

Risk Management Implementation Analysis As Realizing Good Corporate Governance In Retail Companies In Makassar

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Abstrak

This study aims to determine the effect of risk management on achieving good corporate governance in PT. Hero Supermarket Tbk. The population in this study were all HERO supermarket employees in Makassar city, especially Jl. Sultan Alauddin, a total of 33 years using a purposeful sampling method. The data analysis technology used is SWOT analysis technology, by identifying strengths, weaknesses, threats especially the risks faced, the risk identification process was developed from 5W1H (what, where, when, who, why & how) through the brainstorming of Heroes of management and staff. The results of the study show that there is an influence of 67.7%, where the result has a positive and strong effect, indicating that the relationship between the two variables is in line with the theory put forward by experts and the application of risk management has an impact on realization. of GCG, the implementation of risk management plays an important role in ensuring the realization of GCG principles towards the environment of PT Hero Supermarket Tbk.

Keywords: *Risk Management, Good Corporate Governance, Retail Companies*

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INTRODUCTION

The risks associated with such uncertainty arise from the lack or inability to obtain sufficient information about the events that will occur. Uncertain things can be beneficial or detrimental. The most important stage in the risk management process is the development environment. In the formulation of the context, through an intensive process of communication and consultation, the organization must document all of its strategic boundaries.

PT Hero Supermarket Tbk implements risk management to defend against other competitors, especially during the global crisis due to the Covid19 pandemic. Therefore, PT hero Supermarket mitigates this risk by closing 26 of its modern retail outlets. This was done because HERO observed and assessed that recorded sources of income were no longer profitable, one of which was the Giant retail store in Makassar City. If this continued to occur, the risks would be even greater.

Good corporate governance (*Good Corporate Governance*) is an attempt to create a pattern of beneficial relationships between stakeholders in the company.

The importance of research lies in the utilization of risk management in improving the capabilities of corporate management and financial finance in response to increasing market volatility and external forces. In addition, efforts to improve the company's risk management

strategy and quality so that it has benefits, is competitive in its business and products, and on the other hand, its utilization in managing risk is considered a form of effective corporate governance (*Good Corporate Governance*).

So that researchers are interested in identifying the application of risk management at PT HERO Supermarket Tbk so that they can recognize the risks associated with it and how risk management is applied to operational risk at HERO, as well as the ways in which corporations evaluate risks and how to treat these risks.

LITERATURE REVIEW

Risk Management

Risk management is the process of identifying, measuring, developing, selecting and managing options to address those risks. Risk management process: identification, measurement, monitoring and control.

Good Corporate Governance

It is a corporate management and control system that creates added value for all stakeholders (Monks, 2003). This concept underlines two things, first, the importance of shareholder rights to access correct and timely information, and second, the company's obligation to disclose information accurately, timely and transparently on all company performance, ownership and stakeholders.

hypothesis

A hypothesis is a proposition designed to be tested empirically (Nur Indrianto and Bambang Supomo, 2002: 72). Based on the conceptual framework and previous research, the proposed research hypothesis is as follows:

H1: It is suspected that there is a significant influence between the application of risk management on the realization of Good Corporate Governance)

H2: Allegedly the implementation of risk has an influence on the realization of GCG

METHOD, DATA, AND ANALYSIS

This research is a case study research on one of the retail outlets in the city of Makassar which is supervised by PT HERO Supermarket Tbk. This study tries to observe and describe how the application of risk management has been carried out by HERO and on the other hand the implementation of risk management is a form of good corporate governance (GCG), especially operational risk carried out by HERO. The object of this research is a company engaged in the retail industry under PT HERO Supermarket Tbk in the city of Makassar.

The population of this study is all HERO Supermarket employees in Makassar City, especially on Jl. Sultan Alauddin, totaling 33. The sample in this study were HERO Supermarket employees. The sampling technique in this study used purposive sampling technique, the number of samples in this study were 30 respondents or 30 people consisting of employees, managers and other officers at the HERO Supermarket located on Jl. Sultan Alauddin of Makassar City.

Library research and questionnaire methods are the data collection techniques used in this study. library research (*library research*) is the process of searching for data or information of a study in reference books, scientific journals, and other publications that can be found in the library. Meanwhile, the questionnaire contains questions to respondents to obtain data that supports research. A list of questions that measure the experiences and opinions of respondents is included in the questionnaire (Bambang and Miftahun Jannah: 2006).

Researchers used the SWOT analysis technique to identify strengths, weaknesses, threats, especially the risks faced, the risk identification process was developed from 5W1H (what, where, when, who, why and how) through brainstorming with HERO management and staff. In this case, research is carried out on the scope of business processes, entities or activities within them, the potential impact or impact of risk, causes of risk, who is responsible for the impact of the risk, and the party responsible for the impact of the risk and the handling of the initial condition risk. made by HERO. After the risks are identified, they are then evaluated by conducting an assessment using the matrix analysis method for risks to find out the magnitude of the presentation level of these risks based on predetermined categories. After the process of identifying and evaluating data is obtained, then the risk mitigation process is carried out in an effort to minimize the impact of an event that has the potential to be harmful or dangerous. Furthermore, data from the results of interviews conducted with relevant informants were analyzed based on the principle *Good Corporate Governance* (GCG).

RESULT AND DISCUSSION

Respondents Based on Age

Table 1. Respondents by Age

No .	Age (years)	Number of Respondents	Percentage (%)
1	18-25	9	29,03%
2	26-35	20	64,52%
3	36-45	2	6,45%
Amount		32	100%

Source: Primary data processed, 2023

Respondents can be grouped by age as shown in table above. It can be seen from the grouping results, the largest group of respondents aged 26-35 years or 20 people was 64.52%, while the smallest group aged 36-45 years was 2 people as much as 6.45%. as many as 9 respondents, accounting for 29.03%.

Implementation of Risk Management at PT Hero Supermarket Tbk.

Risk Identification

This process includes identifying risks that may occur in a business activity. Accurate and complex risk identification is vital in risk management. One important aspect of risk identification is to list as many possible risks as possible. Techniques that can be used in risk identification include: *Brainstorming*, Surveys, Interviews, Historical information and Working groups. The following is the identification data for each risk at PT Hero Supermarket Tbk.

Table 2. Identification of Risks at PT Hero Supermarket Tbk.

Risk	Reason	Impact
Foreign Exchange Rate Risk	arising from future commercial transactions and recognized assets and liabilities	can cause delays in achieving the target of achieving performance below the predetermined target
Interest Rate Risk	arising from short-term loans	financial losses, decreased capabilities, and decreased reputation

Capital Risk	arises due to a decrease in asset quality due to bad credit which forces banks to issue stock new and/or additional deposits modal by the owner or looking for new investors to improve their capital conditions so that they comply with the capital requirements	when investors lose faith and finally with draw their capital
Credit Risk	comes from deposits in banks, trade receivables, other receivables, and guarantee deposits	financial losses, decreased capabilities, and decreased reputation
Liquidity Risk	arise if PT Hero Supermarket Tbk. experiencing difficulties in obtaining funding sources	can cause delays in achieving targets that are quite large and achieving performance below the target
Operational Risk	Internal process defects, human errors, system failures, and external events that impact a company's operations are examples of operational risk	ongoing or intermittent financial losses and potential missed opportunities for profit

Source: Processed data, 2023

Risk Analysis

After identifying the risks, the next step is risk analysis. At this stage, researchers seek to develop an understanding of a risk that has been identified previously. Risk analysis includes an analysis of the impact of a risk and the likelihood that the risk will occur. The following is a risk analysis on PT Hero Supermarket Tbk. as shown in table:

Table 3. Risk Analysis at PT Hero Supermarket Tbk.

Risk	Probability	Impact	Risk Level
Foreign exchange rate risk	3 = moderate	4 = heavy	High Risk
Interest rate risk	2 = small	2 = small	Low Risk
Capital risk	1 = very small	1 = very small	Low Risk
Credit risk	2 = small	2 = small	Low Risk
Liquidity risk	3 = moderate	3 = moderate	Medium Risk
Operational risk	3 = moderate	3 = moderate	Medium Risk

Source: Processed data, 2023

Risk Evaluation

Risk evaluation is a decision-making process that uses data from risk analysis that has previously been compiled. This process will determine which risks require treatment and priority. To support risk taking, a risk matrix is needed. The risk matrix contains a combination of likelihood and impact using table data resulting from risk identification. The following is a risk evaluation at PT Hero Supermarket Tbk. as shown in table 4.

Table 4. Risk Evaluation at PT Hero Supermarket Tbk.

Impact (consequence)	Major	Low Capital Risk	Medium Operational Risk	High Foreign Exchange Rate Risk
	Moderate		Low Credit Risk	Medium Liquidity Risk
	Minor			Low Interest Rate Risk
		Likelihood (0%-30%)	Possibility (30%-60%)	Possibility (60%-100%)

Source: Processed data, 2023

Application Good Corporate Governance at PT Hero Supermarket Tbk.

PT. Hero Supermarket Tbk continues to strive to improve compliance with good corporate governance to survive in the competitive business world. The company also pays attention to all stakeholders in order to achieve a good business balance by continuing to pay attention to the rights of shareholders, employees, consumers and other parties.

Accountability

The company must be able to account for its performance, for that the company must be managed properly in accordance with the interests of the company while taking into account the interests *stakeholders*. The company already has performance measures, a system of rewards and sanctions. Some employees feel that they have been given enough awards, but some other employees feel that they are not given enough appreciation for their achievements in carrying out their work.

Transparency

Parties related to the company, including employees, receive adequate information regarding important information that can affect the company's performance. The company has properly disclosed all information, applicable policies, risks and constraints to employees, as well as other parties with an interest in the company in writing and verbal explanations. Company information which includes vision, mission, financial condition, composition of management, members of the board of directors and commissioners, shareholders, corporate governance and financial performance has been disclosed through *annual report* fairly transparent.

Responsibility

The company is sufficiently responsible for the rights of its stakeholders, such as employees, shareholders, consumers and the public. To fulfill its responsibilities to the community around the company, the company has provided programs that are beneficial to the environment around the company and are carried out regularly.

Independence

The company organizes special trainings for all employees to improve the abilities and skills of each employee so that the stability and confidence of each employee in their work also increases. By holding training for each of its employees, the company can meet the need for skilled workers.

Fairness

The company always pays attention to interests *stakeholders* based on the principle of fairness and equality. Every employee, as one of the stakeholders is given the freedom to convey ideas in order to achieve common interests. The company provides fair treatment to each employee according to their contribution.

Reliability Analysis Test

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Cronbach's Standard Alpha	Information
Risk management	0,889	0,6	Reliable
GCG	0,946	0,6	Reliable

Source: Results of SPSS data processing, 2023

From table 5.8 above shows that *alpha* risk management variables (X) of 0.889 is greater than 0.6. As well as *alpha* GCG variable (Y) of 0.946 is greater than 0.60. So, the results of the reliability test on the questionnaire can be declared reliable.

Regression Analysis Test

Table 6. Determination Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.823 ^a	.677	.665	4.844

a. Predictors: (Constant), TOTAL_X

b. Dependent Variable: TOTAL_Y

Source: Results of SPSS data processing, 2023

From table 5.9 the impact of implementing risk management on GCG realization can be seen from the positive R value of 0.823, which is 82.30%. This value indicates the strong influence of risk management implementation on GCG realization. This means that the implementation of GCG will always follow the ups and downs of PT Hero Supermarket Tbk's risk management implementation. From the results of the R-square test the risk management variable is able to provide information of 0.677 or 67.70% on the GCG variable, so that the implementation of GCG at PT Hero Supermarket Tbk. influenced by the application of risk management by 67.70% and the remaining 32.30% is influenced by other variables not examined in this study.

Table 7. ANOVA Regression Test Results

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1423.340	1	1423.340	60.665	.000 ^b
	Residual	680.402	29	23.462		
	Total	2103.742	30			

a. Dependent Variable: TOTAL_Y

b. Predictors: (Constant), TOTAL_X

Source: Results of SPSS data processing, 2023

Based on the results of the data processing above, the value of F is obtained $F_{\text{count}} = 60,665$. Meanwhile $F_{\text{table}} = 4.18$ with a significance value $= 0.000 < 0.05$. As for the criteria H_0 rejected if $F_{\text{count}} > F_{\text{table}}$. Therefore, with $\alpha = 0.05$ (5%) and a value of $60.665 > 4.18$, the results of this

simple regression test conclude that H_a which states that there is a significant influence between the implementation of risk management on the realization of acceptable GCG, and H_0 rejected.

Table 8. Simple Linear Regression Equation Test Results

Coefficients^a					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	8.935	7.950		1.124
	TOTAL_X	1.260	.162	.823	7.789

a. Dependent Variable: TOTAL_Y

Source: Results of SPSS data processing, 2023

The results of the equation in the table above show that the GCG implementation is 8.935 if risk management is not implemented. These constants come from variables not examined in this study. The value of the risk management regression coefficient (X) is 1.260, which means that if the implementation of risk management makes improvements to one of the processes, the GCG embodiment will also decrease by 1.260 units. The regression coefficient is positive so that it can be said that the direction of the influence of risk management (X) on Good Corporate Governance (Y) is positive.

F Analysis Test

Table 9. F Test Results

ANOVA^a					
Model		Sum of Squares	df	Mean Square	F
1	Regression	1423.340	1	1423.340	60.665
	Residual	680.402	29	23.462	
	Total	2103.742	30		

a. Dependent Variable: TOTAL_Y

b. Predictors: (Constant), TOTAL_X

Source: Results of SPSS data processing, 2023

Based on table 5.9, the value of F is obtained_{count} of 60,665 with value Sig. of 0.000. This shows that the value of F_{count} bigger than F_{table} 4.18 and the value of Sig. smaller than 0.05. Thus H_0 rejected and H_a accepted. This means that risk management has a significant effect on GCG.

Hypothesis test

The Effect of Risk Management on Good Corporate Governance

The results of testing hypothesis 1 in summary can be seen in table 6.1 as follows.

Table 10 Summary of Hypothesis Testing Results

hypothesis	Results
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H1	Allegedly there is a significant influence between the implementation of risk management on the realization of GCG	Accepted
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Source: processed data, 2023

Based on table above, the results of hypothesis testing show that risk management has a significant effect on *Good Corporate Governance* which means supporting the proposed formulation of hypothesis 1. This is based on testing with simple regression analysis which obtained the effect of the independent variable (risk management) on the dependent variable (GCG) of 67.7%. Thus, the hypothesis which states that the application of risk management has an effect on GCG empirically can be proven.

Implementation of risk management at PT Hero Supermarket Tbk. Has Influence in the Realization of Good Corporate Governance

The results of the analysis to prove the second hypothesis are explained as follows.

Table 11. Summary of Results of the 2nd Hypothesis Analysis

hypothesis		Results
H2	Allegedly the implementation of risk management has an influence on the realization of GCG	Accepted

Source: processed data, 2023

The results of the analysis of hypothesis 2 are that it is suspected that the implementation of risk management has an influence on the acceptance of GCG. PT Hero Supermarket Tbk realizes the importance of fully implementing the Five Principles of Good Corporate Governance (GCG) to ensure sustainable growth, business efficiency and effectiveness, and to provide beneficial results for HERO stakeholders. All business units must comply with all laws and regulations, including those that apply specifically to retail business units and those that apply generally.

CONCLUSION

This study aims to describe how the influence created by risk management has on the realization of GCG and specifically aims to explore its implementation within PT Hero Supermarket Tbk.

The results of the study show that hypothesis 1, namely that there is a significant influence between the application of risk management on the implementation of GCG, is accepted. Data processing shows the value of $F_{count} > F_{table}$ so that these results prove that there is a significant influence between risk management on GCG. The results of the study show an effect of 67.7% where this result is a positive and strong influence indicating that the relationship of the two variables is in accordance with the theories put forward by experts.

The results of the analysis of hypothesis 2 are that it is suspected that the implementation of risk management has an influence on the acceptance of GCG. Implementation of risk management plays an important role in ensuring the realization of GCG principles within PT Hero Supermarket Tbk. The company has carried out various risk management, such as management of capital risk, credit risk and interest rate risk which are at a low risk; operational risk management and liquidity risk at the level medium risk; as well as level risk management of foreign currency exchange rates high risk. By applying the principles of openness, fairness, accountability, and independence, it is realized Good Corporate Governance on PT Hero Supermarket Tbk.

This research is certainly not without some limitations. Limitations and deficiencies in the preparation of this study. It is hoped that future research will be able to complete this research.

Such as using a sample of companies in other fields and adding other variables related to variables Good Corporate Governance so the research results are getting better..

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