

Phenomenological Study on the Liquidation of the Regional Public Company Pasir Putih in Situbondo Regency



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ABSTRACT: Regional-Owned Enterprises (BUMD) play a crucial role in enhancing the national economy in general, but even more importantly, they contribute to the economic development of specific regions. This study aims to identify the causes of the liquidation of the former Pasir Putih Regional Public Company in Situbondo Regency and to understand the experiences of the liquidator and the liquidation team in this process. This research employs a qualitative approach. The findings reveal that liquidation is understood through the characteristics, impacts, and roles of the liquidator, which can be either secondary or primary. The motivation of the liquidator is influenced by internal factors, challenges, and liquidation opportunities. The process and strategy of liquidation are also affected by the understanding of the company, with the goal of ensuring that the process proceeds correctly and without errors. This study provides important insights for the practice of liquidating regional companies in Indonesia.

KEYWORDS: Phenomenology; Liquidation; Liquidator

I. INTRODUCTION

The government must create an environment conducive to business development. Bureaucratic organizational models that performed well in the past have now become outdated and inadequate to address changes in the environment, competition, and diminishing resources. This situation exerts fiscal pressure on local executives to innovate beyond traditional approaches. Nearly every province, city, and municipality has expanded the scope and scale of economic development programs (D. Ypil & Gempes, 2023).

Reforms have brought significant changes to governance in Indonesia. One of the major transformations is the shift from a centralized system to decentralization, also known as regional autonomy (Ridwan et al., 2021). According to Law No. 23 of 2004 concerning Regional Government, regional autonomy is the right, authority, and obligation of autonomous regions to regulate and manage their governmental affairs and public interests within the framework of the Unitary State of the Republic of Indonesia.

Regional-Owned Enterprises (BUMD) play a crucial role in improving the national economy in general, but more importantly, they contribute significantly to the economic growth of specific regions. As entities that manage governance, development, and public services, local governments (Pemda) are required to demonstrate transparency and accountability in financial management to ensure clean governance (Setyaningrum & Syafitri, 2012). Achieving clean, transparent governance and public services remains a challenge for government institutions in carrying out their functions (Hartono, 2010).

Transparency is a key issue in democratic governance. Democratic governance requires accountability to the public by enhancing transparency through increased disclosure of budgetary and financial information. To achieve transparency and accountability, governors, regents, and mayors, as regional leaders, are obligated to submit accountability reports regarding the implementation of their duties and responsibilities (Ridwan et al., 2021).

Financial management is conducted through the preparation of financial reports as a form of accountability for regional financial management. Accountability is defined as the government's response to the public regarding the level of its performance. To enhance transparency and accountability in financial management, local governments can utilize the internet as a medium to present and disseminate financial reports (Pina, 2014). Tennyson (2007) states that financial reporting via the internet is a cost-effective yet efficient method for local governments to present financial management information.

One concrete effort in this regard is the presentation of financial reports by local governments, which should include at least the Budget Realization Report, Balance Sheet, Cash Flow Statement, and Notes to Financial Statements (Setyaningrum & Syafitri,

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2012). According to Government Accounting Standards (SAP) No. 01 on financial statement presentation, the primary purpose of government financial reporting is to provide useful information for decision-making and to demonstrate the reporting entity's accountability for the resources entrusted to it (Adiputra, 2018).

Financial resources to support the provision of basic services and fund regional development plans are critical issues at the local level if key human development outcomes are to be improved (D. Ypil & Gempes, 2023).

Regional revenue in the implementation of decentralization consists of regional income and financing. Regional income includes Locally-Generated Revenue (PAD), while financing refers to the Regional Budget Surplus. The purpose of PAD is to provide local governments with the authority to fund the implementation of regional autonomy in accordance with the region's potential, reflecting decentralization's goal of reducing fiscal disparities between the central government and local governments. Local governments are mandated to manage funds sourced from the public, and the success of this financial management heavily depends on the efficiency and effectiveness of the implementing local government institutions (Adiputra, 2018).

On one hand, revenue collection and resource mobilization at the local level are hampered by complex tax structures, poor systems and procedures, and limited regional capacities. On the other hand, planning and budgeting at the local level are constrained by short political tenures of local officials and a lack of clear mandates to ensure alignment between regional development plans, investment programs, and annual budgets (D. Ypil & Gempes, 2023).

Therefore, it is essential to assist local governments in developing strategies and systems that enable them to enhance their financial resources and allocate these resources in a manner consistent with the objectives and goals articulated in their medium-term development plans (Manasan & Villanueva-Ruiz, 2006).

In total, 65 liquidator reports were analyzed, comprising 22 companies liquidated in the property development subsector, 27 in general construction, and 16 in construction trade services. The information obtained from the liquidator reports was categorized into factors such as reasons for liquidation, the amount of debt owed to creditors based on claims received, the time required to complete the liquidation process, and others. This data was then analyzed using simple interpretation techniques such as thematic analysis and frequency graphs.

Based on the 2020 audit summary data, the unqualified opinion (WTP) awarded by the Supreme Audit Board of the Republic of Indonesia (BPK RI) to local governments increased from 58% to 90% in 2019. This improvement resulted from corrective measures taken by local governments to address weaknesses identified over the past five years. However, this phenomenon of unqualified opinions has not been accompanied by a reduction in the number of corruption cases within local governments (Ridwan et al., 2021). According to Liu & Lin (2012), the results of audit processes can be used to detect corrupt activities at the local government level. This is because audits can highlight areas prone to corruption (Panji & Utomo, 2023).

Phenomenology is a distinctive and highly influential philosophical movement that informs the study of organizations (Sandberg, 2015). As a research methodology, phenomenology is neither new nor unique. Phenomenology views individuals as actors in their "lived experience" and is concerned with examining what an experience entails, "under what conditions it arises, from what frame of reference, and what its potential meaning might be." Since phenomenology aims to describe how individuals understand, feel, and perceive their "lived experiences," it is unsurprising that many disciplines studying human experiences (e.g., psychology, nursing, education, management) have adopted its theoretical frameworks and practical methodologies (Kirillova, 2018).

Phenomenology provides a way to view the world by focusing on the phenomena being studied. It can assist in researching extraordinary or exceptional phenomena as well as those that are ordinary and part of daily life. The ontology of phenomenology centers on the "lifeworld," perceiving phenomena as they are experienced by individuals (Jackson, 2018).

Alongside the increasing number of companies being liquidated, as recorded in the State Gazette of the Republic of Indonesia, many companies in Indonesia faced the phenomenon of the Coronavirus Disease (Covid-19) from 2020 to 2022. Companies are established with the primary objective of functioning as business units that generate profits for their survival and growth. However, between 2020 and 2022, many companies were liquidated, dissolved, or declared bankrupt. According to data from the State Gazette of the Republic of Indonesia, the number of companies liquidated has steadily increased: 1,498 companies in 2020, 1,966 companies in 2021, and 2,404 companies in 2022. In 2022, only three regional public enterprises were liquidated (State Gazette of the Republic of Indonesia, 2022).

In the course of business, companies occasionally encounter challenging situations, as indicated by the data above, which compel them to undergo liquidation. Although new entities might be established by the founders, professional entrepreneurs would generally prioritize business development plans if their companies can grow effectively (Murni, 1998). As economic activities expand, more enterprises are established, yet many also face liquidation or bankruptcy. The procedures, causes, and objectives of liquidation remain inadequately explored from the existing phenomenological perspectives.

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From the liquidators' experiences, a specialized phenomenological study is essential to examine this issue. Research focusing on this topic aims to acquire knowledge about an individual's experience, enabling the formulation of problems, obtaining deeper insights into the liquidators' experiences, and hypothesizing. The data gathered through this research will be analyzed based on existing phenomenological frameworks, leading to conclusions and insights into the phenomenon.

Based on the aforementioned articles, the phenomenological method is highly suitable for developing new insights, challenging existing theories, and adding nuance to them. This approach often employs straightforward interpretative techniques such as thematic analysis and frequency graphs (Rotimi, 2012).

Referring to the findings of prior research (Murni, 1998), the topic of corporate liquidation has yet to be thoroughly explored or examined in detail within the existing literature. Therefore, this study seeks to investigate the liquidation of regional public enterprises through a phenomenological lens.

RESEARCH METHOD

This study employs a qualitative research approach, which is designed to understand and interpret a group of individuals or groups based on social or human issues (Miller, 2020). To understand and interpret the findings of this study, the research method used is Phenomenology. According to Neubauer (2019), phenomenology is defined as a form of qualitative research that focuses on individuals' lived experiences.

The subjects of this study are the liquidators responsible for the liquidation of the Regional Public Company Pasir Putih in Situbondo Regency. The key informants consist of four individuals: the liquidator as the team leader and three other team members involved in the liquidation process. These informants were selected based on specific criteria and have agreed to participate in this research.

This study was conducted at the Public Accounting Office Mahsun, Nurdiono, Kuku, and Partners in Malang. Secondary data, which refers to pre-existing data or data that has been processed and organized for use as reference or guideline, was also utilized. The research subjects are crucial to the study; hence, they must be organized before the researcher is ready to collect the data. It can be concluded that the selection of research subjects followed a purposive method. The purposive method involves selecting a group of participants as informants based on criteria relevant to the research problem. Secondary questions are follow-up questions to the primary questions that serve to provide further explanations or additional information as needed (Pahleviannur, 2022). Secondary questions are also referred to as probing questions.

Data analysis in this study can be carried out during the data collection phase or after completing the research within a certain period. The data analysis technique proposed by Pahleviannur (2022) consists of six steps, which are outlined as follows: preparing and processing the data, coding the data, and linking and interpreting the themes or descriptions.

Meaning of Liquidation for Liquidators This study identifies the meaning of liquidation for liquidators through various components. The phenomenon of liquidation in the Pasir Putih Regional Public Company (Perumda) of Situbondo Regency is interpreted through three main themes that offer a deeper explanation. These themes include: the characteristics of liquidation, the positive and negative impacts of liquidation, and the profession of liquidation as either a secondary or primary occupation. The findings are subsequently elaborated to provide a broader and more comprehensive interpretation of each part.

Characteristics of Liquidation for Liquidators. The first finding concerns the characteristics of liquidation for liquidators. To effectively carry out the liquidation process, a liquidator must understand the specific characteristics involved in liquidating a company. This study identifies several ideas that contribute to the characteristics of liquidation for liquidators. The first is the completion of legalities within the scope of liquidation, which is an essential step to ensure that the entire process of dissolving the company is conducted in accordance with applicable regulations. This process includes the preparation of official documents, such as the deed of dissolution, the final financial reports, and notifications to creditors and capital owners' representatives (KPM). Additionally, the liquidator must ensure that all legal obligations, including debt settlement and dispute resolution, are completed before the liquidation process can be considered finished. Conducting a thorough audit and evaluation of the company's assets and liabilities is also part of resolving legalities in order to avoid future complications. By thoroughly addressing the legalities, liquidation can proceed more smoothly and fairly, providing clarity for all parties involved.

Next, the dissolution of a company refers to the official process that occurs when an entity is no longer capable of meeting its obligations or operating efficiently. This process begins with the appointment of a liquidator who is responsible for managing the company's assets and liabilities throughout the liquidation period. The liquidator will then inventory the assets, settle debts with creditors, and ensure that all legal obligations are met. Once these steps are completed, a liquidation report is prepared to provide a comprehensive overview of the dissolution process. Ultimately, after all required procedures are completed, the company is officially dissolved and declared no longer operational, providing clarity for all involved parties.

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In the context of liquidation, a company may be categorized as problematic if it faces severe financial difficulties, is unable to meet its obligations, and must cease operations. Problematic companies often encounter challenges in settling debts and maintaining good relations with creditors, which can complicate the liquidation process. On the other hand, companies that are not problematic may have sufficient assets to fulfill their obligations, allowing the liquidation process to proceed more smoothly and efficiently. Liquidation of a non-problematic company tends to be more transparent, as all documents and financial reports are readily available and properly organized. Therefore, the distinction between problematic and non-problematic companies significantly affects the speed and smoothness of the liquidation process.

Settling debts within the scope of liquidation is a crucial step that the liquidator must undertake to ensure that all financial obligations of the company are resolved before the official dissolution process. This process begins with identifying all existing debts, including those owed to creditors, suppliers, and employees. The liquidator will then negotiate with creditors to reach an agreement on debt repayment, which may involve debt restructuring or partial settlement. Additionally, the liquidator must ensure that all documents related to the debts are organized and accurate to prevent future disputes. By systematically settling the debts, the liquidator can maintain transparency and trust among all parties involved in the liquidation process.

Settling third-party loans in the scope of liquidation is an important step in addressing the company's financial obligations to external creditors. This process begins with identifying all loans, including the terms and conditions associated with each loan. The liquidator then negotiates with third parties to reach an agreement on loan repayment, which may include flexible payment arrangements or partial debt settlement. Furthermore, it is crucial for the liquidator to document every agreement made to avoid future issues. Effectively settling third-party loans ensures that all obligations are resolved fairly and transparently before the company is officially dissolved.

Positive and Negative Impacts of Liquidation. The positive impacts of liquidation include the elimination of unsolvable debt burdens, providing an opportunity for the company to restart with a healthier structure. The liquidation process can also redirect resources to more productive companies, thus improving overall economic efficiency. However, the negative impacts of liquidation include the loss of jobs for employees, which may lead to social and economic instability in the community where the company operates. Moreover, liquidation can damage the company's reputation and create distrust among creditors and other stakeholders. Therefore, it is essential to consider both sides of these impacts in the decision-making process regarding liquidation.

After the liquidation process, the company may be restructured with a more efficient structure, allowing for better management and enhanced potential for profitability. In some cases, a liquidated company may also form partnerships with other parties, such as investors or strategic partners, to optimize resources and expedite recovery. These partnerships often involve asset consolidation or collaboration on specific projects that benefit both parties. Furthermore, the reformation of the company after liquidation presents an opportunity to learn from past mistakes by implementing better managerial practices. With the right approach, liquidation can serve as a starting point for more sustainable and innovative growth.

Inability to Settle Obligations in the Context of Liquidation. Inability to meet obligations within the scope of liquidation is often a primary factor driving a company to take the dissolution route. When a company is unable to fulfill its financial obligations, whether to creditors, suppliers, or employees, it creates significant pressure on the operation and sustainability of the business. The liquidation process allows the company to officially cease operations and settle existing debts, thus reducing the risk of more severe negative consequences in the future. During this process, the liquidator is tasked with identifying all unpaid liabilities and negotiating with the relevant parties to reach a fair resolution. The inability to pay obligations not only affects the company's reputation but also can impact long-term relationships with creditors and other stakeholders.

Liquidation Without Restructuring. Liquidation without restructuring often occurs when a company faces irreparable financial difficulties, making closing operations the only viable option. This decision is made after considering that the corrective measures undertaken have not yielded significant results. This liquidation process allows the company to immediately settle debts with creditors, although without providing an opportunity for recovery or improvement. Without the path of restructuring, the liquidator must act swiftly to evaluate and sell the company's assets in order to meet existing obligations. Although this process can be a bitter last resort, liquidation without restructuring can provide clarity and help avoid greater losses in the future.

The Profession of Liquidation as a Side Job or Main Job. In the context of the liquidation profession, auditors play a crucial role in ensuring transparency and accuracy in the financial reports of the liquidating company. The primary responsibility of an auditor is to conduct a thorough examination of the company's assets, liabilities, and transactions to identify potential issues or discrepancies. By providing an independent audit report, the auditor assists the liquidator and related parties in gaining a comprehensive understanding of the company's financial condition. Furthermore, the auditor functions as a supervisor to ensure that all liquidation processes are carried out in accordance with applicable regulations and accounting standards. The presence of an auditor in the liquidation process instills confidence in creditors and stakeholders that all decisions are based on accurate and accountable information.

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Motivation for Liquidation by Liquidators. The pursuit of profit or generating local revenue (PAD) is often a primary objective in the operations of regional companies. However, when a company can no longer provide significant financial contributions, this factor may motivate the local government to consider liquidation. The inability to generate sufficient PAD, coupled with ongoing financial difficulties, drives the decision to liquidate to avoid further losses. Another motivating factor for liquidation is the effort to redirect resources to more productive sectors or entities that are better able to generate higher revenue. By liquidating companies that are no longer efficient, the local government aims to maximize economic benefits through more strategic management.

Challenges in Liquidation

The council or political parties often play a significant role in decision-making regarding liquidation, particularly for regional government-owned companies that involve public interests. Challenges in liquidation may arise when there are differing viewpoints between the council, political parties, and other stakeholders regarding the best course of action. Political pressures and the interests of certain groups can complicate the liquidation process, delay necessary decisions, or create conflicts of interest. Furthermore, liquidation of a company often involves policies that impact employment and community welfare, requiring the council or political parties to consider the social consequences of such decisions. To address these challenges, transparent communication and collaboration among the involved parties are essential to achieve a fair and efficient solution.

Impact on the Community, The community is often one of the most affected parties in the liquidation process, especially if the company being liquidated plays a significant role in providing employment or public services. Challenges arise when the community faces uncertainty regarding the social and economic impact of the company's dissolution. Liquidation can trigger reactions from the community, particularly if they feel they are losing a source of income or access to services previously provided by the company. Additionally, a liquidation process that is not transparent or appears rushed can lead to mistrust and protests from the public. To mitigate these challenges, it is important for the government and liquidators to provide clear information and alternative solutions that can minimize the negative impacts on the community.

Attitudes Toward Obstacles or Risks, When facing obstacles or encountering risks, it is crucial for leaders or decision-makers to adopt policies that are as fair as possible. The attitude to be taken should involve considering all parties involved and ensuring that the decisions made do not disproportionately harm one group. Transparency in the decision-making process is also critical so that the policies implemented are acceptable to all parties. In managing risks, a prudent approach is to prioritize mitigation and seek solutions that reduce negative impacts without violating the applicable rules. With a fair and careful approach, obstacles and risks can be better managed, resulting in more stable and sustainable outcomes.

Adhering to Legal Frameworks, When encountering obstacles or risks, the attitude to be adopted should ensure that every action remains in compliance with the prevailing laws and regulations. Decision-makers must be cautious not to violate the law, even in urgent or high-pressure situations. By adhering to legal frameworks, future legal risks can be minimized, and the decisions made will be more accountable. Moreover, an approach that complies with the law fosters trust among stakeholders, ensuring that all parties are treated fairly. Facing challenges with a law-abiding attitude also helps maintain the reputation and integrity of the company or organization in difficult situations.

When Facing Obstacles or Risks

When encountering obstacles or risks, it is crucial to adopt an approach focused on minimizing conflicts among the involved parties. This approach requires open and transparent communication to ensure that all parties understand the situation clearly and feel heard. Maintaining a balance of interests and finding fair solutions will help reduce potential friction or tension. Moreover, avoiding hasty decisions and considering various perspectives before acting can mitigate conflicts that may arise. With a cautious and dialogue-based attitude, obstacles can be overcome more effectively, and the risk of conflict can be minimized.

Is There a Likelihood of Liquidation?

Defaulting on payment often signals a serious financial crisis within a company. When a company is unable to meet its payment obligations to creditors or third parties, it opens the possibility of liquidation as a final solution. Liquidation may be necessary to protect creditors and resolve debts in a fair manner through the sale of company assets. However, before opting for liquidation, the company may consider restructuring options to recover its financial condition. If restructuring fails, liquidation becomes an unavoidable step to resolve the default issues.

Liquidation Strategy for Liquidators

In some cases of liquidation, there is often no technology specifically implemented, and the process is largely based on manual assessments of the company's assets and liabilities. The ideal technology for liquidation would include advanced accounting software and asset management tools to ensure accuracy and efficiency. However, in practice, many companies still rely on

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traditional assessments, with liquidators directly evaluating assets without significant technological support. Nonetheless, the development of financial technology and automated auditing has the potential to improve transparency and speed in the liquidation process. The future application of technology in liquidation could bring positive changes in data management and asset valuation.

Liquidation Process at Perumda Pasir Putih, Situbondo

The liquidation process at Perumda Pasir Putih, Situbondo is estimated to take approximately 3 months, depending on the complexity of the assets and liabilities that need to be resolved. This time is typically used to identify, assess, and sell the company's assets to settle existing debts. Additionally, the liquidator must handle various administrative and legal aspects, including reporting to the authorities. While the target is 3 months, this process can be expedited if all parties cooperate effectively and no significant obstacles arise. However, the involvement of external parties, such as creditors and other stakeholders, can influence the speed of this process.

Flexibility in the Liquidation Process

The liquidation process at Perumda Pasir Putih, Situbondo is flexible, depending on various factors such as the assets that need to be sold and the obligations that must be settled. This flexibility allows the completion timeline to be adjusted based on the complexity of the situation and the needs of each party involved. Although there is a target timeframe, the liquidator may extend the process if necessary to ensure that all aspects of the liquidation are carried out correctly and fairly. This flexible approach is essential for addressing challenges that may arise during the process, such as legal issues or negotiations with creditors. Consequently, the time required can vary depending on the specific conditions of the company and the challenges encountered during the liquidation.

The liquidation process at Perumda Pasir Putih, Situbondo, may be subject to a specific time limit set by the relevant authorities. If this process is restricted, for example, to six months, all parties involved must work more efficiently to meet the deadline. This time constraint can encourage the liquidator to evaluate and sell assets quickly, although they must still ensure fairness and transparency. On the other hand, this time limitation may also increase pressure on the liquidator to make rapid decisions, which could impact the final outcome. Therefore, it is crucial to ensure that, despite the time limit, all legal and administrative procedures are followed to avoid issues in the future.

If the liquidation process at Perumda Pasir Putih, Situbondo, is not limited by a specific timeframe, it allows for a more thorough resolution of all financial and administrative aspects. Without a time constraint, the liquidator can take the necessary time to carefully evaluate assets and negotiate with creditors to reach a fair agreement. This non-hasty process also provides space to address any legal obstacles that may arise during liquidation. Although there is no time limit, it is important to ensure that the process proceeds efficiently to avoid creating uncertainty for stakeholders. With this more flexible approach, the liquidation is expected to be conducted more cautiously, ensuring that all obligations are resolved comprehensively.

The liquidation team plays a critical role in ensuring that the liquidation process proceeds smoothly and in compliance with applicable regulations. The team typically consists of the liquidator, who is responsible for overall management, as well as accountants and auditors who assist in the evaluation of assets and liabilities. Additionally, lawyers are involved to handle the legal aspects of the liquidation and ensure compliance with laws and regulations. Other parties involved in the process may include creditors, employees, and local government representatives who monitor the process to ensure transparency. The involvement of these various parties is essential to maintain fairness and integrity throughout the liquidation process, ensuring that all rights and obligations are properly fulfilled.

The management of Perumda Pasir Putih plays a vital role in the liquidation process as they possess in-depth knowledge of the company's operations and financial condition. During the liquidation, management must collaborate with the liquidation team to ensure that all necessary information is available and accurate. In addition to management, the parties involved in this process include the liquidator, accountants, and lawyers responsible for various technical and legal aspects. Employees are also part of the process, particularly in terms of fulfilling their rights during the liquidation. With good collaboration between management and other stakeholders, the liquidation process is expected to proceed efficiently and transparently, ensuring that all obligations are resolved fairly.

In the liquidation process, legal aspects play a crucial role in ensuring that all actions taken comply with the applicable laws and regulations. The parties involved in this process include lawyers with expertise in corporate law and liquidation, who help navigate various regulations and legal requirements. Additionally, the liquidator serves as the party responsible for managing the liquidation, ensuring that all legal procedures are adhered to throughout the process. Creditors, as parties with claims against the company's assets, are also involved in the process to ensure that their rights are fulfilled. The involvement of all these parties is

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essential to maintain transparency and fairness in the liquidation process, ensuring that the outcome is acceptable to all stakeholders.

In the liquidation process, the Manpower Office (Disnaker) plays an important role in protecting the rights of affected employees. Disnaker is involved to ensure that all procedures related to the termination of employment (PHK) are carried out in accordance with labor laws and regulations. Other parties involved in the liquidation process include the liquidator, who is responsible for managing the overall liquidation process, and the lawyers handling the legal aspects. Furthermore, the company's management plays a crucial role in providing the necessary information to Disnaker and the liquidation team. The involvement of Disnaker and other relevant parties is essential to ensure that the liquidation process is conducted fairly and in compliance with the legal provisions, while minimizing the negative impact on employees.

The liquidation process is a complex step that involves several stages, from announcing the intention to liquidate to settling all of the company's liabilities. The first stage typically includes the appointment of a liquidator who will lead the entire process and assess the company's assets and liabilities. The liquidator will then identify and sell assets to raise funds, which will be used to pay debts to creditors. This process also involves intensive communication with relevant parties, including employees, creditors, and government agencies, to ensure transparency and compliance with regulations. Finally, after all obligations are settled, the liquidator will prepare the final report and submit a request to officially close the liquidation process, marking the end of this long and complicated journey.

The reasons for the liquidation of Perumda Pasir Putih are closely related to the company's inability to generate sufficient Local Revenue (PAD). The failure to increase revenue has led to an accumulation of debt and financial difficulties that affect the sustainability of operations. Moreover, the decline in contributions to PAD reflects inefficiencies and ineffectiveness in the management of existing resources. In such circumstances, the local government believes that liquidation is the best step to protect the public's and creditors' interests. The liquidation process is expected to recover the value of existing assets, which can be used in more productive programs to support the increase of PAD in the future.

CONCLUSIONS

Based on the findings and discussions in this research, the phenomenological study on the liquidation of Perusahaan Umum Daerah Pasir Putih, Situbondo Regency, can be concluded as follows. The phenomenon of liquidation at Perusahaan Umum Daerah Pasir Putih, Situbondo Regency, is understood from three aspects: the characteristics of liquidation for the liquidator, the positive and negative impacts of liquidation, and the profession of liquidation as a secondary or primary occupation. These three aspects are interrelated and influence each other in achieving the success of the liquidation process.

The motivation for liquidation for the liquidator is influenced by four factors: the reasons motivating the liquidation, challenges encountered during liquidation, the attitudes taken when facing obstacles or risks, and the potential opportunities for liquidation at present.

The liquidation strategy for the liquidator refers to the steps taken by the liquidator to determine the process and direction of the liquidation. This process also serves as a consideration for the liquidator in determining the duration of the liquidation process at Perumda Pasir Putih, Situbondo Regency, who is involved in the liquidation process, how the liquidation proceeds from start to finish, and the reasons for liquidation. The liquidator must thoroughly understand the company being liquidated to ensure that no mistakes are made during the liquidation process.

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