work culture value as the basis for thinking and behaving for all BRI personnel to carry out their duties. The growing scale of the banking business, to monitor and manage HR related to the work ethic requires special attention. Corporate culture management is categorized as Work Culture, Compliance Culture, Service Culture, Risk Risk Awareness Culture and Anti Fraud Culture. The Implementation of Work Culture is called BRILiaN which has important aspects and characteristics for BRI people in their attitude and behavior in serving customers, fellow employees and company management. BRILiaN covers the following:

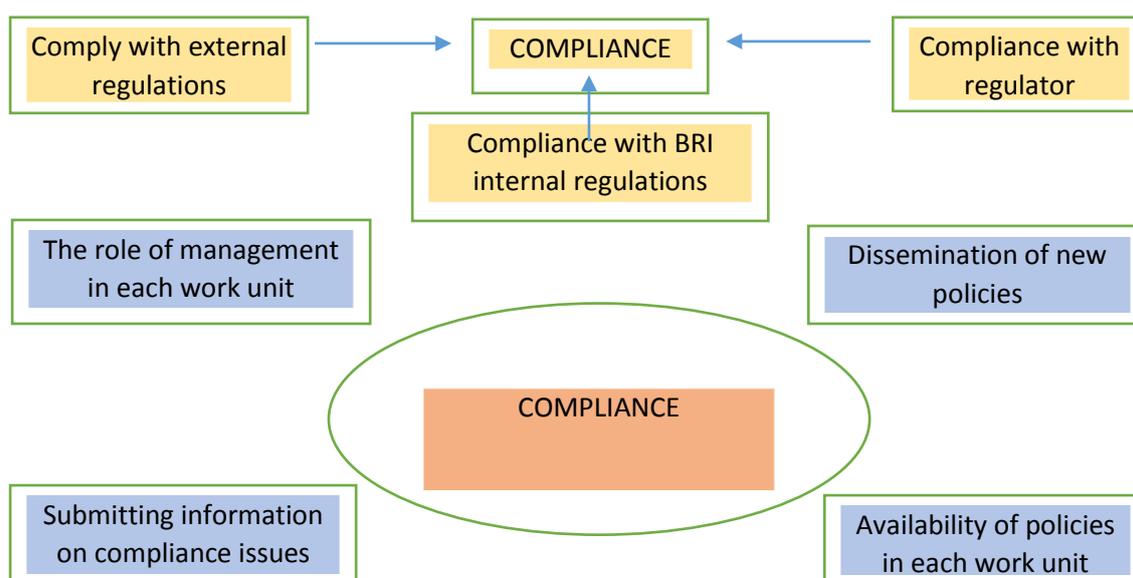
- a. Integrity
- b. Professionalism
- c. Exemplary
- d. Customer Satisfaction
- e. Award to HR

- Ten Main Attitudes of BRI Personnel**
1. Be honest, trustworthy and obey the rules
 2. Always maintain personal and corporate honor and good name
 3. Reliable, discipline and responsibility
 4. Future oriented
 5. as a role model and big-hearted
 6. Decisive in following up any deviations
 7. Providing the best service while taking into account the interests of the company
 8. Skillful, friendly. happy to serve
 9. Treat work openly, fairly respect one another
 10. Develop a cooperative attitude in creating synergies for the benefit of the company

Picture 2. Ten Main Attitudes of BRI Individuals

BRI's compliance culture at the BRI Work Unit layer, as follows:

- a. Submitting information on compliance issues
- b. The Role of Management in each Work Unit
- c. Dissemination of new policies / changes
- d. Policy availability in each Work Unit



Picture 3. BRI Compliance Culture

3. Board of Commissioners and Directors

The Board of Commissioners and Directors provide duties and responsibilities to their subordinates in accordance with their position in the working relationship between the board of commissioners and directors and subordinates to realize the company's goals, namely achieving the Bank's vision and mission.

4. Code of Conduct

The banking code of ethics is the basis for ethical and trustworthy behavior in interacting with shareholders and stakeholders. Where the code of ethics applies to all Banking employees to support the practice of Corporate Culture.

5. Joint Work Arrangements

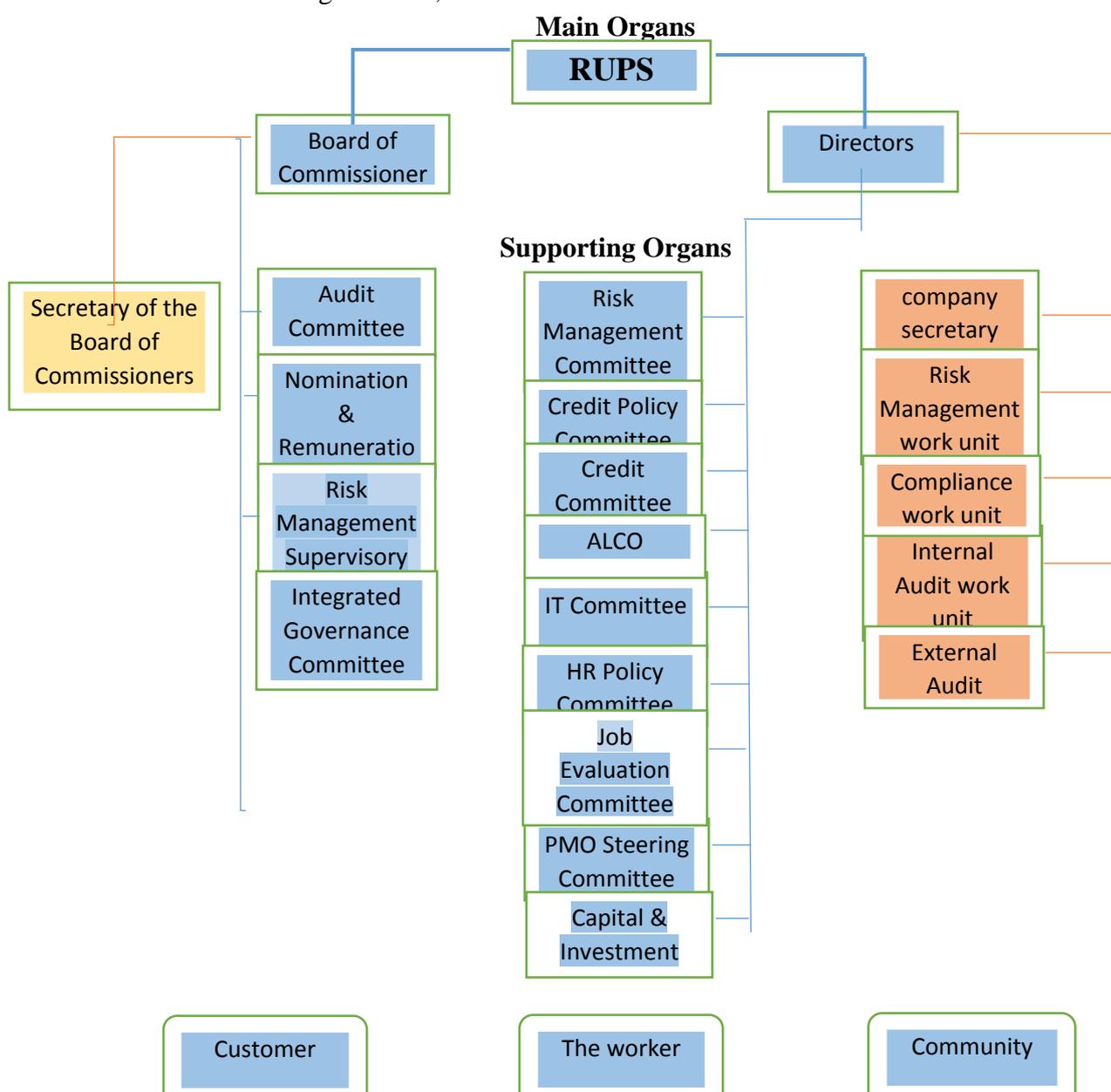
The results of negotiations and agreements between banks and trade unions will be regulated in a collective labor agreement (PKB) to carry out work relations, so that there is no disagreement between each other. Collective labor agreements (PKB) are regulated in labor laws in fostering industrial relations.

6. Preservation of Natural Resources and the Environment

The company's commitment plays a role in leveling up the economy to improve the quality of life and the beneficial environment. In its function of carrying out social and environmental responsibility the banking system has an integrated strategy with the banking business that pays attention to the preservation of natural resources and the environment.

Good Corporate Governance Structure

Company and supporting organizational structure to realize banking policies in the context of conducting business, as follows:



Picture 4. Good Corporate Governance Structure

1. Main Organs

- a. Banking Companies Hold General Meeting of Shareholders (GMS), which includes the Annual GMS held within a period of 6 months after the fiscal year ends. And the other General Meeting of Shareholders is held based on the needs of the company's interests.
- b. The Board of Commissioners carries out its duties and responsibilities based on banking statutes and regulations.
- c. Directors Make decisions in accordance with their duties and authorities based on the banking articles of association and regulatory regulations.

2. Supporting Organs

- a. Committees under the board of commissioners, as follows:
 - 1) Audit Committee
 - 2) Nomination and Remuneration Committee
 - 3) Risk Management Oversight Committee

While the committee under the directors, as follows:

- 1) Risk Management Committee (RMC);
 - 2) Credit Policy Committee (KKP);
 - 3) Credit Committee (KK);
 - 4) Asset and Liability Committee (ALCO);
 - 5) Technology and Information Systems Steering Committee
 - 6) Committees (ITSC);
 - 7) Human Resources Policy Committee; and
 - 8) Other committees that can be determined later
- b. The Secretary of the Board of Commissioners is tasked with assisting the duties of the Board of Commissioners.
 - c. The company secretary carries out the duties and responsibilities related to the implementation of GCG to manage stakeholder interests.
 - d. The risk management work unit is in charge of overseeing the Board of Commissioners and Directors, the internal controller and overseeing the risk management information system.
 - e. One compliance job is responsible for carrying out the banking company's compliance function.
 - f. Internal audit work unit, improving banking operations by evaluating the process of corporate governance.
 - g. The external audit is tasked with examining finance in conducting financial statement audits carried out by Bank Indonesia (BI).

3. Policies and Procedures

- a. Company policy planning the banking business and budget work plan in the long run.
- b. Business policies, for product development which are reviewed for compliance with applicable regulations based on GCG principles.
- c. Supervision policy in accordance with applicable regulations.
- d. Transparency.

Good Corporate Governance Process

The Company performs the function of realizing the commitment of good corporate governance with the following GCG processes:

1. General Meeting of Shareholders
2. Implementation of Functions, Duties and Responsibilities of company leaders
3. Implementation of Bank Business Activities
4. Management of Human Resources (HR)
5. Social and Environmental Responsibility
6. Information technology governance (IT governance)
7. Management of Subsidiaries
8. Disseminating Bank policies
9. Process Documentation.

Implementation of Corporate Governance

1. Opera Risk Assessor (OPRA) implements all work units, so it is hoped that each reporting of possible risk events will be well documented and can be accounted for.
2. Knowledge Management System (KMS) implementation of each banking employee to minimize dependence on certain workers, to increase transparency of various policies that affect the banking business.
3. Management Information System (MIS) for all employees to create equal access to bank business performance information to improve the accuracy of the data presented.
4. Balanced Score Card (BSC) performance appraisal system in the development and piloting stages.

Transparency in Good Corporate Governance Implementation

1. In maintaining harmonious relations with stakeholders, corporate governance is applied in a directed, systematic and measurable manner.
2. The preparation of the Bank's GCG implementation report is based on Bank Indonesia, OJK and Bapepam-LK regulations and other external provisions.
3. Reports on the implementation of the Bank's GCG, contained in an annual report, are presented separately from the annual report.

CONCLUSION AND SUGGESTION

Implementation of Good Corporate Governance (GCG) implemented by PT Bank Rakyat Indonesia Tbk. Continuity in shaping attitudes, actions, commitments and provisions support the creation of a corporate culture to realize business success that takes into account long-term shareholders and stakeholders. So as to create professional performance, and build behavior in accordance with BRI's ethical standards by referring to best practices and meeting the laws and regulations and be consistent in applying the principles of GCG (Good Corporate Governance) which include: Accountability, Responsibility (Responsibility), Independence (Independence), Transparency (Transparency), and Fairness based on the Company's Code of Conduct and Corporate Governance Policy.

Suggestion

1. Bank Indonesia and OJK as supervisors of the activities of commercial banks must be more careful in carrying out their supervisory activities, must be based on the principles of Good Corporate Governance.
2. In the practice of collusion, corruption and nepotism that are contrary to GCG principles, banking companies must be aware of this. Therefore, the company creates a system of internal and external supervision mechanisms for healthy corporations.
3. In implementing GCG, the company complies with laws and regulations in accordance with the regulations, in order to increase the trust of shareholders and stakeholders in achieving the company's goals.

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