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## The Influence of The Implementation of Good Corporate Governance and AKHLAK on The Performance

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**Abstract:** This study aims to determine the effect of the implementation of good corporate governance and AKHLAK on the company's performance at PT. Telkom Regional. The method of data collection in this study is to use a questionnaire distributed to employees as primary data. The data were analyzed by multiple linear regression and tested by research instrument test, classical assumption test, partial test and simultaneous test using SPSS software. The results of this study indicate that good corporate governance and AKHLAK has a positive and significant effect on company performance at the PT. Telkom Regional.

**Keywords:** Good Corporate Governance, AKHLAK and Company Performance

**Abstrak:** Penelitian ini bertujuan untuk mengetahui pengaruh penerapan Good Corporate Governance dan AKHLAK terhadap kinerja perusahaan pada PT. Telkom Regional. Metode pengumpulan data dalam penelitian ini adalah dengan menggunakan kuesioner yang disebarakan kepada karyawan sebagai data primer. Data dianalisis dengan regresi linier berganda dan diuji dengan uji instrumen penelitian, uji asumsi klasik, uji parsial dan uji simultan dengan menggunakan software SPSS. Hasil penelitian ini menunjukkan bahwa Good Corporate Governance dan AKHLAK berpengaruh positif dan signifikan terhadap kinerja perusahaan pada PT. Telkom Regional

**Kata kunci:** Good Corporate Governance, AKHLAK dan Performa Perusahaan

### 1. Introduction

The development of global economic competition, both at home and abroad, nationally and internationally, can increase risks for businesses and demands anticipation of opportunities and threats through appropriate strategies, including sound control systems. Each year, changes in business operational performance, whether improvement or decline, reflect the dynamics of economic development. It is often alleged that inadequate corporate governance is one of the contributing factors to political-economic crises observed in various countries.

Indonesia is actively seeking to enhance its economy with the aim of achieving sustainable improvement. The country adopts the concept of Good Corporate Governance (GCG) as a strategy to ensure that business activities function effectively. Examples of weak corporate governance can be found in poorly managed conglomerates and corruption cases in government institutions. Indonesia aims to cultivate an economic environment based on GCG principles and expects that all entrepreneurs and prospective company founders adhere to these principles to avoid generating adverse impacts on the country.

A comprehensive framework of legal instruments is involved in establishing and regulating the interactions among shareholders, managers, creditors, government agencies, and other parties related to the company, which collectively define effective corporate governance (Tunggal, 2013). In Indonesia, the discourse on corporate governance has developed in line with a number of corporate failures caused by insufficient governance mechanisms. Without doubt, the concept of GCG has gained notable prominence in the last decade. One well-known case is an operational violation committed by Badan Regulasi Telekomunikasi Indonesia (BRTI), which breached GCG when issuing Circular Letter No. 177/BRTI/2011 to ten telecommunications operators regarding premium SMS services. This service, widely known among cellular users, often harms customers through excessive credit deductions that continue even after users attempt to unsubscribe, thereby causing inconvenience and financial loss.

In addition to its widespread popularity, the term GCG holds a highly esteemed position. First, GCG is recognized as one of the crucial factors for a company's long-term growth, profitability, and success in global business competition. Second, the economic crises experienced in Asian and Latin American regions are believed to be partly caused by the lack of proper implementation of GCG (Daniri, 2005). Sutedi (2011) defines GCG as a process and structure used by corporate entities—comprising shareholders or capital owners, commissioners, supervisory boards, and directors—to improve business performance and ensure corporate responsibility. The ultimate objective is to achieve long-term shareholder value while considering the interests of other stakeholders, all within the framework of legal requirements and ethical values. Various parties have interpreted corporate governance from narrower shareholder-based views to broader stakeholder-oriented perspectives, yet these understandings generally converge on similar goals and fundamental principles.

According to Article 1 of the Decree of the Minister of State-Owned Enterprises (KEPMEN BUMN) No. KEP-117/M-MBU/2002 on the implementation of GCG in State-Owned Enterprises (SOEs), corporate governance is defined as a process and structure used by SOEs to improve business performance and ensure accountability, with the ultimate objective of maximizing long-term shareholder value while taking into account the interests of other stakeholders on the basis of applicable laws, regulations, and ethical values. The implementation of corporate governance mechanisms aims to reduce problems arising from agency relationships and thereby provide a sense of security for all shareholders and investors that their rights will be respected and protected. With effective corporate governance, management and majority shareholders who control the company are required to operate within established rules and can no longer arbitrarily exploit investors' lack of competence or information.

This creates a more equitable and transparent environment that promotes trust and accountability within the organization. A climate of mutual trust between fund owners and

company managers, governed by effective corporate governance mechanisms, is expected to further enhance corporate performance, ultimately benefiting both parties. Consistent implementation of corporate governance is fundamentally aimed at maximizing corporate value in the eyes of shareholders and stakeholders and is used to strengthen the company's competitiveness. Given intensifying business competition, the implementation of corporate governance becomes increasingly crucial for surviving and thriving in the marketplace while upholding fair and ethical competition.

In 2020, the Ministry of State-Owned Enterprises introduced a program called AKHLAK BUMN. This initiative serves as a guiding framework for the Ministry in supervising the management of 115 SOEs in Indonesia. The concept of AKHLAK BUMN emphasizes ethical conduct and principles that should be upheld by these companies, encouraging transparency, integrity, and the adoption of good governance practices within the state-owned sector. AKHLAK itself is an acronym for Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif. By implementing AKHLAK BUMN, the Ministry aims to enhance the performance and accountability of SOEs, ensuring that their operations align with ethical standards and public expectations.

AKHLAK, as a program, represents a significant effort to reform the management of SOEs. Historically, this reform journey began in 2011 with the introduction of GCG, followed by the Clean SOE program in 2013. Further initiatives such as the Integrity Zone in 2015 and PROFIT (Professionals with Integrity) in 2019 continued this trajectory. In 2020, Erick Thohir launched the AKHLAK program, marking another important milestone in efforts to strengthen management practices and ethical conduct within SOEs. Telkom Group Indonesia subsequently held briefings and introduced AKHLAK core values to its employees. In early July 2020, the Minister of SOEs officially presented these core values through a virtual platform, demonstrating Telkom Group's commitment to aligning with AKHLAK and fostering a culture of ethics and integrity among employees.

AKHLAK is expected to serve as a strong and stable foundation for employees' behavior in supporting Telkom's continuous business growth. When human resource rotation occurs within the Telkom Metra environment, the presence of uniform AKHLAK core values will facilitate employee adaptation. PT Telkom Indonesia (Persero) is committed to strengthening the implementation of AKHLAK values as the basis for employees' work, in order to accelerate digital development in Indonesia. Human resource transformation is regarded as a crucial component of TelkomGroup's transition into a digital telco and the development of digital talent capable of adapting and contributing to the nation. This transformation requires strong adherence to shared core values; therefore, internalizing AKHLAK within TelkomGroup is essential to ensure serious, consistent, and sustainable implementation. In this context, the objective of this study is to investigate the influence of Good Corporate Governance and the AKHLAK program on the performance of PT Telkom Regional.

## **2. Literature Review**

### **2.1. Agency Theory**

Agency theory is a theoretical framework that analyzes the relationship dynamics between principals, usually shareholders or company owners, and agents, who are tasked with managing the company on behalf of the principals. The theory originated from situations

where principals delegated the management of their companies to agents. According to agency theory, principals and agents represent two distinct parties with differing interests and roles. The primary aim of effective corporate governance is to safeguard the interests of shareholders and creditors, enabling them to recover their investments. The application of corporate governance principles is founded upon the concept of agency theory, which elucidates the relationship between management and owners. As per this theory, management acts as an agent and assumes the task of maximizing profits on behalf of the owners, who are commonly referred to as principals. In fulfilling this obligation, management receives compensation as per the agreed contractual terms.

Corporate governance, stemming from the principles of agency theory, serves as a mechanism to instill confidence in investors regarding their investment returns. It addresses the concerns investors may have regarding the actions of managers, ensuring that they act in the best interests of shareholders. Effective corporate governance assures investors that managers will not engage in fraudulent activities, misappropriation of funds, or invest in unprofitable ventures that jeopardize the invested capital. Moreover, corporate governance encompasses the mechanisms by which investors exercise control over managers. Investors rely on corporate governance structures and practices to monitor and oversee managerial actions, mitigating the risks of agency problems and reducing agency costs. The aim of corporate governance is to align the motivations of managers and shareholders through the establishment of a structure that emphasizes accountability, transparency, and ethical conduct. Through this framework, the goal is to protect the interests of investors and mitigate potential conflicts of interest.

## **2.2. Goal Setting Theory**

Locke (1968) proposed the goal-setting theory, which emphasizes the connection between goals and an individual's task performance. The theory emphasizes that goals play a crucial role in motivating individuals. According to the goal-setting theory, the alignment between set goals and subsequent performance is of utmost importance. The fundamental idea is that when individuals have a clear understanding of the goals set by the organization, it influences their work behavior. The theory suggests that individuals who commit to a goal are less likely to undermine or disregard it.

## **2.3. Good Corporate Governance**

Overall, GCG concept has evolved and gained recognition over time, with various countries adopting its principles and codes to enhance transparency, accountability, and ethical practices in corporate management. When discussing corporate governance, it is important to acknowledge that organizations have obligations and responsibilities towards their shareholders and stakeholders. Therefore, they must be governed in compliance with the law while considering the interests of these stakeholders and shareholders. The principles of Good Corporate Governance, as specified in Article 3 of the Decree of the Minister of BUMN NO. 117 / M-MBU / 2002 dated 31 July 2002 regarding the implementation of GCG in BUMN are equity and fairness, transparency, accountability, responsibility, and independency. To ensure fairness and equality in protecting the rights of stakeholders, the company should impose the complete disclosure of information and prohibition on share price manipulation. In fostering transparency, Valery (2011) suggested to implement the principles of adopting accounting

standards and establishing an efficient management information system. Accountability, on the other hand, can be ensured by redefining the role of internal audit, strengthening internal supervision and risk management, and professional appointment and evaluation of external auditors. Further, he also stipulated that in ensuring responsibility, there are four recommendations which are to establish a healthy business environment and demonstrate social concern.

#### **2.4. AKHLAK Principles**

Every value is accompanied by a detailed explanation and supported by a code of ethic and conduct that will be implemented in the Ministry of State-Owned Enterprises (BUMN) and its affiliated companies. AKHLAK is sort for Amanah (Trustworthiness), Kompeten (Competence), Harmonis (Harmony), Loyal (Loyalty), Adaptive (Adaptability), and Kolaboratif (Collaboration).

#### **2.5. Hypothesis Development**

Transparency refers to the act of openly and honestly sharing information with stakeholders, acknowledging their entitlement to comprehensive knowledge about the company's management of entrusted resources. From an agency theory perspective, when a company is capable of providing information openly and honestly to stakeholders, it fosters trust among them. As a result, the application of the transparency principle has an impact on the company's performance. Tri (2017) expands on this in their research, stating that the principle of transparency significantly influences the company's performance. In other words, the more transparency is implemented, the better the expected performance of the company.

H1: Transparency affects the company's performance positively at PT. Telkom Regional

Accountability refers to the company's obligation to exhibit transparent and equitable performance to stakeholders. It involves managing the company in a responsible and measurable manner, orienting with the company's interests while also considering the interests of stakeholders is a fundamental aspect of effective corporate governance. This approach ultimately contributes to the enhancement of the company. From the perspective of agency theory, when a company can demonstrate accountability for its performance transparently and fairly to stakeholders, it enhances the overall performance. Renndy (2017) conducted research that illustrates a positive and significant correlation between accountability and company performance. The implementation of good corporate governance at PT Kereta Api Indonesia (Persero) Regional Division IV Tanjungkarang can be assessed through the clear definition of employee roles and responsibilities. The company has also established an internal control system, performance measurement mechanisms for all employees, and a system of rewards and penalties. Furthermore, the company has developed business ethics based on mutual agreement, and employees adhere to the agreed-upon ethical standards.

H2: Accountability affects the company's performance positively at PT. Telkom Regional

Responsibility refers to the company's commitment to managing its business in line with applicable laws and regulations. To enhance performance, companies need to have a comprehensive understanding of regulations and fulfill their obligations towards stakeholders, thereby ensuring long-term business sustainability. From the viewpoint of agency theory, if a

company can comprehend and comply with regulations while fulfilling its responsibilities towards stakeholders, it will enhance its overall performance. Therefore, the application of the responsibility principle positively influences the company's strategy, ultimately leading to a positive impact on company performance. In his research, Tri (2017) elucidates that the principle of responsibility has a significant impact on company performance. This suggests that a greater degree of responsibility implemented within the company is associated with enhanced performance.

H3: Responsibility affects the company's performance positively at PT. Telkom Regional

Independence refers to a company's ability to make decisions without being influenced or controlled by external parties or vested interests. To enhance performance, a company must act objectively, free from any interests that could harm the company. In the context of agency theory, this emphasizes the importance of avoiding conflicts of interest in company management, which can lead to increased trust from stakeholders and improved company performance. It ensures that the company maintains an unbiased approach in its operations. Rendy (2017) conducted research that demonstrates a positive and significant relationship between independence and company performance. The implementation of good corporate governance at PT Kereta Api Indonesia (Persero) Regional Division IV Tanjungkarang can be assessed based on the extent to which each employee's performance is free from the influence and dominance of external parties or specific interests.

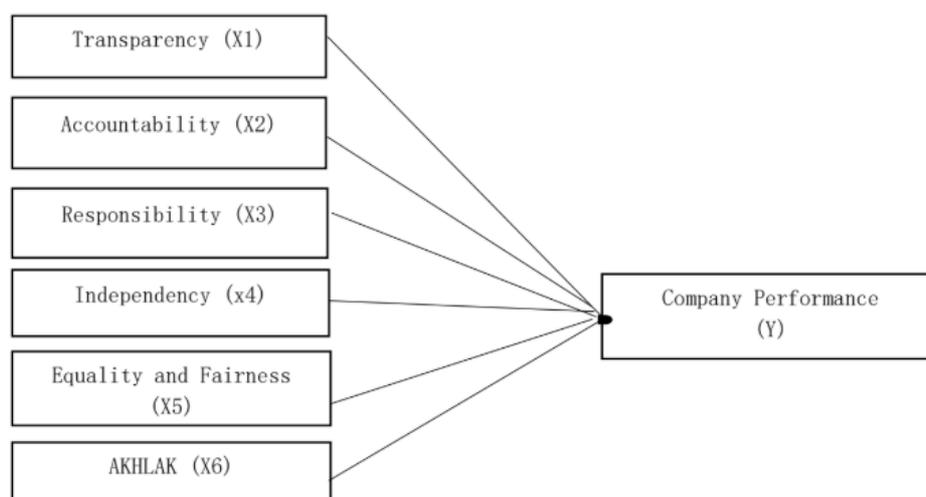
H4: Independency affects the company's performance positively at PT. Telkom Regional

Fairness pertains to the concept of treating all parties involved fairly and in conformity with agreements, as well as applicable laws and regulations. Companies must prioritize the consideration of stakeholders' rights based on principles of fairness and equality in order to drive positive improvements in company performance. In the research conducted by Sherly, Ikhwan et al. (2018), it was explained that the implementation of the principles of equality and fairness had a positive and significant impact on company performance, indicating that the application of these principles was well-implemented. According to Suwandi et al. (2008), fairness entails ensuring equity and fairness when upholding the rights of stakeholders in accordance with established agreements and legal regulations. In simpler terms, it requires providing equal treatment to all relevant parties within the company to the greatest extent possible.

H5: Fairness affect the company's performance positively at PT. Telkom Regional

Since being implemented as a BUMN culture in 2020, AKHLAK has not only become a core value, but also a foundation for BUMN. management reform to respond to changes and demands of a rapidly changing business environment. The word AKHLAK has been generally adopted into ethics and behavior. In that positive context, morals are in line with the positive meaning of AKHLAK which is set to be core values in all groups of SOE entities. In the process, it is expected that this AKHLAK culture can contribute to not only the management of the organization, but is further expected to contribute to improving the company's performance including the quality of services received by the community.

H6: AKHLAK affect the company's performance positively at PT. Telkom Regional



**Figure 1.** Conceptual Framework

### 3. Research Methods

The research employed a quantitative approach with an explanatory (causal) design, with the objective of analyzing the effect of Good Corporate Governance implementation and AKHLAK core values on corporate performance at PT Telkom Regional Makassar.

Data collection was carried out through a survey using a structured questionnaire based on a five-point Likert scale (ranging from strongly agree to strongly disagree) distributed to employees of PT Telkom Regional IV Balaikota as respondents. The quality of the questionnaire instrument was assessed using a validity test through item–total correlation (all calculated correlation coefficients greater than the critical value of 0.2461) and a reliability test using Cronbach's Alpha (values for each variable greater than 0.60), so the instrument was declared appropriate for use.

The respondents in this study were employees of PT Telkom Regional IV Balaikota, with a total population of 68 employees. A total of 68 questionnaires were distributed and 64 questionnaires were returned and could be processed, so the final sample size of this study consisted of 64 respondents.

The collected data were analyzed quantitatively using multiple linear regression. Before testing the hypotheses, classical assumption tests were conducted, including a normality test (normal probability P–P plots indicating that the data points follow the diagonal line), a multicollinearity test (tolerance values greater than 0.10 and Variance Inflation Factor values less than 10), and a heteroscedasticity test (scatterplots that do not form a specific pattern). Hypothesis testing was then conducted using t-tests (to examine the partial effects of each independent variable X1–X6 on corporate performance), F-tests (to examine the simultaneous effect of all independent variables), and the coefficient of determination ( $R^2$  and Adjusted  $R^2$ ) to determine the magnitude of the contribution of the independent variables to corporate performance.

### 4. Results

#### 4.1. Characteristic of Respondents

The As for the respondents in this study are employees who work at PT. Telkom Regional IV, the Balaikota Branch, consisted of 68 employees and 64 questionnaires returned. In this study, there are 5 levels of the assessment indicator which symbolized as ; SS (Strongly Agree), S (Agree), N (Neutral), TS (Disagree) and STS (Strongly Disagree).

#### 4.2. Validity Test

The validity test is used to determine the extent to which the accuracy level of using measurement tools for variables in each measured factor. The questionnaire can be considered valid if the statements prove the intended variable to be measured. The validity of an instrument can be seen and compared with the correlation index as its critical value by comparing the r-value with the r-table. If the r-value is greater than the r-table, then the statement can be categorized as valid and can be used in further testing.

The results of the validity test processed by the researcher are shown in table 1 as follows

**Table 1.** Results of Validity Test

Variable	Items	R Calculate	R Table (df=N-2) Significant Level 0.05%	Information
<i>Transparency (X1)</i>	X1.1	0,966	0,2461	Valid
	X1.2	0,973	0,2461	Valid
	X1.3	0,984	0,2461	Valid
	X1.4	0,976	0,2461	Valid
<i>Accountability (X2)</i>	X2.1	0,946	0,2461	Valid
	X2.2	0,930	0,2461	Valid
	X2.3	0,912	0,2461	Valid
	X2.4	0,946	0,2461	Valid
<i>Responsibility (X<sub>3</sub>)</i>	X3.1	0,956	0,2461	Valid
	X3.2	0,948	0,2461	Valid
	X3.3	0,947	0,2461	Valid
	X3.4	0,949	0,2461	Valid
<i>Independency (X4)</i>	X4.1	0,972	0,2461	Valid
	X4.2	0,944	0,2461	Valid
	X4.3	0,966	0,2461	Valid
	X4.4	0,958	0,2461	Valid
<i>Fairness (X5)</i>	X5.1	0,958	0,2461	Valid
	X5.2	0,937	0,2461	Valid
	X5.3	0,956	0,2461	Valid
AKHLAK (X6)	X6.1	0,813	0,2461	Valid
	X6.2	0,897	0,2461	Valid
	X6.3	0,854	0,2461	Valid
	X6.4	0,869	0,2461	Valid
	X6.5	0,886	0,2461	Valid
	X6.6	0,891	0,2461	Valid
	X6.7	0,886	0,2461	Valid
<i>Company performance (Y)</i>	Y1	0,811	0,2461	Valid
	Y2	0,814	0,2461	Valid
	Y3	0,831	0,2461	Valid
	Y4	0,876	0,2461	Valid

Y5	0,825	0,2461	Valid
Y6	0,841	0,2461	Valid
Y7	0,860	0,2461	Valid
Y8	0,885	0,2461	Valid
Y9	0,862	0,2461	Valid

Based on table 1 above, it proves that all statement items on each variable are valid where the value of  $r\text{-calculate} > r\text{-table} = 0.2461$ . Therefore, the results obtained in each statement item from each variable are all valid and can be used in future tests.

### 4.3. Reliability Test

The Reliability Test is an examination of data to measure whether the variable indicators are consistent over time. The results are considered reliable if a person's answers to statements are consistent or stable. A variable is considered reliable if it provides a Cronbach's Alpha value  $> 0.60$ . Therefore, the results of the test are as follows:

The researcher processed the results of the reliability test, which are shown in the table below:

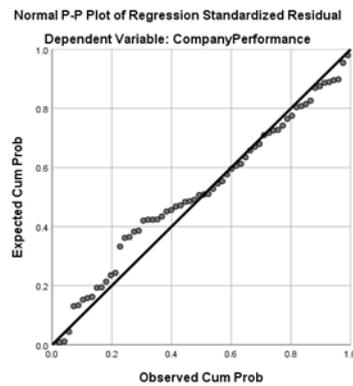
**Table 2.** Results of Reliability Test

Variable	Cronbach's Alpha Value	Information
<i>Transparency (X1)</i>	0,855	<i>Reliable</i>
<i>Accountability (X2)</i>	0,848	<i>Reliable</i>
<i>Responsibility (X<sub>3</sub>)</i>	0,851	<i>Reliable</i>
<i>Independency (X4)</i>	0,853	<i>Reliable</i>
<i>Fainess (X5)</i>	0,877	<i>Reliable</i>
<i>AKHLAK (X<sub>6</sub>)</i>	0,803	<i>Reliable</i>
<i>Company performance (Y)</i>	0,790	<i>Reliable</i>

Based on table 2 above, it can be seen that Cronbach's Alpha in Transparency (X1) is 0,855, Accountability (X2) is 0,848, Responsibility (X3) is 0,851, Independency (X3) is 0,851, Fairness (X5) is 0,877, and AKHLAK (X6) is 0,803. Meanwhile company performance (Y) of 0.790 in total  $> 0.60$  so that all of them can be categorized as reliable.

### 4.4. Normality Test

The normality test aims to test whether the independent variables or both in the regression model have a normal distribution or not overall, using the normality test of the p-plot of regression. The P-P plot test can be seen as follows:



**Figure 2.** The Result of the Normality Test P-P Plt

Based on the results of figure 2 of the normality test conducted by researcher, it was found that data spread around the diagonal line and following the line showed a normal distribution pattern. So regression satisfies the classical assumption.

#### 4.5. Multicollinearity Test

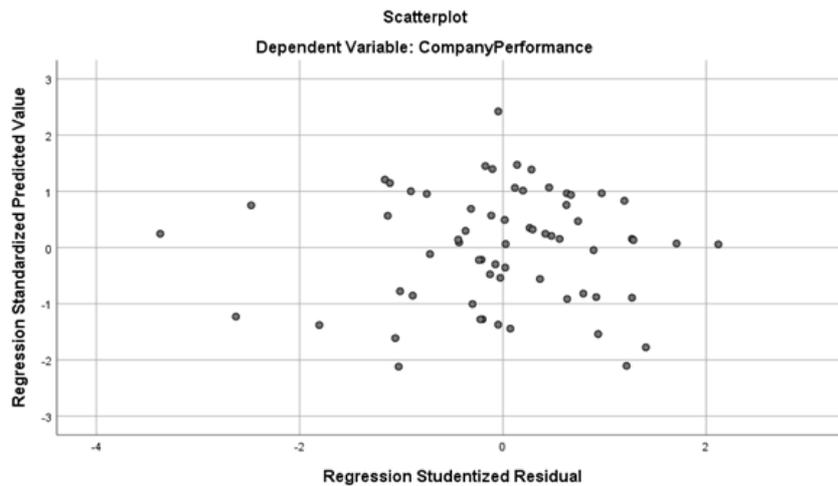
**Table 3.** Results of Multicollinearity Test

	Type	Collinearity Statistics	
		Tolerance	VIF
(Constant)			
Transparency	0,592	1,689	
Accountability	0,790	1,267	
Responsibility	0,465	2,151	
Independency	0,465	2,152	
Fairness	0,713	1,402	
AKHLAK	0,518	1,931	

**Coefficients'**

In the table above, it can be seen that each independent variable has a tolerance value greater than 0.10 and a VIF value smaller than 10 so it can be concluded that there is no violation of the multicollinearity assumption or in other words there is no multicollinearity between independent variables so further testing could be carried out.

#### 4.6. Heteroscedasticity Test



**Figure 3.** Result of Heteroscedasticity Test

Based on Figure 3 on scatterplots explains that the points in the figure above do not form a certain pattern but points scattered above and below the number 0 on the Y axis. So that it can explain that the assumptions obtained have been fulfilled.

#### 4.7. Multiple Linear Analysis

**Table 4.** Results of Multiple Linear Regression Analysis

	Unstandarized Coefficients		Standarized Coefficient Beta
	B	Std. Error	
(Constant)	7,551	2,602	
Transparency	0,302	0,118	0,226
Accountability	0,388	0,125	0,237
Responsibility	-0,402	0,163	-0,245
Independency	0,491	0,150	0,326
Fairness	0,353	0,164	0,173
AKHLAK	0,734	0,120	0,576

**Coefficients<sup>a</sup>**

Based on table 4.10 above, the estimation model can be analyzed as follows:

$$\hat{Y} = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + e$$

$$Y = 7,551 + 0,302 + 0,388 + -0,403 + 0,491 + 0,353 + 0,734 + 2,602$$

Where:

- Y = Dependent variable (Buying interest)
- a = constant
- X1 = Transparency
- X2 = Accountability
- X3 = Responsibility
- X4 = Independency
- X5 = Fairness

- X6 = AKHLAK
- b = Variable coefficient x
- e = Critical Value (Standard Error)

Based on table 10 above, it can be explained that the equation is known to have a constant value of 7.551 mathematically, the value of this constant states that the consistent value of the Transparency variable (X1) is 0.302. The consistent value of the Accountability ( X2) variable is 0.388. The consistent value of the variable Responsibility (X3) is -0.402. The consistent value of the variable Independency (X4) is 0.491. The consistent value of the Fairness variable (X5) is 0.353. The consistent value of the AKHLAK variable (X6) of 0.734 can all affect the Company's performance and if the addition of 1% then the results that will be obtained are still a positive effect

#### 4.8. Partial Test (T-Test Statistical Test)

**Table 5. Partial Significance Test Results (T-test statistic)**

Coefficients <sup>a</sup>		
	t	Sig.
Constant	2,902	0,005
Transparency	2,556	0,013
Accountability	3,098	0,003
Responsibility	-2,457	0,017
Independency	3,270	0,002
Fairness	2,154	0,002
AKHLAK	6,094	0,000

Based on the partial test in Table 5 above, the results of the following partial tests are the following outcomes:

- 1) Based on significance value (sig.)  
Based on the spss data processing table by researcher, it is known in table 4.12 above to have a value (sig.) variable Transparency (X1) with a value of 0.013 < probolity of 0.05 or 5%, it can be concluded that the first hypothesis has a significant effect on Company performance (Y).
- 2) Based on the t-count value with a result of 2.556 > t-table 1.6720, it can be concluded that the first hypothesis is accepted. This means that Transparency (X1) has a positive effect on Company performance (Y).
- 3) Based on significance value (sig.)  
Based on the spss data processing table by the researcher known in table 4.12 above has a value (sig.) variable Accountability (X2) with a value of 0.003 < probolity 0.05 or 5%, it can

be concluded that the second hypothesis has a significant effect on Company performance (Y).

Based on the t-count value with a result of  $3.098 > t\text{-table } 1.6720$ , it can be concluded that the second hypothesis is accepted. This means that Accountability (X2) has a positive effect on Company performance (Y).

4) Based on significance value (sig.)

Based on the spss data processing table by researcher known in table 4.12 above has a value (sig.) variable Responsibility (X3) with a value of  $0.017 < \text{probability of } 0.05$  or 5%, it can be concluded that the third hypothesis has a significant effect on Company performance (Y).

5) Based on the t-count value with a result of  $-2.457 > t\text{-table } 1.6720$ , it can be concluded that the third hypothesis is accepted with a negative result. This means that Responsibility(X3) negatively affects Company performance (Y).

6) Based on significance value (sig.)

Based on the spss data processing table by the researcher known in table 4.15 above has a value (sig.) variable Independency (X4) with a value of  $0.002 < \text{probability of } 0.05$  or 5%, it can be concluded that the fourth hypothesis has a significant effect on Company performance (Y).

7) Based on the t-count value with a result of  $3.270 > t\text{-table } 1.6720$ , it can be concluded that the fourth hypothesis is accepted. This means that Independency (X4) has a psychological effect on Company performance (Y).

8) Based on significance value (sig.)

Based on the spss data processing table by the researcher known in table 4.15 above has a value (sig.) variable Fairness (X3) with a value of  $0.036 < \text{probability } 0.05$  or 5%, it can be concluded that the fifth hypothesis has a significant effect on Company performance (Y).

9) Based on the t-count value with a result of  $2.154 > t\text{-table } 1.6720$ , it can be concluded that the fifth hypothesis is accepted. This means that Fairness (X5) has a positive effect on Company performance (Y).

10) Based on significance value (sig.)

Based on the spss data processing table by researcher known in table 4.12 above has a value (sig.) variable AKHLAK (X6) with a value of  $0.000 < \text{probability } 0.05$  or 5%, it can be concluded that the sixth hypothesis has a significant effect on Company performance (Y).

11) Based on the t-count value with a result of  $6.094 > t\text{-table } 1.6720$ , it can be concluded that the sixth hypothesis is accepted. This means that AKHLAK (X6) has a psychological effect on Company performance (Y).

#### 4.9. Simultaneous Significance Test (F-test statistic)

**Table 5.** Simultaneous Significance Test Results (F-test statistic)

<b>Simultaneous Significant Test</b>					
	Sum of Squares	Df	Mean Square	F	Sig
Regression	1414,383	6	235,731	26,522	0,000b
Residuals	506,617	57	8,888		
Total	1921,000	63			

Based on Table 4.13 above, researcher obtain an F-count value of 235.731 > F-table 2.26, it can be expressed simultaneously, while the significant value of F is 0.000 < a 0.05 or 5%. So it can be concluded that all hypotheses are accepted and can ensure that all variables together have a positive and significant effect on Company performance at PT. Telkom Regional Makassar.

#### 4.10. Coefficient of Determination (R<sup>2</sup>)

**Table 6.** Result of the Coefficient of Determination (R<sup>2</sup>)

<b>Model Summary<sup>b</sup></b>				
R	R Squared	Adjusted R Squared	Std. Error of the estimate	Durbin-Watson
0,858a	0,736	0,709	2,981	1,603

Based on table 4.14 above, it shows that the value (R<sup>2</sup>) is 0.709, this means 70.9%, which exceed the minimum of 0,67 to be categorized as a strong model. So the investigated independent variable can influence the Company Performance (Y).

## 5. Discussion

### 5.1. The Effect of Transparency (X1) on Company Performance (Y)

Based on the results of the partial test and the significance of the correlation coefficient value for Transparency, The partial significance test table shows a value of 2.556 with positive results and the acquisition of a significance value of 0.013 < 0.05 or a level of 5% proves that the independent variable of Transparency has a positive and significant effect on Company performance. These results are in line with research conducted by Aliah Darajat Guntur (2021). With the title "Implementation of Good Corporate Governance on the Performance of PT. Regional Development Bank of South Sulawesi". Based on the results of this study, the principle of openness, the principle of accountability, the principle of responsibility, the principle of independence, the principle of equality and fairness have a joint or simultaneous effect on company performance.

In this study, there were questionnaire responses that showed that respondents' responses with the highest average value result statement were found in the second indicator with the second statement on the questionnaire, which was with a value of 3.84 with the statement "The company develops management information technology". This explains that the technology development system carried out is very helpful for performance at PT. Telkom Regional Makassar. If there is an organized development of technology, in the future it will also provide good results in the implementation of management information.

### 5.2. The Accountability (X2) Company Performance (Y)

Based on the results of partial tests and significance to the value of the correlation coefficient for Accountability shows a value of 3.098 with positive results and the acquisition of a significance value of  $0.003 < 0.05$  or a level of 5% proves that the independent variable Accountability has a positive and significant effect on Company performance. These results are in line with research conducted by Sherly, Ikhwan, Hilman (2018) entitled "The Effect of the Application of Good Corporate Governance Principles on Employee Performance". Based on the results of this study shows that the principles of accountability and fairness have been applied well, because they have a positive and significant impact on employee performance. As for the application of the principles of transparency, responsibility and independence, the results are not good enough, because they do not have a positive and significant effect on employee performance.

In this study, there were questionnaire responses that showed the highest average score results were found in the fourth indicator with a value of 3.66 with the statement "In carrying out it's duties and responsibility, the company always adheres to business ethics and code of conduct". This explains that the implementation of duties and responsibilities carried out is always closely bound by ethics and codes of ethics so that in carrying out duties always have limits and avoid violating methods during carrying out duties and responsibilities to improve.

### **5.3. The Effect of Staff Responsibility (X3) on Company Performance (Y)**

Based on the results of the partial test and the significance of the correlation coefficient value for Responsibility, the partial significance test results showed a value of  $-2.457$  with negative results and the acquisition of a significance value of  $0.017 < 0.05$  or a level of 5% proved that the independent variable of Responsibility can have an effect on fulfilling the significance of Company performance with negative results. Based on the results of this study, the principle of openness, the principle of accountability, the principle of responsibility, the principle of independence, the principle of equality and fairness have a joint or simultaneous effect on company performance.

In this study, there were questionnaire responses that showed the highest average score results were found in the first indicator with a value of 3.94 with the statement "an opportunity is given to parties who have an interest in providing input and opinions for the interests of the company". This explains that as long as it provides input for the benefit of company development, it will be given opportunities and leeway in conveying ideas that have a positive impact on the company in the future, especially when it discusses how to improve performance.

### **5.4. The Effect of Independency (X4) on Company Performance (Y)**

Professional and unbiased company management is distinguished by compliance with regulations and principles of sound corporate governance (Arief 2009: 5). He outlined five principles of corporate governance set by The Organization for Economic Co-operation and Development (OECD). Shareholder Rights GCG framework must protect the rights of shareholders, including minority shareholders. Based on the results of the partial test and the significance of the correlation coefficient value for Independency, The partial significance test table shows a value of 3.270 with positive results and the acquisition of a significance value of  $0.002 < 0.05$  or a level of 5% proves that the independency variable has a positive and

significant effect on Company performance. Based on the results of this study, the principle of openness, the principle of accountability, the principle of responsibility, the principle of independence, the principle of equality and fairness have a joint or simultaneous effect on company performance.

In this study, there were questionnaire responses that showed that respondents' responses with the highest average score result statement were found in the first indicator with a value of 4.00 with the statement "The company recruits and employs experts". This explains that every employee who works in the company is people who have been selected as well as possible according to their respective abilities and skill placement, this is done in order to work to minimize errors and work accidents.

### **5.5. The Effect of Equity and Fairness (X5) on Company Performance (Y)**

The GCG framework should ensure equal treatment of all shareholders, regardless of their size or nationality, including minority and foreign shareholders. This principle prohibits any trading practices based on insider information or self-dealing transactions. The goal is to prevent unfair advantage or preferential treatment that could undermine the integrity and fairness of the company's operations. By upholding equal treatment and prohibiting such practices, corporate governance promotes transparency, accountability, and trust among shareholders. Based on the results of partial tests and significance to the value of the correlation coefficient for Fairness in table 4.15 shows a value of 2.154 with positive results and the acquisition of a significance value of  $0.036 < 0.05$  or a level of 5% proves that the fairness variable has a positive and significant effect on Company performance.

These results are in line with research conducted by Sherly, Ikhwan, Hilman (2018) entitled "The Effect of the Application of Good Corporate Governance Principles on Employee Performance". Based on the results of this study shows that the principles of accountability and fairness have been applied well, because they have a positive and significant impact on employee performance. As for the application of the principles of transparency, responsibility and independence, the results are not good enough, because they do not have a positive and significant effect on employee performance.

In this study there were questionnaire responses that showed the highest average score results were found in the second indicator with a value of 3.84 with the statement "the company provides equal opportunities in recruiting employees, having a career and carrying out their duties professionally without discriminating against ethnicity, race, region, class and gender". This explains that the company always provides policies that are acceptable to many parties, the most prominent thing to do is to provide equal opportunities in recruiting employees to participate in careers in the company without having to look back at race, religion, ethnicity and gender.

### **5.6. The Effect of AKHLAK (X6) on Company Performance (Y)**

Each value is accompanied by a detailed explanation and supported by a code of ethics and conduct that will be applied at the Ministry of State-Owned Enterprises (BUMN) and its affiliated companies. The first mandate (Trustworthiness) The essence of Amanah is to uphold the responsibilities entrusted, competent in AKHLAK refers to an attitude of continuous

learning and capacity development, harmonization in AKHLAK emphasizes caring for each other and respecting differences, loyal in AKHLAK requires a dedicated attitude where the interests of the nation and state must be prioritized, adaptive in AKHLAK signifies the ability to innovate and embrace change enthusiastically, and collaborative in AKHLAK highlights the ability to foster synergistic cooperation. Based on the results of the partial test and the significance of the correlation coefficient value for Responsibility, the partial significance test results showed a value of 6.094 with positive results and the acquisition of a significance value of  $0.000 < 0.05$  or a level of 5% proved that the independent variable AKHLAK can have a positive effect and significance on the Company.

In this study there were questionnaire responses that showed the highest average score results were found in the third indicator with a value of 3.83 with the statement "The services provided by the company do not only focus on certain employees but to all employees so that you feel worthy to be in the work environment". This explains that the equality obtained by all employees in the company discourages every employee from going on strike, let alone taking the initiative to make planned and deliberate mistakes.

## **6. Conclusion**

Based on the results of the data analysis and the preceding discussion, it can be concluded that the implementation of Good Corporate Governance and AKHLAK values has a consistently positive impact on company performance at PT Telkom Regional. Transparency, accountability, responsibility, independency, and fairness each show a positive and significant effect on company performance, as indicated by partial test results that are positive and meet the 5 percent significance level. These findings confirm the first five hypotheses (H1–H5), which state that each of these governance principles positively influences the company's performance.

Furthermore, the AKHLAK values also have a positive and significant effect on company performance at PT Telkom Regional, with partial test results that are positive and satisfy the 5 percent significance standard, thereby supporting the sixth hypothesis (H6). When examined simultaneously, all independent variables—transparency, accountability, responsibility, independency, fairness, and AKHLAK—together exert a positive and significant influence on company performance at PT Telkom Regional South Sulawesi Makassar. This indicates that stronger implementation of both Good Corporate Governance principles and AKHLAK values is associated with better overall performance of the company.

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