

Application Good Corporate Governance (GCG) in PT. Kalteng Bank

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Abstract. *This study aims to see the implementation of Good Corporate Governance (GCG) in the Human Resources (HR) Division of PT. Kalteng Bank Main Branch in its efforts to meet stakeholder expectations. Good Corporate Governance is needed as an instrument of good bank management. With the effective implementation of Good Corporate Governance, it will improve the quality of Human Resources in the HR Division of PT Bank Kalteng Main Branch. The analytical method used in this study is a descriptive research method that provides an overview of the application of GCG in the HR Division of PT. Central Kalimantan Bank Main Branch. The indicators of transparency, accountability, responsibility, independence and fairness by using a questionnaire instrument that is distributed to all employees of PT. Kalteng Bank Main Branch. The results of the study note that (1) transparency in the HR Division of PT. Kalteng Bank Main Branch has very good quality, (2) accountability in the HR Division of PT. Kalteng Bank Main Branch has very good quality, (3) responsibility to the HR Division of PT. Kalteng Bank Main Branch has very good quality, (4) independency in the HR Division of PT. Kalteng Bank Main Branch has very good quality and (5) fairness in the HR Division of PT. Kalteng Bank Main Branch has very good quality.*

Keywords: GCG, PT Bank Kalteng, HR Division

1. INTRODUCTION

Good Corporate Governance (GCG) is an issue in managing a company today. With successive events occurring in events affecting large companies, it can make many parties around the world aware of the importance of implementing good and correct company management. The application of the concept of Good Corporate Governance (GCG) is expected to help the management of the company to be more transparent for all interested parties. Good Corporate Governance (GCG) is considered to be able to improve the image of banks that had a bad time, protect the interests of stakeholders and increase compliance with laws and regulations and general ethics in the banking industry in order to portray a healthy banking system.

In accordance with Bank Indonesia regulation No. 8/4 / PBI / 2006 dated 30 January 2006 and PBI No. 8/14 / PBI / 2006 dated 5 October 2006 concerning amendments to PBI No. 8/4 / PBI / 2006 dated 30 January 2006 along with BI Circular Letter No. 15/15 / DPMP dated 29 April 2013 concerning the implementation of Good Corporate Governance for Commercial Banks, in order to improve bank performance in order to protect the interests of stake holders and improve compliance with applicable laws and regulations, as well as ethical values that are generally applicable to the Industry Banking, required the implementation of Good Corporate Governance in a precise and measurable way.

Kalteng Bank as a regional-owned bank which is the hope of the people of Kalimantan is aware of the importance of Good Corporate Governance to support business growth and provide added value to all stake holders who have direct or indirect interests in the bank's business activities. To implement GCG in a comprehensive and sustainable manner within the Bank Kalteng corporate organization, it tries to carry out all GCG practices based on the existing laws and regulations. Therefore, the Board of Commissioners must ensure the implementation of Good Corporate Governance in all bank business activities at all levels of the organization (article 9

paragraph (1) PBI No. 8/4 / PBI / 2006 dated 30 January 2006). The purpose of this study is to understand and see the implementation of Good Corporate Governance (GCG) in the HR Division of PT. Kalteng Bank Main Branch in its efforts to meet stakeholder expectations.

2. LITERATURE REVIEW

2.1 *Good Corporate Governance (GCG)*

In general, corporate governance is a series of processes, habits, policies, rules, and institutions that affect the direction, management, and control of a company. Corporate governance also includes the relationships between the stakeholders involved and the objectives of company management. The main parties in corporate governance are shareholders, management, and the board of directors (Wibowo, 2010: 129).

Corporate governance is related to how banking is managed. This is done by a series of relationships between bank management, the board of directors, shareholders, and other stakeholders. includes setting company goals and bank risk profits, aligning company activities and behavior with the hope that bank management will operate safely and healthily, carrying out day-to-day operations in a risk created and in accordance with applicable laws and regulations, while protecting the interests of customers and stakeholders interests (Greunig, 2011 in Achmadani 2015: 03).

Good Corporate Governance (GCG) is included to regulate these relationships and prevent significant errors in the company's strategy and to ensure that mistakes can be corrected immediately. Good Corporate Governance (GCG) is basically a system that regulates, manages, and oversees the business management process to smooth relationships between management, shareholders and other interested parties, the aim is to create added value for the company (Pratiwi, 2016: 56).

According to Hery (2013: 55), there are five benefits that can be obtained by companies that implement Good Corporate Governance (GCG), which are as follows:

1. Good Corporate Governance (GCG) will indirectly encourage the utilization of company resources towards more effective and efficient, which in turn will help to create national economic growth or development.
2. Corporate Governance (GCG) can help companies and the national economy come in terms of attracting investment capital at a lower cost through improved investor confidence and international and cosmetic creditors.
3. Company managers in ensuring/guaranteeing that the company has obeyed the rules, laws and regulations.
4. Management and Corporate board in monitoring the use of company assets.
5. Reducing corruption.

Per-01 / MBU / 2011 concerning "Implementation of Good Corporate Governance, hereinafter referred to as GCG are the principles that underlie a process and mechanism of corporate management based on laws and business ethics".

2.2 *Basic Principles of Good Corporate Governance (GCG)*

Governance is a process that is influenced by directors in delivering direction, and supervision of management in achieving company goals. The Organization for Economic Co-operation and Development (OECD) states that corporate governance includes relationships in management including directors, shareholders and other stakeholders. The basic principles of GCG are transparency, accountability, responsibility, independence, and fairness (Sanim, 2011: 37-38).

- a. **Transparency** The principle is to maintain objectivity in conducting business, companies must provide relevant information and material in ways that are easily accessible and understood by stakeholders. The company must take the initiative to reveal not only the problems required by the laws and regulations, but also the things that are important for decision making by shareholders, creditors and other stakeholders.

- b. Accountability the company must be able to account for its performance transparently and fairly. For that the company must be managed properly, measured and in accordance with the interests of the company while taking into account the interests of shareholders and other stakeholders. Accountability is a prerequisite needed to achieve sustainable performance.
- c. Responsibility. Companies must comply with laws and regulations and carry out responsibilities to the community and the environment so that it can be maintained in the long-term sustainability of the business and be recognized as good corporate citizenship.
- d. Independence. To expedite the implementation of GCG principles, companies must be managed independently so that each organ of the company does not dominate each other and cannot be intervened by other parties.
- e. Fairness. In carrying out its activities, companies must always pay attention to the interests of shareholders and other stakeholders based on the principle of fairness and equality.

2.3 Stages of Good Corporate Governance (GCG) Implementation

In implementing GCG implementation in the company it is important for the company to carry out a careful phasing based on an analysis of the company's situation and condition, and the level of readiness, so that the implementation of GCG can run smoothly and get support from all elements in the company. In general, companies that have succeeded in implementing GCG use the following phases (Chinn, 2000 and Shaw, 2003 in Kaihatu, 2006).

1. Preparation phase. This stage consists of 3 main steps, namely:

- a. Awareness building, is the first step to build awareness about GCG and joint commitment in its application. This effort can be done by asking for the help of independent experts from outside the company. The form of activities can be done through seminars, workshops, and group discussions.
- b. GCG diagnostic assessment, which is the mapping phase, is an effort to measure or more precisely map the condition of the company in determining the current GCG. This step is necessary to ensure that the starting point is the level of GCG implementation and to identify appropriate steps to prepare a company infrastructure and structure that is conducive to effective GCG implementation.
- c. GCG manual building is the next step after the GCG assessment is carried out. Based on the results of mapping the level of company readiness and efforts to identify the priority of its application, the preparation of a manual or guidelines for GCG implementation can be prepared.

2. Implementation Phase

This stage consists of 3 main steps as follows.

- a. Dissemination is needed to introduce to all companies various aspects related to GCG implementation, especially regarding GCG implementation guidelines.
 - b. Implementation, i.e. activities carried out in line with existing GCG guidelines, based on the roadmap that has been prepared. Implementation must be a top down approach involving the board of commissioners and directors of the company.
 - c. Internalization, which is the long-term stage of implementation. Internalization includes efforts to introduce GCG in the entire business process of the company's work, and various company regulations.
3. Evaluation stage is the stage that needs to be done regularly from time to time to measure the extent to which the effectiveness of GCG implementation has been carried out by asking independent parties to audit implementation and scoring of existing GCG practices.

3. METHODS

This research was conducted at PT. Kalteng Bank Main Branch, located at Jalan RTA Milono

No. 12 Palangka Raya, Central Kalimantan. The sample in this study were all employees of the HR Division of PT. Central Kalimantan Central Bank, the sample was taken using purposive sampling. Data collection techniques used by distributing questionnaires to the sample. The analytical method used in this study is a descriptive research method that provides an overview of the application of GCG in the HR Division of PT. Central Kalimantan Bank Main Branch. The variables used in this study are the application of Good Corporate Governance (GCG) with indicators of transparency, accountability, responsibility, independence and fairness. The

analytical tool in this study is to calculate the questionnaire using the percentage calculation using the Dean J. Champion formula, namely by adding up the answer 'yes' then the calculation will be carried out as follows:

$$\text{Percentage} = \frac{\sum \text{Answer YES}}{\sum \text{Number of Questionnaires} \times \text{Number of Questions}} \times 100\%$$

Answer YES: all the sums of the YES answers answered by the respondents in the questionnaire. Number of Questionnaires: all of the total questionnaires in circulation which must be filled out by respondents based on predetermined criteria. Number of Questions: Questions in the questionnaire are based on their respective classifications. The results of the questionnaire calculation can be clarified by following the criteria contained in the Decree of the Secretary of the Ministry of SOEs Number: SK-16 / S.MBU / 2012, as can be seen in the following table:

Table 1. Implementation Quality Classification

No	Amount of Values	Quality Classification
1	Values Above 85	Very good
2	75 < Value ≤ 85	Good
3	60 < Value ≤ 75	Pretty good
4	50 < Value ≤ 60	Not so good
5	Value ≤ 50	Not good

4. RESULT AND DISCUSSION

In conducting research on the implementation of Good Corporate Governance (GCG) in the HR Division of PT. Kalteng Bank Main Branch, the author distributed 25 (twenty five) questionnaires to the HR Division of PT. Bank Kalteng Main Branch consisting of the Head of the HR Division, the Training and Training Staff Section, the HR Planning and Development Section and staff, the Asset and Procurement Governance Section along with staff, the HR Administration Section and staff, the Household and Staff Section, the Culture and Engagement Section along with staff, and the Security and Public Relations Section and staff. Based on the questionnaire, information about the implementation of Good Corporate Governance (GCG) in the HR Division of PT. Central Kalimantan Bank Main Branch. Implementation of Good Corporate Governance (GCG) in the HR Division of PT. Kalteng Bank Main Branch viewed from several indicators, namely:

1. *Transparency*

Based on the calculations in table 2, the overall percentage is equal to 98.7%, so it can be concluded that the transparency principle in the HR Division of PT. Kalteng Bank Main Branch has very good quality.

Table 2. Calculation of Percentage of Transparency

Question	The Answer YES	The Answer Doubt	The answer No	Total
1	25	-	-	25
2	25	-	-	25

3	24	1	-	25
Amount	74	1		75

$$\% \text{ Transparency} = \frac{74}{75} \times 100\% = 98,7\%$$

A concrete manifestation of the transparency principle carried out by the HR Division of PT. Kalteng Bank Main Branch, namely in the planning of HR needs, the selection process, recruitment, employee placement and career development of employees is carried out openly.

2. Accountability

Based on calculations in table 3, the overall percentage is equal to 97.3%, so that it can be concluded that the accountability principle in the HR Division of PT. Kalteng Bank Main Branch has very good quality.

Table 3. Calculation of Percentage of Accountability

Question	The Answer YES	The Answer Doubt	The answer No	Total
1	24	1	-	25
2	25	-	-	25
3	24	-	1	25
Amount	73	1	1	75

$$\% \text{ Accountability} = \frac{73}{75} \times 100\% = 97,3\%$$

At PT. Kalteng Bank, the principle of accountability contains the authorities that must be held not only in the HR Division but also the board of commissioners and directors as well as their obligations to shareholders and other stakeholders. The HR division has established clear responsibilities from each of the ranks that are aligned with the bank's vision, mission, business goals and strategy.

3. Responsibility

Based on calculations in table 4, the overall percentage is equal to 98.7%, so that it can be concluded that the principle of transparency in the HR Division of PT. Kalteng Bank Main Branch has very good quality.

Table 4. Calculation Percentage of Responsibility

Question	The answer YES	The Answer Doubt	The answer No	Total
1	25	-	-	25
2	24	1	-	25
3	25	-	-	25
Amount	74	-	-	75

$$\% \text{ Responsibility} = \frac{74}{75} \times 100\% = 98,7\%$$

In the HR Division of PT. Kalteng Bank Main Branch, the principle of responsibility requires the HR Division of PT. Bank Kalteng conducts its activities responsibly, adheres to prudential banking practices and guarantees the implementation of applicable regulations.

4. Independence

Based on calculations in table 5, the overall percentage is equal to 93.3%, so that the conclusion can be drawn that the principle of independence in the HR Division of PT. Kalteng

Bank Main Branch has very good quality.

Table 5. Percentage Calculation Against Independence

Question	The answer YES	The Answer Doubt	The answer No	Total
1	23	1	1	25
2	24	1	-	25
3	23	1	-	25
Amount	7	3	1	75

$$\% \text{ Independency} = \frac{70}{75} \times 100\% = 93,3\%$$

In the HR Division of PT. Kalteng Bank Main Branch, this principle of independence requires the HR Division to be able to act independently according to their roles and functions without any pressure from any party that is not in accordance with the prevailing company operational system.

5. Fairness

Based on the calculations in table 6, the overall percentage is equal to 98.7%, so that it can be concluded that the principle of fairness in the HR Division of PT. Kalteng Bank Main Branch has very good quality.

Table 6. Calculation of Percentage of Fairness

Question	The answer YES	The answer Doubt	The answer No	Total
1	25	-	-	25
2	24	1	-	25
3	25	-	-	25
Amount	74	1	-	75

$$\% \text{ Fairness} = \frac{74}{75} \times 100\% = 98,7\%$$

In the principle of fairness, the HR Division of PT. Kalteng Bank Main Branch always pays attention to the interests of all interested parties (stakeholders). The application of this principle in a company will prohibit insulting practices carried out by insiders that harm others.

CONCLUSION

Based on the results of research supported by data and information previously stated, the authors draw conclusions that the application of Good Corporate Governance (GCG) in the HR Division of PT. Kalteng Bank Main Branch has been implemented very well in accordance with the classification of the quality of application by following the criteria contained in the Decree of the Secretary of the Ministry of BUMN Number: SK-16 / S.MBU / 2012. This research is expected to be used as a material consideration by PT Bank Kalteng especially the HR Division of PT. Bank Kalteng can be further enhanced in its activities in applying the principles of Good Corporate Governance (GCG) in the management of the company so that it does not rule out the application of GCG that is applied very well will get a perfect percentage value.

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