

The Effect of Covid-19 Pandemic on the Public Appraisal Services Office (KJPP) Performance

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Abstract

The aim of this research is to determine the effect of Covid-19 pandemic on the Public Appraisal Services Office (KJPP) performance. The main issue that will be announced in this research is in relation to how big Covid-19 gives effect to KJPP performance. The research method applied is literature review through collecting, identifying, and evaluating the gaining effect of the Covid-19 pandemic towards KJPP performance. Secondary data has been used in this research from the official government websites, and Google Scholar for relevant journals or articles. The phenomenon of Covid-19 leads many changes occurred in any aspects of human beings. That condition has transformed most manual activities of human beings into digital-based activities, where KJPP should implement digital-based assessment procedures to compete and adapt to technological developments nowadays.

Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui pengaruh pandemi Covid-19 terhadap kinerja Kantor Penilai Publik (KJPP). Isu utama yang akan diumumkan dalam penelitian ini adalah terkait seberapa besar Covid-19 berpengaruh terhadap kinerja KJPP. Metode penelitian yang diterapkan adalah tinjauan pustaka melalui pengumpulan, identifikasi, dan evaluasi efek perolehan pandemi Covid-19 terhadap kinerja KJPP. Data sekunder telah digunakan dalam penelitian ini dari situs web resmi pemerintah, dan Google Scholar untuk jurnal atau artikel yang relevan. Fenomena Covid-19 menyebabkan banyak perubahan terjadi pada setiap aspek manusia. Kondisi itu telah mengubah sebagian besar aktivitas manual manusia menjadi kegiatan berbasis digital, di mana KJPP harus menerapkan prosedur penilaian berbasis digital untuk bersaing dan beradaptasi dengan perkembangan teknologi saat ini.

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1. Introduction

The Public Appraisal Services Office, which is abbreviated as KJPP, is a business entity which has received a business license from the Minister as a forum for Public Appraisers to provide their services (Suciati & Amapoli, 2023). Apart from Public Appraisers, within the Office, KJPP is also a member of MAPPI (Society of Professional Appraisers Indonesia) according to membership level and field of competition. MAPPI is the only professional association of appraisers recognized by the Government (Basri, 2014).

In providing services, KJPP issues a product in the form of an Appraisal Report. An assessment report is a document that includes task instructions, fundamental basis and objectives of the assessment, and analysis results that produce a value opinion. The assessment report can also explain the analysis that carried out in the process, and state vital information used in the analysis (Yusuf & Kartomo, 2018).

Performance is the result of work carried out by a person or organization in accordance with responsibility and authority to achieve organizational goals that have been set in legal condition, uphold ethical values without any violation of laws and ethics. Besides, in term of individual work, performance can be defined as an achievement can be stated as the positive result for a group and give personal value individually. Through this essence, it is to say that, in order to improve and reach optimal performance, it is necessary to set clear standards that can serve as a reference for all employees, because employee performance occurs when employees carry out their duties well.

The performance of KJPP is a general description of conditions. The production of KJPP can be seen from the number of appraisal reports that have been published each year (cut of date at the end of December) or the number of Appraisal Assignment Values each year (cut of date at the end of December) which is measured in Rupiah. The Assessment Report is seen from the purpose of the assessment according to the assignment, including for the purposes of Debt Guarantee, Financial Reports, Auctions, Transactions, Land Acquisition, etc. (Yusuf & Kartomo, 2018).

The scope of assessment activities must also be in accordance with the classification of allowances given by the regulator or the policy maker-and, in this case, the regulator or the policy maker is the Republic of Indonesia Financial Professional Development Center, abbreviated as PPPK, Ministry of Finance of the Republic of Indonesia. The field of appraisal services as stated in Article 5 of the Minister of Finance Regulation Number 228/PMK.01/2019 concerning Amendments to PMK 56/PMK.01/2017 concerning Amendments to the Minister of Finance Regulation Number 101/PMK.01/2014 concerning Public Appraisers has four concern areas, they are Simple Property Appraisal, Property Appraisal, and Business Appraisal, (Lestari et al., 2019).

In addition, KJPP can also provide other services besides assessments as regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 228/PMK 01/2019. KJPP Performance Assessments can be used as a reference in decision making by KJPP itself or the regulator, or can be seen clearly. in the table below:

Table 1. Qualifications for Public Appraiser's License

No.	Qualifications	Rujukan
1.	Simple Property Appraiser	PMK No. 228/PMK.01/2019, PMK No.
2.	Personal Property Appraiser	56/PMK.01/2017 & PMK No.
3.	Property Appraiser	101/PMK.01/2014
4.	Business Appraiser	
5.	Other Services	

Source: Pusat Pembinaan Profesi Keuangan (PPPK), Kemenkeu R.I

At the beginning of 2020, all services and goods sectors experienced a decline or slowdown as a result of the outbreak of the Covid-19 virus. The Covid-19 virus had become fatal because it causes death for the infected. There were restrictions taking place, especially for the ability of people moving around for personal and business purposes, both within the city and outside the city, let alone abroad, which is very limited (Putranto, 2020).

Furthermore, the regulation also forbid the society conduct a gather in public spaces, keep maintaining distance between each other, and any other restrictions, such as working from home, known as Work from Home (WFH), (Pangestu et al., 2022). The situation was getting worse due to rising prices and weakening overall purchasing ability from the society. This situation was made worse by the number of companies laying off employees because of the heavy production burden compared to the income they received. In addition, employees who contracted with the virus, would be isolated which would impact the company performance (Esomar & Christianty, 2021).

These restrictions were felt directly on the performance of KJPP. The number of appraisal assignments and other services received by KJPP is starting to decline and even tends to decline. In general, task providers, especially banks, are still reading and analysing the conditions, still haunted by anxiety and misgivings about economic conditions which are full of uncertainty. Many customers experience default or bad credit, not because of personal problems, but because of unhealthy financial conditions. These conditions play a crucial role in slowing down the assignment of assessments to KJPP, (Bidari et al., 2020).

Based on observations that has been conducted by the Financial Professional Development Center (P2PK) of the Ministry of Finance of the Republic of Indonesia in 2023, KJPP performance had been decreasing. That phenomenon can clearly be seen from the performance assessment table of KJPP as follows:

Table 2. Number of KJPP Assessment Assignments

No.	Number of Assessment Assignments	Tahun
1.	197.486	2018
2.	205.127	2019
3.	142.072	2020
4.	191.988	2021
5.	185.698	2022

Source: Pusat Pembinaan Profesi Keuangan (PPPK), Kemenkeu R.I -2022

Based on table 2 above, we can see that there is a phenomenon or tendency for the performance of KJPP to decline from 2019 to 2020. Then it rose again in 2021 and experienced a decline in 2022. This decline was the impact of the impact of the Covid-19 pandemic. In table 2 above, it can be explained that the number of assessment assignments is the total of all assessment assignments and for all assessment purposes of all permit classifications given by the regulator.

2. Methods

The method applied in this research was literature review method, where researcher was trying to collect, identify and evaluate the impact of the Covid-19 pandemic on KJPP performance. Secondary data has been used in this research from the official government websites, and Google Scholar for relevant journals or articles. The journals or articles obtained are selected based on the title created by the author (Pringgar, 2020). The selection of journals was carried out according to the relevance of the research variables, and the conclusion was stated clearly in relation to the impact of the Covid-19 pandemic on the performance of KJPP.

3. Results and Discussions

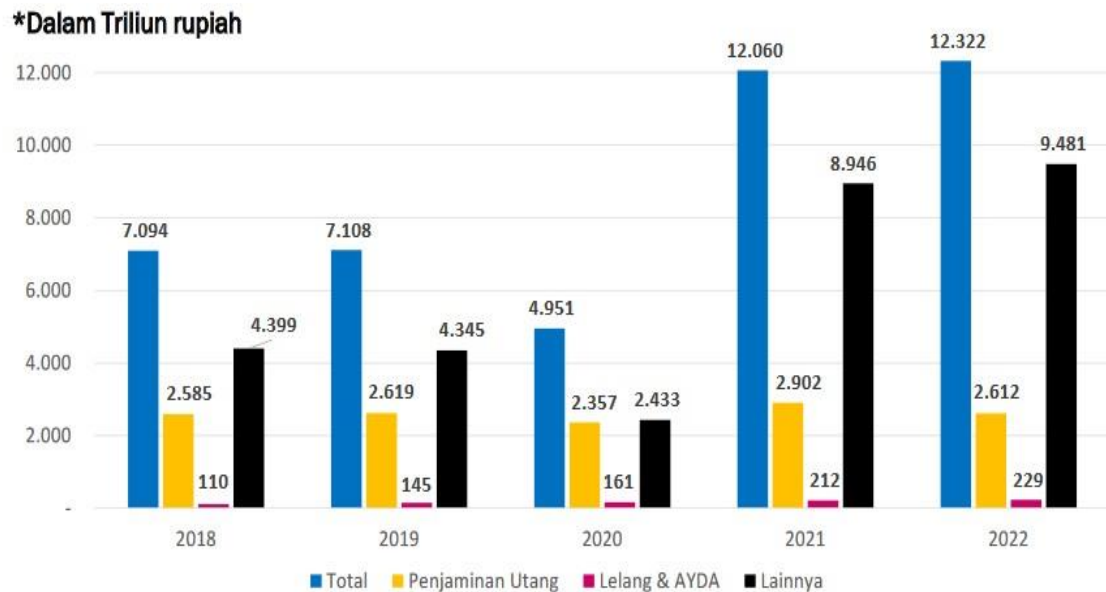


Figure 1. Total Number of Assessment Assignments

Source: Pusat Pembinaan Profesi Keuangan (P2PK), Kemenkeu R.I

Based on table 1, in 2018 the total value of assessment assignments was IDR. 7,094 trillion, then in 2019 the total value of assessment assignments was IDR. 7,108 trillion, meaning that the performance of KJPP nationally increased by approximately 0.2%. The total assessment assignment value is dominated by the assessment objectives for others, then followed by the Debt Guarantee assessment objectives and the Auction & Expropriated / AYDA assessment objectives, (PPPK, 2023).

In 2020 the total value of assessment assignments was IDR. 4,951 trillion, meaning that the performance of the National KJPP fell by approximately 43.6% compared to 2019. The total value of assessment assignments is dominated by other assessment objectives, followed by Debt Guarantee assessment objectives and Auction & Agungan assessment objectives Takeover / AYDA, (PPPK, 2023).

The performance of the KJPP wasso impacted that the decline in assessment assignments was very pronounced as a result of the massive effect of anxiety on people's social behavior. Taylor (2019) explained that pandemics can have a broad and massive psychological impact on people, starting to think about health and illness, changes in emotions (anxiety) and social behavior.

In 2021 the total value of assessment assignments was IDR. 12,060 trillion, and followed in 2022 by IDR. 12,322 trillion. From these two years it can be concluded that KJPP's performance shows a positive trend. A very significant increase in KJPP performance can be seen from 2020 to 2021, namely 243.6% and followed by 2022 of 2.2% from the previous year. The total value of the assessment assignment task still dominated by the assessment objectives for other purposes,

followed by the Guarantee assessment objectives Debts and objectives of the Auction & Expropriated / AYDA assessment, (PPPK, 2023). Overall, from table three above, from 2018 to 2022, only in 2020 did the total value of assessment assignments drop drastically as a result of the Covid-19 pandemic, the rest experienced an upward trend, (PPPK, 2023).

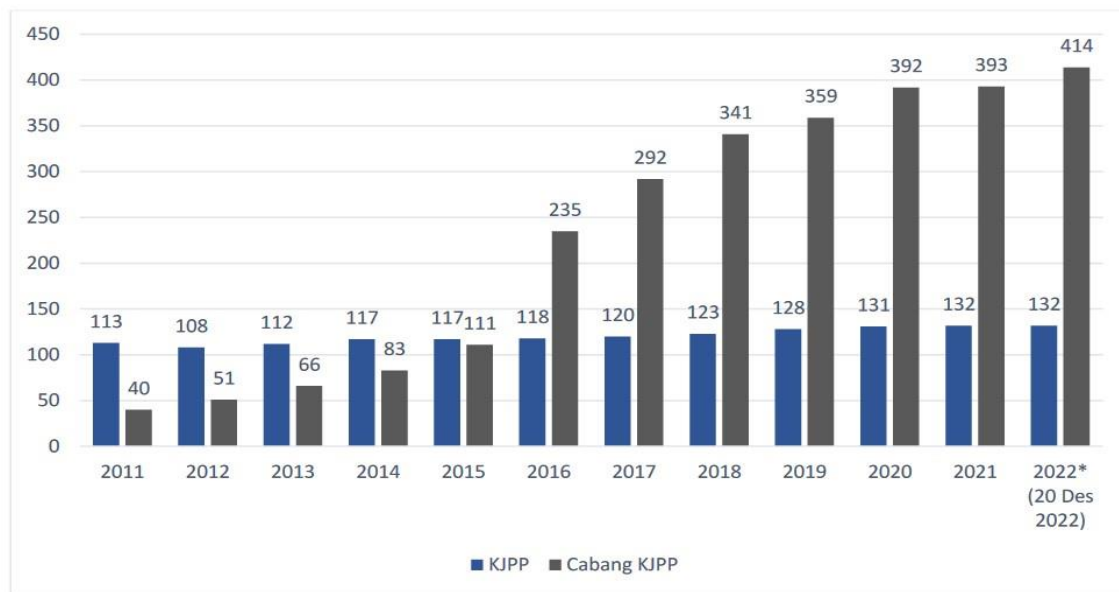


Figure 2. Total Number of Assessment Assignments

Source: Pusat Pembinaan Profesi Keuangan (P2PK), Kemenkeu R.I-2022

Based on the display of table 2, it can be seen that from 2011 to 2022 or over a period of (11) eleven years, the total number of increases in KJPP is 19 offices. The growth in the number of KJPP got slower from 2019 to 2022. During this three (3) year period, the increase in KJPP was only four (4) KJPP. From the information above, it is quite clear that the effects of the Covid-19 pandemic also influenced the establishment of KJPP head office (PPPK, 2023).

The table 4 above also provide the situation does not apply to branch offices from the Head Office of KJPP, in fact, the research results tend to be reversed. Based on table four (4) above, from 2011 to 2022 or over a period of eleven (11) years the total number of increases in Branch Offices from the Head Office of KJPP is three hundred and one (301) branch offices or over the period During these eleven (11) years, the branch office of KJPP head office experienced growth for 3.3% per year.

The growth in KJPP branch offices from 2019 to 2022, nationally it has not been significantly impacted. If we look at the period 2019-2022, during this three (3) year period, the Branch Offices of KJPP grew or increased by fifty-five (55) branch offices. From the information above, it can be seen that the effect of the growth of growth of KJPP branch offices, does not nationally give any significant effect due to the Covid-19 pandemic is not too influential, (PPPK, 2023).

4. Conclusion

The existence of Covid-19 pandemic has had a quite massive impact on the performance of KJPP. KJPP needs to design update innovations and strategies, and keep its consistency by means of improving KJPP performance. There are still many assessment services and consulting services in accordance with permits granted by regulators that have not been optimally optimized. So far, work assignments are still dominated in the banking sector with the aim of Debt Guarantee Assessment and Auction & Acquired Assets (AYDA) purposes as well as other services.

Learning from the previous Covid-19 pandemic, where there were restrictions and many activities were transformed from manual to completely digital or automatic work mechnes, KJPP should implement digital-based assessment procedures, because KJPP will always be able to adapt with various current conditions, and any updated system technology-based assessment reporting, that will be highly value to upgrade the class of KJPP-more competitive and able to adapt to any technological developments.

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