

ABSTRACT

This study aims to examine the influence of Good Corporate Governance (GCG) on corporate financial performance. The GCG assessment in this study uses two proxies: the ASEAN Corporate Governance Scorecard (ACGS) and Peraturan Menteri BUMN (Keputusan Menteri BUMN No. SK-16/S.MBU/2012). This study also aims to provide empirical insight into the effectiveness of GCG implementation based on regional and national assessment standards in driving improved financial performance of state-owned enterprises in Indonesia.

The population of this study was all 27 state-owned enterprises listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Using a purposive sampling method, 60 observational data sets were obtained. The data used were secondary data obtained from each company's annual report. This study employed a quantitative method with PLS-SEM analysis processed using SmartPLS software version 4.1.1.2.

The results of the study indicate that GCG as measured by ACGS and Peraturan Menteri BUMN proxies, has a positive effect on financial performance, as measured by ROA. This finding provides evidence that the implementation of GCG based on Peraturan Menteri BUMN proxies has higher effectiveness in encouraging improvements in the financial performance of state-owned enterprises in Indonesia.

Keywords: financial performance, Good Corporate Governance, ASEAN Corporate Governance Scorecard (ACGS), Keputusan Menteri BUMN No. SK-16/S.MBU/2012

