The Effect of Good Corporate Principle on the Performance of PT Tonasa Lines in 2020

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Abstract:- In the era of the Industrial Revolution 4.0, the application of GCG in the business world in Indonesia is a demand of the times so that existing companies do not fall behind by the increasingly fierce global competition. Generally, GCG principles aim to provide progress towards company performance. The application of the principles of Good Corporate Governance is something that really needs to be considered. Good Corporate Governance (GCG) came into effect in Indonesia in 1998. Based on the proposed improvement of the listing regulations on the Jakarta stock exchange (now the Indonesia stock exchange). Regulates the regulations regarding the establishment of an audit committee and the appointment of independent commissioners in 1998. Implementation of Good Corporate Governance (GCG) correctly and consistently is expected to create strong fundamentals. Increasing corporate value in the long term through high-performance enhancement and the creation of a positive corporate image.

Keywords:- Transparency, Accountability, Responsibility, Independence, Fairness.

I. INTRODUCTION

The national cement industry is one of the most potential and strategic industries (Adiyatna, H., & Marimin. 2001). This aspect is due to Indonesia's vast territory and also cement is needed in the development of infrastructure for life such as roads, ports, housing (Azees, 2015). Indonesia's huge cement market makes the cement industry quite promising in terms of profit, not only for local people but also for foreigners (Karim, 2019). Thus, the increasingly complex and competitive level of competition requires that local cement management be able to create a competitive advantage (Burak, et al. 2017).

In 2017, one of Semen Tonasa's partners, namely PT Semen Padang implements a bad GCG system as a result of which there is a very serious decline in profits and at least there will be leaks on the revenue side (Dian. 2016), waste from the shopping side, untrusted spending, market confidence in goods and services decreases (Pacala, A. 2012). The scandal in the process of purchasing coal from PT Bhumi Rantau Energi and PT Tapin Suthra Berjaya is suspected of involving the company's top executives and among them the former chief commissioner of PT Semen Padang for the 2015 period, currently serving as one of the independent commissioners at PT Semen Indonesia illustrates the non-implementation of GCG principles in this state-owned company (Mukhtaruddin, et al. 2019).

PT Semen Tonasa implements GCG, directly or indirectly, to provide added value for increasing corporate value. The management of a company based on the principles of GCG is basically an effort to make GCG a guideline for company management in carrying out its business activities (Rusydi et al. 2020). The application of GCG principles is necessary so that companies can survive and be ready to face increasingly strong and fierce competition (Rabiyah, U et al. 2021). GCG is expected to be a means to achieve the company's vision and mission in a better and more comprehensive manner (Rabiyah, U. 2015).

To further encourage cost efficiency and productivity improvements in the use of alternative fuels and raw materials, efforts to improve distribution and cost control and innovative breakthroughs, the implementation of GCG principles is both an option and an unavoidable necessity (Karim, A. 2020). GCG is expected to be a value river in inhibiting the practices of Corruption, Collusion, and Nepotism, making use of supervision, increasing budgetary discipline, and encouraging the efficiency of company management (Syukur et al. 2020).

II. METHODOLOGY

This research uses the descriptive quantitative method which is a type of research that is more specific, structured, systematic, and well-planned from the start so as to get the desired conclusion. This study aims to provide a description of the social problems to be studied. This research usually describes a problem based on indicators that are used as the basis or reference for a problem to be studied. This study also emphasizes the use of numbers that make it clearer and more detailed, such as the use of graphs, tables, and diagrams, which makes it easier to find out the conditions regarding the effect of the implementation of the principles of good corporate governance.

This research instrument uses indicators of each variable which are described in the form of statements or questions presented in a questionnaire. Measurement of the variables studied can be explained in the form of a questionnaire with each given score.

Quantitative analysis is used using a statistical formula tailored to the researcher to assess the results of filling out the questionnaire. The results of filling out the questionnaire conducted by these respondents were tested through statistical tests. Statistical testing in this study was assisted by the

Statistical Product and Service Solution (SPSS) program version 25.

III.   RESULT AND DISCUSSION

A. Result

Table 1. Respondent's description

Respoindent's description	Information	Total	Percentage (%)
Gender	Female	5	8%
	Male	55	92%
Age	< 30 Years	3	5%
	30 - 40 Years	17	28%
	> 40 Years	40	67%
Last education	Senior high school	3	5%
	Bachelor degree	55	92%
	Magister	2	3%

Primary data processed, 2021.

A total of 60 employees of PT Tonasa Lines, who were respondents in this study, dominated the male gender, namely 55 respondents or 92%, while the female respondents were 5 respondents or as much as 8%. The age of the respondents can be grouped into the age group under 30 years as many as 3 respondents or by 5%, the average age 30-40 years is 17 respondents or 28%, while those over 40 years old are 40 respondents or 67%.

Then the last level of education found in the distribution of questionnaires for high school education was 3 respondents or 5%, for undergraduate education, 55 respondents or 92% were dominant, while for higher education (Masters) only 2 respondents or by 3%.

3.1. Respondent's description

An overview of respondents can be seen from the table of respondents including gender, age, and latest education. The following is a table that describes the characteristics of the respondents at PT Tonasa Lines.

3.2. Description of research variables

In the description of the variables, this study discusses the questionnaire that was distributed to 60 respondents of PT Tonasa Lines. The questionnaire distributed to respondents consisted of 6 variables including 5 independent variables and 1 dependent variable, the independent variable itself consists of the principles of transparency, accountability, responsibility, independence, and fairness, while the dependent variable is company performance.

The results of distributing questionnaires to respondents in the form of Ordinal data that have been given a score are then tabulated so that they can be analyzed by researchers, the scores obtained from the results of the respondents' answers are then added up based on the variables for the respondents. The statistical descriptions below describe the characteristics of the sample in conducting research, the descriptive statistics are related to the management and collection of data.

Table 2. Results of descriptive statistics analysis

Variabel	N	Range	Minimum	Maximum	Mean	Std. Deviation
Transparancy	60	12	18	30	27.00	2.963
Accountabillity	60	11	19	30	27.25	3.192
Responsibillity	60	10	15	25	22.70	2.465
Independency	60	14	11	25	22.15	2.939
Fairness	60	13	12	25	22.27	2.869
Kinerja Perusahaan	60	14	21	35	31.90	3.261
Valid N (listwise)	60					

Primary data processed, 2021.

In table 2 for the Transparent variable it can be stated that the minimum value is 18, maximum 30 with a range of 12, the average (mean) answer of this variable is 27.00 greater than the standard deviation of 2.963, so it can be concluded that the distribution of data regarding the respondent's perception of PT Tonasa Lines' transparent variable is good.

The accountability variable can be stated that the minimum value is 19, maximum 30 with a range of 11, the average (mean) answer of this variable is 27.25, which is greater than the standard deviation of 3.192, so it can be concluded that the distribution of data regarding the respondents' perceptions of the Accountability variable at PT Tonasa Lines was good.

The responsibility variable can be stated that the minimum value is 15, the maximum is 25 with a range of 10, the average (mean) answer of these variables is 22.70, which is greater than the standard deviation of 2.465, so it can be concluded that the distribution of data regarding respondents' perceptions of the responsibility variable in PT Tonasa Lines is good.

The independence variable can be stated that the minimum value is 11, maximum 25, with a range of 14, the average (mean) answer to this variable is 22.15, which is greater than the standard deviation, which is 2,939, so it can be concluded that the distribution of data regarding the respondent's perception of the Independence variable in PT Tonasa Lines is good.

The fairness variable can be stated that the minimum value is 12, maximum 25 with a range of 13, the average (mean) answer of these variables is 22.27, which is greater than the standard deviation of 2.869, so it can be concluded that the distribution of data regarding the respondent's perception of the Fairness variable in PT Tonasa Lines is good.

The company performance variable can be stated that the minimum value is 14, maximum 21, with a range of 35, the average (mean) answer of these variables is 31.90, which is greater than the standard deviation of 3.261, so it can be concluded that the distribution of data regarding respondents' perceptions of The company's performance variable at PT Tonasa Lines is good.

B. Discussion

Based on the results of the research that is testing the hypothesis using the F test (simultaneously or together) it can be stated that the five independent variables in this study consisting of the principles of transparency, accountability, responsibility, independence, and fairness have an effect simultaneously or together on the dependent variable, namely the performance of PT Tonasa Lines.

The effect of the transparent principle on the performance of PT Tonasa Lines, the first hypothesis states that the transparent principle has a positive and significant effect on improving company performance is not proven. This can be indicated by the significance value of the transparent principle of 0.703 which is far above the significance of 0.05 and the regression coefficient value of 0.037. It can be concluded that the principle of transparency has a positive but insignificant effect on company performance.

The effect of the accountability principle on the performance of PT Tonasa Lines, the second hypothesis states that the accountability principle has a positive and significant effect on company performance is not proven. This can be indicated by the significance value of the accountability principle of 0.132 which is far above the significance value of 0.05 with a regression coefficient of 0.37. Therefore, it can be concluded that the principle of accountability has a positive but insignificant effect on company performance.

The effect of the principle of responsibility on the performance of PT Tonasa Lines, the third hypothesis states that the principle of responsibility has a positive and significant effect on company performance is not proven. This can be indicated by the significance value of the principle of responsibility of 0.521 which is far above the significance value of 0.05 with a regression coefficient of -0.055. Therefore, it can be concluded that the principle of responsibility does not have a positive and significant effect on company performance.

The influence of the principle of independence on the performance of PT Tonasa Lines, the fourth hypothesis states that the principle of independence has a positive and significant effect on company performance. This can be indicated by the significance value of the independence principle of 0.004 below the significance value of 0.05 with a regression coefficient of 0.409. Therefore, it can be concluded that the principle of independence has a positive and significant effect on company performance.

The effect of the fairness principle on the performance of PT Tonasa Lines, the fifth hypothesis states that the fairness principle has a positive and significant effect on company performance. This can be indicated by the significance value of the fairness principle of 0.003 below the significance value of 0.05 with a regression coefficient of 0.425. Thus, it can be concluded that the principle of fairness has a positive and significant effect on company performance.

Based on the results of research that have been done and the results in improving company performance, PT Tonasa Lines has not properly implemented the principles of good corporate governance or cannot be said to be a company that has good governance. This happens because there are still insignificant principles such as transparency, accountability, and responsibility. The results obtained from this study are real based on the perceptions of respondents or employees who work at PT Tonasa Lines.

IV. CONCLUSSION

In improving performance and compliance with the implementation of GCG principles, the company compiles GCG guidelines that can be applied consistently so that all the values held by parties with an interest in the company can produce a pattern of beneficial economic relationships, values, vision, and mission as well as GCG best practices.

Based on the results of this study, it is concluded that the principles of good corporate governance are still not implemented properly or have no effect in improving company performance. In this case, PT Tonasa Lines cannot be said to be a company with good governance because there are still Principles that are not implemented significantly.

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