

# Local Revenue Contribution by the Tourism Policy

**Billir Panjaitan<sup>a</sup>**, <sup>a</sup>Universitas Sangga Buana (USB), Email:  
[billir175175@gmail.com](mailto:billir175175@gmail.com)

The aim of this research is to describe the influence of leadership and tourism policy implementation towards local revenue at West Bandung Regency. The research method is Quantitative research and data was collected by documentation, questionnaire, interview and observation. The dependent variable was local revenue, the independent variables were leadership and tourism policy implementation. Data have been analysed using Multiple Regression. The result of this research showed that leadership and tourism policy implementation influence local revenue. The influence of leadership and tourism policy implementation towards local revenue are positive; it means that a higher presence of leadership and the more tourism policies are implemented, the higher local revenue will be, with a mean in real rank  $p < 0.01$ . The proposed hypothesis is that leadership and tourism policy implementation will influence local revenue. The result has shown that local revenue is 0.4570, or the grade variation of local revenue is 45,70 percent, depending on leadership and tourism policy implementation.

**Key words:** *Leaderships, Tourism Policy Implementation, Local Revenue.*

## Introduction

As a famous, wealthy country, with thousands of natural attractions scattered throughout the region, Indonesia has a great opportunity to be able to tap travellers, especially tourists from foreign countries that can generate foreign exchange for the country, as almost all regions in the country have their own attractions.

The development of tourism in Indonesia is currently being pushed to become one of the sectors that contributes greatly to economic development and improving people's welfare. This is driven by the development of Indonesia's tourism world, which has continued to

increase over time, as seen from the increasing number of tourists visiting tourist destinations in Indonesia, which is famous for its natural beauty, population friendliness, and cultural diversity. At the regional level, the sector is expected to be a support for regional income, whose future contribution has favourable prospects. This is also a priority for the Regional Government.

In West Bandung Regency, the tourism sector is one of the sectors that is expected to be able to support local revenue. Nationally, tourism is expected to be the main sector of the largest foreign exchange earner; with the target of achieving the tourism sector as the sector that contributes the most to the country's foreign exchange.

Optimisation of revenue from the tourism sector should be the focus to get serious attention given the potential in West Bandung Regency. Until now what has happened is the lack of local government attention to developing and optimising this potential so that the private sector will have the opportunity to develop it. Many things might encourage it, even more so if everything related to the government must follow a bureaucratic system and policy implementation. The leadership factor is very influential for the continuity of such things to run smoothly, so that local governments can get the maximum potential from the tourism sector of the Regency West Bandung in order to increase Local Revenue (PAD).

## **Literature review**

### ***Leadership***

The leader must be able to anticipate changes, be able to correct weaknesses, and be able to bring the organisation to the target within a pre-determined time period. In summary, leaders and managers have the most opportunity to turn "straw into gold" or vice versa, they can "turn a pile of money into ash" if missteps occur and they are not wise. Thus leadership will be the key to opening an organisation's success. Some understanding of leadership in the opinion of experts, according to Achmad Sanusi and M. Sobry Sutikno (2014: 15) are as follows:

- "Leadership is an activity in influencing others to work hard with full will for group goals" (George P. Terry).
- "Leadership is the activity of influencing others to participate in achieving common goals" (H. Koontz and C. Donnell).

"Leadership is an activity influencing others to work together to achieve certain desired goals" (Ordway Tead). "Leadership is a process that influences group activities that are set to achieve common goals" (Rauch & Behling). From some of the definitions above it can be concluded that leadership is the ability to influence and move others to achieve goals.

Leaders in organisations are directed to influence the people they lead, so they are willing to act as expected or directed by those who need it.

Mulyasa stated that leadership has a role as educator, manager, administrator, supervisor, leader and innovator.

Thus the focus of this research is based on leadership variables as exogenous variables, adjusted to the conditions of the study using the dimensions of educator, manager, administrator, supervisor, leader, and innovator.

From the above opinion it can be concluded that leadership can be interpreted as namely the ability to influence its members so that they are able to work together, thus forming harmonious interwoven work with consideration of efficient and effective aspects to achieve work performance levels in accordance with those set by certain organisations.

### ***The Tourism Policy Implementation***

The definition of tourism according to Law No. 9 of 1990 is everything related to tourism, including the exploration of objects and tourist attractions and related businesses in the field. According to Heriawan (2004), "Tourism is a series of travel activities carried out by individuals or families or groups from their original place of residence to various other places with the aim of making tourist visits and not to work or earn a living at the destination". The visit in question is temporary, and in time visitors will return to their original residence. This has two important elements, namely: the trip itself and a temporary stay at the destination with various tourist activities.

Act Number 10 of 2009 concerning tourism states that tourism is a travel activity or part of the activity which is carried out voluntarily and is temporary to enjoy the objects and attractions of tourism or tourist attractions.

This is in line with what is stated in Law Number 10 of 2009 concerning Tourism, which states that the Implementation of Tourism is intended to increase national income in order to improve the welfare and prosperity of the people, expand and equalise business and employment opportunities and encourage regional development.

There are so many benefits that can be obtained if the development of tourism is directed and can attract tourists to visit. For the region itself, the business activity is a potential in exploring PAD, so that the regional economy can be improved, opening up employment opportunities. The tourism industry is a very long chain of activity, so that many job opportunities open up for people in the area, adding to the country's foreign exchange,

increasing the number of tourists who come, obtaining more foreign exchange, stimulating the growth of indigenous culture, and supporting the movement of regional development (Spillane, 1987: 61).

One effort to increase regional revenue is by optimising the potential in the tourism sector. Efforts to increase local revenue, the development program and utilisation of resources and regional tourism potential are expected to contribute to economic development. (Ministry of Home Affairs, 2013). The development of the tourism sector concerns social, economic and political aspects (Spillane, 1987: 14).

Policy implementation is an action taken by government bureaucracy both individually and in groups that are intended to achieve the objectives as formulated in the policy (Dalail: 2014.201).

Implementation of policy in principle is a way for a policy to achieve its objectives. To implement public policy, there are two choices of steps available, which are to directly implement it in the form of programs, or through the formulation of derivative policies or derivatives of the public policy. Based on the opinion above, the researcher commented that the implementation of the policy is the achievement of the objectives of the programs or formulation of a policy aimed at the public.

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Understanding of policy implementation according to Jones in his book *Public Policy* Suyatna (2009: 51) - Policy implementation is the process of realising a program so that it shows the results (those activities are directed towards putting a program into effect). Public Policy implementation is one of the stages of the public policy process as well as a very crucial area of study. It is crucial because no matter how good a policy is, if it is not well prepared and planned in its implementation, the policy objectives cannot be realised, and however good the preparation and planning of policy implementation, if not formulated properly the policy objectives will also not be realised.

### ***Local Revenue (PAD)***

The decentralised government system adopted in Indonesia starting in 2001 led to considerable changes, where the decentralised government system was formed with the aim of overcoming existing problems where the previous government system had not been able to overcome accelerated development.

The central government issued Law Number 32 of 2004 concerning regional government and also Law Number 33 of 2004 concerning financial balance between the regional government and the central government. Regional governments are expected to be more independent, because they have the freedom to increase creativity in developing existing potential, and can reduce dependence on the central government, not only in financing but also related to the management of regional revenue and expenditure or fiscal decentralisation. Sources of regional revenue in the implementation of decentralisation come from Local Original Revenue (PAD), Balance Funds, and Other Legitimate Revenues (Ministry of Home Affairs, 2013). One effort to increase regional revenue is by optimising the potential in the tourism sector. Efforts to increase local revenue, the development program and utilisation of resources and regional tourism potential are expected to contribute to economic development.

According to Law Number 33 of 2004, what is meant by Regional Original Revenue (PAD) is revenue that is earned by the region from levies based on local regulations in accordance with the law.

The definition of regional original income according to Law Number 33 of 2004 concerning Financial Balance Between the Central and Regional Governments, Regional Original Revenue (PAD) is revenue received from the regional tax sector, regional levies, the results of regionally owned companies, the results of wealth management.

Halim (2004), Regional Original Revenue (PAD) is revenue received by the region from sources within its own territory that are collected based on regional regulations in accordance with applicable laws and regulations.

### **Research Methodology**

The research method used is descriptive and verification . Descriptive research is research that aims to provide a description of the variables studied. Verification research is used to determine the relationship and influence between variables through hypothesis testing based on data collected in the field. The units of analysis in this study are employees who are in the Government of West Bandung regency, local residents and tourists.

## Results and Discussion

### *Validity Test*

#### *Leadership*

Correlation coefficient values of each statement between 0.361 to 0.679. According to Sugiyono (2016: 183), if the value of the correlation coefficient of a statement of 0.3 or more (above 0.3) then the statement is declared valid. Because the value of the correlation coefficient is more than 0.3, then P1 through P 17 is declared valid.

#### *Tourim Policy Implementation*

Correlation coefficient values from statements between 0.329 to 0.542. According to Sugiyono (2016: 183) if the value of the correlation coefficient of a statement of 0.3 or more (above 0.3) then the statement is declared valid. Because the correlation coefficient is more than 0.3, P36 to P 53 is declared valid.

#### *Local Revenue*

Correlation coefficient values between 0.435 to 0.542. According to Sugiyono (2016: 183) if the value of the correlation coefficient of a statement of 0.3 or more (above 0.3) then the statement is declared valid. Because the correlation coefficient values are more than 0.3 then P53 to P 56 is declared valid.

### *Reliability Test*

The Cronbach Alpha Value of Leadership

Reliability Statistics

Cronbach's Alpha	N of Items
0.909	17

Source: Questionnaire. The data is processed using SPSS.22

In table 5.11 the Cronbach's Alpha Leadership value is 0.909. According to Sekaran (2013: 293) the measurement tool can be said to be reliable if it has a Cronbach's alpha value greater than 0.6. Because the leadership variable has a Cronbach's alpha value greater than 0.6, the data on the Leadership variable is declared reliable.

Cronbach's Alpha Value of Policy Implementation is 0.823. According to Sekaran (2013: 293) the measurement tool can be said to be reliable if it has a Cronbach's alpha value greater

than 0.6. Because the Policy Implementation variable has a Cronbach's alpha value greater than 0.6, the data on that variable is declared reliable.

#### Cronbach's Alpha Value of Policy Implementation Reliability Statistics

Cronbach's Alpha	N of Items
,823	18

**Source:** Questionnaire. The data is processed using SPSS.22

Cronbach's Alpha Regional Original Revenue of 0.815. According to Sekaran (2013: 293) the measurement tool can be said to be reliable if it has a Cronbach's alpha value greater than 0.6. Because the Local Revenue variable has a Cronbach's alpha value greater than 0.6, the data on the variable is declared reliable.

#### **Table 5.14:** Cronbach's Alpha Value of Original Local Revenue Reliability Statistics

Cronbach's Alpha	N of Items
,815	3

**Source:** Questionnaire. The data is processed using SPSS.22

#### *Normality Test*

1. Leadership = 0,200 is greater than 0.05, which means that the data is normally distributed.
2. Policy Implementation = 0.79 more than 0.05 means that data is normally distributed.
3. Regional Original Income = 0.81, greater than 0.05 means that the data is normally distributed.

#### **Respondents' Responses**

##### *Leadership*

Leadership can be explained through 17 statements ranging from P 1 to P17. The number of values obtained was 18,406 with an average value of 3.61 (agree).

##### Tourism Policy Implementation

The statement that gets the highest score is P41. The work unit has Human Resources (HR) that support the implementation of the policy. Statement P 41 scored 1,254 or an average of 4.18 (strongly agree). This statement shows that respondents are well aware that

implementing policies in work units where respondents need Human Resources that can implement policies and respondents also know that KKB has adequate Human Resources both in quantity, in quality and in competence. So it is not surprising that 124 out of 300 respondents (41.33%) stated that they strongly agreed that the KKB had human resources that supported the implementation of policies.

### ***Implications of Local Revenue***

Respondents' Responses about Local Revenue revealed that respondents gave a response "strongly agree" to the statement that the tourism sector can be a Source of Local Original Revenue. Respondents' responses reached a score of 1,215 with an average value of 4.05 (strongly agree).

### ***Coefficients***

column t, it can be explained that the calculated value  $t$  Policy Implementation = 37.405. While the value of the table according to Junaidi (2010: 6) the value of  $t$  table (for 300 respondents minus 1 variable = 299 with  $\alpha = 0.05$ ) is equal to 1.65. So the value of  $t$  count >  $t$  table

According to Priyatno (2013: 114), the  $t$  test is used to determine whether an independent variable has a significant effect on the dependent variable partially. The method is to compare the value of the  $t$  test with the value of  $t$  table. If  $t$  arithmetic >  $T$  table then  $H_0$  is rejected and  $H_a$  is accepted, meaning that there is a positive influence of the independent variable on the dependent variable (Priyatno, 2013: 115).

Noting that the value of  $t$  arithmetic >  $t$  table, and referring to the opinion of Priyatno (2013: 115) that if  $t$  arithmetic >  $t$  table then  $H_0$  is rejected and  $H_a$  is accepted, then it can be determined that there is a positive and significant effect of the implementation of Policy on Local Revenue.

### ***Simple Linear Regression Equations can be written***

$Y = a + b X$ . The constant value  $a = 1.019$  and the constant value  $b = 0.164$ . So the equation can be written as  $Y = 1.019 + 0.164 X$ . The meaning of this equation is Regional Original Revenue without Policy Implementation will produce a value of 1.019. But if it is added by 1 unit of Policy Implementation then the Regional Original Income will change from 1.019 to  $1.019 + 0.164 = 1.183$ .

To find out how much influence the Policy Implementation has on Local Revenue can be seen in the Rp.46 table below:

**Table 5.13:** Coefficient of Determination of Policy Implementation  
Summary Model  
Implications of Local Revenue

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,908 <sup>a</sup>	,824	,824	,63774

a. Predictors: (Constant), Policy Implementation

**Source:** Questionnaire. The data is processed using SPSS.22

In table 5.26 the value of  $R = 0.908$  means the value of the correlation between the Implementation of the Policy with Local Original Revenue (PAD) = 0.908 is categorised as a very strong relationship value.

If the correlation is drawn using the AMOS Application Program, the results can be seen in Figure 4.1. This figure shows the correlation in the direction of the Policy Implementation towards PAD. One-way correlation shows that there is a positive influence on the implementation of policy on PAD with a value of 0.91 (very strong).

### ***Effect of the Tourism Policy Implementation on PAD***

In table 5.26 the value of  $R^2 = 0.824$ . Mean Determination Coefficient Value =  $0.824 \times 100\% = 82.4\%$ . The meaning is that the implementation of the policy has a contribution to affect the Local Revenue of 82.4%. The remaining 17.6% is due to other variables not examined in this study.

### ***Leadership***

This research has proven that the value of the Leadership variable is 18,406 with an average value of 3.61 (agreed). To increase the value of leadership according to respondents' perceptions, the KKB should need to optimise improvements related to Statement P16 to create excellence by:

1. Providing services that are fast, precise, true to the people who need services from KBB employees.
2. Providing application programs that make it easier for the community to obtain KBB services without having to come to the KBB office, where the application program is easily accessible to people from various locations.

Improvements related to developing products in a way that leaders need to create new products / new services / new facilities in accordance with the needs and desires of the KBB community. For example:

1. Issue regulations that the community are to pay administrative costs freely if they want to take care of licensing, making a certificate.
2. The time for completion of licensing is no more than 2 or 3 days.
3. Inspire the community to make products / services that meet the needs of the community and generate profits for its business people, such as raising chickens, catfish, cows, goats.

Leaders have the ability to decide. Some activities that should be done to improve the ability to decide are:

1. Leaders decide on activities by adhering to the principle of propriety and must be careful in accordance with applicable regulations, but the decision making is done quickly, precisely, safely.
2. The leaders (Bupati, Sekda, Head of Agency, Head of Agency) need to make a decree about the limits of authority allowed by the Sub-Section Head.

### ***Tourism Policy Implementation***

This research has proven that the value of the Policy Implications variable is 20,775 with an average value of 3.85 (agree). There are 3 statements of the Policy mplementation variable that obtained the lowest value from respondents, namely:

1. Coordination is not optimal in managing Natural Resources and Artificial Resources with a value of 964 and an average value = 3.21 (good).
2. Coordination is not optimal in managing Artificial Resources with a value of 1,070 with an average value is 3.57.
3. Policy implementation develops the potential of the physical environment is not optimal.

Understanding the causes of low scores is the lack of optimal coordination, so the way to improve it is by the KKB government setting regulations on the obligations of work units related to tourism to hold a coordination meeting discussing the coordination of the management of Natural Resources and Artificial Resources once every month. Brainstorming is conducted on issues relating to Natural Resources and Artificial Resources at KBB. At the Coordination Meeting the causes of the problem (labour, raw materials, machinery, methods, finance, budget, political, economic, social, cultural, and security, science and technology) were explained. It is determined what must be done, who does it, when it must be completed with funds from where, how to complete it. In this way it is expected that coordination which becomes a weak point in Policy Implementation can be overcome.

## **Implications of Local Revenue**

This research has proven that the variable value of Local Original Revenue is 3,703 with an average value is 4.52 strongly agree. This value illustrates that the majority of respondents strongly agree that the Local Original Revenue variable conducted by KBB is already very good.

## **Conclusions and Suggestions**

### ***Leadership***

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### ***Tourism Policy Implementation***

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### ***Local Revenue***

This research has proven that the variable value of Local Original Revenue is 3,703 with an average value is strongly agree. This value illustrates that the majority of respondents strongly agree that the Regional Original Revenue variable conducted by KBB is already very good. Because it is already very good, then only minimal effort is needed to maintain the respondents' perceptions about Local Revenue.



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