

Profitability: be Trapped by Competence Bias Case Study in User Charge Tariff of Highway Public Transport Exit Permit at Highway Public Transport Station in East Java

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Abstract: Highway public transport station is important transportation infrastructure. Physically to change transportation moda for passanger and place to consolidatian the vehicle. For government highway public transport station as place to put user charge. User charge used to finance local government. Hyman (2002:398-399) describe that user charge are prices determined through political rather market interaction. Political decision is action by manager. Manager must have competence (Spencer, 1993) managing efficienct market to be decision making policy so the government will get earning. The goal of this research is as the following. First to describe the profitability and competence bias for user charge tariff of highway public transport exit permit at highway public transport station in East Java. Second, how profitability and competence bias the user charge tariff of highway public transport exit permit at highway public transport station in East Java. This research use primary data with 192 person from informan group (77 highway public transport station manager, 77 driver and 38 transportation consument organization/ transportation board) to describe profitability and competence bias in user charge tariff of highway public transport station use discriptive analize and qualitative analize. Informan subyek needed from informan group until when enough to answer phenomena in this research. Decision making is ability to make consistent judgement with risk executive function (Missier at all, 2011). Efficient market hyphotesis will give information to predict opportunity (Timmermann and Granger, 2004). The competence biases lead to irrational behaviors and flawed decisions (Pompian, 2012, p.43), avoid flawed decisions local government must select person while recruit manager at highway public transport station. Selection based on especially knowledge competence, so station will get profitability by user charge tariff.

Keywords: profitability, competence bias, user charge tariff

Profitability is rhetoric. In application often occurred competence bias when efficiency market used in decision making. They can make deviation making decision process so lead irrational behavior and flawed decision (Pompian, 2012:43). Irrational decision taker use wrong method to problem solving (Peters, 2004). Efficient market hypothesis will make optimal predict base on complete information (Timmermann and Granger, 2004). User charge tariff is price by political decision making not market interaction (Hyman, 2002:398-399). Political decision making by government manajer. Influence factor in decision making is competence. Competense are motives, traits, self concept, knowledge and skills (Spencer, 1993).

Since January 1st 2001, local government have autonomy to manage their area so they must find local income to budget their operational. Since January 1st 2017, A type highway public transport station managed by Transportation Ministry, B type by Governor and C type by mayor or regent in local government.

Local government anbitious to reach big income from tranportation sector especially in highway public transport station is different with local condition in station, only under 2% local

income (Wikardojo, 2001). They can not get profit because flawed decision making by competence bias.

RESEARCH FOCUS

Profitability and competence bias descriptive in highway public transport station user charge tariff. How profitability and competence bias in highway public transport station user charge tariff.

GOAL

As input for local government in user charge tariff regulated, and idea for future study about user charge tariff profitability

RESEARCH METHOD

Approach

Research begin by exploration to find data, because knowledge about profitability, competence bias in user charge tariff not preparedness (Singarimbun, 1989:4). This is qualitative research, research for understanding profitability phenomena that occurred in user charge tariff in highway public transport station. The profitability phenomena as consequence of competence bias. By descriptive to clear phenomena with scientific methods (Moleong, 2004:6). Qualitative method to understand meaning social and personal problem when station manager must be judgement user charge tariff (Cresswell, 2014:4). By Freirian critical theory (Muhadjir, 2002:199) that highway public transport history have natural reality problem which public participate is important to decide user charge tariff. In other case public judgement without public participate make a decision flawed. So government agent have to involve people behavior when they want to make successful program.

Qualitative researcher is key instrument in his research, this researcher have knowledge experience about transportation and accounting, so can reconstruction profitability and bias competence in highway public transport user charge tariff. Researcher want to critic competence bias in profitability of user charge when decision making tariff, so researcher must be presence when collecting data and interview informan.

Research location in East Java Provinsi is a good economic growth area. Economic growth will make transportation growth, but transportation growth not equivalent with user charge income (Wikardojo, 2001).

DATA AND RESEARCH

Profitability

Highway public transport station accounting performed by ability to reach target earning from local government income and expenditure budget. User charge is earning tool. User charge tariff decided by political judgement (Hyman, 2002), that recommendate by actor in highway public transport station as station manager and driver or vehicle owner.

Competence Bias

Station manager selection base on especially by traits competence. Manager selection in government institution often not recommended by knowledge competence, so occur knowledge competence bias.

Criticism: Profitability

Measurement of successful earning by ability to reach the earning target not perform a good accounting. If cost more than earning so make deficit for finance. In some cases deficit finance will be closed by debt.

Competence Bias

Competence bias on knowledge competence make the decision making flawed. Someone nothing have knowledge for decision making, they depend on another person.

CONCLUSION

Measurement of successful earning in station base on ability to reach the earning target not profitability from earning minus operational cost
Competence bias of station manager occurred on knowledge competence

Recommendations

The station manager make a report contain an operational cost to reduce earning so we can look profitability earning
Recruitment system for station manager must base on competence especially knowledge

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