

## ANALYSIS OF REPUTATION RISK MANAGEMENT AT PT JASA MARGA (PERSERO) TBK

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### ABSTRACT

*The company's reputation is an intangible asset that is very valuable for public companies in the midst of capital market developments. Therefore, the implementation of risk management is needed to mitigate the reputational risk that arises. This study aims to provide an overview of the analysis of reputation risk management at PT Jasa Marga (Persero) Tbk. The results of the discussion analysis can be concluded that in the period 2018 to 2020 PT Jasa Marga has experienced reputational risk and has been responsively handled by reputation risk management. The existing problems tend to be related to negative publicity and misunderstandings with the media regarding news of construction services, toll road operations, as well as the extent to which projects operate and services are successfully implemented. Mitigation efforts in risk management as a whole intersect with increasing clarification, updating information, as well as building a communication network with the media, optimizing the role of the media, and building a media partnership network. The outputs of this research are the results of the Reputation Risk Management Analysis at PT Jasa Marga and scientific articles in national journals/seminar proceedings.*

*Key Words: Risk; Reputation; Jasa Marga*

### INTRODUCTION

Reputation is a company's most valuable asset, especially in the era of global development. Reputation for the company is an intangible asset that describes the company's image and credibility in front of stakeholders. The Board of the Governors of The Federal Reserve System (2014) defines reputational risk as the potential for negative publicity regarding a company's business practices, whether true or not, that will lead to a reduction in customer base, costly litigation, or reduction in revenue. Good reputation can have a positive impact on the company. Szwajca (2018) states that the positive value of a company's reputation can attract consumers, build consumer loyalty, recruit and retain quality employees, build long-term partnerships with suppliers, attract investors, minimize capital costs, and hinder the entry of potential competitors. Reputation also reflects a collective representation of the company's achievements in the past and describes how far the company has the potential to provide benefits to stakeholders (Gazert & Schmit, 2016). Reputation influences the perspective of stakeholders' assessment of the condition of the company's organization in achieving its goals. Therefore, the existence of a company's reputation cannot be denied as a determining factor in the success or failure of a company in achieving its goals. Reputation influences the perspective of stakeholders' assessment of the condition of the company's organization in achieving its goals. Therefore, the existence of a company's reputation cannot be denied as a determining factor in the success or failure of a company in achieving its goals. Reputation influences the perspective of stakeholders' assessment of the condition of the company's organization in achieving its goals. Therefore, the existence of a

company's reputation cannot be denied as a determining factor in the success or failure of a company in achieving its goals.

The rapid development of communication technology makes controlling reputation risk more complicated than traditional reputation management, because today's society relies on strong perceptions formed from cyberspace (Heil, 2018). Broadly speaking, the exposure of weaknesses in public can have an impact on the formation of community perspectives, thus affecting the performance and process of achieving company goals both in the short and long term. For companies that gain trust will provide sustainable growth for society in the future, tend to have higher income and market value (Szwajca, 2018). However, organizations with a negative reputation will risk their position in society more.

Research by Heil (2018) reveals that a company's reputation has an intangible asset value with an estimated 70% of the market value of the S&P 500 index of large companies in the United States. Therefore, reputation risk can be said to be a risk of all risks, so it must be directly monitored and accounted for by the company's core board. Several studies conducted in American companies show that companies with a high average reputation tend to increase the value of the company, as well as provide a market value premium guarantee, so that these companies experience better financial performance and have lower financial risk from the perspective of the cost of capital. Therefore, reputation brings many opportunities and challenges all at once.

The most significant impact of reputation risk is faced by limited liability companies listed on the Indonesia Stock Exchange. Listing of these shares, making news and information flows will often be covered by the media, even data regarding the company's equity will be available to securities companies and analyzed by experts. The publication is expected to be able to bring a positive image to the company, as well as increase exposure to the introduction of the company's products in the market. On the other hand, companies going public also realize that reputational risk increases with the publication of company performance. This also happens to companies that focus on projects with fantastic value. PT Jasa Marga is a State-Owned Enterprise (BUMN) which is currently engaged in toll road concessions. This business has a fairly large investment value with the potential for long-term returns, thus allowing for a high risk of uncertainty during the development process and during the operation process. Therefore, risk management efforts in every activity of PT Jasa Marga are very important in order to reduce the risk of loss. The following table presents the success of PT Jasa Marga in the 2018-2020 period.

The above successes have not only brought good reputation to the managing company, but also brought conflicting sides. The successful repair and maintenance of infrastructure in the field of toll road construction has also generated polemics and drawn a lot of criticism from the public. Public perceptions also tend to be negative towards toll road construction in terms of environmental aspects caused by damage to public facilities, congestion, and environmental damage (Laras & Mei, 2017). Construction of toll roads also tends to damage and displace productive land, cut off irrigation routes, and disrupt agricultural irrigation systems (Sumaryoto, 2010).

Table 1. Track Record of PT Jasa Marga's Success in 2018-2020

2018	2019	2020
<ul style="list-style-type: none"> <li>● Operates ±1,000 km toll roads.</li> <li>● Operates the Trans Java Toll Road which connects the cities of Jakarta and Surabaya.</li> <li>● Issuing Limited Participation Mutual Funds as an alternative equity-based funding product.</li> </ul>	<ul style="list-style-type: none"> <li>● Doubling the business by operating 28 toll road concessions along ± 1,162 km.</li> <li>● Issued Infrastructure Investment Fund (DINFRA) and Sukuk Ijarah in the Gempol-Pandaan toll road as alternative funding products.</li> </ul>	<ul style="list-style-type: none"> <li>● Operates ±1,191 km toll roads.</li> <li>● Issued Commercial Paper (SBK) and Phase I Sustainable Public Offering Bonds as alternative funding products.</li> </ul>

The problems with PT Jasa Marga as the executor of government projects in the field of toll road development are also often related to funding. Head of Corporate Finance of Jasa Marga Eka Setya Adrianto emphasized that infrastructure projects require longer time, but as long as people need transportation in the mobilization process, the revenue stream will remain high and investors will continue to look at this for funding (Liputan 6, 2019). Since 2017, the infrastructure budget has almost doubled from 2016, and will continue to increase until 2020. This has led to a surge in the financing budget, so that the proportion of state debt has also increased. This issue was even discussed in 2019, and caused many people to distrust the government's program plans, one of which is to build a toll road that connects all of Indonesia from Sabang to Merauke. PT Jasa Marga as a productive BUMN company, is expected to be a sustainable, profitable company and routinely generate PNBPN in the form of dividends for the state, so that funding schemes through cooperation with the private sector are always sought.

The development of a funding scheme through Public Private Partnership (KSP) which was later changed to Public Private Partnership (PPP) posed another challenge for PT Jasa Marga. The presence of business competitors, makes PT Jasa Marga must always improve its reputation in front of stakeholders. Based on research by Indrawan & Raharjo (2020), PT Jasa Marga has lower financial performance when compared to its competitors, namely PT Citra Marga Nusaphala Persada both from the aspects of assessing the company's liquidity, solvency, activity and profitability. The two companies are relevant for comparison because they are public companies which are obliged to publish financial reports periodically to stakeholders, both of them also have the same core business, namely managing, maintaining and acting as toll road operators. The lower financial reputation index compared to other similar companies is also a challenge for PT Jasa Marga to maintain its existence in front of investors and potential investors. Reputation risk management is the answer so that reputation risk can be controlled and does not negatively affect investors' interest in investing in other PT Jasa Marga projects.

Based on the problem description above, the researcher is interested in analyzing the implementation of reputation risk management at PT Jasa Marga. The analysis was carried out by researchers on the annual reports of PT Jasa Marga which were published for 3 periods, namely the 2018, 2019 and 2020 fiscal years. The results of this study are expected to provide information about the effectiveness of PT Jasa Marga's reputation risk management in maintaining its existence in the ranks of other go public companies .

## THEORETICAL FRAMEWORK AND HYPOTHESIS

### Reputational Risk Management

Reputation in an organizational context is based on perceptions of organizational performance, organizational characteristics, organizational behavior, which are reflected by stakeholders and group units that are involved and in contact with the community. As a public company (go public), the community is positioned as a stakeholder. Therefore, a decrease in the company's reputation can occur due to experience or public perception of the failure to meet community expectations. Positive reputation is fueled by positive reviews, whereas negative reputation is fueled by negative publicity whether accurate or inaccurate. Such negative publicity can harm the reputational position which results in a decrease in the company's market value. Therefore,

Reputation risk is a risk that occurs due to damage to a company's image due to negative public opinion (Hardanto, 2006: 151). Reputation risk has a significant impact on a company because financial markets are global, even trading is carried out 24 hours a day. This means that the company's reputation impact will be reported in real time around the world. Negative issues that are allowed to develop in the mass media without clarity can disrupt the funding process because investors will hesitate to invest. Reputation risk is also defined as risk related to the good name of the company or business trust. Therefore, trust is said to be a very valuable asset, because losing trust can hamper business activities. The measurement of reputation risk can be done by analyzing the factors, namely 1) the influence of the company owner's reputation; 2) violation of business ethics; 3) the complexity of products and cooperation; 4) the materiality, frequency and exposure of the company's negative publicity; 5) materiality and consumer complaints (Irdawati et al., 2021: 50). However, in the end, the most appropriate measurement indicators for determining reputation quality depend on organizational goals and situational contexts, including related stakeholders (Gazert & Schmit, 2016).

Based on the description above, it can be concluded that reputation risk is caused by situations or business practice events that affect public and stakeholder confidence in organizational credibility. The meaning of risk is an event that "potentially" will occur and not in accordance with expectations. Therefore, there are several management steps that can be taken to minimize this negative potential. Risk management is an effort made to protect company value (protecting value) and add to company value (creating value) (Yap, 2017: 6). Efforts to protect are carried out by managing business continuity, efficient use of assets and resources, and reducing operational costs.

According to Rahmany (2019) risk management in a company has objectives, namely 1) to protect the company; 2) support the creation of a framework program; 3) encouraging management to be more active in responding to potential crises; 4) encourages a sense of caution. Risk management has processes and stages to manage negative risks that may arise in the smooth running of the business. According to Siahaan (2009: 59), the stages of risk management are risk identification and determining the amount of tolerance for risk, measuring risk, monitoring and reporting risk, controlling risk, conducting audits, confirming, and resetting. Management stages are likened to a continuous process with a ring diagram, so it never breaks and keeps repeating.

### PT. Jasa Marga

The need for a reliable road network was felt necessary for Indonesia's economic growth in the 1970s. Government Regulation no. 04 of 1978 marked the establishment of a company tasked with planning, building, operating and maintaining toll roads and their accessories, so that they can function as a freeway with benefits superior to non-toll public roads. The company is PT Jasa



Marga which became a company with an initial focus on business management, maintenance and procurement of toll road networks. The company's core business has been in the field of toll road operations for more than 40 years.

PT Jasa Marga does not only act as an operator, but also as a toll road authority in Indonesia. This made PT Jasa Marga initially the only toll road operator in Indonesia that was fully funded by the government through foreign loans and bonds. The construction of the first toll road, the Jagorawi toll road (Jakarta-Bogor-Ciawi) in 1978 became the forerunner of the long journey of developing toll road projects in Indonesia. As for PT Jasa Marga, it has also undergone a transformation over time. 1987 became the forerunner of the change in the funding scheme for the expansion of toll road management in Indonesia. PT Jasa Marga, in this case owned by the government, has begun to offer opportunities for cooperation with the private sector through the BOT (build, operate and transfer) system. Public-private partnerships are also known as PPPs. The development needs for the construction and maintenance of toll roads require ever greater funds, so that the Public Private Partnership (PPP) scheme emerged. The development of the PPP scheme slightly loosened the development budget burden, because almost all toll roads in 2015 used collaboration with business entities. This scheme does not require the government to spend large amounts of money on toll road procurement projects.

PT Jasa Marga's business transformation was also marked by the issuance of Law no. 34 of 2004. The regulation stipulates that the function of the toll road regulator is left to the Toll Road Regulatory Agency (BPJT). The role of the authorizer that was originally assumed by PT Jasa Marga was returned to the government. This makes PT Jasa Marga only able to carry out its function as a toll road developer and operator who needs to obtain an operating permit from the government. This also made the ownership status of the 13 Jasa Marga toll roads previously owned by the government, and Jasa Marga served as an operator with a certain time limit (concession).

PT Jasa Marga currently has the status of a public company which has been officially registered on the Indonesia Stock Exchange since 2007. The market capitalization of PT Jasa Marga as of June 2021 is IDR 25.5 trillion. Jasa Marga share ownership is dominated by the Indonesian government, which is 70%. PT Jasa Marga is currently the largest toll road operator in Indonesia with a 67% market share with 1,246 km of commercial toll roads operating. Currently, PT Jasa Marga has a total of 34 toll road concessions with a road length of 1,603 km. PT Jasa Marga's operating revenues are dominated by toll revenues from 13 road concessions which are currently owned by the government, namely 69%, while 24% comes from subsidiary revenues, and the remaining 7% comes from other businesses.

## RESEARCH METHODS

This research uses a qualitative approach in order to gain an understanding of the phenomena, events, or symptoms experienced by the research subjects. Qualitative research has two objectives, namely 1) to describe and explore; 2) to describe and explore (Anggito & Setiawan, 2018). The research design used is analytical descriptive which is used to describe precisely the conditions or symptoms that occur in individuals and groups. Therefore, descriptive research provides an overview of events that are taking place in the present, so that they can be described properly. The data analysis technique used is content analysis which aims to analyze research data related to PT Jasa Marga's reputation risk in depth through information sources published in writing or print in the mass media. The research data used in this research is secondary data obtained by researchers from previous literature, articles, books, and PT Jasa Marga's annual report during the 2018-2020 period. The stages of data analysis are carried out in the process of identification, evaluation, and synthesis. The results of this study aim to provide an overview of

reputation risk management analysis at PT Jasa Marga. as well as PT Jasa Marga's annual report for the 2018-2020 period. The stages of data analysis are carried out in the process of identification, evaluation, and synthesis. The results of this study aim to provide an overview of reputation risk management analysis at PT Jasa Marga. as well as PT Jasa Marga's annual report for the 2018-2020 period. The stages of data analysis are carried out in the process of identification, evaluation, and synthesis. The results of this study aim to provide an overview of reputation risk management analysis at PT Jasa Marga.

## RESULTS AND DISCUSSION

### **Analysis of Reputation Risk Management Implementation of PT Jasa Marga (Persero) Tbk**

Fauziah (2019) defines a company's reputation as a valuable asset, because it requires greater effort to manage and maintain a reputation than to build it. This causes the need for management evaluation of reputation quality. Management's evaluation of the company's reputation is based on a view of five elements, namely 1) financial performance; 2) quality management; 3) social and environmental responsibility performance; 4) quality of employees; and 5) quality of goods/services provided (Bebbington et al., 2008). Business organizations, especially those with the status of public companies, will receive more attention, so that the assessment of performance elements is not carried out internally but is also influenced by social sentiments.

The business situation is not always dynamic, therefore there are also public companies which are in a controversial situation in the social environment, but continue to carry out their activities as before. This shows that social and environmental aspects are not always the main factors that are prioritized in reputation risk management. It should be emphasized that these are not the main factors, but social and environmental aspects are still able to shape people's perceptions, so that the company's image will more or less be formed from these two aspects. The factors that directly require special action by reputation risk management are failure to comply with behavioral norms in relation to performance finance standards, if the cause of reputation risk is related to finance then the impact of legitimacy threats tends to be high (Bebbington et al., 2008). Attempts to cheat are a form of violation of the business code of ethics that can undermine public trust. Losing the trust of the public, is the maximum failure of a public company during its operation.

PT Jasa Marga in its annual report confirms that it will be committed to implementing risk management effectively and efficiently. PT Jasa Marga emphasizes that each business unit implements risk management by considering project priorities and benefits for the continuity of the company. Based on PT Jasa Marga's 2019 annual report, it is stated that as a form of the company's commitment to stakeholders then PT Jasa Marga guarantees risks and all kinds of things under its control by developing and updating the risk appetite and risk tolerance which will be the basis for consideration in determining the company's strategic policy decisions. The stages of the risk management process at PT Jasa Marga are carried out as follows.

1. Risk identification process

The risk identification stage is carried out thoroughly in every business activity of the company. Efforts to identify are also carried out with the precautionary principle so that the risks that are detected and identified are relevant to the company's business processes, both risks that are within the control and beyond the control of PT Jasa Marga.

2. Risk analysis

The risk analysis process is carried out after the identification stage is complete. This stage is carried out in order to further dig up information regarding the potential magnitude of risks

that will impact the company. Risk analysis can be done qualitatively, quantitatively, or a combination of qualitative- quantitative.

3. Risk evaluation

The risk evaluation process is a stage carried out to determine the level of tolerance that can be carried out based on the results of risk analysis. Risk evaluation is held to determine risks that require treatment according to the priority scale.

PT Jasa Marga also periodically evaluates the implementation of business risk management. PT Jasa Marga has proactively measured the maturity level (risk maturity) to ensure the effectiveness of risk management implementation by independent consultants (PT Jasa Marga, 2018). This is one of the work programs to measure the extent to which risk management is able to provide positive benefits for the direction of work system improvement. The assessment aspects included in the measurement of risk maturity use the basis of ISO 31000:2018 as a Risk Management Best Practice which is further developed within PT Jasa Marga. The results obtained from these measurements indicate that the maturity index using the ISO 31000 framework at PT Jasa Marga is at the level of 3.85 (defined) which means that the implementation of risk management has been going well and has received support from the management,

Reputation has the nature of a constellation that connects or relates to other component aspects, even forming a hierarchy between elements of reputation (Bebbington et al., 2008). Therefore, quality management in terms of control and control is at the center of the process, because all aspects of reputation are mediated by the quality of management. Particularly in public companies, the focus is on financial performance which is directly related to the market value of the stock. This also shows that the need for credible reports is needed as proof that quality management is able to guarantee trust stakeholders as well as society. The report contains information provided by management to the public so as to help influence public perception. The better the public's opinion of the company's management, the higher the expectations for the successful operation of the business entity. The better the image of PT Jasa Marga, the higher the challenges that must be faced.

Researchers conducted data research on PT Jasa Marga's annual report for the period 2018 to 2020, in order to analyze reputation risk management that has been implemented at PT Jasa Marga. The following table presents a summary of the reputation risk management process at PT Jasa Marga in the 2018-2020 period.

Report Year Information

2018	<p>Risk Type: Risk of Decreasing Corporate Image  Reason:  external</p> <ul style="list-style-type: none"> <li>- Compliance with Good Corporate Governance (GCG),</li> <li>- Delays and inaccuracies in the delivery of information,</li> <li>- Toll road services and construction are not yet optimal. Internals</li> <li>- The process of coordination and communication in the company's program is less optimized,</li> <li>- Information gaps appear, starting from supervisors to employees. Risk management:</li> <li>- Utilizing social media with various cross platforms,</li> <li>- Optimizing the existence of branch public relations,</li> <li>- Use the services of a GCG consultant.</li> </ul> <hr/> <p>Risk Type: The Risk of Different Perceptions with the Media. Reason :</p> <ul style="list-style-type: none"> <li>- The emergence of media framing and agenda setting that damages the image,</li> <li>- Limited data that can be shared with the media, so that clarification regarding an event cannot be explained in detail,</li> <li>- Changes in the composition of formations in the media. Risk management:</li> <li>- Analyzing the news from each media,</li> <li>- Performing the preparation of communication strategies with influencer collaboration</li> </ul> <p><u>efforts Seeking the emergence of media partnerships.</u></p>
2019	<p>Risk Type: Unexpected Events  Reason:</p> <ul style="list-style-type: none"> <li>- Events reflecting the failure of a construction project,</li> <li>- Situation reflecting Operation/Service failure. Risk management:</li> <li>- Update news regarding construction progress and control of construction operations,</li> <li>- Clarifying news regarding construction progress and operation control with quick response actions so that there is always the latest information update.</li> </ul> <hr/> <p>Risk Type: Negative Publication  Reason:</p> <ul style="list-style-type: none"> <li>- The company is less direct in clarifying negative news,</li> <li>- Information, communication, and information disclosure are still minimal. Risk management:</li> <li>- Clarifying negative coverage from the media and society effectively and efficiently,</li> <li>- Interacting, among others, through community development activities,</li> <li>- Utilizing media gathering to be able to communicate with consumers,</li> <li>- <u>Providing information disclosure according to consumer needs.</u></li> </ul>
2020	<p>Risk Type: Negative Publication in Media/Social Media  Reason:</p> <ul style="list-style-type: none"> <li>- Negative publications on the company's image,</li> <li>- Less optimal incident handling,</li> <li>- Miscommunication/circulation of information has not been confirmed. Risk management:</li> <li>- Communicating the flow or source of information that has been confirmed to be true through media coordination in real time and accurately between related parties,</li> <li>- Improve relations with the mass media through press releases, social media updates, and field visits.</li> </ul>

Source: PT Jasa Marga (Persero) Tbk Annual Report for 2018, 2019 and 2020



Based on the recapitulation of reputation risk analysis and reputation risk management efforts that have been carried out by PT Jasa Marga, it indicates that the company is committed to mitigating reputation risk that damages the image and reduces the company's market value. Negative publications and the dissemination of information that has not been confirmed are still a challenge for PT Jasa Marga in the period 2018 to 2020. This is particularly the difference in perception with the media which causes the spread of inaccurate news. PT Jasa Marga consistently also makes collaborative efforts with media partnerships or by updating information related to clarifying negative reports through collaboration with other media and optimizing its own media tools and optimizing branch public relations.

#### **Analysis of Reputation Risk Management Case Reputation Analysis Of Pt Jasa Marga (Persero) Tbk**

The details of reputation risk described in table 2 are in line with the research problems described in the introductory chapter of this study. In 2018 PT Jasa Marga succeeded in inaugurating the Trans Java Toll Road which connects Jakarta and Surabaya with a total length of  $\pm 1,000$  km. This is good news which certainly has a positive impact on the company's reputation. But on the other hand, in the annual report PT Jasa Marga stated in 2018 that there was a reputational risk caused by a decrease in the company's image and perceptions of differences with social media. Factors causing a decline in corporate image are compliance with good corporate governance, delays in clarifying information, conveying false information, and inadequate toll road and construction services. Problems related to toll road services and construction are related to development. In

2018 PT Jasa Marga succeeded in inaugurating the Jakarta-Surabaya toll road, however, the facilities provided were not optimal. Coupled with the problem of toll road construction that does not pay attention to productive land and damages the environment can reduce the image of the company itself.

The toll road operator project is a project with a large enough budget, so it has a moral hazard risk that is often feared by the public. Submission of wrong information can be fatal, because often the information conveyed is regarded as fact and forms public perceptions. The delay in the delivery of information can also reduce the index of public trust in the quality of the information conveyed, so that rapid response and corrective efforts need to be made. Therefore efforts to solve problems that cause a decrease in the company's image are carried out with risk management, including through the use of various social media, optimizing the functions and duties of branch relations in helping to provide positive encouragement for reporting on the PT Jasa Marga project, and using the services of a GCG consultant.

The reputation risk originating from differences in perceptions between companies and the media tends to be relatively the same in the period 2018 to 2020. Problems in 2018 lead to intentional damage to the company's image through framing media and agenda setting, further clarification efforts are limited to some data that cannot be shared with the general public, as well as changes in the composition of media formations. This problem continues in 2019 there is also a reputational risk that comes from negative publications due to the company's unpreparedness in clarifying reports, and the lack of information, communication and information disclosure for the public. Likewise, PT Jasa Marga's 2020 annual report states that there is still a reputational risk from negative publications via social media originating from damage to the company's image, less than optimal handling of viral events, and the development of inaccurate and relevant information.

Based on the problems described by the researchers in the introductory chapter, since 2017 it has been a turning point in increasing the infrastructure learning budget by up to 2 times. The budget has been increasing to date, with the hope that the expansion of toll road construction will soon be realized. However, the expansion of the toll road construction can also be viewed from a

different perspective in that the budget drains too much of the people's money. In fact, news about the negative side of the construction of this toll road often appears in public headlines news from 2018 since the inauguration of Trans Java to date. Foreign Debt (ULN) has increased along with the official signing of a massive project for the development of the country's infrastructure. Bank Indonesia in early February 2017 revealed that Indonesia's external debt reached US\$352.2 billion or around Rp.4,849 trillion (exchange rate of Rp.13,769). This amount represents an increase of 10.1% from the previous year. This bold policy by the government has made various groups comment, considering that 49% of the total state external debt is owned by the private sector. This is a matter of debate, considering that private external debt can be dangerous because it cannot be controlled by the government.

Speculation and negative news arose, but in the period 2018 to 2020, the problems related to the negative publicity were still the same. PT Jasa Marga tends not to respond quickly in clarifying negative reports that develop in the community. Therefore, reputation risk tends to be the same over time. On the other hand, efforts to fund PT Jasa Marga by involving foreign assistance have been started since 1987. This means that the involvement of external parties in toll road development and operation projects is not something new. The PPP funding scheme is a collaboration between the government and business entities in providing infrastructure services that partly or wholly use the resources of the business entity while still considering risk sharing between the parties involved in the agreement. This indicates that the cooperation between the government and the private sector has been going on for a long time and efforts to expand infrastructure development, especially toll roads, require quite a lot of funding. Therefore, efforts for clarification, dissemination of information and transparency need to be increased by means of various collaborations mass media and social media, or you can also form a media partnership as planned in PT Jasa Marga's risk management steps.

Reputation risk is very sensitive related to the financial performance of a company. Indrawan & Raharjo (2020) state that PT Citra Marga Nusaphala Persada has superior financial performance when compared to PT Jasa Marga (Persero). When compared between the two, they have quite a large market share gap, PT Jasa Marga dominates 51% market share in Indonesia, while PT Citra Marga Nusaphala Persada only has 2% market share. This indicates that the larger the business corporation, the greater the challenges that must be faced. As of August 2021, the Toll Road Regulatory Agency (BPJT) stated that there were 10 freeway sections in the Jabodetabek area that experienced construction deviations or delays in completion. This is also related to the reputation risk faced by PT Jasa Marga related to the risk of unexpected events due to construction project failures and operation or service failures. The settlement management carried out for these problems, namely by updates reporting and clarification regarding construction progress and control of construction operations.

## CONCLUSION

Reputation risk is one of the considerations analyzed and needs to be resolved in the company's risk management efforts. PT Jasa Marga, which has the status of a go public company, is quite committed in guaranteeing the company's risks, so that the company's positive reputation can increase the trust of stakeholders and the public as a market share. The stages of the management process carried out by PT Jasa Marga are the process of risk identification, risk analysis and risk evaluation.

In the 2018 annual report, there is a risk of decreasing the company's image and the risk of different perceptions with the media. Risk management efforts are carried out, namely by analyzing each news item, then utilizing the presence of social media to optimize collaborative communication, form media partnerships, and optimize branch public relations.

In the 2019 annual report, there is a risk of unexpected events and negative publications. The risk management step taken is to update and clarify news regarding progress on the completion of construction project failures or operation or service failures. In addition, negative publications are mitigated by clarifying negative reports, fostering interaction with the environment, establishing communication with consumers through media gatherings, and seeking information disclosure.

And in the 2020 annual report, there is a risk of negative publicity in the media or social media. This is mitigated by efforts to communicate channels and sources of information in an updated manner and seek to improve relations with the media.

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