



The Effect of the Application of Good Corporate Governance Principles on the Managerial Performance of General Companies in the Tirta Kanjuruhan Area

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ABSTRACT: The purpose of this study is to find out the description of the application of the principles of transparency, accountability, responsibility, independence, fairness to the Tirta Kanjuruhan Regional Public Company. This research focuses on the effect of the application of good corporate governance principles on the managerial performance of general companies in the tirta kanjuruhan area. This type of research is quantitative research with multiple linier regression techniques. The total population of this study was 36 people, with the method used was a census. The respondents of this study were middle-level officials at the Tirta Kanjuruhan Regional Public Company. The results showed that the implementation of good corporate governance on the principle of transparency gained good perception by Perumda Tirta Kanjuruhan employees. The participation of employees in decision making was responded positively by respondents. Meanwhile, with accountability, clarity of functions, implementation, and accountability of organs so that company management is carried out effectively. It was found that the division of tasks of the Perumda Tirta Kanjuruhan organizational structure had matured and did not cause overlapping task implementation between employees. That responsibility is very effective in managing the company. Prudence shows that in Perumda Tirta Kanjuruhan in running its business is very concerned about business risks. The principle of independence shows that the company has been managed in a healthy manner. Professional to determine performance targets, in preparing the company's annual work plan shows that in running its business Perumda Tirta Kanjuruhan has a measurable business orientation. In the principle of fairness, it is found that in running a business, the company can balance between the interests of the company and the rights of stakeholders.

KEYWORDS: Accountability, Independence, Fairness, Managerial Performance, Responsibility, Transparency.

INTRODUCTION

Service to the community or often called public service is all forms of service services, both in the form of public goods and public services which in principle are the responsibility and carried out by government agencies at the center, in the regions and within state-owned enterprises (BUMN) or regional-owned enterprises (BUMD), in the context of efforts to meet the needs of the community and in the context of implementing the provisions of laws and regulations (Ratminto, 2005). The purpose of establishing BUMD as affirmed in Government Regulation Number 47 of 2017 concerning Regional-Owned Enterprises, affirms that the establishment of BUMD aims to provide benefits for regional economic development, organizing public benefits in the form of providing quality goods and / or services for the fulfillment of people's living standards according to the conditions, characteristics and potential of the region concerned based on good corporate governance, and earn profits and/or profits.

As a public service provider in providing drinking water services, the Tirta Kanjuruhan Regional Public Company, which was established through the Regional Regulation of Malang Regency Number 17 of 2018 concerning the Tirta Kanjuruhan Regional Public Company, is a BUMD in the form of a regional public company whose entire capital is owned by the Malang Regency Government and is not divided into shares. The form of business activities of the Tirta Kanjuruhan Regional Public Company is to provide drinking water services for the people of Malang Regency through the implementation of the Drinking Water Supply System.

In running a corporate organization, human resources play an important role, because they are the main determinants in improving performance and achieving the company's organizational goals. In accordance with the role of human resources in the organization, the company indicates the need for effective and efficient human resource management. The focus of attention in this case is *human*



potential, because humans can carry out organizational activities, humans who can move the resources and functions of the company, including controlling systems, procedures and technology in the organization. Therefore, human resources are the main key in realizing the vision and mission of the company's organization. Companies can carry out their functions, progress and develop, of course, in it is driven by the role of humans. Unlike machines, humans are creatures who have reason, feelings, desires, skills, knowledge, and expertise. The development of information technology, the availability of capital and raw materials for production, if without humans it is impossible for a company to achieve its goals. Given the position of the role of human resources in the company's organization, management is needed to manage systematically, planned and patterned so that the desired goals both now and in the future can be achieved optimally. High-quality human resources are human resources that are able to create not only comparative value but also competitive, generative and innovative value (Ndarah, 1999).

As mandated in the provisions of Article 92 paragraph (1) of Government Regulation Number 54 of 2017 concerning Regional-Owned Enterprises, which reads that in BUMD organizations the authority to manage BUMD is the BUMD organ, consisting of KPM, Supervisory Board, and Board of Directors. In this case, the position of the Board of Directors is the BUMD organ responsible for the management of BUMD for the interests and objectives of BUMD and represents BUMD both inside and outside the court in accordance with the provisions of the articles of association. Of course, the granting of authority to the Board of Directors is intended to realize the purpose of the establishment of BUMD. Therefore, the Board of Directors in managing BUMD cannot be separated from carrying out human resource management that is able to support the realization of the objectives of the establishment of the BUMD. To realize the management of BUMD in accordance with the purpose of its establishment, of course, influenced by managerial performance. Managerial performance is defined as one of the important factors in the company, because with the increase in managerial performance it is expected to be able to improve company performance. Managerial performance carried out by a manager is also one of the factors that can be used to increase the effectiveness of the company. Through managerial performance, it can show management's ability to carry out management functions which are business activities, which of course are always related to decision making (Widarsono, 2007: 289).

Conceptually Mahoney et al. (1963) in Mardiyah and Listiningsih (2005: 568) stated that performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in order to achieve organizational goals. Managerial performance is the performance of individual members of the organization in managerial activities, such as: planning, investigation, coordination, staff arrangement, negotiation and so on. Someone who holds a managerial position is expected to be able to produce a managerial performance. In contrast to general employee performance which is concrete, managerial performance is abstract and complex (Mulyadi and Johnny, 1999: 164 in Dewi, 2013). Managers produce performance by directing the talents and abilities, as well as the efforts of several others who are within their area of authority. Therefore why managerial performance is one of the factors that can increase the effectiveness of the organization.

To ensure the management of BUMD to remain in accordance with the purpose of its establishment, it is in accordance with the mandate of Article 92 paragraph (1) of Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises that the management of BUMD is carried out in accordance with good corporate governance. Therefore, the correlation between management and good corporate governance is closely related to managerial performance in achieving corporate organizational goals. With the increasing importance of the role of good corporate governance in realizing the objectives of company establishment, it will encourage systematic, objective and documented examination and assessment of organizational functions. Conceptually, good corporate governance is a management system that directs and controls the company in order to produce sustainable economic benefits and balance relationships between stakeholders.

Normatively, the principles of good corporate governance have been affirmed in the provisions of Article 92 paragraph (2) of Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises, which states that good corporate governance consists of the principles of transparency, accountability, responsibility, independence, and fairness. Meanwhile, the implementation of good corporate governance aims to (1) achieve the objectives of BUMD; (2) optimizing the value of BUMD so that companies have strong competitiveness, both nationally and internationally; (3) encourage the management of BUMD in a professional, efficient, and effective manner, as well as empower the function and increase the independence of BUMD organs; (4) encourage BUMD organs in making decisions and carrying out actions based on high moral values and compliance with laws and regulations, as well as awareness of BUMD social responsibility towards stakeholders and environmental sustainability around BUMD; (5)



increase the contribution of SOEs in the national economy; and (6) improve the business climate conducive to the development of national investment.

Good Corporate Governance, hereinafter referred to as GCG, is believed to be a strategic foundation for achieving sustainable competitive excellence. GCG is a system, structure, mechanism, and culture that will protect the interests of stakeholders. The history of good corporate governance in Indonesian government policy began after the monetary crisis that hit the economies of Asian countries towards the end of the 1990s, initiatives emerged to strengthen corporate governance frameworks, both at the national and regional levels.

Studies conducted by the *Asian Development Bank* (ADB) identified that the main contributor to the economic crisis was weak "corporate governance" (Zhuang, et al, 2000). Thus, the Asian crisis became an important momentum that drove the urgency of corporate governance reform in Asia, as well as in Indonesia. The crisis that hit Asia prompted the Indonesian government to seriously solve corporate governance problems in Indonesia. For this reason, the National Committee for Corporate Governance Policy (KNKCG) was formed in 1999 through the Decree of the Coordinate Minister's for Economy, Finance and Industry, involving 30 representatives from the public and private sectors to recommend the principles of *Good Corporate Governance* (GCG) national. In 2004, the KNKCG was transformed into the National Committee for Governance Policy (KNKG) with consideration to expand the scope to public sector governance. KNKG has issued the National Guidelines for Good Corporate Governance (GCG National Guidelines) for the first time in 1999. If analyzed through the results of previous research, it shows that the implementation of good corporate governance has a positive impact on company performance caused by increasing employee performance (Syah, Hasbullah, & Solehudin, 2018; Ramadhan, Susilo, & Aini, 2018; Heart & Arumrasmy, 2017; Febriani, Al Musadieq, & Afrianti, 2016). Research conducted by Wulandari (2015) the results of the analysis show that GCG has a direct effect on employee performance in PDAMs in Surakarta City. Research conducted by Fitriyani et al (2015) analysis results show that the four aspects of GCG have a strong but not significant correlation with employee performance in PDAM Jambi province. Research conducted by Scindy Puspita Latief (2017) analysis results show that there is a positive relationship between the principles of *good corporate governance* and the performance of PDAM Tirta Jeneberang Gowa Regency.

With the growing rate of population growth in the Malang Regency area followed by the increase in housing centers and residential areas, the fulfilment of the needs of providing drinking water services from year to year is increasing. Deterioration in environmental quality, drought and water pollution are threats and challenges in efforts to meet the basic needs of drinking water for the community in the future. So far, the management of Regional Owned Enterprises is still seen as having a low work ethic, less professional, too bureaucratic, less efficient, lacking market orientation, burdening local government finances, and showing low professionalism. In addition, the intervention of capital owners, namely local governments, makes BUMDs less independent, so that BUMDs have difficulty achieving their goals in contributing to regional development.

Based on research conducted by Purwadi, (2002 in Azre, 2017: 189-190) there are 13 common problems owned by BUMD, namely: (1). High bureaucratic intervention; (2). The condition of the machinery and equipment is old and outdated; (3). Weak capital capacity; (4). Many company assets are unproductive; (5). Human resources are less qualified; (6). The legal basis used is unclear and irrelevant to the conditions of this era; (7). The marketing system is weak; (8). Competition from private parties producing similar goods; (9). The Supervisory Agency is less functional; (10). Unfavourable *debt equity ratio* position, causing high financial risk from the company; (11). The burden of the obligation to deposit part of the profit to the local government; (12). Loss-making BUMDs are still maintained; and (13). Some BUMDs are forced to be established even though they are not feasible, to serve the needs of the community.

Based on the performance assessment criteria of drinking water SOEs, the human resource aspect is one of the factors that are part of the assessment of the performance of drinking water SOEs. In accordance with the performance assessment conducted by the Ministry of Public Works and Public Housing, the performance assessment of drinking water BUMD uses 4 (four) aspects, namely (1) financial aspects; (2) service aspects; (3) operational aspects, and (4) human resource aspects. In addition, in the management aspect of BUMD, drinking water also faces various problems. The lack of innovation in corporate restructuring efforts related to policy formulation and implementation of good corporate governance, limited number of professional human resources, limited capital, and large local government intervention in company management affect the performance of Perumda Air Minum.



The financial aspect of the problems faced by drinking water SOEs in determining drinking water tariffs has not paid attention to *full cost recovery* (FCR) aimed at covering operational needs, the absence of subsidies from the regional government in the event that they are not allowed to make tariff adjustments, from these conditions cause the company will always experience sustainable losses. Other problems are the increasing debt burden, the urge to make financial contributions to local original income, compensation for drinking water tariffs for low-income people, weak accounting systems, and human resources who have not been able to compile good financial statements. Meanwhile, from several technical aspects of the piped drinking water supply system experienced by BUMD drinking water is still high leakage rates (above 20%), service coverage is still low (below 60%), has not met 3K (quality, quantity, and continuity), limited raw water sources, and not optimal utilization of production capacity.

In 2022, based on a national assessment of the performance of drinking water BUMDs carried out by the Ministry of Public Works and Public Housing, it was found that the Tirta Kanjuruhan Regional Public Company occupies the 2nd (two) position after Perumdam Banyuwangi Regency which ranked the highest performance value of national-scale drinking water BUMDs. The performance measure of government agencies can be seen from their performance in providing public services, so that in providing public services (*public service*) and realizing organizational goals, the *performance* or performance of the organization itself has a considerable influence. Good organizational performance will contribute to the achievement of organizational goals and public services provided.

The implementation of GCG is very crucial because it has a positive impact on the performance of both large and small companies (Solomon and Solomon, 2004 in Kusmayadi, D., Rudiana, D., & Badruzaman, J, 2015: 12). The application of GCG principles is also proven to improve the economic efficiency of companies (OECD, 2004, in Manossoh, 2015: 96) Based on the explanation of the problems faced by the Tirta Kanjuruhan Regional Public Company above, the author is interested in examining the Effect of the Application of Good Corporate Governance Principles on the Managerial Performance of the Tirta Kanjuruhan Regional Public Company.

LITERATURE REVIEW

Transparency

Stakeholder theory states that the company is an organ that deals with other interested parties, both inside and outside the company. So that companies or BUMDs are obliged to disclose financial information and non-financial information to interested parties both inside and outside the company such as supervisors, practitioners and the community. Sari (2010) in Hidayah (2012) stated that the results of her research showed that the Disclosure Monitoring Mechanism through external auditors showed a significant positive relationship with banking performance. This will encourage management to improve managerial performance continuously.

Accountability

In shareholding theory, it is stated that the agent is fully responsible for all of his business and the capital that has been invested by the principal to maximize his profits. Accountability can be interpreted as the obligations of agents entrusted with managing resources and related to them to be able to answer matters concerning accountability. Accountability is closely related to instruments for control activities, especially in terms of achieving results on company performance and conveying them transparently to interested parties. Holida (2012) in her research stated that the accountability aspect has a very big influence on Riau Airlines BUMD.

Responsibility

Responsibility is a standard in measuring the quality of a public service, as in Dwiyanto (2014: pp. 143-144) states that to assess the quality of public services themselves, there are a number of indicators that can be used. According to Levine, public service products in democracies must meet at least three indicators, namely responsiveness, responsibility, and accountability.

Independence

According to Al-Faki (2006) in Widagdo (2014), to bring about harmony between company owners and management, justice and independence are needed so that there is no conflict of interest between the two parties. From the results of their research, Fitriyani et al (2011) stated that from the results of the hypothesis test, it is known that professional management of the company without conflict of interest is very influential on the performance of PDAM.



Fairness

Stakeholder theory, states that the company is an organ that deals with other interested parties, both inside and outside the company. So, the company must always pay attention to the interests of all stakeholders based on the principles of equality and fairness (equal treatment) and the company must provide opportunities for all stakeholders to provide input and express opinions for the interests of the company and have access to information. Research conducted by Wulandari (2006) which provides empirical evidence that institutional ownership or institutional ownership affects performance.

METHODOLOGY

This research includes science on human resources, especially studying the effect of the application of the principles of transparency, accountability, responsibility, independence, fairness on managerial performance in the Tirta Kanjuruhan Regional Public Company. This research is explanatory research, this research is located in Malang Regency, East Java. Kuncoro (2001) in Hidayah (2012) states that population is a complete group of elements, which are usually people, objects, transactions, or events to study or become objects of research. The population in this study is middle-level officials of the Tirta Kanjuruhan Regional Public Company. Census research is a study that takes one population group as a whole sample and uses a structured questionnaire as the main data collection tool to obtain specific information (Usman & Akbar, 2008). Based on this information, this study is a type of census research with the help of questionnaires, where the respondents are all top-level managers, namely structural officials under the President Director and Field Director at the Tirta Kanjuruhan Regional Public Company with 36 respondents. Data analysis techniques using Descriptive Statistical Analysis, Data analysis using SPSS and Hypothesis Testing. The variables, indicators, and items of this research statement can be seen in table 2 below:

RESULTS AND DISCUSSION

Research Results

Different Tests Before and During the Covid-19 Pandemic

At this stage, it shows the results of rank testing based on the values produced by the variables CR, DER, TO, ROE, and EPS before and during the Covid-19 period. These results occur in the Table. 1 following:

Table 1. Variables, Indicators, and Statement Items

No.	Variable	Indicators	Statement Item
1.	Transparency (X1)	a. Information Disclosure	1) Customer service information at the company where I work can be easily accessed by everyone
			2) The business plan of the company I work for can be presented to all levels of management
			3) The work plan and annual budget in which I work can be communicated to all levels of management
		b. Participation	4) The company involved me in formulating the company's annual work plan and budget
		5) The company I work for provides a <i>Forum Group Discussion</i> (FGD) to express my opinion	
		6) The company gave me the opportunity to provide input in solving problems	
2.	Accountability (X2)	a. Division of Tasks	7) The organizational chart of the company I work for has reflected the entire division of tasks
			8) The job description that has been prepared by the company where I work effectively prevents overlapping task execution between employees



No.	Variable	Indicators	Statement Item
			9) The company where I work monitors the implementation of tasks in order to conduct performance evaluations
	b. Employee placement		10) The company where I work is able to place employees in accordance with work competencies 11) The company I work for places people who have special qualifications to serve in strategic positions; 12) Toplace employees in accordance with the needs of the organization, the company where I work periodically transfers employees
	c. Internal control		13) The standard operating procedures used by the company where I work effectively improve the quality of service 14) The company where I work is able to build an internal control system to ensure employee order 15) The control system carried out by the company where I work effectively improves the quality of service
	d. Performance measurement		16) The employee performance measurement system in the company where I work is able to describe the workload of each employee; 17) The results of employee performance measurement in the company where I work can effectively become the basis for providing incentives 18) The results of employee performance measurement in the company where I work can effectively become the basis for performance evaluation
	e. Code of conduct		19) In carrying out my duties, I uphold the principle of honesty in carrying out my duties 20) In carrying out my duties, I always maintain the code of service ethics to maintain the good name of the company 21) I have good faith to comply with the applicable provisions without engineering
3.	Responsibility (X3)	a. Prudence	22) The implementation of feasibility studies in service development is very important to be carried out in the company where I work 23) That all operational activities carried out by the company where I work are carried out in accordance with applicable legal provisions 24) The planning system carried out by the company where I work is very important to pay attention to business risks
		b. Corporate Social Responsibility	25) For the use of water resources, it is very important that the company I work for carries out social responsibility



No.	Variable	Indicators	Statement Item
			26) The company I work for prioritizes the implementation of corporate social responsibility to directly affected communities
			27) In addition to providing social responsibility to the community, it is very important for the company where I work to do reforestation in water catchment areas
4.	Independence (X4)	a. Professional	28) To determine performance targets, in preparing the annual work plan of the company where I work pay attention to conditions in the field
			29) I am able to work with other parts / units to exchange information in realizing the company's performance goals
			30) The company where I work is able to carry out business activities free from the intervention of other parties
		b. Objective	31) The company where I work in providing services does not discriminate between customers
			32) The company where I work in running a business is not influenced by the interests of certain groups / groups
			33) The company I work for in planning work is not influenced by the interests of certain groups / groups
5.	Fairness (X5)	a. Equality	34) In running a business, the company where I work is able to pay attention to the interests of all parties
			35) The company where I work is able to guarantee that every employee has equal rights in the company
			36) The company where I work is able to be neutral / impartial in every decision making
		b. Compliance	37) All activities in the company where I work refer to the company's work plan that has been set
			38) In running the business of the company where I work, I adhere to the provisions of applicable laws and regulations.
			39) In working on water resources, the company where I work is able to fulfill the obligations in the applicable provisions
6.	Managerial Performance (Y)	a. Finance	40) In order to meet revenue targets, the company where I work divides targets according to potential customers;
			41) In order to meet the monthly revenue target, the company where I work monitors the realization of income from the list of billed accounts;
			42) In order to improve performance, the company where I work is committed to always improving employee welfare
		b. Service	43) In meeting the target of installing new house connections, the company plans service development based on potential customers in an area



No.	Variable	Indicators	Statement Item
			44) To ensure timely resolution of complaints, the company has a monitoring mechanism for handling customer complaints
			45) To ensure that water quality meets health requirements, the company conducts regular water quality testing
	c.	Operational	46) To ensure the continuity of services, the company is able to make efforts to prevent water loss in a sustainable manner
			47) To ensure the operation of drinking water supply services for 24 hours / day, the company has a service monitoring system
			48) The company has a control mechanism in place to ensure regular replacement of customers' water meters
	d.	Human Resources	49) Companies are able to plan employee needs based on the number of customers
			50) To improve the competence of human resources, the company organizes job training regularly
			51) To ensure work safety, the company includes every employee in the work safety assurance program

Source: Various articles, processed (2023)

RESULTS AND DISCUSSION

Table 2. Output of Regression Results

Independent variable	B	Tcount	Sig
Transparency	.321	3.663	.001
Accountability	.191	1.620	.115
Responsibility	.340	2.719	.011
Independence	.180	1.350	.187

Dependent Variabel	Managerial Performance
Constant	.160
R2	.955
R2 Adjusted	.901
F count	80.312
Probability	0,000
n	36
Line Equation	$Y = 0.160 + 0.321X_1 + 0.191X_2 + 0.340X_3 + 0.180X_4 + \epsilon$

Source: processed data (2022)

Regression results show that Transparency (X1) and Responsibility (X3) have a significant effect on Managerial Performance (Y), evidenced by a significant value smaller than alpha (0.05) or (5%). The magnitude of the value of R₂ or R_{Square} contained in the Model Summary table is 0.955, this shows that the contribution or contribution of the influence of X₁ and X₃ on Y is 95.5%, while the remaining 4.5% is the contribution of other variables that are not included in this study.

To find out whether the regression model above is correct or false, a hypothesis test is needed. Test the hypothesis using the number F as the output results of the regression model I obtained the result F count 80.312 with a significant value of 0.000, this means



0.000 < 0.05 then Ho is rejected and H1 is accepted meaning that there is a relationship between all independent variables in this study to managerial performance as a dependent variable.

1st Hypothesis Testing Results

Hypothesis I testing in this study shows test F, which examines the effect of variables of transparency, accountability, responsibility, and independence on managerial performance in Perumda Tirta Kanjuruhan. Based on the results of the F rate, it can be known that the calculated F value is 80,312 and the Sig. value is 0.000, while the F value is table (α ; DF = n-k-1), for the value of $\alpha = 0.05$ and $df = 36$ obtained a value of 2.42. The comparison value between F count and F Table shows a greater F count (F count (80.312) > F table (2.42), and also the Sig. F value (0.000) is less than the researcher's error rate of 0.005 or 5%.

So, it can be concluded that transparency, accountability, responsibility, and independence have a significant effect on managerial performance. Thus, research hypothesis I can be proven.

2nd Hypothesis Testing Results

Hypothesis II testing in this study uses a t test, which tests the significance of the influence of each (partial) independent variable on the dependent variable. Test results for the five independent variables are summarized in the table below:

Table 3. Testing of Independent and Dependent Variables

Independent Variable	Dependent Variables	Regression Coefficient	Sig. t	Fault Tolerance Level	Result
X1 Transparency	Y – Managerial Performance	0.321	0.001	0,005	X1 has an effect on Y
X2 Accountability	Y – Managerial Performance	0.191	0.115	0,005	X2 has no effect on Y
X3 Responsibility	Y – Managerial Performance	0.340	0.011	0,005	X3 has no effect on Y
X4 Independence	Y – Managerial Performance	0.180	0.187	0,005	X4 has no effect on Y

Source: processed data (2023)

Based on the summary above, it shows that not all independent variables have a significant effect on managerial performance, and transparency has the greatest amount of influence (regression coefficient value) of 0.340 when compared to the value of regression coefficients of other independent variables. Thus, the second research hypothesis cannot be proven.

Discussion

The effect of the application of good corporate governance principles on the managerial performance of Perumda Tirta Kanjuruhan, measured by five indicators, namely transparency, accountability, responsibility, independence, fairness.

For transparency in Perumda Tirta Kanjuruhan is measured by two indicators, namely information disclosure and participation. For disclosure indicators, most respondents are more likely to agree on the choice that the business plan can be presented to all levels of management. This shows that in Perumda Tirta Kanjuruhan openness is applied in disclosing relevant information about the company. For participation indicators, most respondents are more inclined to the choice of companies to provide Focus Group Discussion (FGD) to express opinions. This shows that in Perumda Tirta Kanjuruhan openness in decision making is applied. Based



on the results of the analysis of the description of the implementation of transparency in Perumda Tirta Kanjuruhan, the indicator that has the greatest role is that the company provides a Focus Group Discussion (FGD) to express opinions.

Accountability in Perumda Tirta Kanjuruhan is measured by five indicators, namely task distribution, employee placement, internal control, performance measurement, and code of conduct. For task distribution indicators, most respondents are more likely to agree on the choice that your company's organization has reflected the entire division of tasks. This shows that the organizational structure of Perumda Tirta Kanjuruhan has matured and does not cause overlapping task implementation between employees. For employee placement indicators, respondents are more likely to agree on the choice that companies place people who have special qualifications to serve in strategic positions. This shows that Perumda Tirta Kanjuruhan pays attention to the ability of employees to place in certain positions. For internal control, respondents are more likely to agree on the choice that the standard operating procedures used by the company effectively improve service quality. This shows that Perumda Tirta Kanjuruhan has a more ability to follow work procedures effectively. For the code of conduct, respondents tend to strongly agree on the choice in carrying out their duties, I uphold the principle of honesty in carrying out their duties. This shows that every employee has strong integrity in carrying out their duties.

The results of the description analysis regarding the application of accountability principles found that the clarity of functions, implementation, and responsibilities of employees in Perumda Tirta Kanjuruhan is very effective in managing the company.

Responsibility in Perumda Tirta Kanjuruhan is measured by two indicators, namely prudence and corporate social responsibility. For the precautionary indicator, most respondents are more likely to agree on the choice that the planning system carried out by the company where I work is very important to pay attention to business risks. This shows that in Perumda Tirta Kanjuruhan in running its business is very concerned about business risks. For corporate social responsibility indicators, most respondents agree that companies prioritize the implementation of corporate social responsibility to directly affected communities. This shows that in Perumda Tirta Kanjuruhan in working on water resources pay attention to the rights of the community around the spring.

The results of the analysis of the description of the responsibility of managerial performance found that in its management Perumda Tirta Kanjuruhan was in accordance with the principles of a healthy corporation. Independence in Perumda Tirta Kanjuruhan is measured by two indicators, namely professional and objective. For professional indicators, respondents tend to agree that to determine performance targets, in preparing the company's annual work plan pay attention to conditions in the field. This shows that in running its business, Perumda Tirta Kanjuruhan has a measurable business orientation. For objective indicators, respondents tend to agree that companies in providing services do not discriminate customers. This shows that Perumda Tirta Kanjuruhan can be fair in providing services to customers.

The results of the analysis of the description of independence found that Perumda Tirta Kanjuruhan was managed professionally without conflict of interest and influence / pressure and any party that was not in accordance with the provisions of laws and regulations and sound corporate principles. Fairness in Perumda Tirta Kanjuruhan is measured by two indicators, namely equality and compliance. For equality indicators, most respondents agree that in term of running a business, the company I work for is able to pay attention to the interests of all parties. This shows that equality is very important in fulfilling stakeholder rights. For compliance indicators, most respondents agree that in working on water resources, the company I work for is able to fulfil the obligations in the applicable regulations. This shows that in Perumda Tirta Kanjuruhan in working on water resources can meet the applicable requirements and conditions.

The results of the fairness description analysis found that in running the company's business can balance the interests of the company and the rights of stakeholders. Managerial Performance in Perumda Tirta Kanjuruhan is measured by four indicators, namely financial, service, operational and human resources. For financial indicators, most respondents agree that in order to meet monthly revenue targets, companies monitor revenue realization from the list of billed accounts. This shows that to meet revenue targets consider the customer's water use. For service indicators, most respondents agree that in meeting the target of installing new house connections, the company plans service development based on the potential customers in an area. For operational indicators, most respondents agreed that companies have control mechanisms in place to ensure regular replacement of customers' water meters. This shows that the company monitors the customer's water usage calculation facilities to ensure the accuracy of water usage. For human resource indicators, most respondents agree that the Company is able to plan employee needs based on the number of



customers. This shows that Perumda Tirta Kanjuruhan controls the number of employees by paying attention to the number of customers.

The results of the analysis of the description of managerial performance found that management's ability to realize the objectives of the establishment of the company through the process of managerial activity from the process of planning, implementing, administering, reporting accountability, coaching, and effective supervision.

From the explanation above and based on the results of Hypothesis II Testing in this study using the t test, which is testing the significance of the influence of each (partial) independent variable on the dependent variable. Test results for the five independent variables that most influence managerial performance is transparency.

CONCLUSIONS AND SUGGESTION

This study explains the effect of the application of good corporate governance principles on the managerial performance of general companies in the tirta kanjuruhan area, where the conclusions and research suggestions are presented as follows:

The implementation of good corporate governance on the principle of transparency has gained good perception by Perumda Tirta Kanjuruhan employees. The participation of employees in decision making was responded positively by respondents. Meanwhile, with accountability, clarity of functions, implementation, and accountability of organs so that company management is carried out effectively. It was found that the division of tasks of the Perumda Tirta Kanjuruhan organizational structure had matured and did not cause overlapping task implementation between employees. That responsibility is very effective in managing the company. Prudence shows that in Perumda Tirta Kanjuruhan in running its business is very concerned about business risks. The principle of independence shows that the company has been managed in a healthy manner. Professional to determine performance targets, in preparing the company's annual work plan shows that in running its business Perumda Tirta Kanjuruhan has a measurable business orientation. In the principle of fairness, it is found that in running a business, the company can balance between the interests of the company and the rights of stakeholders.

The results showed that indicators of transparency, accountability, responsibility, and independence can affect managerial performance in Perumda Tirta Kanjuruhan. Participation, division of duties, prudence, professionalism and equality have a positive impact on managerial performance in achieving company goals. Transparency is the most dominant and most influential measurement of managerial performance. Thus, the improvement of managerial performance in Perumda Tirta Kanjuruhan is influenced by information disclosure and employee participation.

The author believes there are still many variables and other indicators that can affect managerial performance and have not been studied in this study. As a guideline in the management of Perumda Tirta Kanjuruhan, a manual board, manual risk management, internal control system, internal supervision system, reporting mechanism for alleged irregularities in the BUMD concerned, information technology governance, and code of conduct are needed.

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