

Abstract

Applying good corporate governance becoming strategic determinant to company so that earning ever improve value and also look after going concern growth process. For this reason, every company requires to continue to improve its hard work so that can take benefit from applying good corporate governance. If this good corporate governance principle is executed seriously, may simply company will have sturdy base in running its business. Externally, company will be more be trusted by investor, meaning its stocks market value will increase. Partner work even also does not hesitate to develop broader business relation again. Supplier have trustworthy and clear hold and also sure will be treated fairly so that can give best price, which mean create efficiency to company. Creditors even also have high trust for the giving of its credit which is possible needed to extension of is effort.

Recent assessment indicate that it isn't sufficient for management just to rely on how efficient is the process of managing. It needs a new instrument, Good Cooperate Governance (GCG), to prove that the management is going well. This concept emphasize on two important things, that is first, the right of shareholder to be provided of right and just on time information, and second, the obligation of company to disclose accurately, just on time, and transparently all information of company's performance, shareholders, and stakeholders. Various studies by national and international researchers proved the lack of understanding the importance and strategic implication of applying GCG principles by Indonesian entrepreneur and business entities. Besides, organization culture also influencing GCG application in Indonesia (Kaihatu, 2016).

According to Law (UU) no. 19 of 2003, BUMN is one of the main players in the national economy which aims to support state finances and improve public welfare. This



Research aims to determine whether implementation of Good Corporate Governance in improving financial performance.

Research Shows that PT. National Gas Company has implemented good corporate governance with achieving value 92.14%, For the position of PGAS in 2019 which only has Net Profit Margin (NPM) = 1.8% and Return on Equity (ROE) = 2.6%, then the decline in industrial gas prices which reached more than 20% is likely to erode PGAS's net profit. to be a loss in 2020 (Girsang, 2020). This study aims to determine the application of good corporate governance in an effort to improve Financial performance at PT. Perusahaan Gas Negara. Because the existence of good corporate governance aims to prevent and correct significant mistakes. This type of research is a qualitative study using a descriptive approach., source data used in this research is secondary data, the data collection in this study using interview. Technical Analysis of the data used is Descriptive Analysis and panel data regression.

Keywords : *GCG, Policy Implementation, Natural Gas Company*