International Journal of Sustainability in Research (IJSR)
Vol. 2, No.6 2024: 419-434

Improving Local Tax Management Performance (a Study on Strategies for Improving the Management Performance of Rural and Urban Land and Building Taxes (PBB-P2) at the Regional Revenue, Financial Management, and Asset Agency (BPPKAD) of Ponorogo Regency)

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ARTICLEINFO

Keywords: Policy Formulation, Performance Improvement, Tax Management

Received : 20, September
Revised : 21, October
Accepted: 30, November

ABSTRACT

The Regional Revenue, Financial Management, and Asset Agency (BPPKAD) in cities and regencies plays a critical and strategic role within the framework of regional autonomy. This significance arises from the agency's responsibility for managing all financial processes in the regency or city, ranging from regional revenue to financial administration and asset management. Consequently, it is essential to continually enhance the performance of BPPKAD in line with its mission and vision. Based on research findings using Strategic Management concepts. Further, the study conducts an analysis of the strategic environment, identifies strategic issues, and ultimately formulates strategies to inform policy development. Using a SWOT analysis model (Strengths, Weaknesses, Opportunities, Threats), several issues are identified as strategic priorities requiring timely and precise action to enhance BPPKAD Ponorogo's performance. Based on these strategic issues, the following strategic plan is proposed for BPPKAD Ponorogo Regency (1) Improving the quality of tax management policy products; (2) Enhancing professional attitudes among tax managers to increase regional independence; (3) Refining the planning, implementation, supervision, and evaluation processes of local tax management; (4) Developing a tax management information system.

DOI: https://doi.org/10.59890/tq1c1a55
ISSN-E: 3025-7379
https://penerbitjurnalinternasional.com/index.php/ijsr

INTRODUCTION

The implementation of regional autonomy is expected to enhance efficiency, effectiveness, and accountability in the public sector in Indonesia. Through regional autonomy, each region is encouraged to seek alternative funding sources for development without entirely relying on assistance and fund allocation from the Central Government. Additionally, regions are expected to use public funds in line with community priorities and aspirations. Under such circumstances, the role of private investment and regionally owned enterprises is crucial to serve as the primary engine of growth and regional economic development. With the advent of regional autonomy, decentralization has been introduced, involving regional financial management and economic planning, including the development of regional programs and other planning transferred from the central to regional authorities (Kharisma, 2013). This implementation of regional autonomy in Indonesia entails a division of authority between the Central Government and Regional Governments, including the decentralization of monetary and national fiscal policies to the regions (Hadi & Saragih, 2013).

The concept of decentralization consists of political decentralization, administrative decentralization, and fiscal decentralization (Sidik, 2002). Decentralization is the delegation of authority from the central government to local governments, enabling them to govern and manage their regions based on local conditions (Kaloh, 2002). In Indonesia, decentralization is the transfer of governmental authority from the Central Government to autonomous regions to administer local governance within the framework of the Unitary State of the Republic of Indonesia (NKRI) (Kumorotomo, 2008). The strengthening of regional governance authority is outlined in Law No. 23 of 2014 on Regional Government, which includes regional revenue management. This authority is part of fiscal decentralization, implementing Article 18A, paragraph (2) of the 1945 Constitution of the Republic of Indonesia, which mandates that financial relations, public services, and the use of natural and other resources between the Central and Regional Governments be regulated and implemented fairly and harmoniously under the law.

Article 23A of the 1945 Constitution forms the basis for the regional governments' authority to generate local revenue by leveraging regional potential through tax collection. This authority is currently governed by Law No. 28 of 2009 on Regional Taxes and Retributions, replacing the previous Regional Tax and Retribution Law, namely, Law No. 18 of 1997 and Law No. 34 of 2004. Compared to previous regulations, Law No. 28 of 2009 on Regional Taxes and Retributions has expanded the number of regional tax and retribution types in provinces and regencies/cities. There are now 16 types of taxes (5 provincial taxes and 11 regency/city taxes) and 30 types of retributions, consisting of 14 general service retributions, 11 business service retributions, and 5 specific licensing retributions. This expansion of regional tax and retribution types positively impacts local revenue growth.

To increase accountability in regional autonomy implementation, Regional Governments should be granted greater authority in taxation and retribution. This includes broadening the regional tax base and empowering local authorities to set tax rates. Four new types of taxes have been introduced for local governments: the Rural and Urban Land and Building Tax (PBB-P2) and the Land and Building Rights Acquisition Fee (BPHTB), which were previously central taxes, as well as Swiftlet Nest Tax for regencies/cities and Cigarette Tax for provincial governments. With the transfer of PBB-P2 management, all business processes associated with PBB-P2 management, which were previously handled by the Central Government, specifically the Directorate General of Taxes, are now delegated to Regional Governments. These processes include data collection, assessment, determination, administration, collection, and service provision related to PBB-P2. The regional body responsible for financial management is the Regional Revenue, Financial Management, and Asset Agency (BPPKAD). Consequently, BPPKAD has become a crucial and strategic component of regency/city government in managing PBB-P2 at the regional level.

In managing PBB-P2, BPPKAD would do well to heed Bryson's (1995) recommendation, emphasizing that changes in the global era are often difficult to understand and predict, filled with uncertainty, and increasingly interconnected. Given these conditions, BPPKAD is expected to adopt strategic, internally and externally oriented thinking to improve its performance, all of which is based on strategic management or planning concepts. This approach ultimately requires the integration of all organizational components. Improving BPPKAD’s performance is essential, as optimal performance in PBB-P2 management is key to effectively leveraging local tax potential for the welfare of the community. Conversely, poor BPPKAD performance will hinder the effective management of PBB-P2, resulting in unutilized PBB-P2 potential and limiting local revenue to meet the budgetary needs of development programs aimed at improving community welfare.

Similarly, in the Ponorogo Regency government, BPPKAD holds a vital and strategic role. This is reflected in its duty to assist the Regent in supporting governmental functions that fall under the regency’s authority, specifically in managing regional finance, revenue, and assets. Given these mandated duties and functions, the BPPKAD organization in Ponorogo Regency must demonstrate a high level of performance. This means that BPPKAD Ponorogo should be able to carry out and complete its tasks and responsibilities thoroughly; if it cannot, it would indicate that its performance is lacking. However, these assigned duties and functions have not yet been fully realized in BPPKAD Ponorogo’s operations. This was revealed in an interview with the Head of the Regional Tax Division at BPPKAD Ponorogo Regency, who stated: “Thus far, BPPKAD, especially the Regional Tax Division, has not been able to execute tasks with a structured strategy, so these tasks are carried out merely as routine activities. As a result, the achievement and realization of PBB-P2 targets are still seen as suboptimal." (interview, Oct. 2023).

The interview findings indicate that the core duties and functions at BPPKAD, particularly in the Regional Tax Division, have not met expectations, where it was anticipated that they would meet PBB-P2 targets in line with existing potential, thereby increasing fiscal capacity for regional development spending. Additionally, inefficiencies were found in the PBB-P2 management process in Ponorogo Regency, as evidenced by an increase in outstanding tax receivables each year. This suggests that PBB-P2 tax arrears remain high, warranting attention, particularly in managing PBB-P2 potential to improve the capacity, targets, and achievements of PBB-P2 in Ponorogo Regency. Based on the research background described above, the author will formulate the problem for an in-depth study, titled: "Improving Local Tax Management Performance" (A Study on Strategies for Improving the Management Performance of Rural and Urban Land and Building Taxes (PBB-P2) at the Regional Revenue, Financial Management, and Asset Agency (BPPKAD) of Ponorogo Regency).

LITERATURE REVIEW

The concept of public or state policy has been defined by experts, such as Dye (as cited in Islamy, 1998), who describes state policy as "whatever government chooses to do or not to do." Dye elaborates that if the government chooses to take action, it must have a purpose, be objective, and encompass all governmental actions. Edward and Sharkansky (in Islamy, 1998) define state policy as "what government says and does, or does not do; it is the goals or purposes of government programs." Furthermore, we understand the essence of Public Policy as a decision executed by authorized government officials for the public interest (Sadhana, 2011). Based on these definitions, it can be concluded that state policy fundamentally aims to serve the public interest, considering prevailing values. Therefore, state policy can be summarized as a series of actions taken or not taken by the government, either by individuals or groups, to achieve certain goals oriented toward the welfare of society.

Policy formulation is the initial step in the entire public policy process. Therefore, what occurs at this stage significantly influences the success of the policy in the future. A well-structured public policy formulation is one that focuses on implementation and evaluation. Often, policymakers believe that an ideal public policy formulation is a conceptual one filled with normative and ideal messages, yet lacking practical grounding (Putra, 2001). Conceptually, policy formulation involves not only the ideas or opinions of leaders representing members but also includes public opinion and voice, as Parson (1997) explains. The policy-making process is inherently value-laden, meaning various interests will always influence policy-making.

According to Anderson, Indonesian development administration expert Bintoro Tjokroamidjojo (1976) states that "Policy Formulation is synonymous with Policy Making, which differs from decision-making." Policy-making has a broader scope than decision-making. William R. Dhall (1972) defines decision-making as choosing among various alternatives. Meanwhile, Nigro and Nigro (1980) argue that no absolute distinction can be made between decision-making and policy-making, as every policy-making activity involves making decisions. However, policy-making entails a series of actions leading to numerous decisions aimed at achieving selected goals.

Tjokroamidjojo (1976) further emphasizes that "when the selection of alternatives is done once and finished, it is termed decision-making; conversely, when this selection is ongoing and never final, it is called policy formulation." Thus, policy formulation involves a process comprising several steps. Ripley (1985) outlines some of these steps in public policy as follows:

1. Agenda setting;
2. Formulation dan legitimization;
3. Program Implementations;
4. Evaluation of implementation, performance, and impacts;
5. Decisions about the future of the policy and program.

Therefore, according to Ripley's view, the scope of Public Policy Formulation emphasizes the stages of Agenda Setting, Government Agenda, Formulation and Legitimation, and policy adoption and announcement to achieve the objectives described above.

Then, this research is supported by the following theoretical foundations: Local Tax Theory, Public Organization Theory, the Concept of Organizational Performance, the Concept of Performance Improvement, Strategy Concepts, and the Concept of Strategy Formulation in Strategic Management. The details are as follows: Local tax is a mandatory contribution to the region, owed by individuals or entities, which is coercive based on the law, without direct compensation, and is used for regional needs (Ritonga et al., 2017).

Definitions of organizations vary widely, with differing orientations and focuses. Mahsun (2006:1) explains that an organization is often understood as a group of people who gather and work together in a structured manner to achieve a set of predetermined goals. From these various definitions, it can be concluded that an organization is a coordinated group of people who carry out activities to achieve specific objectives. When combined with the term "public," the definition of an organization becomes more diverse. Sulistyani (2009:55) views public organizations as government institutions with formal legality, facilitated by the state to serve the interests of the people in various complex fields. Differing slightly, Mahsun (2006:14) states that public organizations are not limited to social organizations, non-profit organizations, or government organizations. Instead, public sector organizations involve entities that manage public interests and provide goods or services funded through taxes or other state revenues regulated by law. Based on these definitions, the researcher concludes that public organizations are institutions that serve public needs and are facilitated by the government.

The concept of performance can be defined as an achievement of results or the degree of accomplishment (Rue and Byars, 1981, in Keban, 1995). This means that the performance of an organization can be observed by the extent to which it achieves goals based on previously established objectives. To assess organizational performance, it is necessary to have clear indicators or criteria for measurement. Without clear indicators and criteria, there will be no guidance to determine which options are relatively more effective among various resource allocation alternatives, different organizational designs, and choices for distributing tasks and authority (Bryson, 1995). The challenge now lies in determining the criteria to evaluate organizational performance.

For public organizations, finding appropriate performance measurement tools is challenging (Fynn, 1986; Jackson and Palmer, 1992, in Bryson, 1995). When considering the purpose and main mission of public organizations—to meet the needs and protect the interests of the public—the performance measures seem simple but are, in reality, quite complex. To this day, there is no consensus on performance measures for public organizations. Lenvinne et al. (1990, in Dwiyanto, 1995) propose three concepts to measure the performance of public organizations: responsiveness which measures how well providers respond to the expectations, desires, aspirations, and demands of customers; responsibility which assesses the extent to which public service delivery complies with established regulations; accountability which gauges the alignment between service delivery and the external standards held by stakeholders, such as societal values and norms.

Performance can also be defined as the output of a particular process carried out by all components of an organization using specific resources (input). Additionally, performance results from a series of activities undertaken to achieve the organization's specific objectives. Since organizational performance is greatly influenced by input factors and management processes within the organization, efforts to improve organizational performance are closely linked to enhancing the quality of both input factors and management processes. An analysis of the conditions of inputs and administrative or management processes within an organization represents an assessment of the organization's internal condition. Besides these internal conditions, external conditions also significantly influence organizational performance.

METHODOLOGY

This study employs a qualitative research approach aimed at developing a performance measurement concept using SWOT Analysis for the Ponorogo Regency Government, specifically focusing on the unit responsible for managing Rural and Urban Land and Building Taxes (PBB-P2). The data types used in this research include both primary and secondary data.

Data collection techniques involve a literature review (books, journals, magazines, regulations, and more) to gather as much relevant knowledge as possible on the core issues being studied. The data analysis technique used is qualitative analysis, combined with focus group discussions (FGDs) involving relevant parties to develop a performance measurement model based on SWOT Analysis. To guide the analytical process toward developing targeted strategies, the study employs a strategic planning model. This model is a discipline aimed at producing fundamental decisions and activities that define what the organization is, what it needs to do, and why it needs to do it (Bryson, 1995).

The research location is the BPPKAD Office of Ponorogo Regency, with informants including the Head, Secretary, all staff, and the Head of the Regional Tax Division at BPPKAD Ponorogo. Although the object of the study is limited to a single office, it is theoretically possible to involve all staff members as informants. However, this study strategically selects key informants who are substantively knowledgeable about the organization's vision, mission, and mandates to facilitate more efficient data analysis. Additionally, the researcher may gather information from informants who have relevance to this study, such as members of the Regional House of Representatives (DPRD), the Regional Secretary, and Heads of Departments/Vertical Agencies in Ponorogo Regency. This aims to enrich the depth of information regarding both the internal and external environment of BPPKAD Ponorogo. The research focus is crucial for delineating the study's object and preventing the researcher from being overwhelmed by the abundance of field data. The focus stems from the researcher's experience or scientific knowledge gained through literature review (Moleong, 2000). The focus of this research is directed toward analysing the internal and external environments, categorized into Strengths, Weaknesses, Opportunities, and Threats (SWOT). Indicators of the internal and external environments will guide this analysis.

RESULT AND DISCUSSION

After conducting research on the Identification of Mandate, Vision, and Mission, the next step was the analysis of the External and Internal Environments. From this, the analysis of opportunities, threats, strengths, and weaknesses was obtained. To clarify further, the External Strategic Factors Analysis Summary (EFAS) and Internal Strategic Factors Analysis Summary (IFAS) were carried out. Based on the SWOT analysis results, the strengths and weaknesses (internal environment) and opportunities and threats (external environment) of the organization are identified as follows:

Internal Environment

a. Strength: Clarity of the Strategic Plan (RENSTRA), adequate Human Resources (HR) (sufficient number of structural officials and relatively good employee qualifications), well-established institutional structure, adequate facilities and infrastructure, organized processes, coordination processes, and accountability.
b. Weaknesses: The employee placement system is less accommodating, work systems often wait for guidance/regulations, a familial organizational culture, weaknesses in planning processes, implementation, supervision, evaluation, responsiveness, and accountability.

External Environment

a. Opportunities: Strong role of the Regional House of Representatives (DPRD), the role of political parties, autonomy of Ponorogo Regency government, local economic conditions, economic structure of the region, physical environmental support, good religious tolerance, the value of mutual cooperation, availability of communication and information infrastructure, advancement in higher education, commitment of the Regent, and the DPRD's independence from bureaucracy.
b. Threats: The strong role of the DPRD, the role of political parties, national political and social conditions, economic conditions, welfare

levels, crime rates, lack of professional research institutions, negative impacts of technological advancements in communication and information, and poor cooperation between BPPKAD and NGOs.

The next step is the identification of strategic issues. Identifying strategic issues generally involves maximizing strengths and reducing weaknesses, as only internal environmental aspects can be intervened. This is done to take advantage of opportunities and avoid threats. Based on the analysis using this framework, several issues emerge in the study as follows:

1. **Strategic Issues SO (Optimizing strengths to take advantage of opportunities)**
   a. **How to develop a local tax management information system**

This issue arises because optimizing the use of HR strengths, supported by adequate facilities and infrastructure, particularly computer systems and internet networks at BPPKAD, will allow the agency to leverage opportunities such as the availability of communication and information facilities in the community and the high level of public access. This situation can be used to inform the public about the local tax management process and gather public feedback for improving the tax management system. The advancement of higher education in Ponorogo Regency can also be utilized by collaborating with universities to manage computer networks for developing information on local tax management improvements.

2. **Strategic issues WO (Minimizing weaknesses by taking advantage of opportunities)**

a. **How to improve professional attitudes among local tax managers to enhance regional independence**

This issue arises because, although the HR at BPPKAD Ponorogo Regency is deemed adequate, it lacks professionalism in performing its primary task of local tax management. This is reflected in the insufficient implementation of its duties. As a result, BPPKAD cannot fully leverage regional independence. This opportunity can be optimized if BPPKAD Ponorogo Regency can utilize its competent HR professionally by encouraging staff creativity and improving their roles in the tax management process, which is a core function of the local tax management field, including improving fiscal capacity through local tax potential.

b. **How to improve the quality of local tax management policy products**

This issue arises because the quality of local tax management policy products, which is BPPKAD's responsibility, is low due to weaknesses in planning, implementation, supervision, and evaluation processes. These weaknesses can be addressed by leveraging the available opportunities.

3. **Strategic issues ST (Using strengths to counter threats)**

a. **How to leverage the coordination process to improve cooperation with DPRD and NGOs**

This issue arises due to the need to address threats from deteriorating cooperation between BPPKAD and DPRD/NGOs. This can be mitigated by using existing strategic strengths, such as the coordination process within BPPKAD Ponorogo Regency.

b. How to leverage the clarity of strategic planning to manage local taxes effectively

This issue arises because, to address the threat of regional dependence on the central government, BPPKAD can use its strategic strength clear strategic planning in the local tax field—to ensure effective local tax management.

4. Strategic issues WT (Overcoming weaknesses to avoid threats)

a. How to improve the planning, implementation, supervision, and evaluation processes of local tax management

This issue arises to avoid threats such as crime, political instability, and regional autonomy issues in the era of regional autonomy. It is necessary to address weaknesses in planning, implementation, supervision, and evaluation processes of local tax management. The SWOT matrix below provides a clearer visualization of these findings:

Table 1. SWOT Matrix to Determine Strategic Issues at BPPKAD Ponorogo Regency

Internal / External	Strength (S)	Weakness (W)
	✓ Clarity of the Strategic Plan (RENSTRA) ✓ Adequate HR strength ✓ Well-established institution ✓ Adequate facilities and infrastructure ✓ Coordination process ✓ Accountability	✓ Familial organizational culture ✓ Planning process ✓ Implementation process ✓ Supervision process ✓ Evaluation process
Opportunities (O) ✓ Strong role of DPRD ✓ Role of political parties ✓ Regional independence (Kemandirian Daerah) ✓ Local community economy ✓ Supportive physical environment ✓ High tolerance among religious communities ✓ System of mutual cooperation (Gotong Royong) ✓ Availability of communication and information infrastructure ✓ Advancement in higher education ✓ Commitment of the Regent ✓ Independence of DPRD from bureaucracy	**Strategic Issues SO** 1. How to develop a local tax management information system.	**Strategic Issues WO** 1. How to improve professional attitudes as local tax managers to enhance regional independence. 2. How to improve the quality of local tax management policy products.

Threats (T)	Strategic Issues ST	Strategic Issues WT
✓ Strong role of DPRD ✓ Role of political parties ✓ National political and social situation ✓ Regional autonomy ✓ Crime rates ✓ Lack of professional research institutions ✓ Negative effects of technological development in communication and information ✓ Poor cooperation with NGOs	1. How to leverage the coordination process to improve cooperation with DPRD and NGOs. 2. How to leverage the clarity of strategic planning to manage local taxes effectively.	1. How to improve the planning, implementation, supervision, and evaluation processes of local tax management.

To determine which strategic issues are truly critical, an evaluation of the strategic issues was carried out using a Litmus Test. This test consists of thirteen questions that must be answered to determine whether the chosen issue is strategic or merely operational. Each answer is given a weight (score) as follows: a value of 1 for operational answers, 2 for strategic answers, and 3 for highly strategic answers. The weighted results are then summed based on the total of 13 questions, with the highest total score being 39 and the lowest 13. Based on the total score, the answers can be grouped as follows:

- Scores 13-21 = not strategic
- Scores 22-30 = strategic
- Scores 31-39 = highly strategic

By using this Litmus Test, it will be possible to identify which strategic issues are truly impactful and have a significant influence on improving the performance of BPPKAD Ponorogo Regency, while operational issues can be resolved through routine activities. The results of the Litmus Test on the six strategic issues are presented in the table below:

Table 2. Recap of the Results of the Litmus Test on Seven Strategic Issues for Improving the Performance of BPPKAD Ponorogo Regency

No	Issue	Total score	Category
1.	How to improve the professional attitude of local tax managers to enhance regional independence.	34	*Very Strategic*
2	How to develop a local tax management information system.	32	*Very Strategic*
3	How to improve the quality of local tax management policy products.	34	*Very Strategic*
4	How to leverage the coordination process to improve cooperation with DPRD and NGOs.	17	*Not Strategic*
5	How to leverage the clarity of vision and mission to manage regional development planning effectively.	27	*Strategic*
6	How to improve the planning, implementation, supervision, and evaluation processes of local tax management.	31	*Very Strategic*

(Source: Adopted from Bryson, 1995)

Based on the recap of the results above, it can be concluded that out of the six strategic issues, four are considered very strategic and can serve as input for the leadership of the BPPKAD office in Ponorogo Regency when formulating strategies. These four very strategic issues are as follows:

1. How to improve the professional attitude of local tax managers to enhance regional independence.
2. How to develop a local tax management information system.
3. How to improve the quality of local tax management policy products.
4. How to improve the planning, implementation, supervision, and evaluation processes of local tax management.

Based on the results of the strategic environmental analysis, highly strategic issues will emerge after conducting a Litmus Test. These highly strategic issues can be used as a series of strategies that can be implemented to improve the performance of BPPKAD Ponorogo Regency, particularly in terms of improving the performance of managing Land and Building Tax (PBB-P2). The proposed strategies that can be applied are as follows:

1. Improving the quality of local tax management policy products.

(Operational Strategy: Enhancing Public Trust for Optimal PBB-P2 Revenue Collection). This first proposed strategy is directed towards the stakeholders' perspective on PBB-P2 management in Ponorogo Regency. This strategy relates to the policy products for managing PBB-P2 aimed at increasing the quality of public trust to achieve more optimal PBB-P2 revenue collection. In summary, the strategic goal from the stakeholder perspective includes two things: optimal PBB revenue collection and high public trust.

2. Enhancing professionalism in local tax management to improve regional independence.

(Operational Strategy: Increasing Taxpayer Satisfaction with PBB-P2 Services for High Taxpayer Compliance). Proposal the next proposed strategy focuses on the customer perspective, which in this case refers to registered taxpayers in the Management Information System for Tax Objects (SISMIOP). This strategy must align with what customers desire. With a professional attitude from the tax managers, it is expected that taxpayer compliance will improve, ultimately enhancing the regional independence of Ponorogo Regency. The Directorate General of Taxes has two strategic goals from the customer perspective. The first strategic goal is "high taxpayer satisfaction with tax services." The next strategic goal is "high taxpayer compliance."

3. Improving the planning, implementation, supervision, and evaluation processes of local tax management.

(Operational Strategy: Formulating Policies on PBB-P2 Management to Explore Potential). This strategy focuses on the internal business process perspective. Generally, this perspective shows a series of processes within an organizational unit to create value for stakeholders and customers (value chain). The strategic goals in the internal business process perspective are divided into three processes: (1) policy formulation, (2) service quality improvement, and (3) potential exploration.

4. Developing a local tax management information system.

(Operational Strategy: Improving PBB-P2 Business Processes Including Organization, Information and Communication Technology (ICT), Human Resources (HR), and Budget). This next strategy relates to the learning and growth perspective, which represents the organization's ability to make improvements and changes by utilizing internal resources. The sustainability of an organization in the long term highly depends on this perspective.

The visualization of the Strategy Model for Improving the Performance of Land and Building Tax (PBB-P2) Management at the Regional Revenue, Finance, and Asset Management Agency (BPPKAD) of Ponorogo Regency can be seen in the following image:

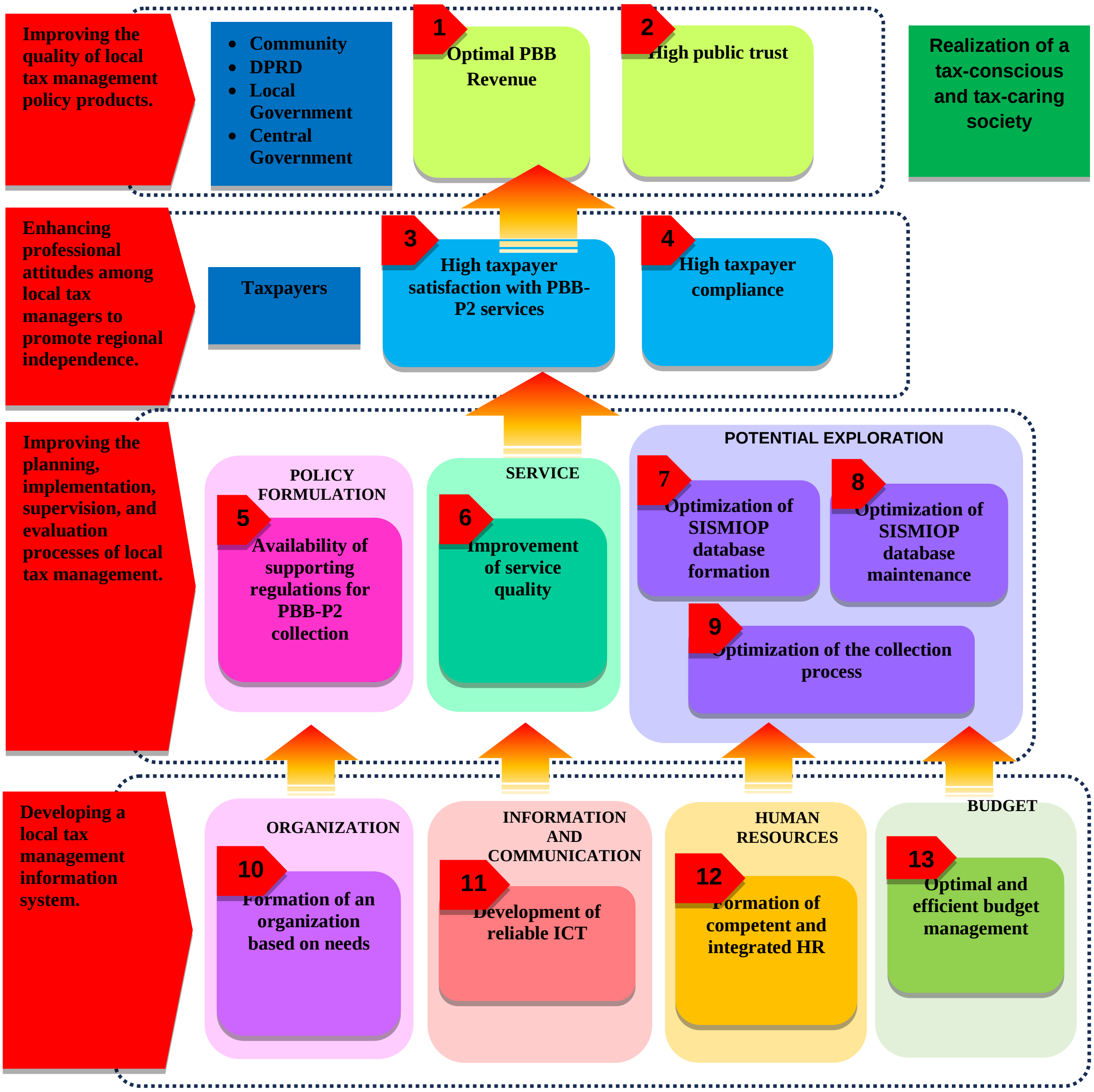

Figure 1. Strategy Model for Improving PBB-P2 Management Performance at BPPKAD Ponorogo Regency

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis of the strategic environment of the BPPKAD office in Ponorogo Regency, the following conclusions were drawn: (1) BPPKAD is one of the organizational units of the Ponorogo Regency Government that has a strategic task to assist the Regent in carrying out the supporting functions of governmental affairs within the county's authority, particularly in the management of finance, revenue, and regional assets. Given the duties it carries, BPPKAD is not only responsible for managing revenue, financial management, and regional assets but also needs to consider the implementation, supervision, and evaluation as references for the next phase of managing revenue, finances, and assets. (2) Considering the importance and strategic nature of the tasks undertaken by BPPKAD in the current era of regional autonomy, BPPKAD must carry out its primary duties and functions professionally. This will ultimately lead to improved responsiveness, responsibility, and accountability (performance) as expected. However, this ideal condition has not yet fully been reflected in the execution of BPPKAD's duties in Ponorogo Regency. Based on the research findings, the performance indicators mentioned above are still considered unsatisfactory by stakeholders. Furthermore, BPPKAD of Ponorogo Regency has not been able to carry out its duties and functions effectively and professionally.

Based on the analysis of the strategic environment using a SWOT analysis and after conducting a Litmus Test on the strategic issues, four strategies were identified that can be implemented to improve the performance of BPPKAD in Ponorogo Regency, as follows:

1. Improve the quality and standards of local tax management policies. (Operational Strategy: Increase Public Trust for Optimal PBB-P2 Revenue Collection)
2. Foster professionalism in managing local taxes to improve regional independence. (Operational Strategy: Enhance Taxpayer Satisfaction with PBB-P2 Services for High Taxpayer Compliance)
3. Improve the processes of planning, implementation, supervision, and evaluation of local tax management. (Operational Strategy: Develop Policy Formulations for PBB-P2 Management to Explore Potential)
4. Develop an information system for managing local taxes. (Operational Strategy: Improve the Business Process of Managing PBB-P2, including Organization, Information and Communication Technology (ICT), Human Resources (HR), and Budgeting).

FURTHER RESEARCH

This research still has limitations so further research on this topic is still needed "Improving Local Tax Management Performance (a Study on Strategies for Improving the Management Performance of Rural and Urban Land and Building Taxes (PBB-P2) at the Regional Revenue, Financial Management, and Asset Agency (BPPKAD) of Ponorogo Regency)".

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