




# The Influence of the Tourism Sector on Regional Financial Performance (Department of Culture and Tourism of Majene Regency)

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p>Received Sep 30, 2022 Revised Oct 02, 2022 Accepted Oct 20, 2022</p> <p><b>Keywords:</b></p> <p>Tourism Sector Marketing, Regional Financial Performance.</p>	<p>The purpose of this study was to determine the effect of the tourism sector on regional financial performance. In the data analysis technique using simple linear analysis, the sample of this research is the data on the realization of consistent financial reports from 2018 to 2020 as many as 36 samples. The data sources used are primary data obtained by interviewing and secondary data obtained from related documents such as financial reports and organizational structures. the location of this research is located at Jln. Gen. Ahmad Yani No. 108 sub-districts of Banggae, Majene Regency. The research results obtained are the influence of the Tourism Sector which has a significant effect on Financial Performance area . Calculated using SPSS obtained from the analysis of the t test with the value of T Count of 3,631 greater than t table 2,032 with a significance value of <math>0.000 &lt; 0.05</math>. The regression coefficient value is 0.05 which has a positive direction indicating that the better tourism is managed, the more optimal regional financial performance will be</p> <p><i>This is an open access article under the <a href="#">CC BY-NC</a> license.</i></p> 

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## 1. INTRODUCTION

According to Law no. 10 of 2009 where tourism is a series of tourism activities supported by various facilities and services provided by the community, entrepreneurs and local governments. Based on this understanding, it can be said that the presence of visiting tourists increases the activities of local governments, the private sector and community members at tourist sites. The government, through bureaucratic channels, regulates the arrival and return of tourists. The private sector plays a role in the business of lodging accommodation (hotels), entertainment and places to eat and drink (restaurants). Meanwhile, the community can act as guides and provide souvenirs. Indonesia also has a great tourism background that made Indonesia's name known to the world such as Lake Toba, Thousand Islands, Borobudur Temple, Labuan Bajo, Nusa Penida, Bonaken Marine Park, Raja Ampat Islands, Mount Bromo, Komodo Island, Borobudur Temple, Tanah Toraja

In addition to leading tourism that has gone global, Indonesia also has superior tourism in each region such as tourism in West Sulawesi, namely: Manakara beach, Karampuang Island, Dato beach, Anjoro Pitu, Buntu Liarra, Tamasapi Waterfall, Indo Ranuang Waterfall, Gusung Toraja Island. Development of tourism destinations by increasing the attractiveness of tourist destinations so that they are competitive at home and abroad, developing the tourism industry through increasing

local tourism businesses in the national tourism industry and increasing the diversity and competitiveness of national tourism products and services in each tourist destination with a focus on marketing and tourism organization development by strengthening human resources. As a tourist destination, Majene Regency also has a number of tourist attractions such as Barane Beach, Batu Raja Beach, Pasir Putih Beach, Dato Beach, Malunda Waterfall.

West Sulawesi, especially Majene Regency, also has several tourism objects that are superior that provide a source of government revenue such as the Pantai Barane Tourism Object, the Dato Beach Tourism Object, the Use of the 4 Swimming Pools of Tirta, the Mandar Majene Museum Retribution, the Tombs of Kings and Hadat Mandar, and the Tomb of Mara'dia Parappe. Agung (2016: 265) states that the number of trips and tourist spending can increase the tourism industry's contribution to GRDP. Where Majene district has Barane Beach Tourism Object Retribution, Dato Beach Tourism Object Retribution, Retribution

Use of the Tirta Swimming Pool, Fees for the Majene Mandar Museum, Fees for the Tombs of the Kings and Mandar Customs, and Levies for the Mara'dia Parappe Tomb appear as the main contributions to the GRDP of Majene Regency.

The development of the tourism sector has an impact on increasing local revenue (PAD). Majene Regency also has regional finance related to tourism. Obtained from tours of Barane Beach, Dato Beach, Tirta Swimming Pool, Mandar Majene Museum, Tombs of Kings and Hadat Mandar, and Tomb of Mara'dia Parappe. Each year provides income for the area. As in 2018 (Rp. 344,835,000.00), 2019 (Rp. 342,164,000.00), and 2020 (Rp. 332,360,000.00). Source: Department Culture and Tourism of Majene Regency (2021).

Based on the description described above, the focus of the research is " The Influence of the Tourism Sector on Regional Financial Performance in Majene Regency

## 2. RESEARCH METHODS

### 3.1 Method Study

This research is a quantitative research because it can be interpreted as a research method based on the philosophy of positivism, used to examine populations or samples, collecting data using research instruments, analyzing data is quantitative /statistical, with the aim of testing established hypotheses. To obtain relevant data related to this research, the location chosen as the research template was the tourism office in Majene Regency.

Data collection techniques used are observation, interviews and documentation. The data that has been collected through observation, interviews and documentation will be analyzed. Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer the problem formulation, and performing calculations to test the hypotheses that have been proposed. Selection of an appropriate and adequate analytical method will provide correct and reliable test results. The data analysis carried out is quantitative analysis which is expressed in numbers. The data obtained will be presented in tabular form to make it easier to analyze and understand the data so that the data presented is more systematic. To support the research results, the research data obtained will be analyzed with statistical tools through the help of the SPSS (Statistical Product and Service Solutions) version 26.0.

The financial ratios that are often used in measuring local government performance are as follows:

- a. Regional Financial Independence Ratio. According to Halim (2012: 221-234) states that the Independence Ratio describes regional dependence on external funding sources. The higher the Independence Ratio means that the level of regional dependence on external assistance (especially the central and provincial governments) is lower.
- b. Effectiveness Ratio. According to Halim (2012: 267) states that the Effectiveness Ratio describes the ability of the Regional Government to realize the planned Revenue, then compared with the target set based on the real potential of the area. The higher the Effectiveness Ratio describes the better regional capabilities

- c. Regional Financial Efficiency Ratio. The Regional Financial Efficiency Ratio (REKD) illustrates the comparison between the amount of costs incurred to obtain income and the actual income received. Regional Government Financial Performance in collecting revenue is categorized as efficient if the ratio achieved is less than 1 (one) or below 100%. The smaller the Regional Financial Efficiency Ratio means the better the Regional Government Financial Performance. The efficiency ratio describes the level of the government's ability to streamline the costs incurred by the government
- d. Compatibility Ratio. The compatibility ratio describes how local governments allocate their funds to Operational Expenditures and Capital Expenditures optimally. The higher the percentage of funds allocated for operational expenditure means that the percentage of Capital Expenditures used to provide infrastructure for the community's economy tends to be smaller. This harmony ratio can be formulated as follows Adhiantoko (2013:38)
- e. Growth Ratio. growth ratio ( Growth ratio ) measures how much the local government's ability to maintain and increase the success that has been achieved from period to period. The growth ratio
- f. Loan Payback Ratio. According to PP 24 of 2005 concerning Regional Loans, the DSCR Ratio is a comparison between regional original income, the regional share of land and building taxes, natural resource revenues and other regional shares and general allocation funds after deducting mandatory expenditures, with the sum of principal installments, interest and other maturing borrowing costs. The minimum size of the DSCR is 2.5.

### 3. RESULTS AND DISCUSSIONS

#### 3.2 Tourism Sector

The results of the descriptive statistical test show that the minimum value of the Tourism Sector is 10.16 and the maximum value is 15.19. These results indicate that the value of the Tourism Sector is 10.16 to 15.19. The average ( mean ) is 12.4598 with a standard deviation of 0.81279 The average value (mean) is greater than the standard deviation, namely  $12.4598 > 0.81279$  which means that the distribution of values for the Tourism Sector is not good during 2018-2020, i.e. there is a gap between the lowest and highest values of the Tourism Sector variables during the study period. There is a gap between the minimum value and maximum value of the tourism sector due to the Corona virus (Covid-19) which occurred in 2020, most tourist attractions were closed due to the virus, so that the tourism sector's revenue in 2020 was not as optimal as in 2018-2019 , but it was sufficiently assisted by revamping tourism in Majene in previous years which made Majene tourism grow more and more so that many tourists from outside the city visited Majene.

4.2statistical testing of 36 samples show that the minimum value of Regional Financial Performance is 13.03 and the maximum value is 23.25. These results indicate that the value of Financial Performance ranges from 13.03 to 23.25. While the average value ( mean ) is 15.3960 and the standard deviation value is 1.51332 . This shows that the average value ( mean ) is greater than the standard deviation value, namely  $15.3960 > 1.51332$  which means that the distribution of Regional Financial Performance values is not good during 2018-2020, namely there is a gap between the lowest and highest values of the Regional Financial Performance variable During the Research period. This is because of the outbreak that hit almost every country. This has a negative impact in almost every country. The outbreak is Corona (Covid-19), which occurred in 2020 Corona resulted in local revenue not being optimal compared to 2018 to 2019 because most community activities were limited so that income was reduced Regional Financial Performance.

#### 3.3 Discussion

Tourism is a variety of tourism activities supported by various facilities and services provided by the business community and local government. The tourism sector is one of the potentials that really supports the country's foreign exchange supply in real terms, directly or indirectly it can be enjoyed by the actors of the sector in real terms. The tourism business is one of the sectors that contributes to a significant amount of foreign exchange for the country, especially foreign tourists. Meanwhile, domestic tourists will be a potential source of PAD in the era of regional autonomy which will continue to be developed due to the considerable opportunities. While financial performance is

an analysis carried out to see how far a company has carried out by using the rules of financial implementation properly and correctly. In relation to Regional Financial Performance, one of them is the successful development of the tourism sector which is reflected in the increase in the contribution of the tourism sector to Barane Beach Tourism Objects, Dato Beach Tourism Objects, Tirta Swimming Pools, Majene Mandar Museum, Raja Raja and Hadat Mandar Tombs and Mara'dia Parappe Tombs. to GRDP. And the contribution of tourism to local revenue. Can improve regional financial performance as reflected by increased performance in collecting local revenue, regional financial independence and increasing the allocation of public spending. The growing development of the tourism sector results in a greater potential for local revenue receipts so that it can support regional financial independence and increase government revenues for administering government. Based on the results of the study, it shows that the Tourism Sector has a significant effect on Regional Financial Performance with a T Count value of 3,631 > table 2,032 with a sig level of 0.00 < 0.05 so that it can be indicated that the tourism sector has a positive and significant effect on regional financial performance in Majene district. The successful development of the tourism sector is reflected in the increase in tourism to Barane Beach, Dato Beach, Tirta Swimming Pool, Mandar Majene Museum, Tomb of Raja Raja & Hadad Banggae, and Tomb of Mara'dia Parappe. performance of collection of local revenue, regional financial independence and increased allocation of public spending (spending harmony). The growing development of the tourism sector results in a greater potential for local revenue receipts so that it can support regional financial independence and increase government revenues for administering government. Based on the results of this study, it is in line with research conducted by Widiastuti (2013: 307) the tourism sector has a positive effect on regional financial performance.

#### 4. CONCLUSION

The results of this study conclude that the tourism sector has a positive and significant effect on regional financial performance in Majene Regency during 2018-2020. The successful development of the tourism sector will increase its role in regional revenue thereby increasing regional financial performance as reflected by the ratio of regional financial independence, effectiveness ratio, regional financial efficiency ratio, harmony ratio, growth ratio, and debt service coverage ratio (Debt Service Coverage Ratio).

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