



The Implementation of Good Corporate Governance (GCG) to Improve Service Quality: The Case of State-Owned Electricity Company in Indonesia

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Abstract

This study analyses and empirically explores the effects of the implementation of Good Corporate Governance (GCG) on the service quality of the state-owned electricity company, PT. PLN of Aceh Regional Office, Indonesia. This study also attempts to evaluate factors supporting and inhibiting the implementation of GCG to improve the quality of service of the company. To collect the data, questionnaires were distributed to all 167 employees of the company, as the study using the census technique. This study uses a mixed method, comprising qualitative and quantitative approaches. The data was analysed descriptively and quantitatively by using the multiple regression model. The study found that the company has well-implemented principles of GCG in providing services to their customers. This study also documented that, with the exception of the GCG's principle of independency, the implementation of all other principles of GCG, i.e., transparency, accountability, responsibility and fairness were found to positively and significantly affect the service quality of the state-owned electricity company in Indonesia. These findings implied that to continue providing a good service quality for the customers, the company should further enhance the implementation of the principles of GCG in all aspects of company's activities.