

THE EFFECT OF HR QUALITY ON THE EFFECTIVENESS OF PERFORMANCE-BASED ACCOUNTING IMPLEMENTATION IN TEBING TINGGI CITY

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ABSTRACT

Performance-based budgeting makes regional financial management more useful, because the funds issued are more clearly used through the outputs and outcomes produced. Therefore, it must be supported by good quality human resources, therefore it is important for the government to pay attention to the quality of human resources in improving the application of performance-based accounting. This study uses a survey approach with an explanatory research design. The sample of this research is the staff who are responsible for the management of state planning and budget at the central and regional level work units in Tebing Tinggi. . Data analysis used simple linear regression test. The results of the analysis show that the quality of Human Resources has an effect on the effectiveness of the implementation of performance-based accounting in the City of Tebing Tinggi with a P value of 0.020. The government must provide training both for beginners and for those who are advanced as a form of development, this is very necessary to improve the competence and development of employees' abilities in implementing the accounting system.

Introduction

The budget is a tool to prevent information asymmetry and dysfunctional behavior from agents or local governments and is a public accountability process. Accountability through the budget includes budget preparation to budget reporting. In addition, the budget is an important element in the management control system because the budget is not only a financial planning tool, but also as a means of controlling, coordinating, communicating, evaluating performance and motivation.

Budget reforms that have been carried out by the government, demands for a government that is trustworthy and supported by government agencies that are effective, efficient, professional and accountable, and able to provide excellent service in the APBD preparation process so as to create transparency and increase public accountability. Therefore, the management of state finances must be properly managed.

Financial management is part of a series of management activities carried out to regulate the existing finances of local governments. Regional financial management in the era of autonomy and budget reform based on Permendagri Number 13 of 2006 has used a performance-based budget system, so that in preparing regional budgets in regional financial management must use a Performance-Based Budget System. The budget itself is a tool in regional financial management that is used to determine the amount of income and expenditure, assist in decision making, and development planning. From this explanation, it can be concluded that the budget in regional financial management is very important. Which, if the budgeting system implemented is good, then surely the regional financial management is also good.

Performance-based budgets are prepared with the aim of overcoming the various weaknesses contained in traditional budgets. The use of performance-based budgeting is able to change the direction of the use of funds from the government, which was originally input-oriented, but is now output-oriented. A performance-based budgeting approach is indispensable for government agency work units that provide services to the public.

The application of performance-based government management is basically changing the mind-set of bureaucrats from a bureaucratic system to a system that emphasizes government bureaucratic entrepreneurship. One of the right ways to improve the performance of government management is to reform the management and accountability of the performance of government agencies. The government's strategic priorities must be determined based on the needs of the community so that the government can set strategic targets in their respective agencies with clear and measurable performance measures.

The purpose of the performance-based budget itself is to show the link between funding and the performance to be achieved, improve efficiency and transparency in budgeting, increase flexibility and accountability of units in carrying out tasks and budget management. Performance-based budgeting makes regional financial management more useful, because the funds issued are more clearly used through the outputs and outcomes produced.

According to Harjanti (2009), the results of his research show that the implementation of Performance-Based Budgeting has a very weak influence on the accountability of government agencies. Meanwhile, the results of research conducted by Nina (2009) show that the implementation of performance-based budgeting has a positive but not significant effect on the accountability of local government agencies.

Because of the results of the study, the researcher wanted to examine the implementation of performance-based budgeting in Tebing Tinggi. The process of implementing performance-based budgeting in Indonesia is not easy, this is due to changes in the budgeting system. In addition, the challenge to change the mindset of the executive and legislative institutions is also a formidable challenge. Especially the DPR's mindset in the context of discussing and determining the APBD has changed to an output base and no longer an input base.

The Tebing Tinggi City Government has gradually adjusted the APBD structure in accordance with applicable regulations, especially the shift from the traditional budget system to a performance-based system. According to the LAKIP of the City of Tebing Tinggi two years earlier, it was shown that between the budget plan set and the realization of the activity budget there were inaccuracies. This can be seen from the difference between the budgeted funds and the realization of expenditures that are over budgeted. The cumulative performance of the Tebing Tinggi City Government is 94.293%. When viewed from the percentage of this cumulative performance achievement, the performance of Tebing Tinggi can be categorized as achieved and successful. Based on the background described above, it is necessary to analyze in depth the determinants that affect the accountability of financial performance in the City of Tebing Tinggi.

One of the most important things to consider is human resources. Human resources must continue to be improved so that they are always ready to face changes, especially in the budgeting process in order to improve the performance of government agencies. Increasing competence in the field of budgeting can also be carried out in a coordinated manner under one roof so that it is efficient and effective (Cholifah, 2013).

So that HR has a high work ethic, is skilled and trained, an organization can provide training, education, and guidance for HR. It's just that to produce high work performance and achievement an employee not only needs to have skills, but also must have the desire and enthusiasm for high achievement because whether or not an organization develops, is largely determined by members or personnel of the organization itself (Nalarreason et al., 2014). . Therefore, this study aims to analyze the effect of HR Quality on the Effectiveness of Performance-Based Accounting Implementation in Tebing Tinggi City.

Literature Review

Performance-based budgeting is basically a budgeting system that focuses on the results to be achieved. Bastian (2006) states that performance-based budgeting is a budgeting system oriented to organizational output which is closely related to the vision and mission as well as the organization's strategic planning. Furthermore, according to Mardiasmo (2009) performance budget is a system of preparation and management of regional budgets that are oriented towards achieving results or performance. This performance reflects the effectiveness and efficiency of public services, which means that it is oriented to the public interest.

According to Halim (2007) performance-based budgeting is a budgeting system for management to link every funding outlined in activities with the expected outputs and outcomes, including efficiency in achieving the outcomes of these outputs. The outputs and outcomes are stated in the performance targets that have been made for each performance unit. In Law No. 17 of 2003, performance-based budgeting is a budgeting system based on performance or work performance to be achieved. Performance-based budgeting is an approach in the budgeting system that pays attention to the relationship between funding and expected performance, and pays attention to efficiency in achieving that performance (Halim, 2016)

Effectiveness of Accounting Information Systems Effectiveness is a benchmark that describes the extent to which the objectives to be achieved. Efficiency can be related to effectiveness, but if there is an increase in effectiveness, it does not necessarily increase efficiency (Umar, 2008). Effectiveness is a measure that expresses how far (quantity, quality, and time) has been achieved. If described in the form of an equation, the effectiveness is equal to the real results divided by the expected results (Danumiharja, 2014).

According to Wirawan (2015) explains that: "Human Resources are people who are referred to as managers, employees, employees, laborers or workers who work for the organization". The same thing was conveyed by Eddy Soeryanto Soegoto (2014) giving the understanding, namely: "Human Resources are individuals in organizations who make valuable contributions to the achievement of organizational goals".

Then explained by M. D M. Dawam Rahardjo (2010) explaining the notion of Quality of Human Resources, namely: "The quality of human resources is only determined by the aspect of skill or physical strength, but is also determined by education or level of knowledge, experience or maturity. and their attitudes and values. Based on the above understanding, it can be concluded that Human Resources are individuals or what is referred to as labor, employees, human potential who work for the organization.

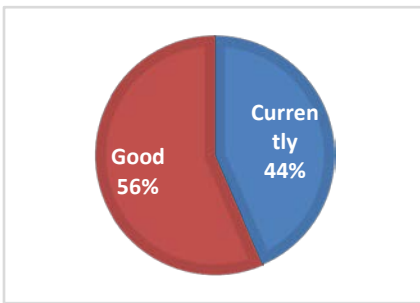
Talking about the problem of the quality of human resources, of course there are benchmarks that we can use as benchmarks or comparisons so that we can know and determine quality humans. With these limitations and benchmarks, it can be used as a basis for determining one's personal qualities

Method

This study uses a survey approach with an explanatory research design. This study wants to explain the influence of HR quality on the effectiveness of the implementation of performance-based accounting in the City of Tebing Tinggi. The research population is all staff who are responsible for the management of planning and state budgets in work units at both the central and regional levels. The sample size of this study was determined using the Slovin formula according to Sugiyono (2011), so the sample size of this study was 62 people. The data collection method used a questionnaire which was filled out directly by the online sample. Data was collected through questionnaires filled out online by respondents. In addition, in-depth interviews were conducted on information that was still lacking. Data analysis used simple linear regression test.

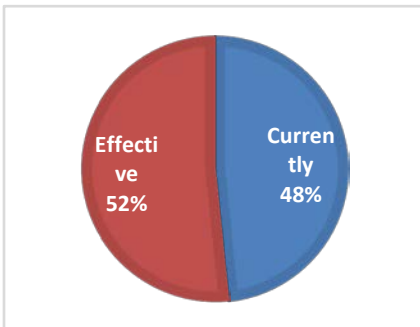
Result

Based on the good descriptive test of the Human Resources quality variable, the following results were obtained



The results of the study in the image above show that the majority of respondents have good quality by 56% and as many as 44% have sufficient quality of Human Resources. There is no such a large level of human resource quality in Tebing Tinggi.

Then the results of the description of the effectiveness of the application of accounting variables can be seen in the following picture,



The results of the study in the picture above show that the majority of respondents view that the accounting application they carry out at the institution is 52% effective and as many as 44% have sufficient effectiveness. In this variable, the difference in the effectiveness of the accounting application in Tebing Tinggi is not too big.

Then the results of the description were analyzed using a simple linear regression test. The results of statistical tests on the above variables can be seen in the following table,

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	Sig. F Change
1	.295 ^a	.087	.072	3.765	.087	.020

a. Predictors: (Constant), SDM

Based on the table, it is known that the value of R which is a symbol of the value of the correlation coefficient. The correlation value is 0.295. Based on this value, it is known that the relationship between the two research variables is in the weak category. Through this table also obtained the value of R Square or coefficient of determination (KD) which shows how good the regression model formed by the interaction of the independent variable and the dependent variable is. The KD value obtained is 8.7% which can be interpreted that the human resource variable X1 has a contributing effect of 8.7% on the variable of the effectiveness of accounting implementation and the other 91.7% is influenced by other factors outside the variable quality of human resources.

Then based on the test results it is also known that the linearity formed, in detail can be seen in the table below

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	81.052	1	81.052	5.718	.020 ^b
	Residual	850.497	60	14.175		
	Total	931.548	61			

a. Dependent Variable: Effectivity

b. Predictors: (Constant), Human Resources

Based on the table above, it is known that the level of significance or linearity of the regression. The criteria can be determined based on the F test or the significance value test (Sig.). Based on the table, the Sig value is obtained. = 0.020, which means that the criteria are less significant (0.05), thus the regression equation model based on the research data is significant, meaning that the linear regression model meets the criteria for linearity.

Then it can be determined the equation formed based on the results of statistical tests based on the following table,

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.874	2.885		6.195	.000
	Human Resources	.274	.114	.295	2.391	.020

a. Dependent Variable: Effectivity

Based on the table above, it is known that the regression equation model is obtained with constant coefficients and variable coefficients in the Unstandardized Coefficients column B. Based on this table, the regression equation model is obtained: $Y = 17.874 + 0.274 X_1$.

The results of the analysis show that the quality of Human Resources has an effect on the effectiveness of the implementation of performance-based accounting in the City of Tebing Tinggi. This is in line with Yogi Arta's research (2019) that the quality of human resources is one of the factors that influence the effectiveness of accrual-based SAP implementation in Karang Asem Regency. Likewise with Sumampow's research (2017) that human resource competence has a positive and significant effect on the effectiveness of implementing a performance-based budget at the Regional Industry and Trade Office of North Sulawesi Province.

The results of research on the quality aspect of human resources show that the majority of respondents have received training to support their ability to work in the accounting field. The training provided to the respondents can support the performance of pag-wai in relation to the application of Performance-Based Accounting in the City of Tebing Tinggi.

The effectiveness of performance-based budgeting is determined by the competence factor of human resources in local governments, especially in carrying out existing procedures. According to Grace (2003) and Astuti (2007), it proves that the accounting training that employees have attended has an effect on the provision and use of accounting information in their performance. The accounting training in question is accounting training organized by a competent institution that is relevant to needs. Employees who have attended accounting training will tend to carry out accounting well. This is because employees have realized the importance of good accounting in government. Training is one way to improve the competence of human resources.

Conclusion

The results of the analysis show that the quality of Human Resources affects the effectiveness of the implementation of performance-based accounting in the City of Tebing Tinggi by 0.05. Training is the highest indicator in improving the quality of human resources.

The government must provide training both for beginners and for those who are advanced as a form of development, this is very necessary to improve the competence and development of employees' abilities in implementing the accounting system.

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