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Enhancing Local Government Revenue Through Municipal Enterprises: A Case Study of Taman Satwa Taru Jurug Zoo

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Abstract

This study examines how the implementation of Good Corporate Governance (GCG) principles functions as a strategic instrument for improving the financial performance of a Regional-Owned Enterprise (BUMD), particularly in increasing Regional Original Income (PAD). This study is urgent as it addresses governance challenges faced by traditional BUMDs transitioning into modern, partner-managed tourism enterprises. This study employs a qualitative descriptive approach, utilizing in-depth interviews with key management personnel and stakeholders, complemented by document analysis of regulatory frameworks, financial reports, technical proposals, and official publications related to the revitalization process. The data were analyzed to assess how each GCG principletransparency, accountability, responsibility, independence, and fairnesswas operationalized in the company's strategic decisions and management practices. The findings reveal that transparency in decision-making and partnership arrangements increased public trust, accountability enhanced operational efficiency, and responsibility strengthened long-term business sustainability. Furthermore, independence allowed management to make objective and professional business decisions without undue political or external intervention, fostering healthier relationships among stakeholders.

Keywords: Good Corporate Governance, BUMD Management, Strategic Revitalization, Transparency, Tourism Governance

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INTRODUCTION

The implementation of regional autonomy through Law Number 22 of 1999, which was updated with Law Number 23 of 2004, gives greater authority to local governments to manage resources independently (Faustina R.I & Annis N. N., 2026). This autonomy allows the regions to manage their potential and resources, including regional financial management (Dyah, S & Nurul, H., 2026).

The success of regional autonomy and regional independence is commonly assessed through the level of Regional Original Revenue (PAD), which reflects the fiscal capacity of local governments. According to Law Number 23 of 2014 concerning Regional Government Article 285 paragraph (1), PAD constitutes an essential source of funding for the implementation of regional autonomy, alongside other funding mechanisms regulated by the central government.

Next, each local government will regulate regional finances through Regional Revenue and Expenditure Budget (APBD), which is an annual financial plan approved by the Regional House of Representatives (DPRD) through a Regional Regulation (Perda). The APBD consists of three main components, namely regional revenue, regional spending, and regional financing.

Within the regional revenue framework, the management of separated regional assets is conducted outside the APBD mechanism and is transformed into equity participation in Regionally Owned Enterprises (BUMDs). Legally, these separated assets are no longer treated as direct regional finances but as investment capital in BUMDs. In this context, BUMDs play a strategic role as instruments for generating PAD and strengthening regional fiscal sustainability.

However, BUMDs face inherent governance challenges, including inefficiency, weak accountability, and the risk of political intervention, particularly due to their dual mandate to deliver public services while generating profits (Amirudin et al., 2024). As a result, Good Corporate Governance (GCG) becomes a critical governance framework that functions both as a safeguard against mismanagement and as a driver of organizational performance and regional economic growth.

In Indonesia, BUMD governance is regulated under Law Number 23 of 2014 concerning Regional Government and Government Regulation Number 54 of 2017 concerning Regionally Owned Enterprises, both of which mandate that BUMD management must be based on GCG principles.

To address these governance challenges, the Surakarta City Government has established several BUMDs, one of which is the Regional Public Company of Taman Satwa Taru Jurug Surakarta (Perumda TSTJ). The establishment of Perumda TSTJ is legally based on Surakarta City Regional Regulation (Perda Kota Surakarta) Number 15 of 2017 concerning the Establishment of the Regional Public Company of Taman Satwa Taru Jurug Surakarta. Perumda TSTJ manages an area of 13.9 hectares located on the banks of the Bengawan Solo River, which functions as a tourism, conservation, education, and recreation area known as Jurug Park.

Over time, Jurug Park experienced a decline in service quality and competitiveness due to outdated facilities, limited service innovation, poor maintenance of public amenities, and the emergence of new tourism destinations. These conditions reflect the limitations of traditional BUMD management models when operating in a competitive tourism environment. Consequently, Jurug Park was increasingly unable to meet changing public preferences and market demands.

In response, Perumda TSTJ initiated a major revitalization program in 2022, involving organizational restructuring and a strategic partnership with Taman Safari Indonesia. This collaboration was chosen based on Taman Safari Indonesia’s experience and track record in managing zoological tourism across Indonesia.

The revitalization was financed through grants and partnerships outside the APBD framework, demonstrating a governance approach that emphasized professionalism, transparency, and independence. The revitalization process culminated in the rebranding of Jurug Park as Solo Safari, which officially reopened to the public on January 27, 2023 under a joint operation management scheme.

The revitalization of Jurug Park into Solo Safari has brought a new concept of tourist destinations and increased the welfare of its collected animals. In addition, this revitalization also affects the movement of the economy and the increase in the PAD of Surakarta City. The Head of the Regional Revenue Agency of Surakarta City, Tulus Widajat, stated that the revitalization of Jurug Park into Solo Safari contributed greatly to tax payments.

The existence of new facilities in the construction of Jurug Park adds to the attraction of people visiting Solo Safari. A year after the revitalization of the Surakarta City Zoo, the Surakarta City Government gave an award for its contribution to paying taxes worth IDR 7.6 billion in 2023. The highest number ever recorded during the zoo's operation. on a special occasion, the Finance Manager of Perumda Taman Satwa Taru Jurug, Mila indriyani, explained that the deposit of local original revenue to the Surakarta city government has increased rapidly.

The local revenue paid by the zoo business includes entertainment taxes and restaurant taxes. in addition, Solo Safari also contributes groundwater tax and parking levy to the Surakarta City government. in 2023, there will be a high spike in PAD deposits, which is the impact of the launch of the Solo Safari brand.

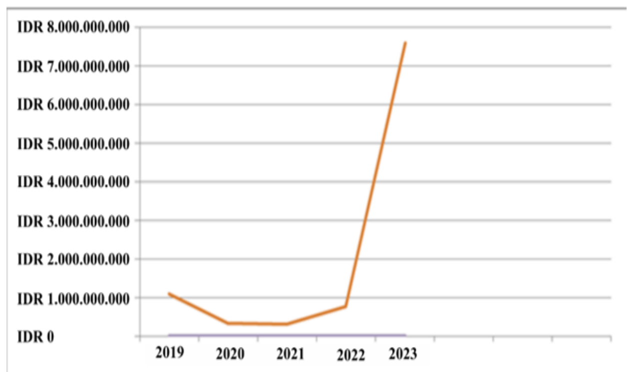

Figure 1. Regional Original Revenue Deposit
Source: Perumda TSTJ Financial Report, 2025

These achievements highlight the critical role of GCG implementation in improving BUMD performance. According to the National Committee on Governance Policy (KNKG, 2006), the company is said to have implemented *GCG,* which is a company that is able to manage its company with the principles of accountability, openness, fairness, and independence. Empirical studies have shown that GCG practices positively affect corporate financial performance in Indonesia (Hermawan, 2009).

Nevertheless, studies that explicitly examine the linkage between GCG implementation and PAD growth in tourism-based BUMDs remain limited. Based on this research gap, this study aims to analyze how the implementation of Good Corporate Governance serves as a strategic mechanism for increasing Regional Original Revenue through the performance improvement of Perumda Taman Satwa Taru Jurug Surakarta.

RESEARCH METHODS

This study employs a qualitative descriptive research approach, which is considered appropriate to explore governance practices, managerial strategies, and supervisory mechanisms within a Regionally Owned Enterprise (BUMD) (Moleong, 2010).

This approach allows for an in-depth understanding of how Good Corporate Governance (GCG) principles are implemented in practice and how they influence organizational performance and Regional Original Revenue (PAD), which cannot be fully captured through quantitative measurement alone.

The research location is Perumda Taman Satwa Taru Jurug Surakarta (Perumda TSTJ), a BUMD owned by the Surakarta City Government that manages the Jurug Zoo tourism area, which was revitalized and rebranded as Solo Safari in 2023 through a management cooperation scheme with the Taman Safari Group. This case was selected due to its relevance in representing a governance-driven transformation of a tourism-based BUMD.

Referring to Sugiyono (2017), the data used in this study consist of primary and secondary data. Primary data were obtained through in-depth, semi-structured interviews, while secondary data were collected from financial reports, regulatory documents, cooperation agreements, mass media publications, and official company records. The analysis of documents focused on the 2022–2024 period, which covers the pre-revitalization, revitalization, and post-revitalization phases.

The primary informant in this study was the Finance Manager of Perumda TSTJ, who possesses comprehensive knowledge of the company's financial performance and PAD contribution mechanisms. To enhance data validity and reduce informant bias, triangulation was conducted through additional information obtained from internal company documents, public statements of Surakarta City Government officials, and regulatory supervision records related to BUMD management.

To operationalize the analysis, government supervision and GCG implementation were examined using specific indicators, including: (1) Institutional oversight, reflected in the role of the Board of Supervisors and local government supervision mechanisms; (2) Financial transparency, assessed through audited financial reports, PAD deposit records, and tax contribution data; (3) Regulatory compliance, measured by adherence to local regulations, national BUMD laws, and cooperation agreements with private partners; and (4) Managerial independence and accountability, evaluated through decision-making processes and partnership arrangements during the revitalization program.

Data analysis was conducted through several stages. First, interview transcripts and documentary data were systematically categorized based on GCG principles and PAD-related performance indicators. Second, data reduction focused on information directly related to governance practices, financial outcomes, and the joint operation scheme between Perumda TSTJ and the Taman Safari Group. Third, the data were presented in a structured narrative to explain the relationship between GCG implementation and PAD improvement. Finally, conclusions were drawn by synthesizing empirical findings with the conceptual framework of GCG in BUMD governance.

RESULTS AND DISCUSSION

From a number of previous studies, there is a gap in research with this study; among others, the previous research did not see the relevance of the application of GCG to increase local income. This study analyzes the strategy of Perumda Taman Satwa Taru Jurug Surakarta to increase local original income through the implementation of Good Corporate Governance.

Unlike previous studies that treat GCG as a normative compliance framework, this study positions GCG as an active strategic mechanism that shapes managerial behavior, stakeholder interaction, and ultimately regional revenue performance.

According to Hunger and Wheelen (in Umar, 2019), a strategy is a comprehensive plan to achieve the organization's long-term goals that is compiled taking into account internal and external conditions. internal conditions are all factors that originate within the organization and can be controlled by management, for example, human resources and organizational culture.

The implementation of GCG can be said to be an internal strategy of the company. External conditions are factors outside the organization that cannot be controlled, but have a major influence on the success of the strategy, for example, environmental change and globalization. In the context of BUMDs, GCG functions not merely as an administrative obligation but as an internal strategic instrument that restructures decision-making authority, performance control, and accountability mechanisms. This strategic role becomes particularly relevant for service-oriented BUMDs that operate in competitive tourism markets, such as Perumda TSTJ.

Regionally-Owned Enterprises (BUMDs) also need certain strategies as an effort to achieve company goals. BUMD is a company whose capital belongs to the local government. The capital used by BUMDs can be sourced from regional capital participation, grants, loans, and other sources of capital. The legal form of the establishment of BUMD can be in the form of a regional public company or a regional company.

The purpose of BUMD is to help regional economic growth, provide goods and services to the community to support development and public interest, and generate profits to increase local original income (PAD). PAD is all regional revenues derived from local economic sources (Halim, 2004). The contribution of BUMDs to local revenue comes from two mechanisms, namely profit payments (dividends) to local governments and tax payments according to their operational activities. Each Regionally Owned Enterprise was established to contribute to the region's original income. This is in accordance with the laws and regulations:

Law Number 23 of 2014 article 1, which states that BUMD plays a role as a source of local income by contributing in the form of dividends or taxes to the regions. BUMD is a business group owned by local governments to support the increase of regional income in accordance with regional autonomy.

Law Number 23 of 2014 article 331, which states that BUMD profits are used for development and public services, which in turn supports the increase of Regional Original Revenue (PAD).

Law Number 32 of 2004 article 157, which mentions the importance of PAD as the main source of regional income that can be obtained from the results of segregated regional wealth management, including the role of BUMD. Government Regulation Number 54 of 2017 article 9, which emphasizes that BUMD is one of the sources of regional wealth management that contributes to regional gross domestic product.

Purwadi (2002) stated that BUMD is generally oriented to two things, namely business orientation (Profit Service) and public services (publicservice). BUMD is called business-oriented, as can be seen from its business activities in the middle of the market (Market Share), contributions to local government finances, and contributions to economic activities and regional development.

As for BUMDs that are oriented towards public benefits, the indicators can be seen from their activities in providing goods needed by the community, both in quantity and adequate quality. It can be concluded that BUMD has a big role and responsibility in realizing the goals of its establishment.

According to Yulvia (2025), one of the important strategies to improve financial performance and generate profits that can increase regional original income can be done through good corporate governance, managing resources efficiently and responsibly according to the mandate Law Number 23 of 2014 concerning Regional Government and its derivatives Government Regulation Number 54 of 2017 concerning Regionally Owned Enterprises.

These two regulations state that the management and accountability of BUMDs must be subject to regulations and laws related to Regionally Owned Enterprises and managed based on good corporate governance or Good Corporate Governance (GCG).

As a Regionally Owned Enterprise, Perumda Taru Jurug Wildlife Park has a goal to achieve. According to Regional Regulation No. 15 of 2017, the purpose of establishing the Regional Public Company of the Taru Jurug Surakarta Animal Park is to become a means of plant and animal conservation, education and research, preservation, and development of economic, social, cultural, and tourism business aspects.

So, in its establishment, Perumda Taru Jurug Animal Park is business-oriented (Profit Service) through the development of economic, social, cultural, and tourism business aspects that will generate local revenue and public service orientation (Public Service) through general benefits in conservation activities, plant and animal research education. Perumda Taru Jurug Surakarta Animal Park has a commitment to the implementation of GCG.

This commitment is included in Regional Regulation No. 15 of 2017 concerning the Establishment of Perumda Taru Jurug Animal Park. in Article 42 concerning Good Corporate Governance, it is stated that the Regional Public Company of Taman Taru Jurug Surakarta is required to apply the principles of accountability, openness, fairness, and independence. This finding reinforces the argument that GCG serves as a value-creation mechanism rather than a cost of compliance. In Perumda TSTJ, governance reforms were directly linked to managerial discipline, clearer performance targets, and stronger alignment between commercial objectives and public service mandates.

Implementation is basically the process of translating a policy, plan, or principle into concrete actions to achieve the desired goal.

According to Van Meter and Van Horn (1975), implementation is an action taken by an individual or group directed to achieve the goals that have been set in the previous decision. in other words, implementation is not just implementation, but also includes mechanisms, procedures, coordination, and compliance with predetermined standards.

In the context of the application of principles GCG, implementation means the process of systematically implementing the principles of corporate governance in organizational activities, both in planning, decision-making, supervision, and reporting.

Concept GCG began to be known in the late 1980s and intensified after the occurrence of various major financial scandals, such as Enron, WorldCom, and financial crises in several countries. Concept development GCG. It is also inseparable from the important role of the Cadbury Committee in the UK, which responded to the various financial scandals of large companies in the UK by publishing the Cadbury Report, which became one of the important milestones in the development of the concept of GCG all over the world.

The report emphasizes the importance of the company's supervisory structure through the role of the board of commissioners, transparency of financial statements, and a strong internal control system. in indonesia, the urgency of implementing GCG began to emerge after the 1997–1998 monetary crisis, where many companies, including government-owned enterprises, failed due to weak management and supervision structures.

The government then responded by issuing several important regulations for government-owned and private companies related to good corporate governance. National Policy Committee Governance defines GCG as a process and structure used to direct and manage business to increase the company's value continuously, while still paying attention to the interests of stakeholders (KNKG, 2006).

Based on the General Guidelines Good Corporate Governance indonesia published by the National Committee for Governance Policy (KNKG) in 2006, the implementation of GCG in the company refers to the five main principles of GCG, namely transparency, accountability, responsibility, independence, and fairness.

Transparency ensures that the company presents relevant, accurate, and timely information to all stakeholders. At Perumda TSTJ, transparency operates as a disciplining mechanism that reduces information asymmetry between management, the local government, and the public. The KPM forum functions not only as a reporting arena but as a strategic evaluation platform where revenue targets, dividend obligations, and operational performance are openly scrutinized.

Transparency can increase public accountability and public trust in the services of regional companies, thereby having an impact on increasing service use and revenue growth. This is in line with the findings of Harahap (2010), who stated that the transparency of financial statements allows management to conduct more accurate evaluations to minimize errors and waste of operational costs.

Perumda Taman Satwa Taru Jurug has a transparency mechanism through a meeting of the Proxy of Shareholders (KPM), which has been regulated in the Regulation of the Minister of Home Affairs (Permendagri) Number 118 of 2018 concerning Business Plans, Work Plans and Budgets, Development and Supervision of BUMDs. The KPM meeting is a forum for annual performance evaluation and open strategic decision-making.

At the KPM meeting, the Work Plan and Budget (RKA) was presented, which includes the targets to be achieved, including revenue targets, profit targets, dividends, and regional tax payments, and ensuring that the company has been managed with good corporate governance. Perumda TSTJ's transparency indicators can also be seen from the company's financial performance reporting. Every year, Perumda TSTJ appoints a public accounting firm to audit the company's finances for the current year.

After the audit is carried out, Perumda TSTJ will report the results of the audit to the Mayor of Surakarta and convey it to the public. in addition to the transparency of financial statements, Perumda TSTJ also has an open auction mechanism if there are asset elimination or procurement activities.

Perumda TSTJ also opens access to information disclosure, for example, when preparing environmental documents, Perumda TSTJ opens opportunities for the public to provide input on these activities. This information is announced through several publications that are known to the public. in addition to being open to financial statements, Perumda TSTJ is also open to suggestions or criticisms submitted by the public through the Public Complaint Service Unit (ULAS) owned by the Surakarta City Government by accessing the link at https://ulas.surakarta.go.id/.

Accountability is interpreted as the company's obligation to be able to account for its performance in a transparent, measurable manner, and in accordance with laws and regulations and good governance principles. Accountability ensures that every decision, action, and use of a company's resources can be overseen and assessed by stakeholders, including capital owners, supervisory boards, regulators, and the public.

The implementation of accountability through a strong internal control system prevents irregularities, improves work discipline, and suppresses revenue leakage. With the suppression of waste and increased productivity, the profits of regional companies will increase significantly.

The accountability of Perumda TSTJ Surakarta can be seen from the existence of a work section that specifically supervises the company's performance, namely the internal Control Unit (SPI) in accordance with Regional Regulation No. 15 of 2017 article 51 where SPI is tasked with assisting the president director in carrying out internal audits of the company's finances and operations as well as assessing its control, management and implementation as well as providing suggestions for improvement.

The existence of the Internal Control Unit (SPI) significantly enhances accountability by embedding internal audit and risk control within daily operations. Rather than functioning as a symbolic oversight body, SPI contributes to minimizing revenue leakage and operational inefficiencies, thereby directly supporting profit generation and PAD contributions.

Responsibility requires companies to comply with the law, ethics and be accountable for their operational activities to the company owners, in this case, the city government, the community, the environment, and all related parties. The revitalization of Jurug Park into a Solo Safari carried out by Perumda Taru Jurug Wildlife Park is part of the management's responsibility in maintaining the sustainability of the organization.

This action shows that the company is carrying out its obligations to ensure that its operations remain healthy, efficient, and in accordance with regulations. It also includes the company's responsibility to achieve better revenue than in previous years.

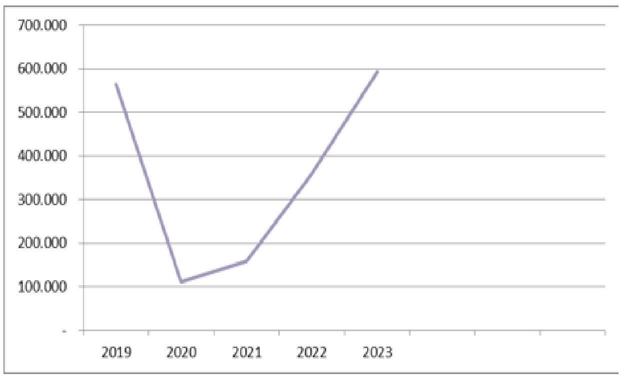

Figure 2. Number of Visitors 2019 – 2023
Source: Financial Statements of Perumda TSTJ Surakarta, 2025

Figure 2 shows an upward trend in the number of visitors and income, which leads to an increase in local revenue deposits from Perumda Taman Satwa Taru Jurug Surakarta. The revitalization of Jurug Park into Solo Safari represents a form of strategic responsibility, where management responded to declining performance by restructuring the business model. This decision reflects proactive governance, aligning long-term organizational sustainability with revenue optimization and public service obligations.

Independence in the context of regional companies seeks to prevent the interference of uninterested parties in making business and operational decisions. This is done so that business decisions can be made objectively and professionally. in the discussion of the governance of public organizations, it was explained that the obligation to hold an annual accountability forum through KPM Meetings and Annual Meetings in accordance with Government Regulation number 54 of 2017 was explained.

This activity is able to ensure that no party dominates management decisions because KPM is attended by various elements such as the Mayor, Regional Secretary, inspectorate, Supervisory Board, and BUMD supervisors. The company's business operations are also far from political intervention, because decisions are made based on objective and competent business considerations in zoo management.

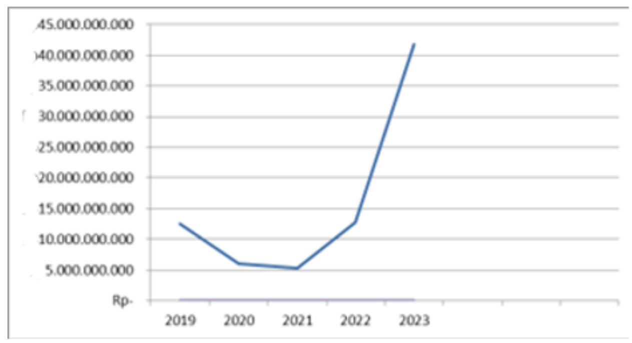

Figure 3. Zoo Revenue 2019 – 2023
Source: Financial Statements of Perumda TSTJ Surakarta, 2025

Independence at Perumda TSTJ does not imply the absence of government oversight but rather the institutionalization of checks and balances. The KPM mechanism limits unilateral political intervention while preserving strategic supervision. This hybrid governance structure enables managerial autonomy without sacrificing public accountability.

Fairness is the principle of fair treatment for all stakeholders, such as customers, employees, and business partners. Kotler & Keller (2012) assert that customer loyalty contributes directly to the increase in a company's revenue. Fairness to employees and customers increases productivity and loyalty, so that the revenue and profits of regional companies increase. For example, fair treatment for employees in the remuneration system. At the time, the company makes a profit. All employees will get a share based on the applicable regulatory scheme.

Fair treatment for visitors can be seen from how the management provides services and visitor facilities without any discrimination in public services. For example, services for visitors with disabilities. The company provides facilities such as special access and special toilets for people with disabilities who visit Solo Safari. The comfort of employees and customers can be converted into loyalty and business growth for the company.

To analyze the supporting and inhibiting factors of the implementation of Good Corporate Governance, the author reviewed institutional Theory, which was put forward by Scott (2001). According to this theory, how organizational culture can run can be seen from three aspects, namely, regulatory, normative, and cognitive culture. The regulatory pillar emphasizes that rules, guidelines, and policies serve to direct organizations to be compliant.

When GCG is supported by strong regulations, the implementation of GCG tends to be better and more consistent. The normative pillars relate to the values, ethics, and professional standards that apply in the organization. If companies are accustomed to prioritizing integrity, transparency, and accountability, this will strengthen the implementation of GCG.

The cultural-cognitive pillar relates to the way of viewing, beliefs, and habits within the organization. When employees view GCG as an important part of improving performance, then its implementation will be effective. However, if the employee looks at GCG as a formality and administrative, its implementation will be hampered.

Based on findings in the field, the application of GCG in the Regional Public Company of Taman Taru Jurug Surakarta is influenced by a number of factors that are supportive and inhibiting. In general, the supporting factor arises from the strong commitment of the regional head, in this case, the Mayor of Surakarta and his apparatus, in realizing good corporate governance. This commitment is reflected in the preparation of supporting regulations, such as regional regulations and structured reporting mechanisms.

The existence of human resource competency support is also the main supporting factor for GCG, especially in strategic units such as internal supervisory units and management that are objective and competent in zoo management. in addition, the use of information technology also supports the smooth implementation of GCG. Management information systems, digital reporting systems, and internal monitoring applications allow the monitoring process to run more efficiently and transparently.

This is consistent with the opinion of Halim and Kusufi (2014) that transparency and accuracy of performance reporting can be improved through the use of adequate information technology. in the reporting system, Perumda TSTJ is supported by systems such as digital reporting e-bumd and Copyright Community Complaint Service Unit (ULAS).

On the other hand, the research findings show that there are still inhibiting factors in the implementation of GCG. The obstacle that arises is the influence of the bureaucratic work pattern of the government. in this work pattern, every decision, task, and authority is determined in detail through regulations, procedures, and a long chain of command. The concept of bureaucracy was originally introduced by Max Weber (1947), who described bureaucracy as a form of organization that emphasizes rationality through clear rules and structured hierarchies, as well as a detailed division of labor.

This work pattern is considered to be in contrast to business work patterns that are flexible, innovative, and responsive to market conditions. For example, decision-making is required through the KPM Meeting mechanism. This meeting usually takes a long time, and a tight schedule adjusts to the busyness of each KPM member. This has the potential to slow down business decisions that should be quick and precise.

However, bureaucratic rigidity remains a structural constraint. Lengthy decision-making processes within KPM meetings illustrate the tension between public-sector accountability and market responsiveness. This finding aligns with recent studies on hybrid public enterprises, which highlight procedural inertia as a persistent challenge in BUMD governance.

CONCLUSION

This study concludes that the implementation of Good Corporate Governance (GCG) at Perumda Taman Satwa Taru Jurug Surakarta (Perumda TSTJ) functions not only as a governance obligation but as an effective business strategy for improving organizational performance and increasing Regional Original Revenue (PAD).

GCG at Perumda TSTJ is institutionalized through three complementary pillarsregulative, normative, and cultural-cognitivewhich together ensure that governance practices are legally grounded, professionally internalized, and behaviorally embedded within the organization.

The revitalization of Jurug Park into Solo Safari in 2023 represents the critical turning point that demonstrates the practical impact of GCG implementation. Transparent decision-making strengthened public trust, accountability improved operational efficiency, responsibility ensured business sustainability, independence enabled objective managerial decisions, and fairness fostered balanced stakeholder relations.

As a result, Perumda TSTJ recorded a significant increase in dividends and regional tax contributionsincluding entertainment, restaurant, and groundwater taxeswhich translated into a marked rise in PAD compared to the pre-revitalization period. These findings confirm that GCG has a direct and measurable impact on both financial performance and regional fiscal capacity.

The successful implementation of GCG at Perumda TSTJ is strongly supported by the commitment of the Surakarta City Government, reflected in the establishment of clear regulatory frameworks (Perda, Mayor Regulations, and circular letters), the availability of competent human resources, including professional management and an Internal Supervisory Unit (SPI), and the use of information technology systems that enhance transparency, reporting, and internal control.

Conversely, the main inhibiting factor lies in the persistence of rigid bureaucratic work patterns, which tend to conflict with the flexibility and responsiveness required in a competitive business environment. Based on these findings, this study recommends that Perumda TSTJ management strengthen the transparency pillar by publishing an integrated annual report on its official website, complemented by a digital dashboard for public complaints, follow-up actions, and performance indicators.

For the Surakarta City Government as the owner (KPM), it is recommended to formalize a performance-based management contract that links management incentives and evaluations directly to GCG audit results and PAD contribution targets. Such mechanisms would ensure stronger alignment between governance quality and financial outcomes.

For future research, it is recommended that scholars employ quantitative or mixed-method approaches to measure the strength of the relationship between GCG implementation and PAD growth over a longer time horizon. Further studies may also focus on identifying effective strategies to mitigate bureaucratic rigidity in BUMDs without compromising public accountability.

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