

Managing Customer Service In Sukarno Hatta International Airport Of Cengkareng Jakarta Viewed By Good Corporate Governance (Gcg) Perspective

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ABSTRACT

Background: In recent years, service quality and customer satisfaction have declined due to various changes that have raised public concerns about the quality of public services. GCG perspective sounds urgent to improve customer service and to give problem solution comprehensively. GCG has close relations to corporate customer service.

Purpose: the aims of this research is to Manage Customer Service in Sukarno Hatta International Airport of Cengkareng Jakarta Viewed By Good Corporate Governance (GCG) Perspective

Method: This research type is descriptive and its approach is post positivism. The research focus is to describe, exploit and analyze the management of Soekarno-Hatta International Airport in the fulfillment of quality customer service. Data collection technique uses indepth interview, open-ended observation and documentation study.

Results: the results shows that Good Corporate Governance in Soekarno Hatta International Airport based its implementation on enforcement of Good Corporate Governance princiles, i.e. Transparency, Independence, Accountability, Responsibility, and Fairness. Five Good Corporate Governance principles make corporate assessment guidance upon success or fail in the realization of GCG application.

Keywords: Customer Service, Good Corporate Governance.

INTRODUCTION

In recent years, service quality and customer satisfaction have been discussed very interesting to follow and to study both through macro, problems, challenge and opportunity aspects; aspect of given policy and micro aspect as well. Public service and Customer Satisfaction are long getting debate various transformation not only cyclically but also structurally. The dynamics occurs independently caused by various changes, new innovation, and globalization in various fields, and efforts by almost all governments, states, business and non business organizations to adapt that dynamics resulting in public service

and customer satisfaction facing uncertainty and increased competition.

Problems sound complex and urgent, public goes unpatience, worry to service quality of government apparatus in general which tends to decline. Public asks to whether the government or State own Enterprize (SoE) are able to manage qualified service to public or not? At certain point social need provision will be faced by the law of scarcity that it create a gap. Here, the duty of a legitimate government is to rule, produce, manage and distribute goods and services for social needs.

Public service must be oriented to customer satisfaction. It would increase social trust to the

government as its responsibility. On the other hand, defending its principle means devote to service quality by comparing between expectation and customer perception under five service dimensions, i.e. tangible, reliability, responsiveness, assurance and empathy because of intangibility, inseparability, variability, and parishability of services.

Pollit and Harrison (1994:2) stated that "managing public services is different. In our view of these differences are not just matters for abstract hypothesizing, but are manifested in the everyday work of the managers concerned. The complexity of public service in welfare state relate to challenge faced by the government job to provide affordable and good quality service. Why? It because government faces resource scarcity, and at the same time public demand upon service quantity and quality increases in line with technological, globalization and democratic advancements. The situation leads to transformation in managing customer service prior to classical model or Old Public Administration, Woodrow Wilson (1887), Max Weber (1864-1920), Barnard, Chester I, (1938) change to New Public Management (Pollit, Christopher, 1990; Hughes, Christopher, 1990; Lane, Jane Erick & Rosenbloom, 1991; and Osborne & Gaebler, 1992) and change again to New Public Service (Denhardt & Denhardt, 2007).

It is a matter of analysis that integrated values of model of OPA, NPM, and NPS are reflected in 5 principles of OECD (Organization to Economic Cooperation and Development) as principles of corporate governance, e.i. the rights of shareholders, the equitable treatment of shareholders, the role of stakeholders, disclosure and transparence, the responsibilities of the board.

GCG perspective sounds urgent to improve customer service and to give problem solution comprehensively. GCG has close relations to corporate customer service. As Leautier, a Deputy of World Bank President (quoted by Shah, 2005) stated that "poor governance leads to weak delivery of vital public services and undesirable outcomes for access to public

services by the poor and other disadvantaged members of the society such as women, children, and minorities".

Some critics against GCG also come from scientists, prominent persons like Presiden Tanzania Julius K Nyerere in UN by saying that corporate governance is a concept of imperialism and colonialism. GCG just reduces the structure of developing countries, while global business power tends to be bigger (Farazmand, 2004: 6). This suspicious is inevitable simply because corporate governance adopted from Western democracy (Leautier quoted by Shah, 2005) and as a part of NPM movement which leads to public service privatization, Rhodes (as quoted by Pierre, 2000). Welsh & Woods (2007) argued that the concept of GCG in accordance with the views of the World Bank, IMF and multilateral bodies conotated narrow down that leads to the functioning of free market under rule of law, copy right protection, competent and free corrupt bureaucracy. However, Denhardt critics is essentially be accomodated in the groundwork of Corporate Governance (CG) which has put in the principles of participation, consensus, and justice. In the case, Denhardt critics addressed to his view that business style is improperly applied to public sector but democratic style where souverenty is not in the hand of capital owner but in the hand of the people. In 2005 the UN reaffirmed that corporate governance is essential for sustainable development and global leaders consent that corporate governance is as a basis for economic growth and organizational welfare (United Nations, 2007:31). Indonesia through President speak on September 8th, 2000 in the UN, stated his support by reaffirming that "We support Corporate Governance (CG) thought to promote justice, to increase welfare and to strengthen democratic institutions " (Bintoro Tjokroamidjojo, 2003 :164).

The Act confirms that public service is as state obligation and of course as citizen right that must be understood by all public service providers. PT Angkasa Pura II Ltd. as air transportation management also apply the

concept of GCG for customer user of flight services.

Basically the execution of GCG for State own Enterprise (SoE) has been regulated by the Minister of SoE in Minister Decision No: 117/M-MBU/2002 on July 31st, 2002 then renewed by State Minister of SoE Decision No. Per.01/MBU/2011 on August 01st, 2011 on Corporate Governance implementation in SoE, stated that "SoE" corporate operation under the principles of GCG such as: transparance, accountable, responsible, independence and fairness.

Since last few years customer users of air transportation significantly increase and gives business promises. The increase can be seen

from number of aircrafts departure in domestic flight traffic where in 2004 was amounted at 241,1 thousand units and arrival aircrafts amounted at 239,8 thousand units. This figure indicated that departed aircrafts increase by 0,7% while the arrived aircrafts reduced at 9,8% as compared to previous year. At the same year a number of passangers who departed, arrived and transited each ammounted at 22,8 million people, 21,9 million people and 2,7 million people, it means that departing passangers increased by 31,6%, arrival passenger increased by 21,5 % transit passenger increased by 12,6%.¹ A complete data can be seen at table 1 below.

Table 1. Data of Aircraft and Number of Domestic Flight The Year 2000 – 2004

Description	Unit	2000	2001	2002	2003	2004
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Aircraft	Unit					
Departures		235.687	233.045	218.376	219.832	241.092
Arrivals		211.131	232.975	218.192	216.041	239.841
Passengers	Person (000)					
Departures		8.654.161	10.394.330	12.686.932	17.459.523	22.838.638
Arrivals		8.549.556	10.530.229	13.356.661	18.059.995	21.945.109
Transit		1.333.526	916.405	1.968.578	2.446.654	2.742.690
Cargo	Ton (000)					
Loaded		161.200.847	164.135.000	136.207.521	159.723.335	171.141.477
Undloaded		137.764.708	145.382.092	128.803.015	136.685.181	142.585.241
Baggage	Ton/Ton					
Loaded		85.612.484	106.713.687	151.656.347	162.670.144	145.015.642
Undloaded		86.875.560	103.755.246	137.500.747	168.320.462	140.137.155
Parcels						
Loaded		13.154.502	2.329.411	6.877.614	5.541.347	6.184.348
Undloaded		10.450.345	8.612.343	7.325.752	4.768.872	5.940.744

Source : Report from Airport Authority

A number of complain against Soekarno Hatta International Airport highly in line with high passenger movement and high number of aircrafts operate there. This is also as reason the researcher investigate Airport as research locus. Evaluation toward Sukarno—Hatta International Airport have been done by various bodies. Facilities highlited by Ministry of PAN-RB is about information board of aircraft arrivals in Terminal 1, 2 and 3 which is not properly announced. Disfunctioned defibrillator highlited by Adrianus Meliala an Ombudsman member of Indonesia which provided by the Ministry of Health.² DAMRI Bus low performance also highlited by Indonesian Consumer Body Foundation (YLKI) and it recommend to improve its tarif, time line, driver behavior and other services. On the basis of such complains, YLKI once indicate the cause the Sukarno—Hatta International Airport which is managed by Angkasa Pura II Ltd. unconveniencely. First, infrastructure problem because overloaded passengers. Second, business process. Tulus claims that bad customer service caused by other bodies and service user beside Angkasa Pura II Ltd. Third, Knowledge product for consumers. There are consumers who don't know Airport product when there are flight booming. Fourth, problem of human resources related to Airport service.³

On the basis of those problem background the title of research on: "Managing Customer Service in Sukarno Hatta International Airport of Cengkareng Jakarta Viewed From Good Corporate Governance (GCG) Perspective" is appropriated to study.

THEORETICAL DIALOGUE

Paradigm Shift

In the mean time, Denhardt and Denhardt (2007) comparing three main paradigms, i.e. Old Public Administration (OPA), New Public Management (NPM) and New Public Service (NPS). Woodrow Wilson (1887) in his book

"The Study of Administration". Goodnow (1887) wrote "Politics and Administration", while Frederick W. Taylor (1911) introduced "Scientific Management." In Earlier year, Max Weber (1864-1920) promoted "Bureaucracy." Leonard D White (1965) book was "Introduction to The Study of Public Administration".

In practice, critics addressed to classical model of public administration because it was red tape, too slow, insensitive upon social needs, inefficient, focus more on process and procedure rather than on output that resulting in negative social opinion who assume that public administration was a burden for taxpayers. Even critics against NPM Model assumed that society is as merely consumer. As a consequence it assumes that society separated their right away to participate. NPS paradigm promote "democratic citizenship" theory. In this theoretical framework society is placed as sovereignty owner. To Osborne (2010) New Public Management is transition step of evolution and OPA leads to New Public Governance (NPG).

Key elements of OPA are rule of law, focus on a set of regulations and guidelines, central bureaucratic role in making and implementing policy, politics separated from administration in public organization, committed to incremental budgeting, and hegemonic professionalism in public service provision (Hood as quoted by Osborne, 2010).

Key elements of NPM are attention given more to private sector management, entrepreneurship leadership, stressed in input control and output evaluation and performance audit management, market orientation, human resources competition and contract in public service provision (Osborne, 2010).

The synergy of OPA, NPM and NPS is essentially revealed in nine principles of QG (UNDP, 1997) such as participation, rule of law, transparence, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision.

Prime value of OPA, represented by the principle of rule of law, effectiveness and efficiency, while NPM reflected in transparency, responsiveness, accountability, dan strategic vision. In the meanwhile, NPS accomodated in the principles of participation, consensus orientation, and equity.

Public Service Quality

According to Kotler (1994:464) A service is any act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It's production may or may not be tied in phsycal product". So, Service quality often revealed by short statement like continues improvement (Deming), fit for use (Juran), the most economic, aproprate with condition (Crosby) and the moment of the truth (Cortado).

To Tjiptono (2004:14) there are five most significant service dimensions suited to be applied in government bodies, i.e. Function, Conformance, Reliability, Serviceability, assurance. Fitzsimmons & Fitzsimmons (1994: 190) argued that service quality can be seen from five dimensions too, i.e. Reliability, Responsiveness, Assurance, Emphaty, And Tangible. Moreover, Zeithaml et al (1990:21-22) stated that service quality indicator can be traced from ten dimensions : Tangible, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication, Understanding knowing the costumer. To measure service quality Zeithaml et al (1990) condensed from ten to five dimensions, i.e. tangible, reliability, responsive, assurance and empathy, known well as Servqual method.

Public Policy

Gerston (2010: 7) defined policy as "the combination of basic decisions, commitments, and actions made by those .who hold or influence government positions or authority." Another writer argued that policy is "a set of actions by the government that includes, but is not limited to, making laws and is defined in terms of a common goal or purpose" (Cochran

et al., 2011: 1). Petersen and Plowman (1989), stated that policy is "written or unwritten decision setting forth the proper course of actions to be followed in given situation." Then Dye (1987: 3) defined policy as "whatever government chooses to do or not to do". To Cochran and Malone (2010: 3) argued that public policy is the study of government decisions and actions designed to deal with a matter of public concern. Policy analysis describes tile investigations that produce accurate and useful information for decision makers. This point of view indicate that policy is the study on decision and action of the government designed to solve public matters. Wheelan (2011: 7) explained that "public policy is the process by which a society makes and enforces decisions on what behavior acceptable and what is not." In line with the earlier argument, Edward and Sharkansky (1980: 31) stated that public policy is "what governments say and do or do not do. It is goal or purpose of government programs, the important ingredients of program, the implementation of intention and rules." Eulau and Prewitt (1988) argued that public policy is "a standing decision characterized by behavioral consistency and repetitiveness on the part of both... those who make it and those who abide by it." Easton (1965) as pointed out that governmental policy is as " The authoritative allocation of values for the whole society".

Good Corporate Governance (GCG) perspective

GCG perspective confirms that a corporate is not a machine produse profit only for the owner but it is an entity to promote values for all stakeholders. Beside, a corporate is not merely a machine to transform input to become output but it is a human institution which has values, identity and social responsibility. GCG concept reflects the essence of sharing, caring and sustainable GCG.

It is clear that transformation into the practice of better GCG must accomodate technical dimension changes and psychosocial aspect

such as paradigm, vision, and values of organization. In the corporate psychosocial changes leadership role sounds important. Leadership plays big role to create aspiration, values and idealism and sense of purpose upon corporate members.

A leader task is to explain vision, paradigm, and values of GCG principles. Commitment to implement GCG sounds essential to Angkasa Pura II Ltd. It is implemented through enforcing the existing infrastructure sustainably by increasing system and procedure to support the effectiveness of GCG implementation in Angkasa Pura II Ltd. To realize corporate which grows and high competitive capacity, Angkasa Pura II Ltd. has developed structure and system of good corporate governance in line with best practice value.

The implementation of GCG is following up the Minister of SoE Decision No. 117/M-MBU/2002 on July 31st, 2002 that it was renewed by State Minister of SoE Regulation No. Per.01/MBU/2011 on August 01st, 2011 on the Application of GCG to SoE that SoE obligate to run corporate operation under the principles of GCG, i.e. transparency, accountability, responsibility, independency and customary. The spirit of Good Corporate Governance (GCG) application in Angkasa Pura II Ltd. is management scheme to make Angkasa Pura II Ltd. as developed corporate with quality product and best practice, code of conduct, and environmental responsibility.

According to Global Governance Commission (Nugroho, 2001) governance is the sum of many ways that individual and institutions, public and private, manage their common affairs. Brinkerhoff and Goldsmith (2005) confirmed that 'governance can be defined as the processes through which individuals and state officials interact to express their interests, exercise their rights and obligations, work out their differences, and cooperate to produce public goods and services". While UNDP (United Nations Development Program) defined governance as the exercise of political, economic, and administrative authority to manage the nation's affair at all levels.

RESEARCH METHOD

This research type is descriptive and its approach is post positivism. The research focus is to describe, exploit and analyze the management of Soekarno-Hatta International Airport in the fulfillment of quality customer service. The research locus is in the Sukarno Hatta International Airport of Cengkareng, Jakarta, and researcher choose the research site namely PT Angkasa Pura II a particular management which runs the airport. Data collection technique uses indepth interview, open-ended observation and documentation study. Data analysis technique uses interactive model introduced by Miles, Huberman & Saldana (2014).

FINDINGS AND DISCUSSIONS

Implementation of good corporate governance in Soekarno-Hatta International Airport

GCG discussed increasingly in the last decade. GCG application done as one alternative for private and state corporations to survive and compete in all sectors. GCG is also to become focus of discussion in global forum likes World Bank, IMF, OECD, APEC, and ADB which urge consistent and comprehend GCG implementation in various corporates beyond American and European crises in the end of 1990s and in the beginning of 2000s (Daniri, Mas Achmad. 2006:20)

On the basis of Decision Letter of the State Minister/Chief of the Capital Investment Board and Coordinating SoE No. 23/M PM/BUMN/2000 on the development of GCG Practice in Limited Corporation in the development of GCG practice in Perseroan Corporation (PERSERO). In 1999 Indonesia forms the National Commission of Corporate Governance Policy (KNKCG) under Decision Letter No. KEP10/M.EKUIN/08/1999 on 19 August 19th, 1999. The Commission members consist of 23 personnel who derived from professionals, government and private. The decision then renewed by Decision Letter No. KEP31/M.EKUIN/10/2000 on the Formation

of National Committee on Corporate Governance Policy completed by membership of 22 personnel who derived from professionals, government and private. The National Commission of Corporate Governance Policy (KNKCG) latter changes into the The National Commission of Governance Policy (KNKG) under the Decision KEP49/M.EKON/11/2004 with its membership of 35 personnel including advisors, who are derived from professionals both public and private, as well as academics and NGO (Daniri, Mas Achmad. 2006:6).

In the context of SoE service, GCG application is to become factor of the must for the corporate in order that it is able to compete against other corporates which run uncontrolled. There are some notes in the application of GCG for SoE as follows (Surya, Indra & Yustiavandana, Ivan. 2008:116) : Goals, purpose, and utility of GCG application for SoE; there must be basic principles of GCG such as transparency, independency, accountability, responsibility, fairness; and in practices corporate governance is able to avoid any mismanagement, provide incentive for manager to maximize productivity of asset uses so there will be more value added of the corporation (Daniri, Mas Achmad. 2006 : 125).

Research findings indicate that the National Commission of Corporate Policy (KNKG) run GCG as follows: Transparency, the corporate must take initiative to reveal conditioned regulation and decision making by stakeholders, creditor and other beneficiaries, Accountability has basic corporate principle that have to responsible its performance fairly and transparently, Responsibility is similar to accountability has to keep sustainable business in long range and got recognition of good corporate citizen, Independence means that has

GCG principle corporate managed independently then each corporate unit do not be interrupted by others, and fairness in that it has basic principles in its business, corporate must keep attention of shareholders and other beneficiaries on the basis of fairness.

To realize this, Angkasa Pura II Ltd. fully committ and consistently impose the GCG application on the basis of formal regulation approaches to Angkasa Pura II Ltd., such as the Act No. 19 Year 2003 on SoE (Passage 5 Versece 3), Minister of SoE Regulation No. Per-01/MBU/2011 on GCG application for SoE then its change into Minister of SoE Regulation No. PER-09/MBU/2012 on July 06th, 2012, then Ministry Secretary of SoE Regulation No. SK-16/S.MBU/2012 June 06th, 2012 on Assessment and Evaluation Indicators to GCG Application upon SoE in Indonesia. Moreover, the Act No. 1 Year 1995 on Corporate Ltd then renewed by the Act No. 40 ear 2007 on August 16th, 2007. Combined Decision of Commisary Body and Directors No. KEP.448/UM.004/X/AP II-2007 and No. KEP.02.03.01/00/10/2007 461 on Implementtion Guideline of GCG and Code of Conduct within Angkasa Pura II Ltd. GCG Principle is in line with PER-01/MBU/2011 On August 01st 2011 on GCG Application in SoE including: transparency, accountability, responsibility, independency and fairness.

Angkasa Pura II Ltd. determines the direction of GCG implementation in the form of GCG Roadmap as guidelines in GCG implementing all levels. Final goal of GCG Roadmap is the realization of Angkasa Pura II Ltd. as good corporate citizen. It is expected that the achievement of final goals Angkasa Pura II Ltd optimistic is able to defend and increase sustainable performance.

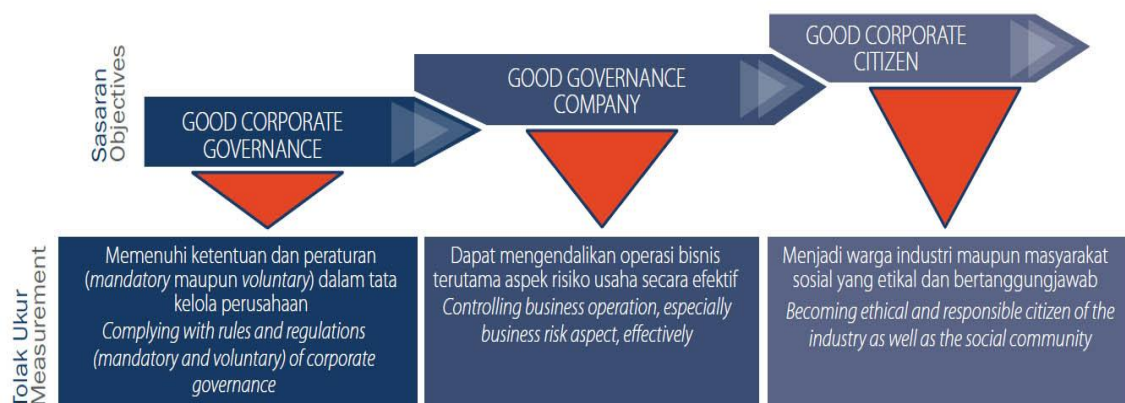


Figure 1. Roadmap of GCG Implementation

Source: Joint Decision of Commission Board and Director No KEP.448/UM.004/X/AP II-2007

Angkasa Pura II Ltd. Keep to strengthen GCG application to support corporate growth and its sustainable business. For the year 2016, Angkasa Pura II Ltd. did various efforts in strengthening GCG implementation, such as Code of Corporate Governance, Code of Conduct, making Board Manual; gratification control, GCG assessment, GCG socialization to personnel and beneficiaries, pact of integrity, renewed list of special list of private shareholders yearly, commitment statement signature of personnel and stakeholders, participate in Training of Trainers, participate in Integrity Expo in Anti corruption Week in 2014, participate in Corporate Governance Perception Index Award; participate in Annual Report Award.

In 2016, Angkasa Pura II Ltd. was assessed by Development and Finance Auditor Body

(BPKP) based on the Decision of the Ministry Secretary of SoE No. SK-16/S.MBU/2012 on Evaluation and Assessment toward GCG Application in SoE released on June 6th, 2012 consists of 6 measured elements i.e. commitment to sustainable GCG application; shareholders and General Meeting of Shareholders (RUPS); Board of Commissioners and Auditor Board; Board of Directors; open information and transparency; and other aspects.

The result of 2016 GCG assessment done by self assessment indicate a positive achievement with the predicate "very good" and actual score amounted 87,125 out of maximum 100. The achievement is over the achievement target GCG of 2016 determined at 87. The next table 2 showed the result of 2016 GCG application assessment in detail.

No.	Aspek Governance / Governance Aspects	Bobot Nilai / Score Weight	Skor Capaian / Achievement Score	Persentase Penuhan / Fulfillment Percentage	Keterangan / Description
1	Komitmen Terhadap Penerapan Tata Kelola Perusahaan yang Baik Secara Berkelanjutan / Commitment to Sustainable GCG Implementation	7,000	6,714	95,923%	Sangat Baik / Very Good
2	Pemegang Saham dan RUPS/Pemilik Modal / Shareholders and GMS/Capital Owners	9,000	8,084	89,923%	Sangat Baik / Very Good
3	Dewan Komisaris / Board of Commissioners	35,000	31,711	90,603%	Sangat Baik / Very Good
4	Direksi / Board of Directors	35,000	31,650	90,428%	Sangat Baik / Very Good
5	Pengungkapan Informasi dan Transparansi / Disclosure of Information and Transparency	9,000	8,165	90,725%	Sangat Baik / Very Good
6	Aspek Lainnya / Other aspects	5,000	0,800	16%	-
Skor Keseluruhan / Overall Scores		10,000	87,125		

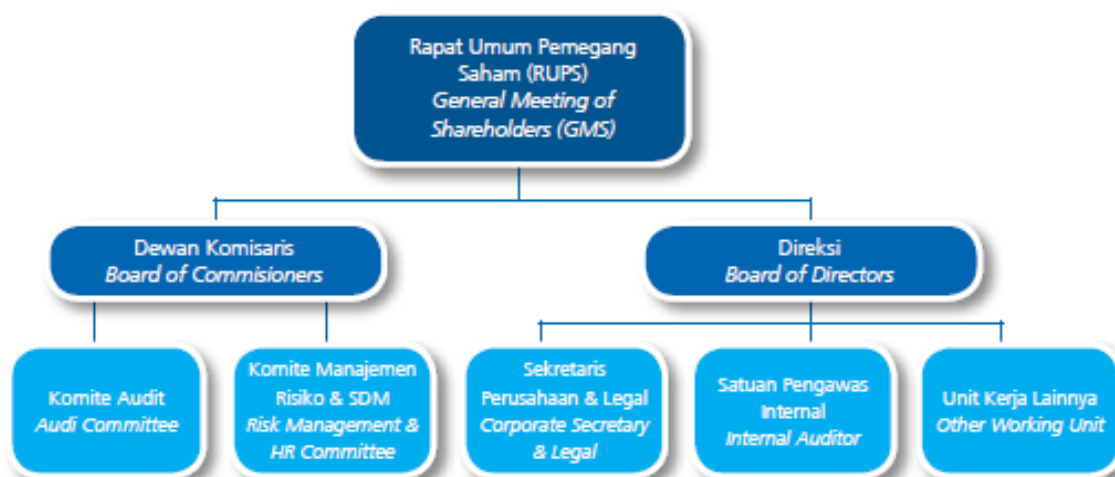
Figure 2. GCG application assessment in 2016

Sources : Development and Finance Auditor Body (BPKP)

To manage corporate business, Board of Directors assisted by Head of Corporate

Secretary & Legal and Internal Auditor and other working units that it run corporate management functions. To do controlling job, Commissioners Board assisted by Committes under the coordination of Commissioners Board, i.e. Risk Management and Auditor Committes.

Figure 3. the Management of Angkasa Pura II Ltd.



Source : Angkasa Pura II Ltd.

On the basis of earlier research findings, discussion of each criteria of GCG principle application in Soekarno Hatta International Airport can be followed below:

a. Transparency principle

A simple access of information about Soekarno Hatta International Airport has fairly been applied by Angkasa Pura II Ltd. The easy access showed whenever customer is to get access of service information toward Soekarno Hatta International Airport. An affordable DAMRI Bus transportation from some bus terminals in Jakarta and surrounding cities of Jakarta such as Bogor, Bekasi, even Bandung give easy access for customers to get Soekarno Hatta International Airport. Angkasa Pura II Ltd. made collaboration with Indonesia Railway to provide access by railway from Jakarta to Soekarno Hatta International Airport. Easy access of information also provided by Angkasa Pura II Ltd. for stakeholders by website particularly corporate service information. Other information likes yearly report and financial report have also clearly released with certain limitation holded by Angkasa Pura II Ltd.

To realize Transparency value the management of Soekarno-Hatta International Airport instructed to apply International Financing Report Standard method (IFRS), it instructs TLCC to corporate website and apply Enterprise Resource Planning Structure Analysis & Program Development (ERP SAP). The transparansi value of Angkasa Pura II Ltd. management viewed as appropriate, in the sense the early applied system Angkasa Pura II Ltd. used method of Vietnamese Accounting System (VAS). The second instruction is that the Management of Airport Authority which requested to display information through corporate website give easy access for everyone who want to get corporate information can reach directly access via corporate website, the second instruction is in line with transparency value that it must provide relevan information and easy understood by stakeholders.

Moreover, the third instruction viewed as also appropriate by applying Enterprise Resource Planning Structure Analysis & Product Development that will more easier in information exchange within corporation and can minimalize abuse of power because every personnel activity can be monitored.

b. Accountability Principle

Accountability means that corporation has to responsible its performance transparantly and fairnessly (National Committe of Governance Policy, 2006 5). The clearness of job description and responsibility of personnel in Soekarno-Hatta International Airport can be seen in the job description in accordance with the Director Decision Letter of Angkasa Pura II Ltd. No. SK.417/HK.101/ANGPUR II-2013 on July 05th, 2013 on Organisation and job description of Angkasa Pura II Ltd Office. Beside, it is stated in the Director Decision of Angkasa Pura II Ltd. No. SK.390/HK.003/ANGPUR II-2015 on Standard Operational Procedure (SOP) Soekarno Hatta International Airport service.

Personnel competences of Angkasa Pura II Ltd. are warrantied by education and training program hold yearly for ordinary and new personnel. They are expected to be well prepared to the demand for GCG application by Angkasa Pura II Ltd and their services in Soekarno-Hatta International Airport Cengkareng, Jakarta.

The internal auditor system in running Soekarno Hatta International Airport, Angkasa Pura II Ltd. divides into two parts, i.e. internal and external auditors. Internal Auditor derived from Central Directors who will audit the corporation yearly. While Eksternal Auditor of Angkasa Pura II Ltd in cooperation with Board of Financial Auditor (BPK), Board of Development and Financial Supervision (BPKP), and Public Accountant Office (KAP). Supervision and operational controlling is also conducted by Angkasa Pura II Ltd. through City Transports Supervision (PAK).

In case of performance measurement by Angkasa Pura II Ltd., it refers to Director

Decision of Angkasa Pura II Ltd. Nomor : 753/KP.405/ANGPUR II-2013 on Performance Assessment of Angkasa Pura II Ltd personnel. The assessment is conducted upon operational and staff, so personnel performance in line with job description and they are able to fulfill working determined by the corporation.

It is concluded that accountability principle of the Angkasa Pura II Ltd. instructed to the Airport Authority to adopt method of financial report metode pelaporan keuangan yang berlaku secara internasional, i.e. the International Financing Reports Standard (IFRS) dan Menerapkan Enterprise Resource Planning Structure Analysis & Program Development (ERP SAP) sounds fair enough.

c. Responsibility Principle

Responsibility means if the corporation comply with regulation and responsible its performance to society and environment, so it is expected to realize sustainability and good corporate citizen (National Committee of Governance Policy, 2006: 6). Angkasa Pura II Ltd. viewed fair enough in that compliance to regulation, basic budget, and rules of Angkasa Pura II Ltd. Personnel have committed to code of conduct corporation in that they put corporation interest first, implementing job professionally and responsibly, caring and responsive toward customer service complains, making work planning, understand work goals and work hard to complete their jobs.

Responsible performance to society as customer service of Angkasa Pura II Ltd. done by the increase of personnel resources particularly in Airport operational division, that focused on aspects of convenience, information accuracy, time frame, passenger safety and hospitality.

Another responsibility covers facility improvement such as remanufacturing and to propose facility procurement to the Ministry of Transportation. Facilities addition to Soekarno Hatta Airport are intended to increase Airport capacity as international airport which is able to serve high frequent domestic and international flight.

Angkasa Pura II Ltd. also instructs Airport Authority to implement CSR program in accordance with International Standard Organization (ISO). And, this is viewed as appropriate. CSR is as a sustainable commitment of the corporation that has contributed to economic development and able to increase life quality from work environment, personnel and also society as well (Holme & Watss in Fontaine, 2004:3).

Social responsibility to environment by Angkasa Pura II Ltd is not only focused on customer service as stakeholders, but GCG application also focused on environment surrounding corporation that impacted the operation of corporation. Angkasa Pura II Ltd. has fulfilled its responsibility through go-green program, such as plant trees activity in surrounding Soekarno Hatta International Airport under the direction of Angkasa Pura II Ltd.

d. Independency Principle

Independence value means a corporation must be managed independently so each corporate unit does not dominate and intervene each others (National Committee of Governance Policy, 2006: 6).

The way of Angkasa Pura II Ltd. to prevent any possible overlapping and intervention between each other division in order that the objective of corporation does not impacted by certain interests. Angkasa Pura II Ltd works based on job description as ruled by Director Decision Letter of Angkasa Pura II Ltd. No. SK.417/HK.101/ ANGPUR II-2013 on Organization and Job description of Soekarno Hatta International Airport Authority, and corporate code of conduct as well.

The comparison between independency value and Angkasa Pura II Ltd. instruction to airport authority to apply Board Manual and Ethics Guideline of Board of Commissioners and Board of Directors create clearness of role and responsibility each unit in the corporation, include General Meeting of Shareholders, Board of Commissioner and Board of Directors.

In Indonesia in particular, Angkasa Pura II Ltd has Board Manual as guideline of relationship between Board of Commissioner and Director. Relationship between Board of Commissioner and Board of Director is necessarily ruled because Indonesia follow two tier system principle, there is separation of clear task and obligation in which corporation managed by Board of Director while Board of Commissioner supervise and advise to director actions. Different from Indonesia with two tier system where Board of Commissioner and Board of Director held by different officials, Vietnam follows one tier system principle where both authorities held by the same official. This is a reason why Angkasa Pura II Ltd gives an intruction to Airport authority to apply Board Manual designed by corporation which contains regulation, basic budget and shareholders direction in the General Meeting of Shareholders.

Beside Board Manual, Angkasa Pura II Ltd. instruction to Airport authority to apply Ethics Guidance viewed as appropriate because Ethics Guidance leads personnel of a corporation work professionally. Ethics Guidance contains corporate ethics guideline in doing their business activities and create corporate value.

e. Fairness Principle

Fairness value means it connected to shareholders interests and beneficiaries who are always be intended (National Committe of Governance Policy, 2006: 5). The opportunity given to customer service related to their complain against service quality provided by Angkasa Pura II Ltd. to improve the performance of the Airport service. Unfortunately, such complains do not wholly proceeded to higher official. This situation has also been recognized by the Airport authority. Angkasa Pura II Ltd. still find the best solution and give more attention to relevant stakeholders complains.

To personnel in delivering opinion can be done formally or informally and Angkasa Pura II Ltd. gives free personal opinion. Formal opinion can be addressed by letter to General Manager

through Asistant Manager or each coordinator, while informally can be given directly to Board of Manager on the spot.

Angkasa Pura II Ltd. has given personnel right in line with Colaboration Work Agreement Passage V on Personell holiday that consists of Passage 24 on Yearly holiday. To personnel with high achievement gave reward as ruled in Director Decision Letter of DAMRI General Corporation No. SK.543/KP.004/ANGPUR II-2017 on the selection of the best Personnel Year 2017 in Angkasa Pura II Ltd. area.

Angkasa Pura II Ltd. open opportunity in the process of recruitment and personnel carriers. Eventhough, recruitment process determined by Angkasa Pura II Ltd. but in practice Soekarno Hatta International Airport does announce transparant recruitment information through radio channel, mass media as well as official website of Angkasa Pura II Ltd. For personnel carrier corporation give promotion with condition that they got good evaluation in the work personnel assessment as stated in the Angkasa Pura II Ltd. Direction Decision No. 753/KP.405/ANGPUR II-2013 on Personnel Work Assessment of Director of Angkasa Pura II Ltd.

Instruction of Angkasa Pura II Ltd to Soekarno Hatta International Airport to realize fairness values by displaying corporate information in the corporate website allow all parties can be easy to access those information both to shareholders and stakeholders viewed as fair enough. By displaying information in the corporate website make every one has similar treatment in getting access to the corporate information.

GCG principle application with five values consistently is as very important factor in manage the corporate particularly in era of risk and challenge faced by the corporate recent days tends to increase, i.e. after the corporate has additional different operating company such as Vietnam. Major issue related to Soekarno Hatta International Airport condition before and after the application of GCG principle managed by Angkasa Pura II Ltd. is when Soekarno Hatta International Airport

personnel get started to understand what really is GCG principle. Method of Financial Report in particular, it used the method of Vietnamese accounting system in its financial report, but today it is in line with given instruction by Angkasa Pura II Ltd. i.e. with the method of International Financing Reports Standart (IFRS). Both changes has been realized after Soekarno Hatta International Airport authority instructed to apply values of GCG principles.

CONCLUSION

On the basis of research findings on the management of Soekarno Hatta International Airport viewed from Good Corporate Governance perspective to increase service quality above, it is concluded respectively that Good Corporate Governance in Soekarno Hatta International Airport based its implementation on enforcement of Good Corporate Governance princiles, i.e. Transparency, Independence, Accountability, Responsibility, and Fairness. Five Good Corporate Governance principles make corporate assessment guidance upon success or fail in the realization of GCG application. A corporate viewed as good if it has also showed the increase of good service quality. To realize Good Corporate Governance perspective Angkasa Pura II Ltd. has supporting factor such as high spirit of its personnel in doing their jobs and in line with the existing regulation. Angkasa Pura II Ltd. as SoE is as one of economic actors that has very important role and function in economic development for social welfare. In the global financial crisis as occurs in recent days Angkasa Pura II Ltd. also expected to get high profit or returned capital for state needs. To do so, Angkasa Pura II Ltd. plays its important role under the principles of good corporate governance in order to become efficient, effective, professional corporation and capable of doing business competition in national, regional and international levels. It regulates both balanced internal as well as external relationship for example relations between intra units of Angkasa Pura II Ltd. in the corporate structure, while external relationship emphasis

the balanced relations between Angkasa Pura II Ltd. and the whole stakeholders as the fulfillment of corporate responsibility. In external balance regulate relations between Angkasa Pura II and secondary stakeholders in the form of corporate social responsibility. But, its implementation must be matched with the principles of good corporate management.

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