

Government Policy over the Remuneration System of The Board of Commissioners in Indonesian Stated-Owned Enterprises

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Abstract : The purpose of this paper is to examine the impact of reward system which determine by government over the work of Board of Commissioners to implement good corporate governance in Indonesian state-owned enterprises. To do so, this study analyzes 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 gathered through semi-structure in-depth interview to the twenty-one participants over nine Indonesian stated-owned enterprises and written documents. Findings of 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 stated-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, stated-owned enterprises, government policy

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