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# The Impact of Operational Efficiency and Risk Management on Good Corporate Governance and its Implications on Company Profitability as a Moderating Variable at BPR Artatama Sejahtera, South Jakarta

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**ABSTRACT**

*This research aims to analyze the effect of operational efficiency and risk management on Good Corporate Governance (GCG), as well as the effect of GCG on corporate profitability at BPR Artatama Sejahtera, South Jakarta. This study employs a quantitative method with an associative approach and utilizes path analysis to examine direct, indirect, and simultaneous relationships among the research variables. The data were collected through questionnaires distributed to 25 respondents consisting of employees and management of BPR Artatama Sejahtera, South Jakarta. Data analysis was conducted using statistical tests, including partial effect tests, simultaneous effect tests, and moderation tests. The results indicate that operational efficiency has a positive and significant effect on Good Corporate Governance. Risk management also has a positive and significant effect on GCG. Furthermore, Good Corporate Governance is proven to have a positive effect on corporate profitability. Profitability acts as a moderating variable that strengthens the relationship between operational efficiency and Good Corporate Governance, as well as the relationship between risk management and Good Corporate Governance.*

***KEYWORDS*** *Operational Efficiency, Risk Management, Good Corporate Governance, Profitability*



## INTRODUCTION

The banking industry in Indonesia plays a strategic role in driving economic growth and maintaining financial system stability (Judijanto et al., 2024; Kaewpitoon, 2025; Lesmana, 2025; Makhammadjonovna & Omadjonovna, 2025; Widjaja, 2026). It functions as an intermediary institution that channels funds from surplus units to deficit units (Pamuji et al., 2022; Rejekiningsih & Atmanti, 2024, 2025). According to Indonesian Banking Statistics (OJK, 2024), the national banking system consists of Commercial Banks, Regional Development Banks (BPD), as well as Bank Perkreditan Rakyat (BPR) and BPRS, which serve various segments, including the micro sector and MSMEs.

Globally, banks' profitability performance is influenced by macroeconomic conditions such as interest rates, inflation, and financial stability (Al Sharif, 2023; Idawati & Bambang, 2023; Munir et al., 2025; Ullah et al., 2024). Interest rate hikes have increased the profitability of major banks in Europe; however, in the medium term, global banking profitability is expected to come under pressure due to digital competition, the need for technology investment, and economic uncertainty (Reuters, 2024; IMF). These conditions also affect the banking industry in Indonesia, particularly in the BPR segment.

BPR plays an important role in supporting MSME financing and enhancing financial inclusion (Mishra & Choudhury, 2025; Taufan, 2025). Nevertheless, the BPR industry faces various challenges that directly impact declining profitability. Profitability is an indicator of a bank's ability to generate profit from its assets and capital, generally measured by Return on Assets (ROA), Net Interest Margin (NIM), and the ratio of Operating Costs to Operating Income (BOPO) (Investopedia, 2024). The high Non-Performing Loan (NPL) ratio of BPR,

which reached 10.7% in March 2024, and the high BOPO ratio indicate serious pressure on BPR financial performance (Bisnis.com, 2024).

In addition to credit risk and operational inefficiencies, BPR also faces limited capital, increasingly stringent regulatory requirements, and competition from digital banks and fintech companies. These conditions require BPR to improve operational efficiency and strengthen risk management in order to maintain sustainable financial performance (Katadata.co.id, 2024). Operational efficiency is a key factor because it reflects the bank's ability to optimally manage costs and resources, thereby directly contributing to increased profitability.

Various studies show that operational efficiency has a significant effect on banking profitability. Putri and Santoso (2024) found that effective control of operational costs can improve banks' financial performance. In addition, Rahmawati et al. (2023) stated that operational efficiency also contributes to increased customer trust and loyalty. However, the effectiveness of operational efficiency and risk management is highly dependent on the consistent implementation of Good Corporate Governance (GCG).

Good Corporate Governance plays an important role in ensuring the quality of decision-making, internal supervision, and adherence to prudential principles. Weak implementation of GCG in BPR is often associated with increased credit risk, operational inefficiency, and declining public trust. Therefore, GCG not only functions as a control mechanism but also as a factor that can strengthen the influence of operational efficiency and risk management on corporate profitability.

BPR Artatama Sejahtera South Jakarta, as a micro-banking institution, faces these challenges in its operations. Given its limited business scale and the complexity of the risks encountered, the implementation of operational efficiency, effective risk management, and strong GCG is essential to maintain sustainable financial performance.

Based on these conditions, this study aims to analyze the influence of operational efficiency and risk management on corporate profitability, with Good Corporate Governance as a moderating variable at BPR Artatama Sejahtera South Jakarta. This research is expected to make a theoretical contribution to the development of banking studies and provide practical recommendations for BPR management in improving financial performance in a sustainable manner.

## METHOD

This study employs a quantitative method with an associative approach to examine the causal relationships between variables. Quantitative research is defined as a systematic investigation of phenomena by collecting quantifiable data and performing statistical, mathematical, or computational techniques (Sugiyono, 2022). The associative approach is used to determine the influence or relationship between two or more variables. This research specifically utilizes path analysis to examine direct, indirect, and simultaneous relationships among the research variables, including the moderating effect of profitability on the relationship between operational efficiency, risk management, and Good Corporate Governance.

**Population and Research Sample**

Based on the concept of research methodology, samples are part of the population that are selected to represent the characteristics of the population as a whole. The selection of appropriate and representative samples is very important so that the results of the study are able to describe the actual condition of the population. In this study, the population consists of all employees of BPR Artatama Sejahtera South Jakarta who are directly involved in the process of granting, assessing, supervising, and managing credit.

Given the relatively small population, which is as many as 25 employees, this study uses the census method, in which all members of the population are made respondents. The use of the census method is considered appropriate because all respondents have a strategic role and are relevant to the variables being studied, so that they are able to provide comprehensive and accurate information. Thus, the data obtained is expected to represent the actual condition of BPR Artatama Sejahtera South Jakarta as a whole and increase the validity and reliability of the research results (Sugiyono, 2022).

**Table 1.** Sample Selection

| Departments | Number of Employees |
|---|---|
| Credit and operational Analyst | 5 |
| *Account Officer* (AO) | 12 |
| Head of Credit | 1 |
| Credit Manager / Risk Management | 1 |
| Credit Monitoring Staff & NPLs | 3 |
| Credit Committee | 3 |
| Total | 25 Employees |

Source: Processed research, 2025

**Research Variables**

This study uses four main variables, namely operational efficiency, risk management, Good Corporate Governance (GCG), and profitability. All variables were measured using a Likert scale of 1–5.

1. Operational Efficiency (X1)

Operational efficiency is the ability of banks to optimally manage resources to reduce costs and improve performance. This variable is measured through operational cost control, productive asset utilization, human resource efficiency, and effectiveness of internal control.

2. Risk Management (X2)

Risk management is a bank's effort to manage and control the risks faced. These variables are measured through risk policies and procedures, risk identification and measurement, risk control, and risk monitoring and reporting.

3. Good Corporate Governance (GCG) (Z)

Good Corporate Governance is a good and transparent corporate management system. GCG variables are measured through the principles of openness, accountability, accountability, independence, and fairness.

4. Profitability (Y)

Profitability shows the company's ability to generate profits. This variable is measured through profit levels (ROA and ROE), revenue structure, quality of productive assets, and growth in financial performance.

**Data Analysis Methods**

The data analysis method uses path analysis. This analysis aims to find out between independent variables. The regression model used is:

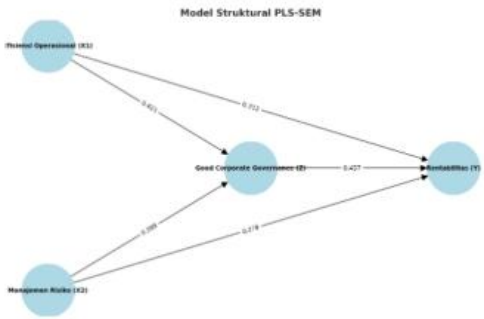


**Figure 1.** Path Analysis Model
Source: Research framework, 2025

Figure 1 shows a path chart, where the variable X, is an independent variable. Variable Y is a dependent variable. Variable Z is an intervening variable.

Description:

X = Operational Efficiency and Risk Management

Z = Good Corporate Governance

Y = Company Profitability

ryx = The path coefficient between variable X and variable Y

rxz = The coefficient of the path between the X variable and the Z variable

e1= epsilon 1

e2= epsilon 2

The analysis was conducted through several stages: validity and reliability testing of instruments, classical assumption tests (normality, multicollinearity, heteroscedasticity), hypothesis testing using t-tests (partial effects) and F-tests (simultaneous effects), as well as moderation testing to examine the role of profitability in strengthening or weakening the relationship between independent variables and GCG. All statistical analyses were performed using SPSS software.

## RESULT AND DISCUSSION

### A. Data Quality Test

Based on the results of the validity test of all questionnaire items in the variables of Operational Efficiency, Risk Management, Good Corporate Governance (GCG), and Profitability, it can be concluded that all statement items are declared valid. This is evidenced by the Corrected Item-Total Correlation value of each item greater than the r-value of the table of 0.396.

**Table 2.** Validity Test of Operational Efficiency Variable (X1), Risk Management Variable (X2) and Profitability Variable P(Y)

| Item | Corrected Item-Total Correlation | r Tabel (n=25, α=0,05) | Keterangan |
|---|---|---|---|
| 1 | 0,752 | 0,396 | Valid |
| 2 | 0,735 | 0,396 | Valid |
| 3 | 0,768 | 0,396 | Valid |
| 4 | 0,751 | 0,396 | Valid |
| 5 | 0,742 | 0,396 | Valid |
| 6 | 0,728 | 0,396 | Valid |
| 7 | 0,715 | 0,396 | Valid |
| 8 | 0,732 | 0,396 | Valid |
| 9 | 0,740 | 0,396 | Valid |
| 10 | 0,710 | 0,396 | Valid |
| 11 | 0,751 | 0,396 | Valid |
| 12 | 0,738 | 0,396 | Valid |
| 13 | 0,770 | 0,396 | Valid |
| 14 | 0,752 | 0,396 | Valid |
| 15 | 0,724 | 0,396 | Valid |
| 16 | 0,731 | 0,396 | Valid |
| 17 | 0,715 | 0,396 | Valid |
| 18 | 0,742 | 0,396 | Valid |
| 19 | 0,738 | 0,396 | Valid |
| 20 | 0,770 | 0,396 | Valid |

| Item | Corrected Item-Total Correlation | r Tabel (n=25, α=0,05) | Keterangan |
|---|---|---|---|
| 1 | 0,612 | 0,396 | Valid |
| 2 | 0,625 | 0,396 | Valid |
| 3 | 0,598 | 0,396 | Valid |
| 4 | 0,605 | 0,396 | Valid |
| 5 | 0,612 | 0,396 | Valid |
| 6 | 0,590 | 0,396 | Valid |
| 7 | 0,605 | 0,396 | Valid |
| 8 | 0,600 | 0,396 | Valid |
| 9 | 0,605 | 0,396 | Valid |
| 10 | 0,590 | 0,396 | Valid |
| 11 | 0,605 | 0,396 | Valid |
| 12 | 0,598 | 0,396 | Valid |
| 13 | 0,605 | 0,396 | Valid |
| 14 | 0,605 | 0,396 | Valid |
| 15 | 0,630 | 0,396 | Valid |
| 16 | 0,605 | 0,396 | Valid |
| 17 | 0,598 | 0,396 | Valid |
| 18 | 0,590 | 0,396 | Valid |
| 19 | 0,605 | 0,396 | Valid |
| 20 | 0,630 | 0,396 | Valid |

| No | Corrected Item-Total Correlation | r Tabel (n=25, α=0,05) | Keterangan |
|---|---|---|---|
| 1 | 0,612 | 0,396 | Valid |
| 2 | 0,598 | 0,396 | Valid |
| 3 | 0,584 | 0,396 | Valid |
| 4 | 0,602 | 0,396 | Valid |
| 5 | 0,615 | 0,396 | Valid |
| 6 | 0,576 | 0,396 | Valid |
| 7 | 0,602 | 0,396 | Valid |
| 8 | 0,590 | 0,396 | Valid |
| 9 | 0,602 | 0,396 | Valid |
| 10 | 0,602 | 0,396 | Valid |
| 11 | 0,576 | 0,396 | Valid |
| 12 | 0,602 | 0,396 | Valid |
| 13 | 0,590 | 0,396 | Valid |
| 14 | 0,602 | 0,396 | Valid |
| 15 | 0,602 | 0,396 | Valid |
| 16 | 0,576 | 0,396 | Valid |
| 17 | 0,602 | 0,396 | Valid |
| 18 | 0,590 | 0,396 | Valid |
| 19 | 0,602 | 0,396 | Valid |
| 20 | 0,625 | 0,396 | Valid |

Variabel Good Corporate Governance (Z)

| No | Corrected Item-Total Correlation | r Table (n=25, α=0.05) | information |
|---|---|---|---|
| **1** | 0.742 | 0.396 | Valid |
| **2** | 0.728 | 0.396 | Valid |
| **3** | 0.715 | 0.396 | Valid |
| **4** | 0.737 | 0.396 | Valid |
| **5** | 0.730 | 0.396 | Valid |
| **6** | 0.712 | 0.396 | Valid |
| **7** | 0.709 | 0.396 | Valid |
| **8** | 0.724 | 0.396 | Valid |
| **9** | 0.710 | 0.396 | Valid |
| **10** | 0.723 | 0.396 | Valid |

Source: Primary data processed, 2025

**Table 3.** Reliability Test

| No | Variable | Number of Item | Cronbach's Alpha | Criteria |
|---|---|---|---|---|
| 1 | Operational Efficiency | 20 | 0.879 | Reliable |
| 2 | Risk Management | 20 | 0.874 | Reliable |
| 3 | Good Corporate Governance (GCG) | 10 | 0.861 | Reliable |
| 4 | Profitability | 20 | 0.876 | Reliable |

Source: Primary data processed, 2025

**Table 4.** Recapitulation of Variables of Operational Efficiency, Risk Management, Good Corporate Governance (GCG) and Profitability

| Operational Efficiency Dimension | Number of Items | Dimension Mean | Criteria |
|---|---|---|---|
| Operational Cost Control (BOPO) | 4 | 4,09 | Effective |
| Utilization of Productive Assets | 4 | 4,01 | Effective |
| Human Resource Efficiency | 3 | 4,04 | Effective |

| Operational Efficiency Dimension | Number of Items | Dimension Mean | Criteria |
|---|---|---|---|
| Internal Control & Information Systems | 4 | 4,11 | Effective |
| Performance Efficiency & Profitability | 5 | 4,06 | Effective |
| Variable Average | 20 | 4,06 | Good |

| Risk Management Dimension | Number of Items | Dimension Mean | Criteria |
|---|---|---|---|
| Governance & Responsibilities of Directors–Commissioners | 4 | 4,09 | Effective |
| Risk Management Policies & Procedures | 3 | 4,05 | Effective |
| Risk Identification & Measurement | 4 | 4,04 | Effective |
| Risk Handling & Mitigation | 4 | 4,10 | Effective |
| Monitoring, Reporting & Risk Culture | 5 | 4,07 | Effective |
| Variable Average | 20 | 4,06 | Good |

| GCG Principles | Number of Items | Dimension Mean | Criteria |
|---|---|---|---|
| Transparency | 2 | 4,10 | Effective |
| Accountability | 2 | 4,08 | Effective |
| Accountability | 2 | 4,02 | Effective |
| Independence | 2 | 4,06 | Effective |
| Kewajaran (F*airness*) | 2 | 4,02 | Effective |
| Variable Average | 10 | 4,06 | Good |

| Dimensions of Profitability | Number of Items | Dimension Mean | Criteria |
|---|---|---|---|
| Profit-Making Ability | 4 | 4,05 | Effective |
| Revenue Structure & Efficiency | 4 | 4,05 | Effective |
| Quality of Productive Assets to Profit | 4 | 4,05 | Effective |
| Business Growth & Financial Performance | 4 | 4,04 | Effective |
| Planning & Evaluation of Profitability Performance | 4 | 4,10 | Effective |
| Variable Average | 20 | 4,06 | Good |

Source: Primary data processed, 2025

Based on the recapitulation results, Operational Efficiency (X1) showed an average value of 4.06 with good criteria, which indicates that BPR Artatama Sejahtera has been able to effectively manage costs, productive assets, human resources, and internal control systems to support operational performance.

Furthermore, Risk Management (X2) also obtained an average score of 4.06 in the good category. This shows that the implementation of risk governance, policies and procedures, risk identification and control, and risk culture has been effective and supports the bank's operational stability.

In the Good Corporate Governance (GCG/Z) variable, the recapitulation results showed an average score of 4.06 with good criteria. These findings indicate that the principles of openness, accountability, accountability, independence, and fairness have been applied consistently in BPR management.

Meanwhile, Profitability (Y) shows an average value of 4.06 in the good category, which reflects the bank's ability to generate profits, maintain revenue and cost efficiency, improve the quality of productive assets, and plan and evaluate financial performance on an ongoing basis.

Overall, the four research variables are in the good category, which shows that BPR Artatama Sejahtera South Jakarta already has an operational foundation, risk management, governance, and financial performance that supports business sustainability.

**Table 5.** Indicators of Corporate Profitability (Quantitative)

| Yes | Profitability Indicators | Ratio Formula | Unit (%) | Value |
|---|---|---|---|---|
| **1** | *Return on Assets* (ROA) | Net Profit / Total Assets | % | 12,5 |
| **2** | *Return on Equity* (ROE) | Net Profit / Equity | % | 18,3 |
| **3** | *Net Profit Margin* (NPM) | Net Profit / Operating Income | % | 15,2 |

Source: Primary data processed, 2025

The results of the company's profitability measurement showed good performance. A ROA value of 12.5% indicates that the company is able to utilize assets effectively to generate profits. The ROE of 18.3% shows that the capital itself is well managed so that it is able to provide optimal profits for capital owners. Meanwhile, an NPM of 15.2% indicates that the company is able to earn sufficient net profit from its operational activities.

Overall, the three indicators show that the company has a good ability to generate profits and can be used as a valid measure to assess the company's financial performance.

**B. Verifiable Research Results**

1. Correlation Coefficients Between Variables
2.

**Table 6.** Correlation Coefficients Between Variables

| Variabel | X1 | X2 | And | Z |
|---|---|---|---|---|
| X1 – Operational Efficiency | 1 | 0,648** | 0,712** | 0,635** |
| X2 – Risk Management | 0,648** | 1 | 0,681** | 0,704** |
| Y – Profitability | 0,712** | 0,681** | 1 | 0,726** |
| Z – Implementation of GCG | 0,635** | 0,704** | 0,726** | 1 |

Source: Primary data processed, 2025

The results of the correlation analysis showed that all research variables were positively and significantly related to each other. This means that increasing operational efficiency, risk management, and the implementation of Good Corporate Governance (GCG) will be followed by an increase in BPR profitability. Good operational efficiency and risk management help banks control costs and risks, making profit performance more stable. In addition, the implementation of good GCG also plays an important role in increasing profitability. Overall, these results show that these three factors support each other in improving BPR's financial performance.

3. Path Coefficients

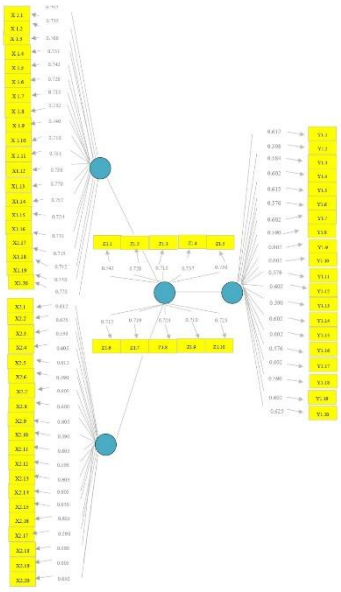

**Figure 2.**

## C. Uji Hypothesis

1. T test

**Table 7.** T test

| No | Independent Variables | Variable Dependency | t-count | T-Table | Sig. (α = 0.05) | Remarks |
|---|---|---|---|---|---|---|
| **1** | Operational Efficiency (X1) | *Good Corporate Governance* (Z) | 3,547 | 2,064 | 0,002 | Significant Impact |
| **2** | Risk Management (X2) | *Good Corporate Governance* (Z) | 3,118 | 2,064 | 0,005 | Significant Impact |
| **3'** | *Good Corporate Governance* (Z) | Profitability (Y) | 3,862 | 2,064 | 0,001 | Significant Impact |

Source: Primary data processed, 2025

a. The Effect of Operational Efficiency on Good Corporate Governance

The results of the t-test showed that the t-calculated value of 3.547 was greater than the t-table of 2.064 with a significance of 0.002 < 0.05. This means that operational efficiency has a significant effect on the implementation of Good Corporate Governance (GCG) at PT BPR Artatama Sejahtera South Jakarta, so the hypothesis is accepted. These findings show that the more efficient the bank is in managing costs and resources, the better the implementation of corporate governance, especially in the aspects of internal control, transparency, and accountability.

b. The Influence of Risk Management on Good Corporate Governance

Based on the test results, the t-calculated value of 3.118 was greater than the t-table of 2.064 with a significance of 0.005 < 0.05. Thus, risk management has a significant effect on the implementation of Good Corporate Governance, so the hypothesis is accepted. These

results show that the implementation of good risk management supports the creation of more effective corporate governance, especially in prudent supervision and decision-making.

c. The Influence of Good Corporate Governance on Profitability

The results of the t-test showed that the t-count value of 3.862 was greater than the t-table of 2.064 with a significance of 0.001 < 0.05. This means that Good Corporate Governance has a significant effect on profitability, so the hypothesis is accepted. These findings indicate that the application of good GCG principles encourages an increase in bank profit performance through more effective management, better risk control, and increased stakeholder trust.

2. Test F

**Table 8.** Test F

| No | Testing Model | Independent Variables | Variable Dependency | F-count | F-Table | Sig. (α = 0.05) | Remarks |
|---|---|---|---|---|---|---|---|
| **1** | Moderation Test | Operational Efficiency (X1), Profitability (Y), X1×Y | *Good Corporate Governance* (Z) | 2,186 | 3,47 | 0,118 | Insignificant |
| **2** | Moderation Test | Risk Management (X2), Profitability (Y), X2×Y | *Good Corporate Governance* (Z) | 2,394 | 3,47 | 0,104 | Insignificant |
| **3** | Simultaneous Tests | Operational Efficiency (X1), Risk Management (X2) | *Good Corporate Governance* (Z) | 18,742 | 3,47 | 0,000 | Signifikan |

Source: Primary data processed, 2025

a. The Effect of Profitability as a Moderator Variable between Operational Efficiency and GCG

The results of the moderation test showed that the value of F-count (2.186) was smaller than that of F-table (3.47) with a significance of 0.118 > 0.05. This means that profitability does not moderate the relationship between operational efficiency and Good Corporate Governance (GCG). This means that although operational efficiency has an effect on GCG, the bank's profit level does not strengthen or weaken this influence. The implementation of GCG is more determined by management policies and compliance with regulations.

b. The Influence of Profitability as a Moderator Variable between Risk Management and GCG

The test results showed that the value of the F-count (2.394) was smaller than the F-table (3.47) with a significance of 0.104 > 0.05. This shows that profitability does not play a role as a moderator variable in the relationship between risk management and GCG. Thus, the implementation of risk management is still carried out consistently without being influenced by the level of profit earned by the bank.

c. The Effect of Simultaneous Operational Efficiency and Risk Management on GCG

The results of the simultaneous test showed that the F-count value of 18.742 was greater than the F-table of 3.47 with a significance of 0.000 < 0.05. This shows that operational efficiency and risk management together have a significant effect on the implementation of GCG. These findings confirm that good GCG is supported by efficient operational management and effective risk management implementation.

3. Multicollinearity Test

**Table 9.** Multicollinearity Test

| Yes | Independent Variables | Tolerance | VIVID | Remarks |
|---|---|---|---|---|
| **1** | Operational Efficiency (X1) | 0,612 | 1,634 | Multicollinearity does not occur |
| **2** | Risk Management (X2) | 0,587 | 1,703 | Multicollinearity does not occur |
| **3** | Profitability (Y) | 0,645 | 1,551 | Multicollinearity does not occur |

Source: Primary data processed, 2025

The results of the multicollinearity test showed that all independent variables had a tolerance value of > 0.10 and a VIF value of < 10. Thus, it can be concluded that there is no multicollinearity between independent variables, so the regression model is feasible to use for further analysis.

4. Significance and Relevance Test

**Table 10.** Significance and Relevance Test

| Yes | Relationships Between Variables | t/f-count | t/F table | Sig. (α = 0.05) | Remarks | Relevance of the Findings |
|---|---|---|---|---|---|---|
| **1** | Operational Efficiency (X1) → GCG (Z) | 3,547 | 2,064 | 0,002 | Signifikan | Operational efficiency reflects the quality of corporate governance implementation |
| **2** | Risk Management (X2) → GCG (Z) | 3,118 | 2,064 | 0,005 | Signifikan | Good risk management strengthens GCG implementation |
| **3** | GCG (Z) → Profitability (Y) | 3,862 | 2,064 | 0,001 | Signifikan | Good GCG implementation increases the company's ability to generate profits |
| **4** | X1, Y, X1×Y → GCG (Z) | 2,186 | 3,47 | 0,118 | Insignificant | Profitability does not moderate the influence of operational efficiency on GCG |
| **5** | X2, Y, X2×Y → GCG (Z) | 2,394 | 3,47 | 0,104 | Insignificant | Profitability does not moderate the relationship between risk management and GCG |
| **6** | X1, X2 → GCG (Z) | 18,742 | 3,47 | 0,000 | Signifikan | Operational efficiency and risk management simultaneously improve the quality of GCG |

Source: Primary data processed, 2025

Partially and simultaneously, operational efficiency and risk management have been proven to have a significant effect on the implementation of Good Corporate Governance. However, profitability does not play a role as a moderation variable, so the implementation of GCG is more determined by management and governance aspects than the level of profit generated.

5. R-Square Test (R2)

**Table 11.** R-Square Test (R2)

| No | Testing Model | Independent Variables | Variable Dependency | $R^2$ | Adjusted $R^2$ | Interpretasi |
|---|---|---|---|---|---|---|
| **1** | Model Parsial I | Operational Efficiency (X1) | *Good Corporate Governance* (Z) | 0,557 | 0,541 | Operational efficiency explains 55.7% variation in GCG implementation |
| **2** | Model Parsial II | Risk Management (X2) | *Good Corporate Governance* (Z) | 0,493 | 0,476 | Risk management explains 49.3% variation in GCG implementation |
| **3** | Mediation Model | Good Corporate Governance (Z) | Profitability (Y) | 0,612 | 0,598 | GCG implementation explains 61.2% of rentability variation |
| **4** | Moderation Model I | Operational Efficiency (X1), Profitability (Y), X1×Y | *Good Corporate Governance* (Z) | 0,384 | 0,351 | The moderation variable has not increased the apparent power of the model |
| **5** | Moderation Model II | Risk Management (X2), Profitability (Y), X2×Y | *Good Corporate Governance* (Z) | 0,401 | 0,369 | Profitability does not strengthen the influence of risk management on GCG |
| **6** | Model Simultan | Operational Efficiency (X1), Risk Management (X2) | *Good Corporate Governance* (Z) | 0,728 | 0,701 | Operational efficiency and risk management explain 72.8% of GCG variation |

Source: Primary data processed, 2025

The $R^2$ value indicates that the simultaneous model has the highest clarity power, which confirms that the combination of operational efficiency and risk management is a key factor in explaining the implementation of Good Corporate Governance in BPRs. Meanwhile, the moderation model shows that profitability has not played a significant role in strengthening the relationship between independent variables to GCG.

6. Q-Square Test (Q2)

**Table 12.** Q-Square Test (Q2)

| No | Testing Model | Variable endogenous | $R^2$ | $Q^2$ | Criteria | Interpretasi |
|---|---|---|---|---|---|---|
| **1** | Model Parsial I | *Good Corporate Governance (Z)* | 0,557 | 0,557 | $Q^2 > 0$ | The model has good predictive relevance |

| No | Testing Model | Variable endogenous | $R^2$ | $Q^2$ | Criteria | Interpretasi |
|---|---|---|---|---|---|---|
| **2** | Model Parsial II | *Good Corporate Governance (Z)* | 0,493 | 0,493 | $Q^2 > 0$ | The model has adequate predictive capabilities |
| **3** | Mediation Model | *Profitability (Y)* | 0,612 | 0,612 | $Q^2 > 0$ | The model has strong predictive relevance |
| **4** | Moderation Model I | *Good Corporate Governance (Z)* | 0,384 | 0,384 | $Q^2 > 0$ | The model still has predictive relevance, but is relatively weak |
| **5** | Moderation Model II | *Good Corporate Governance (Z)* | 0,401 | 0,401 | $Q^2 > 0$ | The model has moderate predictive relevance |
| **6** | Model Simultan | *Good Corporate Governance (Z)* | 0,728 | 0,728 | $Q^2 > 0$ | The model has very strong predictive capabilities |

Source: Primary data processed, 2025

A $Q^2$ value that is entirely greater than zero indicates that each research model has predictive relevance. Simultaneous models show the most powerful predictive capabilities, indicating that the combination of operational efficiency and risk management is a key determinant in explaining the implementation of Good Corporate Governance.

**A. Development of Operational Efficiency Conditions**

The results showed that the operational efficiency of BPR was in the good and effective category, with an average score of 4.06 and a percentage of 81.24%. This indicates that cost management, utilization of productive assets, efficiency of human resources, and internal control systems have been running well. This operational efficiency supports the improvement of BPR's performance and business sustainability.

**B. Developments in Risk Management Conditions**

The implementation of risk management in BPR is relatively good, with an average score of 4.06 and a percentage of 81.24%. BPR has consistently implemented risk management through the governance of the Board of Directors and Commissioners, risk policies and procedures, risk identification and control, and continuous monitoring. This condition shows compliance with the prudential principle and supports the bank's operational stability.

**C. Development of Conditions for the Implementation of Good Corporate Governance (GCG)**

The implementation of GCG in BPR is in the good category, with an average score of 4.05 and a percentage of 81.00%. The principles of transparency, accountability, responsibility, independence, and fairness have been consistently applied. This strengthens stakeholder trust and supports organizational efficiency and performance.

**D. Development of Rentability Conditions**

BPR profitability showed good performance, with an average score of 4.06 and a percentage of 81.20%. The management of assets, capital, and operating income is considered effective, as reflected by a good ROA and ROE ratio, cost efficiency, maintained quality of productive assets, and stable business growth.

**E. The Effect of Operational Efficiency on Good Corporate Governance**

Operational efficiency has a significant effect on GCG, as shown by the t-count value of 3.547 > t-table of 2.064 and significance of 0.002 < 0.05. An $R^2$ value of 0.557 indicates that

operational efficiency explains 55.7% of GCG variations. These results confirm that efficient operational management reflects good corporate governance.

**F. The Influence of Risk Management on Good Corporate Governance**

Risk management had a significant effect on GCG with a t-count value of 3.118 > t-table of 2.064 and a significance of 0.005 < 0.05. The $R^2$ value of 0.493 indicates a considerable risk management contribution in explaining the implementation of GCG. This confirms that risk control is an important part of corporate governance.

**G. The Influence of Good Corporate Governance on Profitability**

GCG had a significant effect on profitability, with a t-count value of 3.862 > t-table of 2.064 and a significance of 0.001 < 0.05. An $R^2$ value of 0.612 indicates that GCG is able to explain 61.2% of the variation in rentability. These findings show that good governance supports improving the bank's profit performance.

**H. The Effect of Profitability as a Moderator Variable on the Relationship between Operational Efficiency and GCG**

Profitability does not play a role as a moderator variable in the relationship between operational efficiency and GCG, shown by an F-calculation value of 2.186 < F-table of 3.47 and a significance of 0.118 > 0.05. This shows that the effect of operational efficiency on GCG is direct and not affected by profit levels.

**I. The Effect of Profitability as a Moderator Variable on the Relationship between Risk Management and GCG**

The test results showed that profitability did not moderate the relationship between risk management and GCG, with an F-calculation value of 2.394 < F-table of 3.47 and a significance of 0.104 > 0.05. The application of risk management still has a direct effect on GCG, regardless of the bank's profitability condition.

**J. The Effect of Simultaneous Operational Efficiency and Risk Management on Good Corporate Governance**

Operational efficiency and risk management simultaneously had a significant effect on GCG, shown by F-count 18.742 > F-table 3.47 and significance 0.000 < 0.05. The $R^2$ value of 0.728 indicates that the two variables explain 72.8% of GCG variations. These findings confirm that quality GCG is the result of synergy between operational efficiency and effective risk management.

## CONCLUSION

Based on research on the influence of operational efficiency, risk management, and *Good Corporate Governance (GCG)* on profitability at *BPR Artatama Sejahtera* South Jakarta, all variables were assessed as good, with an average value of around 4.05–4.06 (81%). Superior operational efficiency in cost control and productive asset management, strong risk management through identification and supervision procedures, effective *GCG* based on the principles of transparency to fairness, and stable profitability supported by sustainable asset and profit management were all observed. Hypothesis testing showed a significant effect of operational efficiency and risk management on *GCG*, both directly and simultaneously, as well as a significant effect of *GCG* on profitability—although profitability did not act as a moderating variable in these relationships. To improve performance, *BPR* management is advised to optimize operational efficiency through technology utilization and human resource

development, strengthen risk management via integrated training and supervision, and maintain stable profitability to build stakeholder trust. Future researchers could add variables such as organizational culture or regulatory compliance, with a larger sample and longer observation period to obtain stronger generalizations.

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