

## Implementation of Corporate Governance in Improving Company Performance at ASDP Bakauheni Branch, South Lampung

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### ABSTRACT

This study aims to comprehensively analyze the implementation of Good Corporate Governance (GCG) at PT ASDP Indonesia Ferry (Persero), Bakauheni Branch, South Lampung. The research examines the governance structure, oversight mechanisms, application of GCG principles, work ethics, risk management, and the branch's compliance with head office policies. Recent revisions and developments also include an in-depth analysis of post-flood conditions in the South Lampung region, particularly how the flooding affected operational stability and the extent to which GCG implementation experienced changes. The results indicate that although the organizational structure at the branch level is not as complete as that of the head office, GCG implementation remains effective due to the use of digital reporting systems and multilayered supervision. In the post-flood period, the implementation of GCG was found to have improved, especially in terms of transparency, accountability, and social responsibility. The Bakauheni Branch of ASDP also carried out a series of social initiatives, including the distribution of logistics and emergency assistance to communities affected by the flooding.

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## 1. INTRODUCTION

Corporate governance has become a central issue in ensuring organizational sustainability, accountability, and long-term performance in both private and state-owned enterprises. In increasingly competitive and regulated environments, governance mechanisms are expected to align managerial actions with stakeholder interests while maintaining transparency and ethical standards. Effective governance structures contribute to improved decision-making, risk management, and operational efficiency, ultimately enhancing company performance (Reichert et al., 2020; Zattoni & Pugliese, 2021). For state-

owned enterprises in particular, governance practices are crucial because they operate at the intersection of public accountability and commercial objectives.

In developing economies, the implementation of corporate governance remains uneven due to institutional constraints, regulatory gaps, and varying managerial capacities (Nguyen et al., 2021; Claessens & Yurtoglu, 2022). Indonesia has introduced various regulatory reforms to strengthen governance in state-owned enterprises, yet practical implementation at the operational level continues to face challenges. The transportation and ferry service sector, which plays a strategic role in national connectivity, requires governance systems capable of ensuring service reliability, financial sustainability, and stakeholder trust. Weak governance in such sectors may lead to inefficiencies, financial losses, and declining public confidence.

ASDP Indonesia Ferry, as a state-owned enterprise responsible for ferry transportation services, operates in a complex environment characterized by high operational risks, public service obligations, and strict safety standards. The Bakauheni Branch in South Lampung represents one of the busiest ferry gateways connecting Java and Sumatra, making its operational performance strategically important for regional economic activity. In this context, strengthening governance practices is not merely a compliance requirement but a strategic necessity to enhance service quality and financial performance (Khan et al., 2022; Yoon & Chung, 2023).

Previous studies have consistently shown a positive relationship between corporate governance mechanisms—such as board effectiveness, transparency, internal control systems, and stakeholder engagement—and firm performance (Hussain et al., 2021; Boateng et al., 2022). Research in emerging markets indicates that governance quality significantly influences profitability, operational efficiency, and firm value (Alfraih, 2023; Widagdo & Chariri, 2021). However, much of the existing literature focuses on publicly listed companies, while empirical investigations in state-owned enterprises, particularly in the transportation sector, remain limited.

Moreover, recent research emphasizes the integration of governance with risk management and sustainability practices to create resilient organizations (Buallay et al., 2022; García-Sánchez et al., 2022). In service-oriented industries, governance effectiveness also affects customer satisfaction and operational reliability, which indirectly contribute to financial performance (Tran et al., 2022). Despite these advances, there is still insufficient evidence regarding how governance implementation at branch-level operations influences performance outcomes in ferry transportation services.

The problem addressed in this study lies in the gap between formal governance frameworks and their actual implementation at the operational branch level. While regulatory guidelines and corporate policies may be well established at the corporate headquarters, their translation into daily managerial practices at branch offices may vary. This discrepancy raises important questions about how governance principles—such as transparency, accountability, responsibility, independence, and fairness—are implemented in practice and how they affect measurable performance indicators at ASDP Bakauheni Branch.

This research proposes an empirical examination of corporate governance implementation within the operational context of ASDP Bakauheni Branch and its impact on company performance. By focusing on governance dimensions and linking them to performance indicators such as operational efficiency, financial outcomes, and service quality, this study seeks to provide a more contextualized understanding of governance effectiveness. The approach integrates governance theory with performance measurement frameworks to capture both structural and behavioral aspects of governance practices (Zattoni & Pugliese, 2021; Alfraih, 2023).

The novelty of this research lies in its focus on a branch-level analysis within a state-owned ferry transportation enterprise, an area that has received limited scholarly attention in the last five years. Unlike prior studies that primarily examine listed corporations or aggregate firm-level data, this study explores how governance mechanisms function within a specific operational unit. This micro-level perspective contributes to governance literature by demonstrating how institutional principles are operationalized in a strategic transportation hub.

In addition, this study contributes to the ongoing discourse on public sector governance reform in emerging economies. By providing empirical evidence from Indonesia, the research enriches comparative studies on governance implementation in state-owned enterprises (Claessens & Yurtoglu, 2022; Nguyen et al., 2021). The findings are expected to inform policymakers and managers about practical governance improvements that can strengthen organizational performance and public accountability.

Ultimately, this research aims to bridge the gap between governance theory and operational practice in the ferry transportation sector. By examining the implementation of corporate governance and its relationship with company performance at ASDP Bakauheni Branch, this study offers both theoretical and practical contributions. It provides actionable insights for enhancing governance effectiveness, improving service performance, and supporting sustainable organizational growth in strategically important transportation infrastructure Wijaya, A., Sari, D., Supriyanto, S., & Hasan, U. (2024).

## 2. METHOD

This study employed a qualitative descriptive research design to comprehensively analyze the implementation of Good Corporate Governance (GCG) at PT ASDP Indonesia Ferry (Persero), Bakauheni Branch, South Lampung. A qualitative approach was selected because the research aims to understand governance practices, oversight mechanisms, ethical implementation, and organizational responses in both normal and post-disaster conditions. The descriptive method enables an in-depth exploration of governance structures, managerial roles, risk management systems, and social responsibility practices as they occur in real operational settings.

The research was conducted at ASDP Bakauheni Branch, which operates under the centralized governance system of PT ASDP Indonesia Ferry (Persero). The unit of analysis focused on branch-level governance implementation, including managerial coordination, reporting systems, supervision processes, compliance mechanisms, and emergency response during the flood event in South Lampung. The study particularly examined how GCG principles transparency, accountability, responsibility, independence, and fairness were operationalized in daily activities and during disaster conditions.

Data collection techniques consisted of three main methods: documentation study, direct observation, and interviews. Documentation analysis included reviewing internal governance guidelines, Standard Operating Procedures (SOP), annual reports, audit documents, internal reporting records, and emergency response documentation related to the flood event. Key documents reviewed included the Corporate Governance Guidelines of PT ASDP Indonesia Ferry (Persero), Annual Reports, operational standards issued by the Ministry of Transportation, and relevant regulations on GCG implementation in State-Owned Enterprises (BUMN).

Interviews were conducted with key informants directly involved in governance implementation at the branch level. The primary informant was a managerial representative at ASDP Bakauheni Branch who provided detailed explanations regarding governance practices, supervision systems, risk management procedures, and post-flood operational

adjustments. The interview process was semi-structured, allowing flexibility to explore emerging issues while maintaining alignment with research objectives. Additional clarification was obtained regarding the implementation of corporate social responsibility initiatives during the flood response period.

Observation was carried out to understand operational activities, coordination patterns among managers, supervision practices, and service delivery mechanisms. Particular attention was given to how reporting systems functioned, how facilities were managed, and how emergency conditions were handled. Observation enabled the researcher to validate information obtained from interviews and documentation.

The data analysis technique used in this study followed a qualitative interactive model consisting of data reduction, data display, and conclusion drawing. Data reduction involved selecting, categorizing, and focusing on governance-related information relevant to research objectives. Data display was conducted by organizing findings according to governance dimensions, including structure, principles implementation, supervision, ethics, risk management, compliance, and social responsibility. Finally, conclusions were drawn by identifying patterns, consistency, and changes in governance practices before and after the flood event.

To ensure data validity and reliability, the study applied triangulation techniques. Source triangulation was conducted by comparing interview results with official documents and observational findings. Method triangulation was implemented by combining documentation analysis, interviews, and observation. This approach strengthened the credibility of findings and minimized potential bias.

The research also incorporated regulatory and theoretical references to frame the analysis. Governance implementation was assessed based on national GCG guidelines for State-Owned Enterprises, including regulations issued by the Ministry of State-Owned Enterprises and the general principles formulated by the National Committee on Governance Policy (KNKG). Risk management and operational standards were evaluated in reference to port operational guidelines issued by the Ministry of Transportation. These references provided normative benchmarks for assessing governance effectiveness at the branch level.

Ethical considerations were observed throughout the research process. Informants were informed about the purpose of the study, and data collected were used strictly for academic purposes. Confidential operational details not intended for public disclosure were treated responsibly. The research maintained objectivity and neutrality in analyzing governance practices without interfering with ongoing operational activities.

Overall, this methodological approach allowed the researcher to obtain a comprehensive understanding of how corporate governance is implemented at ASDP Bakauheni Branch and how its effectiveness is reflected in company performance and disaster response. By focusing on real operational practices and post-flood conditions, the study provides contextual and empirical insights into governance dynamics within a strategically important state-owned transportation enterprise.

### **3. RESULTS AND DISCUSSION**

This section presents the research findings regarding the implementation of Good Corporate Governance (GCG) at PT ASDP Indonesia Ferry (Persero), Bakauheni Branch, South Lampung, and discusses their implications for company performance, particularly during post-flood conditions. The findings are organized into several sub-sections to provide systematic and comprehensive analysis.

#### **3.1. Governance Structure and Operational Effectiveness**

The results show that the governance structure at ASDP Bakauheni Branch operates under a centralized system directed by the head office. Although the branch does not possess

a complete governance organ such as an independent internal audit unit at the local level, the managerial structure—consisting of HR & General Manager, Technical Manager, Finance Manager, and Business Manager—functions effectively as the first line of control.

Operational data indicate that coordination among managers intensified during the flood period. Reporting frequency increased from routine weekly and monthly reports to daily emergency reports submitted digitally to the head office. This multilayered supervision system strengthened transparency and accelerated decision-making. The presence of digital ticketing systems, CCTV monitoring, and centralized dashboards enhanced real-time oversight and reduced operational risk.

To conceptually illustrate the relationship between governance quality and company performance, this study formulates a simplified governance-performance relationship model:

$$CP = \alpha + \beta_1 T + \beta_2 A + \beta_3 R + \beta_4 I + \beta_5 F \quad (1)$$

Although this research is qualitative and does not statistically estimate the coefficients, field findings suggest that improvements in transparency, accountability, and responsibility during the flood period significantly contributed to maintaining operational stability. The model aligns with governance-performance theories emphasizing that effective governance mechanisms positively influence organizational outcomes (Kleij, 2019; Brockett & Hiemstra, 2020).

Furthermore, operational continuity during the disaster demonstrates governance resilience. Despite infrastructure disruptions, ferry services remained functional with controlled adjustments in scheduling and traffic flow. This indicates that the governance structure, although simplified at branch level, remains adaptive and effective.

### 3.2. Implementation of GCG Principles and Performance Impact

The implementation of the five GCG principles transparency, accountability, responsibility, independence, and fairness was observed to function not only as regulatory compliance but as operational practice. Transparency increased significantly during the flood response. Information regarding dock conditions, access roads, and sailing schedules was disseminated through public announcements and digital media. Daily reports were transmitted to the head office to ensure centralized monitoring. Such practices are consistent with governance literature emphasizing information disclosure as a determinant of trust and performance (Geng et al., 2019).

Accountability was reflected in clearly defined task distribution among managers and intensified supervision. Emergency expenditures were documented carefully to ensure financial compliance. This supports findings from prior governance studies that structured accountability mechanisms reduce operational inefficiency and enhance institutional credibility (Creswell & Clark, 2011). Responsibility was demonstrated through compliance with port safety SOPs and efforts to maintain public service delivery under extreme conditions. Employees managed vehicle queues, ensured passenger safety, and maintained technical infrastructure. The branch's ability to sustain service operations confirms that governance principles were internalized beyond formal policy.

Independence, although structurally limited due to centralized authority, was exercised in technical decision-making. Branch management was authorized to implement rapid operational adjustments without waiting for lengthy bureaucratic approval. This operational autonomy during emergencies improved responsiveness and minimized service

disruption. Fairness was observed through equitable service access, priority treatment for vulnerable passengers, and nondiscriminatory ticketing processes. Maintaining fairness during crisis conditions prevented social tension and preserved order within the port environment. These findings align with governance frameworks that link ethical conduct, structured supervision, and stakeholder orientation with improved organizational resilience (Fraenkel et al., 2012; Mahvelati, 2021).

### **3.2.1. Supervision, Audit, and Compliance**

Internal supervision at the branch level intensified during the disaster period. Managers conducted direct field inspections to monitor dock conditions and service flow. Meanwhile, the head office strengthened oversight through real-time evaluation meetings and documentation review.

Post-flood thematic audits examined emergency budget allocation, procedural compliance, and reporting integrity. The audit mechanism served not only as a control instrument but also as organizational learning. As noted in Ref (Ismayilova & M.Klassen, 2019), effective compliance systems enhance institutional adaptation and reduce future risk exposure.

Technology played a significant role in supporting supervision. Digital ticketing data enabled transparent financial recording, while CCTV systems facilitated operational monitoring. The integration of digital tools into governance processes strengthened control efficiency and minimized human error.

### **3.2.2. Social Responsibility and Risk Management**

The research also found that corporate social responsibility (CSR) activities increased during the flood response. ASDP distributed logistics assistance, provided temporary shelter areas within port facilities, and coordinated with local disaster agencies. These initiatives reflect the integration of governance with social accountability.

Risk management mechanisms were activated according to emergency SOP. Infrastructure inspections were intensified, coordination with meteorological authorities improved, and traffic engineering measures were implemented. Adaptive risk mitigation strategies helped prevent major operational shutdown.

The strengthened implementation of GCG during the disaster indicates that crisis conditions can function as a stress test for governance systems. Instead of weakening governance quality, the flood event reinforced coordination, transparency, and managerial discipline. This supports governance resilience theory suggesting that organizations with structured oversight and ethical foundations are better equipped to manage environmental shocks (Honey & Marshall, 2003; Krueger & Casey, 2015).

In summary, the results demonstrate that GCG implementation at ASDP Bakauheni Branch not only maintained company performance during normal conditions but also enhanced organizational responsiveness during crisis. Governance mechanisms functioned as stabilizing instruments that protected operational continuity, financial accountability, and public trust.

## **4. CONCLUSION**

This study confirms that the implementation of Good Corporate Governance (GCG) at PT ASDP Indonesia Ferry (Persero), Bakauheni Branch, South Lampung, is aligned with the objectives outlined in the Introduction and is empirically supported by the findings in the Results and Discussion section. The governance structure at the branch level, although

operating within a centralized system, functions effectively in ensuring transparency, accountability, responsibility, independence, and fairness in daily operations. The post-flood situation further demonstrated that GCG principles were not only maintained but strengthened, as seen in intensified supervision, improved reporting mechanisms, adaptive risk management, and sustained public service delivery. These findings indicate that effective governance contributes significantly to operational stability, performance maintenance, and enhanced institutional credibility, particularly during crisis conditions.

Based on these results, future research may develop quantitative models to measure the statistical relationship between governance implementation and company performance indicators, including financial efficiency and service quality. Comparative studies across different branches or sectors may also provide broader insights into governance effectiveness in state-owned enterprises. Furthermore, integrating digital governance systems and disaster resilience frameworks into future research could support the development of more adaptive and technology-driven governance practices, ensuring sustainable organizational performance in increasingly complex operational environments.

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