

The Performance Of Local Government Company In Tidore City

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Abstract: This study purpose of evaluating the performance of Tidore Island City government companies. The expected to be an input for the company to improve employee performance in carrying out their daily duties and responsibilities. Besides, as material information and guidance for advanced research who want to research the same problems and topics. The results study indicate that the performance of local government companies "AMAN MANDIRI" is not good, the president director has not been able to move the company to achieve its vision and mission. The general director has not been able to manage the human resources and resources maximum. The director of services and production has not performed optimally until now the company has only focused on merchandise distribution activities such as staples, no business innovations developed.

Index Terms: Innovation, the local product, company performance.

1 INTRODUCTION

The implementation of local government which regulates and manages its government affairs according to the principle of autonomy and co-administration is directed to accelerate the realization of public welfare through improvement, service, empowerment, and community participation, as well as increasing regional competitiveness based on democratic principles, equity, justice, and privileges. The concept of regional autonomy, the local government is required to manage finances effectively, efficiently and accountable. Local governments must strive to manage revenues carefully and accurately, and ensure that all potential taxes have been collected and recorded in local government accounting system. The main aspect of local revenue management that needs serious attention is local revenue (PAD). The PAD must be the most significant financial source for regional autonomy. This shows that PAD is importantly benchmark for the local ability to organize and realize regional autonomy, so that PAD reflects the independence of a region. The PAD consist of local taxes, retributions, the results of separated local assets, and other valid PAD. The PAD derived from divided local assets is income from local companies (PD) or Local Owned Enterprises (BUMD). The BUMD has a role in realizing regional prosperity by contributing the PAD acceptance in dividends or taxes. One of the challenges to increasing PAD can be answered by increasing BUMD contribution. The role BUMD can be measured through its value-added contribution to Gross Regional Domestic Income (GRDP) and its ability to absorb labor. In business development, BUMD is faced with severe challenges. As a real manifestation of local investment, BUMD will inevitably face increasingly high competition to global market.

The choice is whether the BUMD must remain in its current condition or follow the competition by making changes to its business vision, mission and strategy. Based on its function, BUMD was established to participate in carrying out regional development in particular and national economic growth generally to meet the people needs towards a just and prosperous society. But until now, these goals have not been realized by BUMD. Contributions of BUMD in generating PAD still very minimal. BUMD is ideally one of the revenue sources from local government. BUMD is a manifestation of the domestic government role in regional economic development. Nevertheless, in its development, BUMD have become one problem of local finance and burden local finance. Research conducted by Setyawan and Riyardi provides exciting findings related to the performance of BUMD. The BUMDs in several cities in Indonesia are inefficient operations. Their contribution to the APBD is not comparable to the assets owned. The average contribution of BUMD in Indonesia to PAD is less than 1% [1]. The condition hampers the expectation of an ideal role owned by the BUMD. There are various problems faced by BUMD, both internal issues related to company management or external problems related to very high levels of competition and changes the business environment that poses a threat to company survival. In 2017, the government of Tidore City has formed local company which name "AMAN MANDIRI" based local regulation No. 1 (2017). Besides that, the local government also provides investment capital of five billion Rupiah under local regulation No. 4 (2017). The local public company is formed with the intention to provide a more planned and organized business entity to accelerate regional development and increase the source of PAD. The company aims to assist the local Government in creating new jobs and improve people's welfare. Following the local regulation of Tidore City No. 1 (2017) as stated in article 6 that local public company is engaged in the business sector including: (a) services; (b) agriculture; (c) forestry; (d) mining and energy; (e) marine and fisheries; (f) tourism; and (g) property. The Company is significant to examine the implementation of the company's performance in depth, and hope that the results can make information material for strengthening and developing the company in the future into a professional company. Based on the observations, since the formation of the AMAN MANDIRI company was accompanied by a capital investment of IDR. 5 billion have not worked optimally. This can be seen from the various fields of business that have not yet been developed. The cause is the lack of individual performance, as well as organizationally in each of

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the directors. Also, there are several problems faced by the company, namely human resource management that is still weak, production management and marketing management are still weak. The performance of companies will also open employment opportunities for the community so that the recruitment process will be better to produce a more qualified workforce [10]. Besides, some research results show that the performance of government, especially in North Maluku Province is strongly affected by political conditions and the role of political actors [11-13].

2 LITERATURE REVIEW

Company Performance

Each company must always review the performance within a specified period. This activity is often referred to as the company's performance. The company's performance has an understanding as a result of management activity in a company. The results of this management activity are then used as a parameter or benchmark to assess the success of the management of a company concerning achieving the goals set in a certain period. In addition to the general understanding, there are many opinions expressed by some experts regarding the knowledge of the company's performance which can be used as a reference in defining the performance of this company. Some experts express some experience regarding the performance of this company. The following are some understanding of company performance according to experts. Company performance is a view of the state in its entirety over the company for a certain period, is a result or achievement that is influenced by the company's operational activities in utilizing the resources owned. Performance is a general term that is used for part or all of the actions or events of an organization in a period regarding the number of standards such as past or projected costs, from efficiency, accountability or accountability of management and the like [2]. According to Moerdiyanti (2010) [3], reveals that the performance of a company is the result of a series of business processes which with the sacrifice of various kinds of resources are human resources and corporate finance. If the company's performance increases, it can be seen from the constant activities of the company to generate maximum profits. The profit or profit will indeed differ depending on the size of the company that moves. Based on the process of increasing profit or profit income, Nakamura (2011) [4] states that companies that have a large size have a more significant potential to invest their resources. In managing this investment, the company should be able to create value for shareholders as much as possible. Company performance is a result made by management on an ongoing basis. In this case, the results in question are the result of many individual decisions [5]. The company performance measured using financial or non-financial information. This non-financial information in the form of customer satisfaction for services provided by the company [6]. Furthermore, most company's performance is measured by financial ratios within a specified period. Performance interpreted as achieving results that assessed according to the actors, namely the results obtained by individuals (individual performance) or groups (group performance) or institutions (organizational performance) and by a program or policy (program/policy performance) [7]. Group performance illustrates how far a group has carried out its main activities to achieve results as determined by the

institution. Institutional performance refers to how far an institution has carried out all the main events to achieve the vision or mission of the institution. While the execution of the program or policy relates to how far the activities in the program or procedure have been implemented to achieve the objectives of the program or system.

Performance Theory

The assessment of organization performance is an important thing to know the extent which the organization's objectives are successfully realized within a specified period. The concept of performance defined as achieving results or the degree of accomplishment [7]. In other words, performance is the level to attain organizational goals. Thus, performance is a level of how far the process of corporate activities provides results or achieves goals. Then, the performance is the work results obtained by a person or group of people in an organization, following the authority and responsibility to achieve the organization objectives concerned legally, does not violate the law and following morals and ethics [8]. Based on the above opinion, it can be explained that performance is related to how to do a job and improve the results of work based on responsibility but still adhere to all regulations, moral and ethical. Performance is defined as the record of outcomes product on a specified job function or activity during a specified term (Performance is the level of achievement/final production record at an organizational activity or particular work function for a certain period) [9]. Therefore, it can be concluded that performance is the work achieved by an organization following the authority and responsibility or as an illustration of results obtained from an activity both viewed in quality and quantity by the vision, mission the organization concerned. Thus it is necessary to assess the performance of the company which is an organization and has a significant influence on the implementation of local government, primarily as the spearhead of implementing policies in the region. With this performance, assessment is expected to explain whether AMAN MANDIRI can perform their functions optimally in realizing service to the community.

Performance Measurement

Public organization performance measurement was done through two approaches, namely managerial approach and policy approach [7]. Assuming that the effectiveness of civic organization goals depends on these two main activities, namely public management and policy. Coverage and how to measure performance indicators determine whether a civic organization is successful or not. Furthermore, Keban (2004) explained that the accuracy of measurements such as methods or methods of data collection to measure performance also greatly determines the final assessment of performance. Performance measurement is a management tool to improve the quality of decision making and accountability. Performance measurement has a double meaning, namely the analysis of its performance and performance evaluation, where to implement these two things must first be determined the purpose of a program. Performance measurement is a bridge between strategic planning and accountability so that a local government can be said to be successful if there are evidence or indicators or achievement measures that lead to the achievement of the mission. The techniques and methods used in analyzing the performance of activities, the first thing to do is to see the

extent of the suitability between the program and its operations. Programs and activities are programs and activities as stated in the proper Regional Government strategic planning. The performance appraisal system must be compiled and implemented with a 1) standard formal procedure, 2) based on job analysis; and 3) the results are well documented; with 4) assessors who have accountable capacity and competence [7]. Determination of indicators is based on input, output, outcome, benefits, and impact. Agreeing with this, Mardiasmo (2001) [14] said that in measuring the performance of a program, the objectives of each application must be accompanied by performance indicators used to measure progress in achieving these goals. Performance indicators are defined as quantitative measures that describe the level of achievement of a predetermined goal or goal. Therefore, performance indicators must be something that will be measured and calculated and used as a basis for assessing and seeing the level of performance of a program run by the work unit. Thus, without performance indicators, it is difficult for us to evaluate the performance (success or failure) of policies/programs/activities and ultimately the achievement of the implementing agencies/work units.

Government Regulation on Business

The market fails to adjust prices for the actual cost of the company's behavior. For example, a company usually does not have an incentive to be allocated to pollution control equipment if the consumer does not request it. The market fails to include the costs of environmental hazards into the business economic equation because other parties bear these costs. The government can use regulations to force all competitors in the industry to apply minimum anti-pollution standards. The company then enters additional costs to comply with the rules into the product price. The company will be careful in accepting the regulations that have been set because the regulation forces competitors to bear the same burden. How much industry, the natural monopoly will occur. The electricity utility industry provides an example. Once a company builds a pole and wire system or puts underground cables miles away to supply local consumer electricity, it becomes inefficient for a second company if it creates another method besides the first company. However, the first company has made it a natural monopoly, the company then raises prices according to its wishes, because there are no competitors. Governments often interfere and regulate rates and access. Other industries that sometimes develop natural monopolies include cable TV, broadband internet services, software, and railroads. There is also an ethical basis in regulation. For example, the utilitarianism argument is moral in supporting safe working conditions. There is a high cost for training and educating employees to lose their services because there are accidents that can be avoided. There are also honesty and justice arguments for the government to set standards and develop regulations to protect workers, consumers and other stakeholders. In the debate on control, those who support and oppose regulatory proposals often use economic and ethical arguments to support their views.

3 RESEARCH METHODOLOGY

This study uses a qualitative approach, aims to reveal information and in-depth understanding of process and meaning problems by describing a problem. This research is descriptive which is to describe the reality of the events under

study. This research will be carried out in the Tidore Islands City, namely the Mandiri Mandiri Regional Public Company, which is located at the Indonesian Village office, Tidore District, Tidore Kepulauan City. This study will use primary data and secondary data obtained through; interview, in using this method, the researcher conducted a direct conversation with the respondent / related informant; Document study, data collection techniques by examining the substance/contents of a document; observation, is a data collection technique by observing the object of research. Inspections can be carried out by non-participated observation. Data collected in this study whether primary data or secondary data will be analyzed using qualitative data analysis methods or category data, namely data that is not numeric, but in the form of words. To process data or analyze data that has been collected and has been considered valid and has been verified for validity, then the editing process is carried out to assess whether the data can be accounted for according to reality.

4 RESULTS AND DISCUSSIONS

Organizational Management of PERUMDA AMAN MANDIRI

The Aman Mandiri Company is a regional company that was established in March 2017. This company was built with a vision of improving community welfare and first local revenue of the Tidore City. To achieve this vision, an organizational structure was formed which consisted of the President Director and assisted by two directors namely general directors, service and production directors. Organically, each director supervises two heads of departments. The director general oversees the heads of administrative departments and finances heads, directors of services and production manages the head of services and the head of the output. Based on the data and information obtained from the primary data collection and interviews with informants from the urban community who live near the location of the company and employees of the company itself, the results found that the placement of employees in certain positions is determined by the director's policy main and does not pay attention to the skills, experience and abilities of each person who will be placed. Employee placement policies do not go through a test process or competency test. As a result, all of them are governed by the policies of the president director. This also results in disharmony within the company. Thus, the organization of the Public Company has difficulty in increasing the productivity and professionalism of the organization towards the progress of the company. The progress of a company organization is determined mainly by the ability of the organization's leaders in managing the organization. Organizational governance starts from an understanding of the human resources that are owned both concerning the educational background, the background of experience and skills or skills background. Noe, Hollenbeck, Gerhart and Wright (2008) suggested that human resource management is a policy, practice and system that influences employee behavior, actions and performance. The method of human resource management includes analyzing and designing jobs, determining human resource requirements, recruiting potential employees, selecting employees (selection), teaching employees their duties (training), preparing their abilities for the future (development), giving compensation and evaluating performance against employees. Meanwhile, according to Mangkunegara (2011)

[15], human resource management is planning, organizing, coordinating, implementing and supervising the procurement, development, remuneration, integration, maintenance and separation of labor to achieve organizational goals. The performance of the company has not been optimally seen from the output or work of each part. Based on the results of information retrieval and secondary data collection in each section of the company, showed a low level of performance. This is evident from the written report which was requested as a reference for assessing the performance of the company.

Administration Management PERUMDA AMAN MANDIRI

Administration of the company is under the control of the General Director. Based on the results of the observation, it was found that the company had not correctly arranged the company's administration. This was evident from the administration data that was not recorded and still scattered. There is administrative data in the form of a soft copy, but only the administrative data of the sales results are found. One of the essential administrative management of the company is the financial administration which includes the cash data entered and exited in the company's accounting report. Based on tracing power and information, only archives were found about analyzing the sale of necessities. In this archive, it describes the marketing activities of some staples from the Company. Companies should have excellent administrative management, starting from personnel administration which includes employee administration database to reporting administrative data per quarter and semester. Based on the data compiled from the document documents at the company, no company report documents were found quarterly and per semester. Thus it was seen that the organizational management performance of the company was still feeble. According to Thahier (2004) [16], management in carrying out its role is very dependent on all humans involved in it, especially for managers who function to control creativity and move towards the creation of innovation. The weak management of the company administration was caused by the lack of supporting facilities and infrastructure in the company's administrative arrangements such as computers, stubborn letters, and financial bookkeeping systems. All reports are still recorded manually on the book and not automatically inputted in the computerized system. This makes it difficult for employees of the company to compile reports. Besides, employee skills in supporting the administration process are still deficient. According to [16], Management is categorized as a success, actually it is not because it is measured from the extent or extent of a power, but rather from the value of how much it contributes in order to improve human welfare, especially those who are bound within and as members of the community concerned. A manager who can be categorized as failing, if he is unsuccessful in improving welfare and preparing the next generation from developing management activities. Managers in carrying out management activities continuously from one generation to the next are like steps that ages must make to prepare the next step. Managers who are able to prepare generation cadres to continue the activities that are aspired by management, every ladder that must be passed for control is not done to arrive at a reasonable time of arrival, if so, it may happen when the time comes to sense, if humans do management conditions like this in it definitely does not wait

long for the management to die. The progress of the company is very much determined by the management of the company's administration. Administrative governance will become a database in evaluating company performance and become a reference in formulating a company development strategy. In the administration of the company will be seen personnel administration data, financial administration data and company progress in corporate reporting. With good administrative governance, the direction of the policy and the achievement of company objectives can be measured and evaluated. According to Handoko and Hani (1998) [17] from administrative functions to determine the goals of the organization and formulate public policy, while management functions to carry out activities that need to be carried out to achieve goals within the limits of the general strategies that have been formulated. In the process of implementation, administration and management have specific tasks that must be carried out alone. These tasks are commonly referred to as administrative and control functions.

Marketing Management PERUMDA AMAN Mandiri

The company since its establishment until now only runs marketing activities, and there are no production activities. Based on the enlargement data, the company found that several products had been marketed by the company namely rice, broilers, fish. In addition to essential marketing commodities, the company also carried out the buying and selling activities of the plantation commodities, namely clove and nutmeg. The company bought the products of copra, cloves and nutmeg owned by the community and then accommodated and sold to Surabaya and Manado. All of these products are the result of buying and selling and are not a product of the company. Based on marketing data shows that the company is still focused on the process of meeting the basic needs of the people and only acting as a distributor. There is no innovation carried out by the company in developing the company's business. So far the company is still a merchant and not a businessman. The amount that is bought on a limited scale, so the resulting turnover is still meager. From business analysis, this company will not be able to survive and cannot develop itself for independent. The company only grows and expects an injection of funds from the regional government. The funds allocated to date have amounted to IDR. 9,000,000,000, - and there has been no return. On the other hand, the company's operating costs suck up a lot of funds.

5 CONCLUSIONS

The governance of the company organization is not yet optimal. The general secretariat has not optimally carried out its main tasks and functions properly, causing the company's performance in achieving the company's vision and mission is not maximized. The performance of service and production directors is not optimal in providing service and commodity production services to meet the real needs of the people of Tidore City. Corporate administration management is still not optimal in archiving arrangements both general and financial systems. It shows that the performance of the general director is always feeble. The company marketing management is still inadequate because it is not supported by adequate infrastructure and human resources that are reliable in managing the potential of the company.

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