

The Impact of Board Structure to the Roles of Board of Commissioners in Implementing Good Corporate Governance at Indonesian State-Owned Enterprises

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Abstract : The purpose of this paper is to examine the impact of reward system which is determined by government over the work of Board of Commissioners in implementing good corporate governance in Indonesian state-owned enterprises. To do so, this study analyses the adequacy of the remuneration, the job attractiveness, and the board commitment and dedication with the remuneration system. Qualitative method used to examine the significant features and challenges to the government policy over the remuneration determination for the board of commissioners to their roles. Data are gathered through semi-structure in-depth interview to the 21 participants over 10 Indonesian stated-owned enterprises and written documents. Findings in this study indicate that government policies over the remuneration system is not effective to increase the performance of board of commissioners in implementing good corporate governance in Indonesian state-owned enterprises due to unattractiveness of the remuneration amount, demotivate active members, and conflict interest over members of the remuneration committee.

Keywords : reward system, board of commissioners, state-owned enterprises, good corporate governance

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