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Good corporate governance at the unit level: Insights from a State-Owned Bank Branch

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Abstract: This study examines the implementation of Good Corporate Governance (GCG), focusing on its impact on customer satisfaction and operational performance at PT. Bank Rakyat Indonesia (Persero) Tbk (BRI) Curup Branch. A mixed-method approach was employed, combining quantitative surveys and qualitative interviews with employees and customers. Descriptive and inferential statistical analyses explored the relationships between GCG practices and performance outcomes. The results showed that GCG implementation at BRI Curup significantly improves employee performance and customer satisfaction. Transparency and accountability positively affected customer satisfaction, while responsibility and Fairness were critical contributors to enhanced operational performance. GCG practices are essential for fostering trust and improving performance in state-owned enterprises. The findings highlight the vital link between effective governance, improved customer service, and operational efficiency. The study offers practical recommendations for strengthening GCG at the branch level, such as enhancing transparency and accountability to boost customer satisfaction and operational effectiveness. These insights are beneficial for developing robust GCG frameworks in state-owned banks in developing countries.

Keywords: *Banking sector, Customer satisfaction, Good corporate governance (GCG), Operational performance, State-owned enterprises.*

1. Introduction

Good Corporate Governance (GCG) is a framework of rules, practices, and processes by which an organization is directed and controlled. In the banking sector, especially in a state-owned enterprise directly interacting with customers, implementing GCG is crucial to ensure transparency, accountability, Fairness, and responsibility [1]. The primary problem addressed in this research is the effectiveness of GCG practices at the BRI Branch in enhancing customer satisfaction and organizational performance. Good Corporate Governance is vital in state-owned enterprises to maintain public trust and ensure sustainable business practices. However, there are challenges such as transparency in operations, accountability in decision-making, and Fairness in employee treatment, which directly impact customer satisfaction and the bank's reputation. This research focuses on the scope of GCG implementation at the unit level, where direct customer interactions occur. The BRI Branch provides a unique environment to study the impact of GCG on customer-facing operations. The research will analyze the components of GCG - transparency [2], accountability [3], responsibility [4], independence [5], and Fairness [6] their implementation within the branch. The scope will include assessing employees' awareness and understanding of GCG and how it affects their performance and customer service quality.

Research on Good Corporate Governance has been extensive, especially concerning enhancing organizational performance and stakeholder trust. Previous studies have demonstrated that effective GCG practices lead to improved financial performance, reduced risk of fraud, and enhanced corporate reputation (Alpi, 2020; Parianti et al., 2023). However, there is limited empirical evidence specifically

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addressing GCG at the branch level of state-owned banks in developing countries like Indonesia. The current scientific status of GCG research in banking focuses mainly on the overall governance of financial institutions, with a gap in understanding how GCG principles are applied at the customer interaction level. This research aims to fill this gap by providing empirical data on the impact of GCG practices on customer satisfaction and operational efficiency in a branch setting.

This research hypothesizes that implementing Good Corporate Governance at the BRI Branch effectively improves customer satisfaction and operational performance. Specifically, it posits that transparency in communication, accountability in service delivery, responsibility in customer handling, independence in decision-making, and Fairness in employee treatment significantly enhance the overall customer experience and operational success of the branch. A mixed-method approach will address the research problem, combining quantitative and qualitative research methods. The quantitative aspect will involve surveys and questionnaires targeting employees and customers of the BRI Branch to measure their perceptions of GCG practices and their impact on satisfaction and performance. The qualitative aspect will include interviews with branch management and key stakeholders to gain deeper insights into the challenges and successes of GCG implementation.

Data will be collected and analyzed using statistical tools to identify patterns and correlations between GCG practices and customer satisfaction and performance metrics. The research will also benchmark the GCG practices at the BRI Branch against best practices in the industry to identify areas of improvement. The expected results of this research are twofold. Firstly, it aims to provide empirical evidence on the effectiveness of GCG practices at the branch level in a state-owned bank. The findings are anticipated to show a positive correlation between GCG implementation and customer satisfaction, confirming the hypothesis that good governance leads to better service delivery and operational performance. Secondly, the research is expected to offer practical recommendations for enhancing GCG practices at the unit level, particularly in customer-facing roles. By identifying gaps in current practices and suggesting targeted improvements, the research will contribute to developing more robust GCG frameworks that can be replicated across other branches and state-owned enterprises.

2. Methods

This research employed a mixed-method approach, combining quantitative and qualitative methodologies to comprehensively evaluate the implementation of Good Corporate Governance (GCG) implementation at PT. Bank Rakyat Indonesia (Persero) Tbk, Curup Branch (BRI Curup). The quantitative component consisted of surveys administered to employees and customers of the BRI Curup Branch. These surveys were designed to measure perceptions of GCG practices across key dimensions: transparency, accountability, responsibility, independence, and Fairness. A structured questionnaire with Likert-scale questions was used to capture the extent to which respondents agreed or disagreed with statements related to these GCG principles. The quantitative data collected were then statistically analyzed using descriptive and inferential statistics to identify trends, correlations, and the overall impact of GCG practices on customer satisfaction and operational performance. The qualitative component involved in-depth interviews with branch management and key stakeholders. These interviews aimed to provide a deeper understanding of the challenges and successes associated with implementing GCG at the branch level. The open-ended interview questions allowed participants to share their insights and experiences in their own words. This qualitative data provided rich contextual information that helped to explain and support the quantitative findings, offering a more nuanced view of how GCG principles are applied and perceived at the branch. Data triangulation was employed to enhance the validity and reliability of the findings, ensuring that the results were not biased by any single method or data source. By integrating quantitative and qualitative data, the research provided a comprehensive assessment of GCG practices at the BRI Curup Branch, highlighting their impact on internal operations and customer relations. This approach enabled a robust analysis of how GCG principles are operationalized in practice and their effects on organizational performance and stakeholder satisfaction.

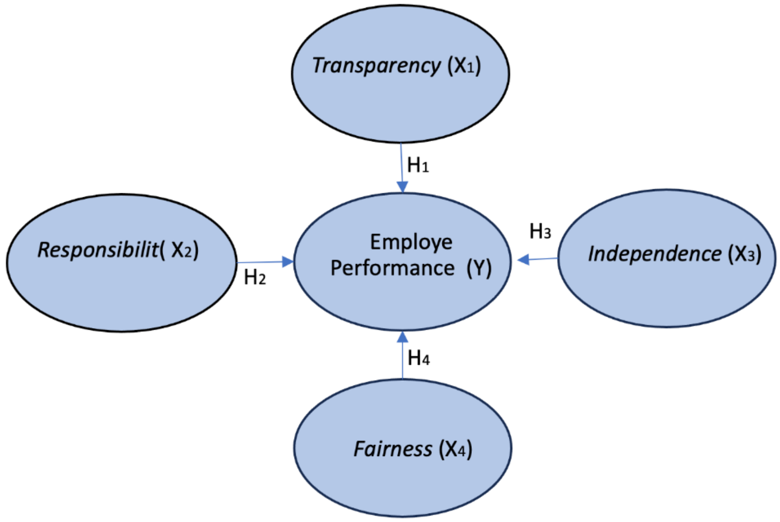


Figure 1.
Framework.

A framework of thought is a flow of thought that becomes a schema or the basis of thinking to strengthen the indicators underpinning the research. Based on the explanation that has been described systematically, the diagram of the framework can be seen in Figure 1, and the hypothesis formulated is:

H_1: Transparency has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office

H_2: Responsibility has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office

H_3: Independence positively affects the performance of employees at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office

H_4: Fairness has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office

In this study, the researcher used primary data. Primary data is data obtained and collected directly from respondents. The primary data obtained in this study was sourced from the respondents' answers to the questionnaire at PT BRI—Curup Branch Office, which was obtained directly through the distribution of questionnaires. The data source used in this study is questionnaire answers obtained from PT employees. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office. The population is all elements that include the total number of objects or subjects with specific characteristics and characteristics determined by the researcher to be studied. Then, conclusions are drawn where the population includes people, animals, organizations, and other natural objects [9]. The population in this study is all employees of PT. Bank Rakyat Indonesia (Persero) Tbk.

According to Amin et al. (2023), the sample is part of the population studied and researched in a study, and the results will be considered as a picture representing the population from which it originated. The purposive sampling method was used in this study. The purposive sampling method is based on specific criteria that the researcher has determined by the research objectives. The sampling criteria set by this researcher are to ensure that the sample is considered appropriate and can provide relevant information for the research needed later. The sample criterion in this study is permanent employees at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office has worked for at least one year. It is a permanent employee of all divisions related to implementing good corporate governance and carrying out all company operational activities except the branch head.

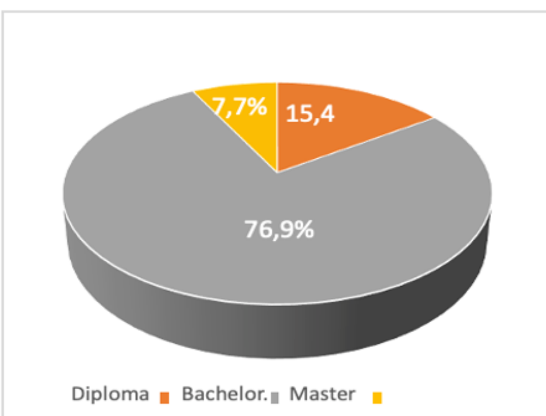
3. Results

3.1. *Descriptive Analysis*

Table 1. outlines the selection criteria for respondents in a study conducted at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office. The table shows that there are 75 permanent employees at this branch. It excludes employees who have worked for less than one year (0 respondents). The study also excluded 22 permanent employees from divisions unrelated to implementing good corporate governance in operational activities. Additionally, it excludes one employee (likely the branch head) involved in corporate governance implementation but is not part of the research sample. After applying these criteria, the final sample size for the study is 52 respondents. Figure 2 presents two pie charts illustrating survey data about respondents' educational qualifications and work experience. Regarding education, most respondents (76.9%) hold bachelor's degrees, followed by 15.4% with diplomas and 7.7% with master's degrees. Regarding work experience, the data shows a relatively even distribution, with 59.6% of respondents having 1-10 years of experience, while 40.4% have more than ten years in their field. This data suggests a well-educated group of professionals, with a significant portion having advanced degrees and a mix of newer and more seasoned individuals in terms of work experience. This selection process ensures that the study focuses on experienced employees directly involved in corporate governance practices, providing a targeted group for the research.

Table 1.
Respondent criteria.

No	Criterion	Sum
1	Permanent employees at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office	75
2	Permanent employees who have worked for less than one year at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office	(0)
3	Permanent employees of all divisions who are not related to the implementation of good corporate governance in carrying out all company operational activities	(22)
	Permanent employees who are related to the implementation of good corporate governance in carrying out all company operational activities but are not a research sample, namely branch heads	(1)
Jumlah sampel		52



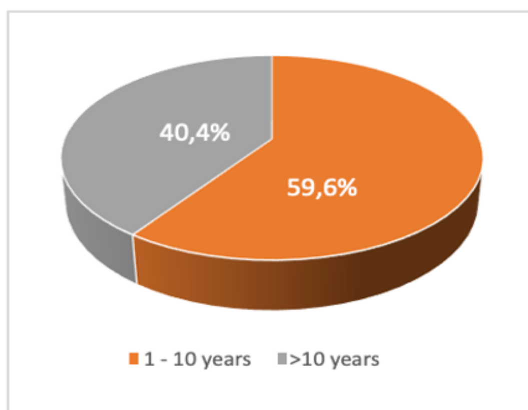


Figure 2.
Respondence.

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3.2. Model Measurement

The Outer Model is used in data analysis to assess whether the data obtained is valid and reliable. The outer model has three measurements: convergent validity, discriminant validity, and composite reliability. In this study, the loading factor limit is used at 0.7.

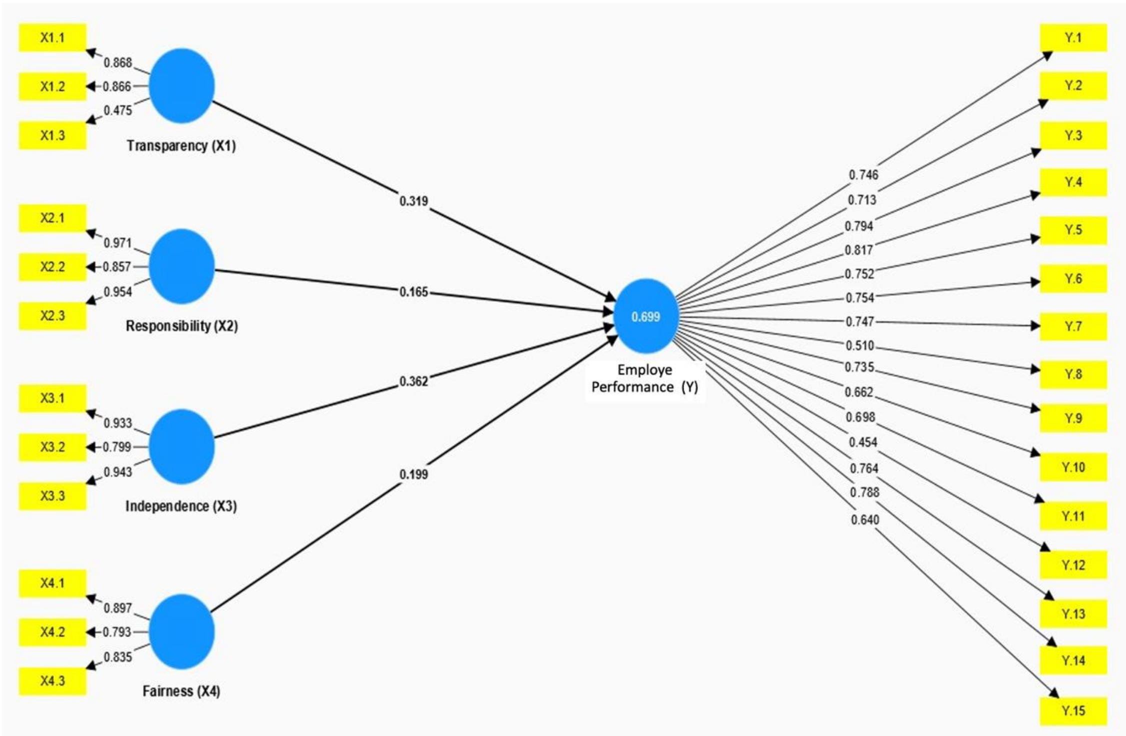

Figure 3.
Outer model original.

Based on the results of data processing using SmartPLS, it can be seen in Figure 3 of the outer model that the outlier of the correlation value between constructs and variables did not meet the convergent validity. So, in this study, outliers were carried out in the transparency variable (X1) in the X1.3 indicator and the employee performance variable (Y) in the indicators Y.8, Y.10, Y.11, Y.12, and Y.15 because these indicators have a loading factor value below 0.7. After the outlier estimation of the data is carried out, the new outer model can be performed. The new outer model value or correlation between constructs and variables can meet convergent validity because each indicator has a loading factor value above 0.7. The validity test is divided into two, namely, convergent validity and discriminatory validity.

Convergent Validity determines the validity of each relationship between an indicator and its construct or latent variable. This study used a loading factor limit of > 0.7 and an average variance extracted (AVE) value > 0.5, so the indicator was considered valid.

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Table 2.
Average variance extracted (AVE).

Variable	Average variance extracted (AVE)
Transparency (X1)	0.817
Responsibility (X2)	0.863
Independence (X3)	0.799
Fairness (X4)	0.711
Employee Performance (Y)	0.595

Table 2 shows the average variance extracted (AVE) value results from the data processing carried out for each variable. If all variables are above the predetermined value of> 0.5, then the result can be considered valid.

Table 3.
Loading factor.

	Transparency (X1)	Responsibility (X2)	Independence (X3)	Fairness (X4)	Employee Performance(Y)
X1.1	0.910				
X1.2	0.897				
X2.1		0.972			
X2.2		0.854			
X2.3		0.956			
X3.1			0.937		
X3.2			0.789		
X3.3			0.946		
X4.1				0.900	
X4.2				0.786	
X4.3				0.839	
Y.1					0.772
Y.2					0.740
Y.3					0.765
Y.4					0.832
Y.5					0.777
Y.6					0.767
Y.7					0.760
Y.9					0.742
Y.13					0.755
Y.14					0.797

Table 3 illustrates the loading factor's value (Convergent validity) in each sector. The table shows that all loading factors have a value of > 0.7, so it is valid. Thus, it can be concluded that all loading factor values from the transparency (X1), responsibility (X2), independence (X3), fairness (X4), and Employee Performance (Y) indicators can meet the criteria as convergent validity. Discriminant Validity is used to ensure that each concept of each latent model is different from the others. At the discriminant validity stage in this study, there is 1 stage for evaluation, namely with the Fornell-Larcker Criterion and cross-loading values.

Table 4.
Fornell-larcker criterion.

	Transparency (X1)	Responsibility (X2)	Independence (X3)	Fairness (X4)	Employee performance (Y)
X1	0.904				
X2	0.304	0.929			
X3	0.343	0.732	0.894		
X4	0.299	0.703	0.641	0.843	
Y	0.578	0.694	0.715	0.676	0.771

The Fornell-Larcker Criterion test in this study tests the correlation value between the variable and the variable itself and the variable with other variables. In Table 4. above, the Fornell-Larcker Criterion value shows that the correlation value of the variable with the variable itself is greater than the correlation between other variables in the model, so it is said to have an excellent discriminant validity value.

Table 5.
Cross loading.

	Transparency (X1)	Responsibility (X2)	Independence (X3)	Fairness (X4)	Employee performance (Y)
X1.1	0.910	0.277	0.323	0.295	0. 539
X1.2	0.897	0.273	0.297	0.244	0.505
X2.1	0.307	0.972	0.714	0.701	0.707
X2.2	0.170	0.854	0.620	0.495	0.474
X2.3	0.339	0.956	0.701	0.726	0.709
X3.1	0.297	0.800	0.937	0.621	0.681
X3.2	0.398	0.366	0.789	0.451	0.529
X3.3	0.252	0.742	0.946	0.628	0.693
X4.1	0.126	0.656	0.583	0.900	0.606
X4.2	0.457	0.553	0.574	0.786	0.587
X4.3	0.164	0.564	0.448	0.839	0.505
Y.1	0.294	0.581	0.466	0.541	0.772
Y.2	0.577	0.457	0.431	0.397	0.740
Y.3	0.341	0.438	0.506	0.459	0.765
Y.4	0.445	0.634	0.740	0.483	0.832
Y.5	0.372	0.663	0.563	0.637	0.777
Y.6	0.510	0.499	0.589	0.538	0.767
Y.7	0.462	0.525	0.466	0.555	0.760
Y.9	0.423	0.441	0.463	0.485	0.742
Y.13	0.525	0.513	0.558	0.542	0.755
Y.14	0.481	0.562	0.667	0.557	0.797

Based on Table 5. the cross-loading results, it can be seen that all indicators that compose each variable in this study, namely the value given by the colour, have met the discriminant validity because they have the most considerable cross-loading value for the variable they form > 0.7 and not for the other variables. Thus, it can be concluded that all indicators in each study variable have met the discriminant validity and are declared valid. The Reliability Test is used to measure the consistency of an instrument, which is an indicator of a variable or construct. The Reliability Test can be seen in the composite reliability value > 0.7 [10]. Moreover, Cronbach's alpha > 0.6, which will be presented in Table 6. as follows:

Table 6.
Cronbach's alpha and composite reliability results.

	Cronbach's alpha	Composite reliability
Transparency (X1)	0.776	0.899
Responsibility (X2)	0.921	0.949
Independence (X3)	0.872	0.922
Fairness (X4)	0.795	0.880
Employee performance (Y)	0.924	0.936

From Table 6. the reliability test is measured using the criteria test on composite reliability and Cronbach's alpha of the indicator block that measures the construct or variable. If the composite reliability value > 0.8 and Cornbach's alpha > 0.6 for each construct, it can be said to be reliable. Thus, the construct in this study is reliable. The multicollinearity test in this study is used to ascertain an intercorrelation or collinearity between independent variables in a construction model. To find out whether formative indicators experience multicollinearity by knowing the VIF value. If the VIF value is < 10, this indicator has no multicollinearity. In Table 7. the study shows the results of the multicollinearity test, which are as follows:

Table 7.
Multicollinearity test results.

Indicator	VIF	Information
X1.1	1.674	No multicollinearity
X1.2	1.674	No multicollinearity
X2.1	7.777	No multicollinearity
X2.2	2.396	No multicollinearity
X2.3	6.406	No multicollinearity
X3.1	4.717	No multicollinearity
X3.2	1.616	No multicollinearity
X3.3	4.957	No multicollinearity
X4.1	2.472	No multicollinearity
X4.2	1.399	No multicollinearity
X4.3	2.175	No multicollinearity
Y.1	2.510	No multicollinearity
Y.2	2.633	No multicollinearity
Y.3	2.585	No multicollinearity
Y.4	3.030	No multicollinearity
Y.5	2.893	No multicollinearity
Y.6	3.826	No multicollinearity
Y.7	2.182	No multicollinearity
Y.9	2.877	No multicollinearity
Y.13	2.840	No multicollinearity
Y.14	4.126	No multicollinearity

Based on Table 7. the results of the multicollinearity test show that overall, there is no multicollinearity in the indicator because it has a VIF value of < 10, which means that overall, the construction does not occur multicollinearity between the variables transparency, responsibility, independence, and Fairness to employee performance. The R-Square test aims to determine the

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magnitude of the influence of the independent variable (exogenous) on the bound variable (endogenous). There are criteria for the R-Square value, which is 0.67 is strong, 0.33 is moderate, and 0.19 is weak.

Table 8.
R-Square.

Variable	R-square	R-square adjusted
Employee performance	0.713	0.689

Based on Table 8. the R-Square Output (R2) results show that the Employee Performance variable (Y) is 0.713, included in the strong model category. The results of this study show that the variables transparency, responsibility, independence, and Fairness can explain or predict 71.3% of employee performance. In comparison, the remaining 28.7% are explained by other variables that are not used or not researched in this study. Path Coefficient measurement is a test to see if a variable has a positive or negative relationship direction with other variables. Path Coefficient testing is done using bootstrapping procedures. Path Coefficient has a value limit; if the Path Coefficient value is 0 to 1, the variable positively influences other variables. Meanwhile, if the Path Coefficient has a value between 0 and -1, then the variable has a negative influence relationship with other variables [11].

Table 9.
Path coefficient.

Hipotesis	Original sample	Sample mean	Standard deviation	T-statistics	P values
Transparency (X1) -> Employee performance	0.343	0.333	0.174	1.975	0.024
Responsibility (X2) -> Employee performance	0.205	0.222	0.113	1.819	0.034
Independence (X3) -> Employee performance	0.292	0.268	0.156	1.878	0.030
Fairness (X4) -> Employee performance	0.242	0.275	0.116	2.090	0.018

Based on Table 9, the Path Coefficient results show that the value of all hypotheses is in the range of 0 to 1, so it can be stated that the relationship of each hypothesis gives a positive relationship or direction. Q2 Predictive Relevance is a test that shows prediction capabilities using a blindfolding procedure by looking at the Q-square value. The Q-square value is obtained: 0.02 is small, 0.15 is medium, and 0.35 is significant.

Table 10.
Q-square.

Variable	Q-Square (Q^2)
Employee performance (Y)	0.404

Based on Table 10. The output of Q-Square shows a value of 0.404, which means it is large and shows that the observation results give a good value. Goodness of Fit (Gof) is used to see the model's overall fit calculated from the residual square of the predicted model compared to the actual data. The measurement of this index results in the validity of one variable of the exogenous variable and the endogenous variable. According to Affandi and Amalia (2022), there are three categories of the Goodness of Fit Index (Gof) in the assessment, namely, 0.1 is small, 0.25 is medium, and 0.36 is significant. The Goodness of Fit (Gof) index formula is as follows:

$$Gof = \sqrt{AVE \ x \ R \ Square}$$

$$\text{Gof} = \sqrt{0.595 \ x \ 0.713}$$

$$Gof = 0.651$$

Based on the Goodness of Fit (GoF) calculation above, it can be concluded that the GoF value has a performance between the measurement model and the structural model, which has a high GoF, which is 0.653 above 0.35. means that the GoF value of 65.3% shows that the model in this study is suitable for use.

3.3. Hypothesis Testing

Hypothesis testing using SmartPLS is carried out through a bootstrapping procedure for each sample, which aims to minimize the problem of abnormalities in the research data. The results of hypothesis testing by bootstrapping in this study are as follows:

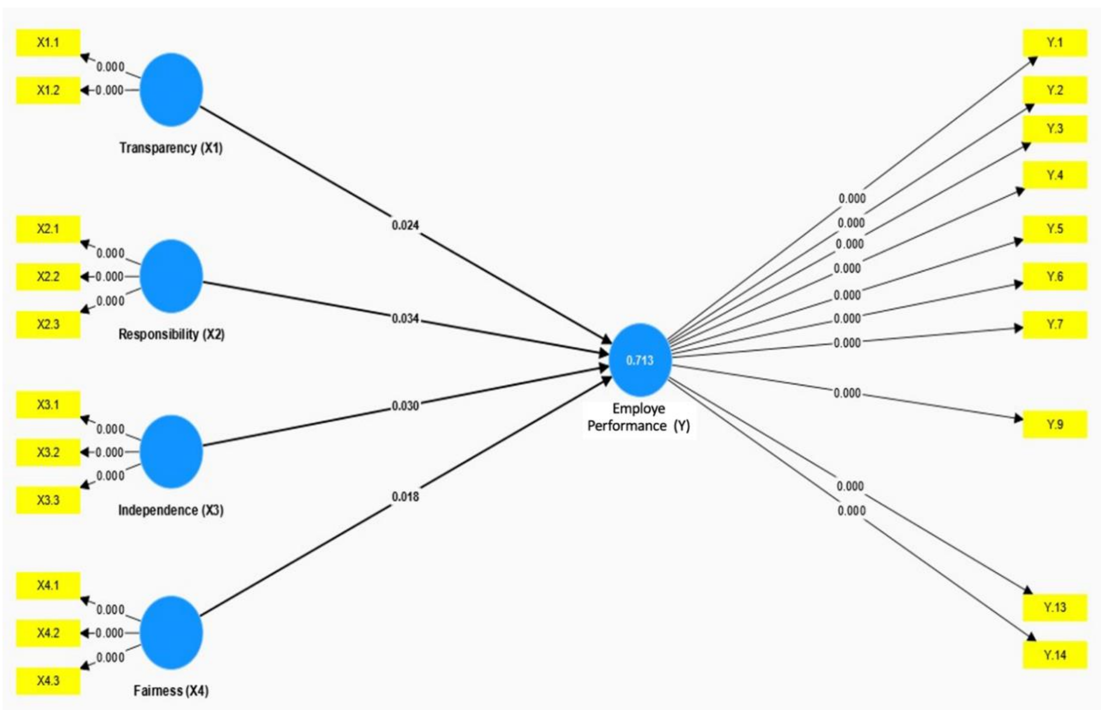

Figure 4.
Bootstrapping results.

Figure 4 above assesses the significance of the prediction model in the structural model test, and it can be seen from the t-statistical value between the independent and dependent variables in the coefficient path output. Table 11. show positive relationships with Employee Performance, as indicated by the positive path coefficients. Transparency has the most substantial effect (0.343), followed by Independence (0.292), Fairness (0.242), and Responsibility (0.205). The T-statistics for all factors are above 1.8, with Fairness having the highest value at 2.090. Importantly, all P Values are below 0.05, ranging from 0.018 to 0.034, indicating that these relationships are statistically significant at the 5% level. It suggests that all four factors - Transparency, Responsibility, Independence, and Fairness - have significant positive impacts on

Table 11.
Output path coefficient.

Hipotesis	Originalsample	T-statistics	P-values
Transparency (X1) -> Employee performance	0.343	1.975	0.024
Responsibility (X2) -> Employee performance	0.205	1.819	0.034
Independence (X3) -> Employee performance	0.292	1.878	0.030
Fairness (X4) -> Employee performance	0.242	2.090	0.018

Table 12. presents the "Hypothesis Test Results" of a study conducted at PT. Bank Rakyat Indonesia (Persero) Tbk. Curup Branch Office. The table outlines four hypotheses (H1 to H4) tested in the research. Each hypothesis examines the effect of a specific factor on employee performance at the bank branch. The factors investigated are Transparency (H1), Responsibility (H2), Independence (H3), and Fairness (H4). For each hypothesis, the research results column states that the respective factor "positively affects employee performance" at the bank. The study found significant positive relationships between these factors (transparency, responsibility, independence, and Fairness) and employee performance at the Curup Branch Office of PT. Bank Rakyat Indonesia.

Table 12.
Hypothesis test results.

	Research results	Conclusion
H1	Transparency has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Office Curup Branch	Hypothesis 1 accepted
H2	Responsibility has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Office Curup Branch	Hypothesis 2 accepted
H3	Independence has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Office Curup Branch	Hypothesis 3 accepted
H4	Fairness has a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Branch Office Curup	Hypothesis 4 accepted

3.3.1. Transparency and Its Impact on Customer Trust and Satisfaction

Transparency is crucial in shaping customer trust, satisfaction, and engagement. In digital environments, perceived clarity, objectivity, and openness influence customer perceptions of transparency, with consumer literacy and acumen promoting transparency perception, while privacy concerns may degrade it [13]. The EPSI Rating framework has been used to analyze the impact of product and service transparency on customer satisfaction in various industries [14]. Price transparency, in particular, significantly affects consumer judgments of price fairness, influencing customer satisfaction and loyalty [15]. However, the relationship between transparency and trust is complex, as perceived clarity may lead to a trust decline while directly impacting engagement.

These findings underscore the importance of transparency in fostering positive customer relationships and highlight the need for businesses to consider how they communicate information to their customers carefully. The research revealed that customers value being well-informed about the bank's products, services, policies, and fees. It is consistent with findings in the broader literature, which indicate that transparency in communication enhances customer trust and loyalty. The study showed

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that customers reported higher satisfaction when the branch provided clear and timely information. For instance, customers appreciated detailed explanations about loan products, including interest rates, repayment schedules, and potential risks. Transparent communication helped customers make informed decisions, reducing uncertainty and increasing their trust in the bank. Moreover, the bank's efforts to openly share information about any changes in policies or procedures were seen positively by customers, further solidifying their loyalty and satisfaction.

3.3.2. Responsibility and Operational Performance

Research on responsibility and operational performance reveals complex relationships. Environmental responsibility positively impacts financial performance, as measured by ROE and ROA [16]. In ethical contexts, workers who prefer and are responsible for an ethical environment perform better than when it is imposed [17]. However, the link between responsibility and performance is questioned, with some arguing that focusing on performativity rather than responsibility may be more effective in emergencies [18]. Partisanship also plays a significant role in shaping perceptions of performance and responsibility attribution. Voters attribute successes to their favoured party while absolving them of responsibility for poor performance [19]. These findings highlight the multifaceted nature of responsibility and performance, suggesting that factors such as ethics, partisanship, and context significantly influence their relationship. At the BRI Curup Branch, responsibility was observed to impact operational performance significantly. The research indicated that when employees felt a strong sense of responsibility towards their roles and the bank's mission, it translated into better performance and customer service. The study found that employees who understood the importance of their roles in supporting the bank's operations were likelier to go above and beyond their duties. For instance, employees responsible for handling customer transactions diligently ensured accuracy and efficiency, minimized errors, and enhanced overall customer experience. This sense of responsibility was fostered by a supportive organizational culture emphasizing the importance of ethical behaviour and adherence to the bank's policies and procedures.

3.3.3. Independence and Decision-Making Autonomy

Research on autonomy and decision-making independence reveals complex relationships with psychosocial functioning and health outcomes. Adolescent autonomy, conceptualized as independent decision-making and self-endorsed motivation, is associated with adaptive and maladaptive outcomes [20]. In developing countries, women's autonomy in healthcare decision-making is influenced by factors such as age, education, and income, with limited research beyond reproductive health contexts [21]. Autonomy as decision-making control is a multifaceted concept requiring careful definition. For older individuals receiving home care, maintaining autonomy involves balancing independence and dependence, often leading to uncertainty in decision-making [22].

These studies highlight the importance of considering cultural, developmental, and situational factors when examining autonomy and its impact on various aspects of life. At the BRI Curup Branch, independence was observed to play a crucial role in enhancing decision-making autonomy and overall operational efficiency. The study found that when employees were empowered to make decisions within a well-defined framework of policies and procedures, it led to more effective service delivery and higher customer satisfaction. For example, the research revealed that employees with the autonomy to make decisions regarding customer service issues were more responsive and proactive in addressing customer needs. This independence allowed employees to tailor their responses to individual customer situations, providing personalized solutions that enhanced the customer experience. Customers appreciated this level of service, feeling that their unique needs were being met and that they were not just another transaction.

3.3.4. Fairness and Employee Morale

Research indicates that Fairness and employee morale are crucial factors in organizational success. Leader reward behaviour positively influences task performance, organizational citizenship, and employee retention through the mediating effects of fairness perceptions and work morale [23]. Perceptions of fair treatment foster employee commitment, trust, and cooperation, while unfairness can lead to adverse outcomes such as theft, lack of commitment, and workplace aggression [24]. However, self-serving biases can affect perceptions of Fairness, with employers and employees potentially holding different views on what constitutes fair compensation and effort [25]. Justice and Fairness are among the most salient issues for employees, with justice reflecting adherence to appropriate decision-making rules and Fairness representing a broader perception of appropriateness. Various theories explain why employees consider justice, how they form fairness perceptions, and how they react to these perceptions, emphasizing the importance of managing justice and Fairness in organizations. At the BRI Curup Branch, Fairness was a key driver of employee morale and motivation.

The research indicated that employees who felt they were treated relatively in terms of compensation, recognition, and career advancement were more likely to be engaged and committed to their roles. The study highlighted that the branch's efforts to ensure fair employee treatment positively impacted overall morale and job satisfaction. For instance, employees who believed their contributions were recognized and rewarded were more motivated to perform well. The branch's transparent and merit-based approach to promotions and career development reinforced this sense of Fairness. Employees who felt they had equal opportunities for growth and advancement were likelier to be loyal and committed to the bank's success.

3.3.5. Overall Impact on Customer Satisfaction and Operational Performance

Research indicates a complex relationship between operational performance and customer satisfaction in various industries. Managerial and technological innovations positively impact operational performance and customer satisfaction directly and indirectly [26]. However, incremental improvements in operational efficiency may only sometimes significantly contribute to customer satisfaction, suggesting other factors like adaptability to changing customer scenarios may be more relevant. In green supply chain management, customer pressure drives implementation, leading to improved operational performance, with product quality and delivery positively affecting customer satisfaction [27]. For call centres, the "First-Contact Resolution Rate" and "Average Handle Time After the Call" indicators show a statistically significant relationship with customer satisfaction [28]. These findings highlight the importance of understanding the nuanced connections between operational performance metrics and customer satisfaction across different sectors.

The research findings suggest that implementing GCG principles at the BRI Curup Branch profoundly impacts customer satisfaction and operational performance. The study showed that integrating transparency, accountability, responsibility, independence, and Fairness into the branch's operations led to a more efficient and effective organization. Customers reported higher levels of trust and satisfaction, while employees demonstrated increased motivation and productivity. One of the key takeaways from the research is that GCG practices are not just about compliance and regulation but are integral to building strong relationships with customers and employees. The BRI Curup Branch created a positive environment where customers and employees felt valued and respected by fostering a culture of transparency, accountability, responsibility, independence, and Fairness. This, in turn, translated into improved customer satisfaction, enhanced operational performance, and a more substantial overall reputation for the branch.

3.4. Practical Implications and Recommendations

Good Corporate Governance (GCG) practices significantly impact organizational performance and risk management. Implementing GCG principles such as transparency, accountability, responsibility, and Fairness can help mitigate fraud and data manipulation risks. However, the application of GCG in

Indonesian state-owned enterprises (BUMN) and regional-owned enterprises (BUMD) needs to be higher due to internal, external, and ownership constraints [29]. GCG implementation has managerial implications for Organizational Citizenship Behavior (OCB), affecting employee performance, loyalty, and turnover [30]. Adherence to GCG principles is crucial in appointment decisions, as demonstrated by the case of appointing an ex-convict of corruption as a commissioner in BUMN and its subsidiaries, which violates integrity requirements and undermines GCG practices [31]. To improve GCG implementation, raising awareness, strengthening legal foundations, and reforming government and business systems is essential.

Based on the research findings, several practical recommendations can be made to enhance GCG practices at the BRI Curup Branch and other similar institutions. Firstly, the branch should prioritize transparency in communicating with customers and employees. Providing clear, accurate, timely information about products, services, policies, and procedures will help build trust and foster long-term relationships with stakeholders. Secondly, the branch should reinforce accountability at all levels of the organization. The branch can maintain high service delivery standards by holding employees accountable for their actions and decisions. This can be achieved through regular performance reviews, feedback mechanisms, and training programs emphasizing accountability's importance. Thirdly, the branch should promote a culture of responsibility among its employees. Encouraging employees to take ownership of their roles and responsibilities will help enhance their commitment to the bank's mission and values. This can be supported by providing opportunities for employees to participate in CSR initiatives and other community-focused activities. Fourthly, the branch should maintain a focus on independence in decision-making. Empowering employees to make informed decisions within a clear framework of policies and procedures will enhance their autonomy and accountability, leading to more effective service delivery and higher customer satisfaction. Lastly, the branch should uphold Fairness in all its interactions with stakeholders. Ensuring equitable treatment of employees, customers, and other stakeholders will help build a positive organizational culture and enhance the bank's reputation.

4. Conclusion

This research provides empirical evidence of the positive impact of Good Corporate Governance (GCG) practices on customer satisfaction and operational performance at the BRI Curup Branch. The findings suggest that transparency, accountability, responsibility, independence, and Fairness are critical components of effective governance that can enhance customer experiences and employee performance in a state-owned bank. These GCG principles are fundamental to maintaining compliance, upholding ethical standards, and fostering a culture of trust, efficiency, and engagement among employees and customers. Ultimately, the effective implementation of GCG principles is essential for state-owned banks to thrive in today's global economy. By fostering a transparency, accountability, responsibility, independence, and fairness culture, banks can enhance operational efficiency, strengthen customer loyalty, and build a reputation for ethical and responsible governance. As this research has shown, these principles are not merely abstract ideals but practical tools that can drive tangible improvements in performance and satisfaction. By continuing to refine and expand their GCG practices, state-owned banks like BRI can position themselves for long-term success in an increasingly complex and competitive financial landscape.

These insights have important implications for policymakers, practitioners, and researchers interested in corporate governance and customer service in the banking sector, particularly in developing countries like Indonesia. For policymakers, the research underscores the need for regulatory frameworks that encourage the adoption of GCG practices across all levels of banking operations, from headquarters to individual branches. By promoting transparency and accountability, regulators can help ensure that banks operate in a manner that protects the interests of all stakeholders, including customers, employees, and shareholders. On the other hand, practitioners can use these findings to develop and implement strategies that embed GCG principles into the daily operations of their branches. Training programs focused on ethical behaviour, decision-making autonomy, and customer service excellence can empower employees to act in ways that align with the bank's governance values, ultimately leading to better outcomes for the organization and its clients.

For researchers, this study contributes to the broader literature on corporate governance by providing a detailed examination of GCG practices at the branch level in a state-owned bank. While much of the existing research on GCG has focused on governance at the organizational or industry level, this study offers a unique perspective on how these principles are operationalized in a specific, customer-facing context. By identifying gaps in current practices and offering practical recommendations for improvement, this research contributes to developing more robust GCG frameworks that can be replicated across other branches and state-owned enterprises. This branch-level focus is precious in understanding how governance practices can be tailored to meet the unique needs of different organizational units and their stakeholders.

The study's practical recommendations provide actionable steps for improving GCG practices at the branch level. These include enhancing transparency through more transparent communication channels, reinforcing accountability through regular performance reviews and feedback, fostering a culture of responsibility and ethical behaviour, empowering employees with decision-making autonomy, and ensuring Fairness in all stakeholder interactions. Implementing these recommendations can help state-owned banks like BRI build stronger customer relationships, improve operational efficiency, and achieve long-term success in a competitive and dynamic market environment.

Future research could explore the impact of GCG practices on other dimensions of bank performance, such as financial stability, risk management, and innovation. Additionally, comparative studies across different branches, regions, or even countries could provide further insights into how contextual factors influence the effectiveness of GCG practices. There is also an opportunity to examine the role of digital transformation in enhancing GCG practices, particularly in light of the growing importance of digital banking services and the need for governance frameworks that can adapt to new technologies and changing customer expectations.

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