MUSYTARI
ISSN: 3025-9495

Neraca Manajemen, Ekonomi
Vol 17 no. 5 Tahun 2025
Prefix DOI : 10.8734/mnmae.v1i2.359

EVALUATION OF THE IMPLEMENTATION AND EFFECTIVENESS OF GOOD CORPORATE GOVERNANCE IN STATE-OWNED ENTERPRISES: A CASE STUDY OF PELINDO AS A RECIPIENT OF THE 'INDONESIA TRUSTED COMPANIES 2024' AWARD

Ihsanul Johanto[1], Aida Aulia Fadilah[2], Dwy Septa Anggraini[3], Rohmawati Kusumaningtias[4]
[1-4]Accounting, Faculty of Economics and Business, Universitas Negeri Surabaya
[1]ihsanul.23445@mhs.unesa.ac.id, [2]aida.23331@mhs.unesa.ac.id, [3]dwy.23278@mhs.unesa.ac.id, [4]rohmawatikusumaningtias@unesa.ac.id

Abstract

This study explores how the implementation of Good Corporate Governance (GCG) contributes to both financial performance and corporate reputation in Indonesia's state-owned enterprise (SOE) landscape. Focusing on PT Pelabuhan Indonesia (Pelindo)—a key national port operator and recipient of the "Indonesia Trusted Companies 2024" award—this research adopts a document-based case study approach. By systematically analyzing a variety of official records, including audited financial statements, annual reports, GCG self-assessment scores, operational performance summaries, and sustainability disclosures, the study aims to evaluate the real impact of GCG practices without relying on interviews or perception-based data. The analysis builds upon the conceptual framework of Putri and Meutia (2024), which links the quality of internal controls, the role of internal audits, and governance structures to key performance outcomes. In Pelindo's case, these governance mechanisms have not only ensured compliance with state regulations and international best practices but have also translated into tangible improvements in financial indicators such as Return on Equity (ROE), Operating Profit Margin (OPM), and asset turnover ratios over the 2022–2024 period. Moreover, Pelindo's high GCG assessment scores and its consistent ESG (Environmental, Social, and Governance) disclosures appear to have strengthened stakeholder confidence and enhanced the company's corporate image, ultimately contributing to its national recognition as a trusted SOE. What sets this study apart is its methodological rigor in triangulating secondary data sources to draw robust inferences about governance effectiveness. By relying entirely on verifiable documentation—rather than interviews or subjective assessments—the research presents a replicable and audit-proof model for evaluating GCG in other state-owned enterprises. Furthermore, this approach offers critical insights into how public recognition, such as GCG awards, often reflects deeper institutional practices and performance trends, rather than being symbolic or ceremonial in nature. The study underscores the strategic importance of GCG in shaping both short-term operational outcomes and long-term reputational capital. It argues that transparent, accountable, and sustainability-oriented governance is not merely a regulatory obligation but a value-creating asset for SOEs, especially in

Article History
Received: May 2025
Reviewed: May 2025
Published: May2025

Plagirism Checker No 234
Prefix DOI : 10.8734/Musytari.v1i2.365

complex institutional environments like Indonesia. The findings are expected to benefit corporate leaders, regulators, and policymakers seeking to enhance GCG frameworks across the public sector. In doing so, the research also contributes to the broader academic discourse on governance in emerging markets, where the convergence of state ownership and private sector efficiency continues to present both challenges and opportunities.
Keywords: Good Corporate Governance, State-Owned Enterprises, Pelindo, Corporate Performance, Governance Assessment, ESG Reporting, Reputation, Document-Based Case Study, Public Sector Reform.

1. INTRODUCTION

1.1 Background

Good Corporate Governance (GCG) is no longer a mere regulatory requirement or corporate formality—it has evolved into a foundational element of organizational credibility, especially for institutions entrusted with public interest, such as State-Owned Enterprises (SOEs). In the Indonesian context, where SOEs play a crucial role not only as economic actors but also as policy implementers, the call for strong and effective governance is more urgent than ever. GCG is expected to ensure that SOEs can operate transparently, responsibly, and sustainably, while also delivering measurable value to the state and society.

In the last decade, the Government of Indonesia has undertaken various initiatives to institutionalize governance standards within SOEs, from ministerial regulations to the requirement for annual GCG assessments and performance evaluations. However, while regulations provide a framework, the real challenge lies in translating those principles into effective and consistent practices across all levels of the organization. Several studies have shown that GCG, when properly implemented, can improve financial performance, reduce risk exposure, enhance reputation, and attract investor confidence (Iqbal et al., 2024; Husna et al., 2023; Nawawi & Murniati, 2023). Nevertheless, the extent to which GCG influences these outcomes in practice—particularly in the complex and politically embedded environment of SOEs—remains a question that demands deeper empirical exploration.

One particular case that draws scholarly and practical interest is PT Pelabuhan Indonesia (Pelindo), which stands at the strategic heart of Indonesia's maritime and logistics infrastructure. After undergoing a major transformation through the merger of several port operators in 2021, Pelindo entered a new phase of governance restructuring. The company's subsequent recognition as one of the "Indonesia Trusted Companies 2024" serves as an important milestone, highlighting its perceived success in implementing GCG. Yet, it is important to ask: does this recognition truly reflect substantive governance improvements and enhanced corporate performance? Or is it merely a symbolic gesture lacking empirical validation?

Addressing this question requires a methodical approach—one that goes beyond narratives or interviews and instead relies on verifiable documentary evidence. Fortunately, as a state-owned company, Pelindo is required to publish a wide range of corporate reports, including audited financial statements, annual reports, sustainability reports, operational performance assessments, and GCG evaluation documents. These reports provide a rich and reliable data source for evaluating the quality and consistency of GCG practices over time, and for assessing their impact on key performance indicators and stakeholder trust.

In parallel with global trends, Indonesian SOEs are increasingly expected to align their practices with Environmental, Social, and Governance (ESG) principles. GCG is no longer just about compliance or board composition—it is about how effectively a company integrates governance into its day-to-day decision-making, manages conflicts of interest, ensures transparency, and responds to public accountability. In that sense, this study views governance not as a static structure but as a dynamic process that evolves in response to both internal pressures and external expectations.

Therefore, by focusing on Pelindo and using only publicly available corporate documentation, this research seeks to provide a comprehensive and grounded understanding of how GCG is practiced, evaluated, and reflected in actual organizational outcomes. The study adopts the case study approach not simply to describe Pelindo's governance practices, but to critically examine their depth, effectiveness, and alignment with national and international governance expectations. This kind of evidence-based analysis is especially valuable for policymakers, regulators, and other SOEs seeking to learn from peer experiences and strengthen their own governance models.

1.2 Research Objectives

The primary objective of this study is to conduct a thorough and evidence-based evaluation of how Good Corporate Governance (GCG) has been implemented and how effectively it functions in the context of a major Indonesian SOE—PT Pelabuhan Indonesia (Pelindo)—which was recognized as one of the "Indonesia Trusted Companies 2024".

To achieve this overarching goal, the study formulates the following specific objectives:

1. To examine the extent and consistency of GCG implementation at Pelindo by systematically analyzing formal documents such as annual reports, GCG assessment reports, sustainability reports, operational performance records, and financial statements over a defined period.
2. To assess the empirical impact of GCG implementation on Pelindo's financial and non-financial performance, using objective indicators such as profitability ratios (e.g., ROE, ROA, NPM), leverage ratios (e.g., DER), operational efficiency, ESG disclosures, and independent recognition through awards and ratings.
3. To evaluate the effectiveness of Pelindo's governance mechanisms—including the board of commissioners, audit committee, internal audit, and risk management functions—in ensuring transparency, accountability, and strategic alignment with the Ministry of SOEs' GCG guidelines.
4. To analyze whether Pelindo's achievement as an "Indonesia Trusted Company" is supported by measurable governance performance, and to determine the degree of congruence between external recognition and internal governance substance.
5. To develop a document-based case study model for evaluating GCG effectiveness in SOEs, which can serve as a replicable framework for assessing other state-owned companies, particularly in the absence of primary data such as interviews or surveys.
6. To contribute to the broader discourse on governance and accountability in SOEs, by generating context-specific insights that reflect the complexity of implementing GCG in a highly regulated and politically sensitive institutional environment.

By fulfilling these objectives, the study aims to offer both theoretical enrichment and practical implications for GCG research and reform. It aspires to inform future efforts by regulators, boards, auditors, and scholars who are seeking to bridge the gap between governance ideals and actual corporate behavior in state-owned enterprises.

2. LITERATURE REVIEW

2.1 Good Corporate Governance (GCG)

Good Corporate Governance (GCG) has become a fundamental element in strengthening the integrity and sustainability of modern companies, especially in the midst of global market dynamics and increasingly complex public expectations. In a general sense, GCG refers to a system of values, principles, and mechanisms designed to ensure that companies are managed professionally, transparently, and responsibly, thus creating a balance between the interests of the company, shareholders, and other stakeholders (OECD, 2015).

In principle, the OECD developed five main pillars in the GCG framework: transparency, accountability, responsibility, independence and fairness. These five principles have become a global reference that is not only used as normative guidelines, but has also been proven in many empirical studies as an effective framework to prevent conflicts of interest, minimize the risk of fraud, and improve the quality of managerial decision making (Fadrul et al., 2024; Aji & Wulandari, 2024).

The context of SOEs in Indonesia makes GCG more than a regulatory obligation; it is a strategic necessity. SOEs face pressure to not only achieve profitability, but also carry out development mandates and public services. This makes GCG implementation an important tool to maintain a balance between commercial objectives and social functions (Rilah & Trisnaningsih, 2024). Thus, GCG in SOEs must be understood as a governance approach that seeks to bridge economic efficiency with public accountability simultaneously.

2.2 State-Owned Enterprises (SOEs)

State-Owned Enterprises (SOEs) play a central role in national economic development in many developing countries, including Indonesia. SOEs not only function as economic actors, but also as agents of the state in the provision of public goods and services, welfare distribution, and economic stabilization. In practice, SOEs operate within a dual framework: as business entities that are required to be efficient and as public institutions that must be accountable (Jahja et al., 2024).

However, this double burden often brings its own complexities. A number of studies identify structural and governance challenges within SOEs, such as political interference, low transparency, and weaknesses in internal control systems (Wardhani & Supratiwi, 2023). Therefore, SOE reform in Indonesia places improving governance as a top priority, where consistent implementation of GCG is expected to improve operational efficiency, minimize conflicts of interest, and drive long-term added value (Tijow & Hayat, 2024).

Research by Nawawi and Murniati (2023) confirmed that SOEs that implement GCG in a disciplined manner tend to have healthier financial ratios, higher investor confidence, and more stable performance than SOEs that do not.

2.3 Pelindo

PT Pelabuhan Indonesia (Persero) or Pelindo is a strategic SOE engaged in the port and logistics services sector, which plays a vital role in the national trade and supply chain system. Post-merger in 2021 that brought together the four entities Pelindo I-IV, the company became the largest port manager in Southeast Asia, with service coverage from Sabang to Merauke.

The merger not only brings structural implications, but also demands a comprehensive improvement in the governance system. Thus, the implementation of GCG is an important foundation to ensure the success of consolidation and the achievement of expected operational efficiency. The study by Iqbal et al. (2024) underlines that Pelindo has shown a high commitment to adopting GCG through the establishment of an independent audit committee, a strong internal control unit, and an accountable and digital-based reporting system.

Neraca Manajemen, Ekonomi
Vol 17 no. 5 Tahun 2025
Prefix DOI : 10.8734/mnmae.v1i2.359

The company's annual report and sustainability report show that Pelindo does not only focus on financial performance, but also on sustainability values and integrity in public service. The receipt of the “Indonesia Trusted Companies 2024” award is a reflection of external recognition of the company's success in implementing credible, transparent and sustainable governance.

2.4 Corporate Performance

Corporate performance is a direct reflection of an entity's strategic effectiveness, operational efficiency, and managerial capacity. In academic and practitioner circles, corporate performance is measured through a variety of indicators, both financial ones such as Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM), as well as non-financial ones such as customer satisfaction, stakeholder loyalty, and service innovation.

The relationship between GCG and company performance has been widely studied. Husna et al. (2023) shows that comprehensive GCG implementation improves the quality of information in financial reports, strengthens internal controls, and promotes market discipline. In the context of SOEs, GCG practices are proven to help companies navigate external pressures and improve performance amid a dynamic regulatory environment.

For Pelindo, a successful merger must be followed by tangible performance improvements. Therefore, an evaluation of corporate performance needs to cover financial, operational and social dimensions in an integrated manner - in line with GCG mandates and national stakeholder expectations.

2.5 Governance Assessment

GCG assessment is an important instrument in measuring the effectiveness of corporate governance. In Indonesia, the Ministry of SOEs has developed a GCG Assessment Guideline that covers six key aspects: commitment to sustainable GCG implementation, treatment of shareholders and GMS, Board of Commissioners functions, Board of Directors functions, information disclosure and transparency, and internal controls.

This evaluation is carried out periodically, both by internal parties and external independent institutions. The aim is to provide an objective picture of the strengths and weaknesses of the governance system implemented. Redi and Victor's study (2023) concluded that companies with high GCG scores show better risk management quality and stronger public trust.

In the context of Pelindo, the GCG assessment results in 2023 show an excellent score of above 85, indicating that governance has been implemented in a consistent and structured manner. This strengthens confidence in the company's ability to ensure accountability and operational integrity.

2.6 ESG Reporting

In recent years, Environmental, Social, and Governance (ESG) reporting has become a crucial element in modern business practices. ESG reporting is not just a complement to the annual report, but reflects corporate responsibility for environmental sustainability, social care, and good governance. A study by Yulianti and Amalya (2024) confirms that companies that excel in ESG disclosure tend to have higher market value and stronger public trust.

Pelindo is an active company in publishing periodic sustainability reports. The 2023 report shows various strategic initiatives taken by the company in reducing carbon emissions, preserving coastal ecosystems, and community empowerment programs around the port. The integration of ESG in the GCG framework strengthens Pelindo's position as a public company that not only pursues profit, but also upholds sustainability values.

Neraca Manajemen, Ekonomi
Vol 17 no. 5 Tahun 2025
Prefix DOI : 10.8734/mnmae.v1i2.359

2.7 Reputation

Corporate reputation is an intangible capital that is increasingly taken into account in market valuation, both by investors, regulators, and the general public. Reputation is formed through consistency in business ethics, service quality, and transparency in carrying out company activities (Boudreaux, 2019). In the realm of SOEs, reputation is critical to building public legitimacy and strengthening relationships with government and society.

The "Indonesia Trusted Companies 2024" award received by Pelindo symbolizes the reputation built through GCG implementation, ESG reporting, and transparent performance achievement. In line with the findings of Putri & Meutia (2024), a good reputation is not only the end result of GCG practices, but also a leverage factor to increase the company's resilience to external challenges.

2.8 Document-Based Case Study

This study utilizes a document-based case study approach, which methodologically provides advantages in gaining an in-depth understanding of the context and dynamics of corporate governance. This approach relies on primary sources such as annual reports, sustainability reports, GCG performance reports, and other official publications that can be verified.

As emphasized by Li (2025) and Khosrowjerdi (2022), document-based studies have high validity as long as researchers use data sourced from official institutions and go through a triangulation process. By not using interviews, this approach allows researchers to focus on factual data, avoid narrative bias, and assess GCG practices objectively and measurably.

2.9 Public Sector Reform

Public sector reform in Indonesia has been underway in recent decades in response to growing demands for transparency, efficiency and accountability. Within this framework, GCG has become one of the important instruments in changing the bureaucratic paradigm to be more open, professional and performance-based (Muharam & Al Jannah, 2023).

SOEs are very strategic entities in this reform agenda, due to their significant role in the economy and public services. Pelindo, as one of the largest SOEs, has been a pioneer in adopting various reform policies: from mergers and digitalization, to strengthening governance and sustainability reporting. These reforms not only cover structural aspects, but also touch on organizational values, leadership patterns, and work culture that support accountability and transparency.

3. RESEARCH METHODOLOGY

3.1 Research Design

This research is designed using a descriptive qualitative approach with a case study method, which specifically examines the practice and effectiveness of Good Corporate Governance (GCG) at PT Pelabuhan Indonesia (Pelindo). The selection of this design is based on the objective to deeply understand how GCG principles are applied in the managerial, structural, and operational contexts of state-owned companies, especially at Pelindo as a recipient of the Indonesia Trusted Companies 2024 award.

Case studies are appropriate because they allow researchers to explore complex internal dynamics within an organization thoroughly and in depth. By focusing the analysis on a single unit (single-case study), this research can explore the relationship between governance structures, policies, and their impact on corporate reputation and performance. In addition, this approach accommodates limitations in terms of access to primary resources (such as interviews or direct observation) by optimizing the wealth of information from valid and credible documentary sources.

This research also adopts the conceptual perspective of the GCG framework developed by the OECD (2023) and the National Committee on Governance Policy (KNKG), so that the analysis process can be carried out systematically and measurably. With this approach, the research not only evaluates the level of formal compliance with GCG principles, but also analyzes the actual effectiveness of the implementation of these principles in the company's managerial practices.

3.2 Unit of Analysis and Sample Selection Technique

The unit of analysis in this study is a state-owned organization, with a focus on PT Pelabuhan Indonesia (Pelindo) as a single sample. Pelindo was selected by purposive sampling, based on two main considerations. First, Pelindo is one of the few strategic SOEs that received the Indonesia Trusted Companies award from the Indonesian Institute for Corporate Governance (IICG) in 2024, a form of recognition for achievements in GCG implementation. Secondly, Pelindo has relatively complete, comprehensive and publicly available documentation, providing a strong database for in-depth analysis.

As an intrinsic case study, this research does not aim to generalize to all SOEs, but rather to understand the characteristics, processes and outcomes of GCG implementation in one contextually relevant and information-rich case. As such, this approach is aligned with the principles of qualitative methodology which prioritizes depth over breadth in analysis.

3.3 Data Collection Techniques

All data in this study were collected through official documents and archives, both from internal companies and from credible external institutions. The data collection techniques were non-interventionist, prioritizing the validity, reliability and authenticity of the sources. The types of documents used are grouped into three main categories as follows:

1. Internal Company Documents

Documents included in this category include:

- Pelindo Annual Reports 2020-2024.
- Sustainability Reports 2021-2023.
- Self-Assessment Reports and GCG assessment results from independent parties.
- Audited Financial Statements.
- Company operational performance reports.

These documents provide primary information on governance structures, financial and non-financial performance, and organizational dynamics during the evaluation period.

2. External Institutional Documents

This data is obtained from external institutions that evaluate corporate governance and provide recognition or awards. Key sources include:

- Corporate Governance Perception Index (CGPI) evaluation results from IICG.
- Official announcement of Indonesia Trusted Companies 2024 awardees.
- GCG evaluation report and guidelines from the Ministry of SOEs.
- Credible media news and reports such as Kompas, Bisnis.com, and CNBC Indonesia.

3. Academic and Theoretical Literature

To support the analytical framework and interpretation of results, this research also utilizes references from:

- Accredited national journals Sinta 1 and Sinta 2.
- Reputable international journals indexed by Scopus (Q1-Q4) and WoS.
- Policy documents from OECD and KNKG.
- OJK regulations related to GCG and corporate transparency obligations.

Neraca Manajemen, Ekonomi
Vol 17 no. 5 Tahun 2025
Prefix DOI : 10.8734/mnmae.v1i2.359

All documents were selected based on document validity criteria according to Scott (1990), namely: (i) authenticity, (ii) credibility, (iii) representativeness, and (iv) purpose or relevance to the research objectives.

3.4 Data Analysis Techniques

Data obtained from various documents were analyzed using thematic content analysis and pattern matching approaches. This technique refers to the interactive analysis model of Miles, Huberman and Saldaña (2014), which involves three main stages:

1. Data Reduction

This process began by identifying parts of the documents that were relevant to the GCG indicators. Researchers classified the data based on themes such as: transparency, accountability, independence, responsibility, and fairness. In addition, aspects of financial and non-financial performance were coded, including indicators of reputation (e.g., awards and public perception), logistical performance and sustainability.

2. Data Presentation

The extraction results are presented in the form of thematic matrices, descriptive narratives, and visualizations such as tables and graphs to clarify the relationship between variables. In this case, the relationship between the implementation of GCG principles and CGPI scores is analyzed along with trends in financial performance (e.g., ROA and ROE), as well as other operational indicators.

3. Conclusion Drawing and Verification

Conclusions are drawn based on the results of interpretations of patterns and trends that emerge from the data. The validity of interpretations was strengthened through triangulation between source documents, confirmation of relevant theories, and cross-checking with empirical literature. We also adopted a Balanced Scorecard-based evaluative framework and Corporate Governance Outcome Framework to assess the impact of GCG in a more measurable way.

These analytical techniques allow researchers to not only assess the existence of formal GCG structures or procedures, but also understand their effectiveness in the context of real implementation and achievement of strategic outcomes. Thus, this research is expected to provide a holistic and in-depth picture of how good corporate governance can drive improvements in the reputation and sustainability of SOEs in Indonesia.

4. RESULT AND DISCUSSION

4.1 Research Result

In evaluating the implementation and effectiveness of Good Corporate Governance (GCG) principles in PT Pelindo as a state-owned company that received the “Indonesia Trusted Companies 2024” award, a search was conducted on various official company documents, including annual reports, sustainability reports, financial reports, and GCG assessment results from independent agencies. This assessment covers the dimensions of governance structure, information disclosure, managerial accountability, and its impact on financial performance and corporate reputation holistically.

The evaluation results of the last GCG Assessment Report document issued by an independent party showed that Pelindo's total GCG score in 2023 reached the “Very Good” category with a score above 90 (0-100 scale). This reflects that the implementation of GCG principles by the company's management has been in accordance with the provisions of the Ministry of SOEs and OJK, covering five main principles: transparency, accountability, responsibility, independence and fairness.

ISSN: 3025-9495
Neraca Manajemen, Ekonomi
Vol 17 no. 5 Tahun 2025
Prefix DOI : 10.8734/mnmae.v1i2.359

The structure of PT Pelindo's Board of Commissioners and Board of Directors shows a clear separation of functions and a composition of members that represents the interests of the state as a shareholder and other stakeholders. The number and competence of independent commissioners also reflect the fulfillment of the principle of independence. This contributes significantly to the effectiveness of the strategic oversight function performed by commissioners on management.

In terms of accountability, PT Pelindo implements a risk-based internal control system integrated with internal and external audits, as well as supervision from the Audit Committee and Compliance Unit. A review of the internal audit report shows that most of the improvement recommendations have been followed up by management, indicating an internal control cycle that is active and adaptive to the dynamics of business risks.

Pelindo has also demonstrated consistency in reporting quantitatively and qualitatively relevant information through sustainability reports. The company has adopted the GRI (Global Reporting Initiative) standard in ESG (Environmental, Social, and Governance) disclosure, with measurable indicators and evaluated on an annual basis. This strengthens Pelindo's position as a state-owned company that not only prioritizes financial performance, but also long-term sustainability.

In terms of financial performance, Pelindo's annual financial statements show a positive trend. Total assets increased from Rp112 trillion (2022) to Rp118 trillion (2023), with net profit growth of 6.8% over the same period. Return on Equity (ROE) and Net Profit Margin (NPM) have also increased consecutively over the past three years, reflecting operational efficiency and sound financial governance.

The “Indonesia Trusted Companies 2024” award received by Pelindo was given by an independent national survey and ranking organization based on the CGPI (Corporate Governance Perception Index). This award shows external recognition of the quality of Pelindo's governance, not only in terms of regulatory compliance, but also stakeholder perceptions of business ethics, information disclosure, and managerial integrity.

In the operational field, Pelindo's performance after the merger of the four port SOEs showed an increase in efficiency. Data from the Operational Performance Report shows a decrease in average loading and unloading time and an increase in container throughput volume of up to 7% compared to the previous year. Digital transformation in the port system has also strengthened GCG integration in daily business processes.

Pelindo also shows its seriousness in upholding business ethics and anti-corruption through the establishment of an independent and publicly accessible whistleblowing system. Over the past two years, this system has successfully processed several internal reports that led to corrective and disciplinary actions. This shows that the implementation of GCG is not just symbolic, but functional.

Pelindo's reputational performance has also improved. In addition to receiving national awards, the company managed to record an increase in scores in the international ESG Rating evaluated by rating agencies such as *Sustainalytics*. Pelindo was also included in the Top BUMN Performer 2024 candidate list by BUMN Track Magazine, signifying recognition of the company's strategic contribution in supporting national logistics.

Pelindo actively engages stakeholders, including service users, local governments, and industry associations in the development of service policies and social responsibility programs. This practice demonstrates the real application of the principles of fairness and responsibility, which is an important part of assessing the effectiveness of GCG in a socio-economic context.

Overall, the data collected from Pelindo's various official documents and reports indicate that the company has implemented GCG thoroughly and achieved tangible results, both in improving financial performance, operational efficiency, external reputation, and recognition from independent parties. Thus, PT Pelindo deserves to be used as an excellent case study in assessing the effectiveness of GCG in SOEs in Indonesia.

4.2 Discussions

The findings in this study show that Pelindo's implementation of Good Corporate Governance (GCG) principles is not only formalistic, but has permeated various operational, managerial, and strategic aspects of the company. This emphasizes the importance of top management's commitment in ensuring that GCG is used as the main framework in every corporate decision-making.

The GCG assessment that reached the “Very Good” category shows that Pelindo's governance structure has met the indicators set by the Ministry of SOEs and OJK, both in terms of organizational structure, supervisory mechanisms, and reporting. The inclusive board composition and the presence of independent commissioners create checks and balances that are crucial in preventing conflicts of interest and abuse of power.

From an agency theory perspective, strengthening GCG at Pelindo serves as a mechanism to reduce information asymmetry between principals (owners) and agents (management), while encouraging managerial behavior that is aligned with the company's long-term goals. This effectiveness is reflected in the increase in Return on Equity and consistency of net income.

Information disclosure through sustainability reports and standardized financial reports reflects the fulfillment of the principle of transparency, which is a key component of quality governance. This is consistent with the study results of Husna et al. (2023) which shows that corporate transparency is positively correlated with increased investor confidence and public reputation.

The use of international standards such as GRI in ESG reporting also strengthens the external legitimacy of the company, which is important in the context of state-owned companies that must account for their activities not only to shareholders, but also to the wider public as stakeholders. This approach is in line with Wardhani & Supratiwi's (2023) argument on the importance of institutional legitimacy in the context of SOEs.

The implementation of effective internal controls, demonstrated through a rigorous internal audit and risk monitoring system, shows that Pelindo has systemically mitigated potential irregularities. Nawawi & Murniati's study (2023) also confirmed that the quality of internal control is a strong predictor of GCG effectiveness and the achievement of stable financial performance.

The “Indonesia Trusted Companies 2024” award achieved by Pelindo is an external validation of the achievement of good governance. In signaling theory, this award acts as a credibility signal to the market, which can increase the perception of trust from investors, business partners, and the public towards the company's managerial integrity.

The effectiveness of GCG is also reflected in the successful merger of four port entities into one efficient and integrated holding. This process requires strong governance to maintain operational continuity and legal compliance, and create synergistic value that has a direct impact on national logistics services and costs.

The year-on-year improvement in ESG performance also shows that Pelindo is able to integrate sustainability into its core business strategy. This is in line with Li's view (2025) which emphasizes that ESG performance can be a determinant of financial flexibility and corporate competitiveness in the long term.

The involvement of stakeholders in the formulation of operational policies shows that the principles of fairness and responsibility have been implemented not only in documents, but in real actions. This strengthens the argument of Khosrowjerdi (2022) that GCG oriented towards stakeholder participation tends to be more adaptive and resilient in the face of business environment uncertainty.

Nevertheless, there are still challenges to GCG implementation that need to be anticipated, especially in terms of openness to public audits and transparency of capital expenditures. Recommendations for improvement from internal audit results need to be part of the company's strategic planning in order to create continuous improvement in governance.

It should also be noted that Pelindo's success in implementing GCG cannot be separated from the context of supporting regulations and active supervision from the Ministry of SOEs. This shows the importance of institutional environment in facilitating good governance, as explained by (Jahja et al., 2024) in the context of SOEs in Southeast Asia.

This study also strengthens the findings of Putri & Meutia (2024), which state that the success of GCG in SOEs is not only determined by formal structures, but also by the internalization of ethical values and a strong organizational culture. Therefore, aspects of training, fostering integrity values, and ethical leadership must continue to be strengthened.

In closing, it can be concluded that Pelindo is an actual example of effective GCG implementation in the context of Indonesian SOEs. Pelindo's success shows that good governance practices can have a real impact, both on the financial, operational and reputational aspects of the company. Pelindo's GCG model deserves to be used as a national and regional reference in the effort to build a competitive and sustainable state corporation.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

This study provides a comprehensive overview of how the implementation of Good Corporate Governance (GCG) in SOEs, particularly PT Pelindo, has had a real positive impact on the company's financial performance and reputation. Based on a thorough analysis of various secondary reports such as annual reports, financial reports, sustainability reports, as well as operational performance reports and GCG assessments, strong evidence was found that Pelindo implements GCG principles with high consistency and seriousness.

In terms of financial performance, Pelindo's implementation of GCG has succeeded in creating significant added value. This can be seen from the increase in net profit, more efficient asset management, and improved liquidity stability over the past few years. This solid financial performance also strengthens Pelindo's position as a state-owned enterprise that not only focuses on business targets, but also maintains good governance principles to support the sustainability of the company.

In addition to the financial aspect, this study also emphasizes the important role of GCG in building and maintaining Pelindo's reputation as a company that can be trusted by stakeholders. The 'Indonesia Trusted Companies 2024' award received by Pelindo is not just a symbol of prestige, but a reflection of the company's real commitment in upholding transparency, accountability, and business ethics. This success is proof that good governance is not only a normative obligation, but also an important strategy to build public and investor trust.

MUSYTARI
ISSN: 3025-9495
Neraca Manajemen, Ekonomi
Vol 17 no. 5 Tahun 2025
Prefix DOI : 10.8734/mnmae.v1i2.359

The analysis also shows that Pelindo's success cannot be separated from the vital role of internal control mechanisms and internal audits that run effectively and independently. These two elements ensure risks can be identified and minimized quickly, and strengthen the quality of transparent and accurate financial reporting. This finding is in line with the literature that emphasizes that internal control is a key foundation of successful GCG implementation, especially in the context of SOEs with complex organizational structures.

Equally important, a healthy corporate culture oriented towards regulatory compliance is also a key pillar of Pelindo's success. Strict regulatory compliance and reporting standards have helped the company avoid potential legal and reputational risks, while supporting a positive work climate. This culture of good governance builds the foundation for the company's growth that is not only financially, but also socially and environmentally sustainable.

However, the study also identified a number of challenges that still need to be addressed, particularly in terms of improving the competence of human resources involved in governance, as well as the need to strengthen coordination between internal control units. Even so, Pelindo's proactive response to these challenges demonstrates the organization's readiness and maturity in the face of external changes and pressures.

Overall, the findings confirm that Pelindo has successfully implemented GCG effectively, which has not only resulted in improved financial performance, but also enhanced reputation and trust from various stakeholders. This research makes an important contribution to the governance literature of SOEs in Indonesia, as well as a practical reference for other companies looking to strengthen governance to achieve long-term sustainability and competitiveness.

5.2 Recommendations

Based on the results and conclusions obtained, several strategic recommendations are proposed to strengthen and optimize the implementation of Good Corporate Governance at PT Pelindo and other similar SOEs:

First, increasing the capacity and competence of human resources in governance aspects should be a priority. Regular and continuous training programs for management and internal control units are needed so that all elements of the organization have a deep understanding and adequate ability to carry out GCG principles consistently and adaptively.

Second, integration and coordination between internal control units must be strengthened. The development of an integrated monitoring system, supported by the latest information technology such as data analytics and artificial intelligence, can increase the speed of risk detection and the efficiency of the audit process. This not only strengthens internal controls, but also improves the quality of corporate reporting and transparency.

Third, companies need to develop more progressive information disclosure mechanisms, especially related to environmental, social and governance (ESG) aspects. Greater and measurable transparency will support Pelindo's reputation while meeting the expectations of investors and stakeholders who are increasingly demanding sustainable and responsible business practices.

Fourth, strengthening the role of the Board of Commissioners and Audit Committee is highly recommended. These two institutions must be able to carry out supervisory functions more independently and proactively, and play an active role in evaluating and making strategic decisions related to corporate governance. This is important to reduce the risk of conflicts of interest and ensure management works in accordance with GCG principles.

Fifth, the development of an incentive system based on the achievement of governance performance is also very important. This system must be able to motivate all levels of the company to implement GCG to the fullest, as well as encourage innovation and achievement of sustainability targets in line with Pelindo's long-term vision.

Sixth, improved communication and reporting to stakeholders needs to be strengthened by utilizing interactive and responsive digital platforms. This approach will facilitate access to information while increasing stakeholder participation in supporting transparent and accountable governance.

Finally, Pelindo and other SOEs must regularly evaluate and adjust governance policies in accordance with the development of national regulations and the best international standards. This continuous adaptation is essential for the company to remain relevant and competitive at the regional and global levels, and to be able to face future governance challenges.

With the implementation of these recommendations, PT Pelindo is expected to continue to strengthen the effectiveness of GCG, encourage sustainable financial performance growth, and build a solid and trusted corporate reputation. In addition, the results of this study can be an important reference for other SOEs in developing high-quality governance to support inclusive and sustainable national economic development.

REFERENCES

Putri, P., & Meutia, R. (2024). "Evaluasi implementasi dan efektivitas good corporate governance pada BUMN: Studi kasus Pelindo sebagai penerima penghargaan 'Indonesia Trusted Companies 2024'". *Jurnal Tata Kelola dan Manajemen.*

Aji, T. D. S., & Wulandari, I. (2024). "Pengaruh penerapan good corporate governance terhadap kinerja keuangan BUMN dengan ukuran perusahaan sebagai variabel kontrol". *AKUNTANSI 45.*

Azahra, N. A., Kuntadi, C., & Pratiwi, F. E. (2024). "Analisis pengaruh audit tenure, struktur corporate governance dan ukuran KAP terhadap integritas laporan keuangan". *Journal of Islamic Economics and Finance.*

Boudreaux, C. (2019). "When does privatization spur entrepreneurial performance? The moderating effect of institutional quality in an emerging market". *arXiv.*

Eforis, C. (2019). "Corporate governance, state ownership and firm performance: An empirical study of state-owned enterprises in Indonesia". *Global Journal of Management and Business Research,* 19(5), 1–10.

Fadrul, Yang, A., Rahman, S., Renaldo, N., & Suharti, S. (2024). "Pengaruh good corporate governance dan firm growth terhadap manajemen laba". *EKOMA: Jurnal Ekonomi, Manajemen, Akuntansi.*

Haditama, W., Navanti, D., & Wulandari, D. S. (2024). "Pengaruh gaya kepemimpinan dan pelatihan kerja terhadap kinerja karyawan CV. Wahyu Artha Technic". *Journal of Islamic Economics and Finance.*

Husna, G. A., Yuhertiana, I., & Susilowati, E. (2023). "Pengaruh good corporate governance terhadap pengungkapan ESG dan kinerja perusahaan pada perusahaan BUMN yang terdaftar di Bursa Efek Indonesia periode 2018-2022". *Jurnal Sosial dan Sains.*

Iqbal, M., Anggreni, C., Suwifania, J., & Anika, R. (2024). "Analisis penerapan good corporate governance dalam meningkatkan kinerja perusahaan pada sub holding PT. Pelindo Multi Terminal". *Journal of Islamic Economics and Finance.*

Iqbal, M., Nasution, F. Z., Ardha, G. R., & Aljuned, R. A. (2024). "Analisis penerapan good corporate governance (GCG) dalam meningkatkan kinerja keuangan pemerintah kota Medan". *Journal of Islamic Economics and Finance.*

Jahja, N. J., Mohammed, N. F., & Lokman, N. (2024). "Corporate governance and Indonesian state-owned companies' performance: Agency and institutional perspectives". *Edelweiss Applied Science and Technology,* 8(3), 181–196.

Khosrowjerdi, M. (2022). “Good governance and national information transparency: A comparative study of 117 countries”. *arXiv*.

Li, Y. (2025). “SOE's ESG performance on financial flexibility: The evidence from the Hong Kong stock market”. *arXiv*.

Muharam, A., & Al Jannah, D. (2023). “Penerapan good corporate governance (GCG) melalui reformasi birokrasi pada Direktorat Navigasi Penerbangan”. *Jurnal Ilmiah Global Education*.

Nadhifah, N. I., & Muflihatin, S. I. (2023). “Kecerdasan emosional, keseimbangan kehidupan kerja terhadap kinerja pegawai”. *Journal of Islamic Economics and Finance*.

Nawawi, H. N., & Murniati. (2023). “Pengaruh penerapan good corporate governance terhadap kinerja keuangan perusahaan sub sektor perbankan yang terdaftar di Bursa Efek Indonesia tahun 2019-2023”. *Jurnal Akuntansi Keuangan Dan Perpajakan*.

Putri, E. P., & Pradana, B. I. (2022). “Implementasi good corporate governance dalam upaya meningkatkan kinerja perusahaan”. *Jurnal Management Risiko dan Keuangan*.

Putri, P., & Meutia, R. (2024). “Evaluasi implementasi dan efektivitas good corporate governance pada BUMN: Studi kasus Pelindo sebagai penerima penghargaan 'Indonesia Trusted Companies 2024'”. *Jurnal Tata Kelola dan Manajemen*.

Redi, A., & Victor, J. (2023). “The impact of good corporate governance implementation on crime prevention in state-owned enterprises”. *In Proceedings of the 3rd Multidisciplinary International Conference* (pp. 1–10). Jakarta, Indonesia.

Rilah, F. N., & Trisnaningsih, S. (2024). “Implementation of good corporate governance on Indonesia’s state-owned enterprises: BUMN Karya WIKA”. *International Journal of Management Research and Economics*, 3(1), 23–35.

Sari, D., & Anwar, M. (2023). “Dampak penerapan good corporate governance terhadap kinerja keuangan BUMN di Indonesia”. *Jurnal Ekonomi dan Bisnis Indonesia*.

Safitri, Y. D., & Kuntadi, C. (2024). “Pengaruh pengalaman kerja, audit tenure, dan fee audit terhadap kinerja auditor syariah”. *Journal of Islamic Economics and Finance*.

Tijow, L. M., & Hayat, H. (2024). “Application of good corporate governance (GCG) in state-owned enterprises”. *ARISTO*, 9(2), 1–15.

Vianita, I., Rahmawati, S. N., & Aulia, A. (2023). “Analisis kinerja keuangan pemerintah daerah dalam pengelolaan anggaran pendapatan dan belanja daerah di Kabupaten Temanggung tahun 2020-2022”. *Jurnal Akuntansi*.

Wardhani, D. K., & Supratiwi, W. (2023). “Characteristics of a good board of directors for Indonesian SOEs performance”. *Journal of Indonesian Economy and Business*, 38(1), 1–18.

Widawati, W., & Sabariah, E. (2023). “Pengaruh motivasi & imbalan kerja terhadap kinerja karyawan CV. Kemenangan Jaya”. *Journal of Islamic Economics and Finance*.