Correlation of Employee Performance System Implementation with Budget Performance at Local Government Work Unit in Banda Aceh City Government

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ABSTRACT: This study aims to examine the correlation between the implementation of the employee e-performance system and budget performance at Local Government Work Unit (SKPD) in Banda Aceh City Government. The population in this study were 43 SKPD in the Banda Aceh City Government that used the employee e-performance system. The sampling technique used was saturated sampling or census, the samples and data sources were obtained from SKPD using the e-performance system so that the total sample was 43 SKPD in the Banda Aceh City Government. The non-parametric statistical data analysis method in this study is the Spearman Rank correlation method which is processed with the SPSS (Statistical Package for Social Science) program. The results showed that the implementation of the employee e-performance system had a positive relationship with budget performance.

KEYWORDS: Budget Performance, Employee E-Performance System, Employee Performance.

INTRODUCTION

According to Nafarin in Purnamasari (2019), a budget is a written plan regarding the activities of an organization which is expressed quantitatively for a certain period of time and is generally expressed in units of money, but can also be expressed in units of goods or services. The budget is an effective tool for controlling and assessing performance. Budget performance according to the Regulation of the Minister of Finance of the Republic of Indonesia Number 214/Pmk.02/2017 (2017) is the performance achievement of the use of the oldest ministry/institution budget in the budget document. To find out budget performance, namely by measuring the level of budget absorption/realization against budget planning, the level of budget absorption/realization is important in realizing output and also efficiency without budget realization it will be difficult to achieve output as planned.

However, problems related to budget performance that do not meet the predetermined targets are experienced by many government agencies or institutions as explained by Rasyid (2017) in his research, namely when budget absorption does not meet the target, indicating that there has been inefficiency and ineffectiveness of budget allocation. Berman (2006) defines organizational performance can be articulated through effective and efficient resources to achieve the desired results. Civil Servants (PNS) as a resource is an important indicator to assess the good and bad performance of a government institution because organizational accountability is determined by the performance of its employees.

Furthermore, based on research conducted by Zarinah et al (2016) budget absorption is also triggered by employee performance which is one of the factors in improving budget performance, so that every organization or company will try to improve employee performance in the hope that the goals of the organization or company will be realized. However, this is often difficult to achieve in government. Based on that, Banda Aceh City Government created an application called the Employee E-Performance System. In the Banda Aceh Mayor Regulation Number 38 of 2012 concerning the E-Performance Program of the Banda Aceh City Government (2012b) states that e-performance is one of the web-based applications used by the Banda Aceh City Government to analyze the needs of positions, workloads of positions and workloads of organizational units/work units as a basis for calculating work performance and providing work incentives by guiding Permendagri Number 4 of 2005 concerning Anjab and Permendagri Number 12 of 2008 concerning Workload Analysis. The job analysis section in the e-performance application can be accessed by the public, while the Workload Analysis section is only used by the internal of Banda Aceh City Government. The workload analysis section is used by employees to input daily work reports and is used by leaders to determine the performance of employees and work units. One of the objectives of the e-performance system is to improve organizational and apparatus performance.

Based on Banda Aceh Mayor Regulation No. 22/2012 (2012a), the e-performance program is a pilot project to assess and measure organizational performance and civil servant performance within the municipal government. The development of the e-performance application was carried out in order to facilitate all apparatus in inputting activities/work and making Daily Work Reports (LKH). In addition, this application is expected to be one of the supporting instruments for leaders in making decisions related to employee performance, units and work units. The Banda Aceh City Government expects that if the employee performance value is good, then the budget performance should also be good, which means that employee performance has a correlation with Local Government Work Unit (Hereafter it will be abbreviated as SKPD) budget performance.

However, good budget performance has not been achieved even though employee performance is good, which often occurs in SKPD (Local Government Work Unit), in the Banda Aceh City Government itself there are issues related to employee performance and budget performance, as happened in one of the SKPD in Banda City Aceh. Based on data from the Employee e-Performance System, it can be seen that the phenomenon that occurs is that the majority of employees in the Regional Secretariat SKPD received an A (very good) score of 120 employees out of a total of 135 employees or 88.89% in August 2021, in September 2021 employees 128 people received an A performance score out of a total of 135 employees or 94.81%. However, the budget performance seen from the budget realization report data of the Banda Aceh City Regional Secretariat up to August was only 53.45% achieved and up to September only 61.90%. According to BPKP (2011), ideally budget absorption can absorb an average of 25% every quarter. This means that by September the performance of the SKPD budget should have reached 75%, which means it is not according to the target.

This illustrates that the budget performance in the SKPD is not good, seen from the fact that the budget performance is not in accordance with the predetermined targets and is not in line with the employee performance displayed in the employee e-performance system, the majority of which get an A grade. In addition, the poor performance of SKPD budgets in the Banda Aceh City Government can also be seen from the statements of Banda Aceh DPRK members in mediaresmi.com (2020) The Banda Aceh City People's Representative Council (DPR) asked the City Government to accelerate the realization of the 2020 revised city revenue and expenditure budget.

However, research conducted by Purba (2021) states that budget planning and human resource competency do not have a significant effect on budget absorption. Rifai's research (2016) also shows that planning, regulation, implementation, decentralization, coordination and human resources have no effect on delays in budget absorption. Therefore, the aim of this research is to examine the correlation between the implementation of the employee e-performance system and budget performance in the Banda Aceh City Government SKPD.

LITERATURE REVIEW
Budget Theory in The Public Sector

According to Albert Hyde in Khan & Hildreth (2002) budgets simultaneously record policy results, state policy priorities and program goals and objectives, describe the government's total service efforts and measure overall performance, impact and effectiveness. Budgeting, according to Hyde, is partly political, partly economic, partly accounting, and partly administrative. As a political document, it allocates society's scarce resources among conflicting and competing interests. As an economic and fiscal document, it serves as the primary instrument for evaluating a jurisdiction's income redistribution, stimulating its economic growth and development, promoting full employment, combating inflation, and maintaining economic stability. As an accounting document, it provides a ceiling on government spending and makes it legally binding to live within allocated funds. Finally, as a managerial and administrative document, it determines the ways and means by which public services are provided, and establishes the criteria by which they are monitored, measured and evaluated.

The definition of a public sector budget according to Halim and Muhammad Syam (2014) is a document containing performance estimates, both in the form of revenues and expenditures, which are presented in monetary terms that will be achieved in a certain time period and include past data as a form of control and performance assessment. The basis of this definition is that in reality, budgets often not only contain revenues, expenditures and activities, but are also public budgets as a document that describes the financial conditions of an organization. Furthermore, the presentation of past data in budget documents is in line with the budget's function as a control tool and performance assessment tool. This is because the planned data has been compared with actual performance data, and budget performance assessments can be carried out if the results of achieving the targets are known.

According to Mayper, et al. (1991), budget variance can be used as an indicator of budget performance, both to assess the quality of implementation and planning or forecasting. Budget variances can occur for all components of the local government budget, namely income, expenditure and financing. Expenditure variance shows the difference between the target and the budget realization between the planned resource allocation and the resources used during one budget period.

Jones and Euske in Abdullah et al. (2019) states that expenditure variances occur due to imperfections in predicting budget needs. Apart from the weakness of human resources in predicting conditions of uncertainty, forecast error or bias can occur due to the behavior of budget preparers who expect the budget to be inaccurate. This behavioral aspect is very important in public budgeting, especially because it is related to individual and political interests.

Finding out whether the budget performance is good or not, it is necessary to evaluate the budget performance. Budget performance evaluation is a process for measuring, assessing and analyzing the budget performance of the current budget year and the previous budget year to prepare recommendations in order to improve budget performance.

Regulation of the Minister of Finance of the Republic of Indonesia Number 22/Pmk.02/2021 concerning Measurement and Evaluation of Budget Performance for the Implementation of Work Plans and Budgets of State Ministries/Institutions (2021) states that evaluation of budget performance for implementation aspects is carried out by measuring the following variables:

a. Output achievements are measured by comparing the realization of the Program Output Indicators with the targets of the Program Output Indicators.
b. Budget absorption is measured by comparing budget realization with the ceiling in the last DIPA.
c. Efficiency is carried out by comparing the difference between expected expenditure and actual budget with budget allocation; and
d. Consistency of budget absorption towards planning is carried out by taking into account deviations between budget realization and planned withdrawal of funds each month.

E-Performance System

E-performance system is a web-based application used by Regency/City Governments to analyze job requirements, job workload and workload of organizational work units/units as a basis for calculating work performance and providing work incentives by following Minister of Home Affairs Regulation Number 4 of 2005 concerning crew.

In the initial stage, this application consists of 2 modules. That is:
1) Module 1: Job Analysis
2) Module 2: Workload Analysis

The objectives of Job Analysis, namely:
1) Quality of Work
   Anjab is prepared as material for institutional, management and personnel arrangements based on performance to produce civil servants who are efficient and successful.
2) Compliance with applicable regulations
   Job analysis was prepared as a work guide and reference for each position holder.

The purpose of Workload Analysis, namely:
1) Structuring/refining the organizational structure;
2) Assessment of job performance and unit work performance;
3) Materials for improving work systems and procedures;
4) Means for improving institutional performance;
5) Preparation of position/institutional workload standards, preparation of employee composition lists or materials for determining structural position echelonization;
6) Preparation of plans for real employee needs in accordance with the work of the organization;
7) Employee transfer program from excess units to units with shortages;
8) Employee promotion programs;
9) Reward and punishment for units or officials;
10) Materials for improving the training program; and
11) Material for determining policies for leaders in order to increase the utilization of human resources.

E-Performance Goals

The goals of e-performance, namely:

1) To improve organizational and apparatus performance;
2) Become an instrument in structuring and improving the organization;
3) As a tool for measuring organizational and apparatus work performance;
4) To improve the welfare of the apparatus by referring to the principle of justice "equal job for equal pay";
5) Encourage the creation of healthy competition among officials;
6) Increasing HR competency;
7) Fostering higher work creativity and innovation;
8) Record the daily work of the apparatus according to position and workload.

Legal Basis for the Banda Aceh City E-Performance System

The legal basis for the Banda Aceh City E-Performance System is as follows:

- Minister of Home Affairs Regulation Number 4 of 2005 concerning Guidelines for Job Analysis within the Department of Home Affairs and Regional Government.
- Minister of Home Affairs Regulation Number 12 of 2008 concerning Guidelines for Workload Analysis within the Department of Home Affairs and Regional Government.
- Mayor Regulation Number 9 of 2012, the first amendment was made with Mayor Regulation Number 22 of 2012 and the second amendment was made with Mayor Regulation Number 28 of 2012.

The aim of implementing the e-performance program is to:

a. Improving organizational and civil servant performance;
b. Structuring and improving the organization;
c. Assess the work performance of the organization and the work performance of civil servants;
d. Provide a sense of justice and improve the welfare of civil servants;
e. Encouraging the creation of healthy job competition between civil servants;
f. Increasing the competency of human resources and positions held by civil servants; and
g. Foster creativity and innovation in the work of civil servants.

According to Mardiasmo (2009), the performance measurement system in public sector organizations is a series of systems that have the aim of helping public management make strategic decisions through financial information and non-financial information. The performance measurement system in public sector organizations can be a control tool for the organization because it implements a reward and punishment system. The information used to measure performance in public sector organizations is:

a. Financial information, which is carried out by measuring and analyzing actual performance variances with budgeted performance variances
b. Non-financial information, which is carried out by increasing confidence in the quality of public sector performance by implementing the Balance Scorecard.

METHODOLOGY

This research is hypothesis testing research. The population in this research are all SKPD (Local Government Work Unit) in the Banda Aceh City Government that have used the e-performance system. The number of SKPDs that use the employee e-performance system is 43 SKPDs. In this research, the sampling technique used was saturated sampling or census. Regarding the research that will be carried out regarding the correlation between the implementation of the e-performance system (employee performance) and budget performance, the sample and data sources were obtained from SKPDs that use the e-performance system so that the total sample is 43 SKPDs.

The data source used in this research is secondary data, according to Ahyar et al. (2020) secondary data is previously available data collected from indirect or second hand sources, for example from written sources belonging to the government or libraries. The data collection technique used in this research is collecting data in the form of documents taken from the Employee

e-Performance System at the Banda Aceh City Government and SKPD budget performance data at the Banda Aceh City Government obtained from the Banda Aceh City Financial Management Agency (BPK).

The non-parametric statistical data analysis method in this research is the Spearman Rank correlation method which is processed using the SPSS (Statistical Package For Social Science) program. Jonathan and Ely (2010:26) state that the Spearman Rank correlation is used to determine the relationship or influence between two ordinal scale variables, namely the independent variable and the dependent variable. A measure of association that requires all variables to be measured at least on an ordinal scale, allowing the objects or individuals being studied to be ranked in many consecutive series. The ordinal scale or order scale, which is the scale used if there is a relationship, usually differs between classes and is marked with ">" which means "greater than". The coefficient based on this ranking can use the Spearman Rank correlation coefficient.

RESULT AND DISCUSSION

Bivariate analysis was carried out to prove the relationship between early menarche age and consumption of junk food and information media among elementary school students in Surakarta. The analysis technique used is the correlation test, so that the data is first tested for normality to determine the correlation test technique used. If the data is normally distributed, then the test technique used is Product Moment, whereas if the data is not normally distributed then the test technique used is Rank Spearman.

The correlation test used is Spearman Rank correlation. The test conditions are that H0 is accepted if the p-value is more than 0.05 and H0 is rejected if the p-value is less than or equal to 0.05. Complete Spearman Rank test results are shown in Table 1 as follows:

Table 1. Spearman Rank Test Results

Correlation	r_{count}	p-value	Decision	Relationship Category
Employee Performance with 2019 Budget Performance	0.732	0.000	H_a accepted	Strong
Employee Performance with 2020 Budget Performance	0.653	0.000	H_a accepted	Strong
Employee Performance with 2021 Budget Performance	0.500	0.000	H_a accepted	Strong Enough
Employee Performance with Budget Performance for 2019-2021	0.624	0.000	H_a accepted	Strong

Source: Processed Secondary Data, 2022

Based on Table 1, it can be explained as follows:

1. The results of the Spearman Rank correlation test of the relationship between employee performance and budget performance in 2019 obtained an r-value of 0.732 with a p-value of 0.000. Because the p-value is smaller than 0.05, the test decision is Ha accepted, so it is concluded that there is a relationship between employee performance and budget performance in 2019 in the strong relationship category.

2. The results of the Spearman Rank correlation test of the relationship between employee performance and budget performance in 2020 obtained an r-value of 0.653 with a p-value of 0.000. Because the p-value is smaller than 0.05, the test decision is Ha accepted, so it is concluded that there is a relationship between employee performance and budget performance in 2020 in the strong relationship category.

3. The results of the Spearman Rank correlation test of the relationship between employee performance and budget performance in 2021 obtained an r-value of 0.500 with a p-value of 0.000. Because the p-value is smaller than 0.05, the test decision is Ha accepted, so it can be concluded that there is a relationship between employee performance and budget performance in 2021 in the fairly strong relationship category.

4. The results of the Spearman Rank correlation test of the relationship between employee performance and budget performance for 2019-2021 obtained a calculated r value of 0.624 with a p-value of 0.000. Because the p-value is

smaller than 0.05, the test decision is Ha accepted, so it is concluded that there is a relationship between employee performance and budget performance for 2019-2021 in the strong relationship category.

The research results show that employee performance scores as produced by the e-performance system have a positive correlation with budget performance. This shows that increasing employee performance will have an impact on increasing budget performance. Based on research by Wandari et al. (2021) shows that individual/partial budget planning has a positive and significant effect on the level of budget absorption, individual/partial human resource competency has a positive and significant effect on the level of budget absorption, budget planning and human resource competency jointly/simultaneously has a positive and significant effect on the level of budget absorption. This means that the better the human resources or employee performance, the better the level of budget absorption or budget performance. So from this research it can be concluded that if there is an influence between employee performance and budget performance then there is also a correlation between these two variables.

CONCLUSIONS

The research results show that the implementation of the employee e-performance system has a positive relationship with SKPD budget performance. Suggestions that researchers can convey based on the research that has been done, namely that 1) in an effort to improve employee performance, researchers recommend that the Banda Aceh City Government focus more on the employee performance appraisal system by tightening the honesty-based assessment process, 2) In an effort to improve budget performance, researchers suggest that the Banda Aceh City Government pay serious attention to the problem of budget realization, because budget realization is one of the important indicators in assessing SKPD budget performance by continuing to improve the budget planning process by implementing a budget-based system. Performance, and 3) Enlarge the research sample by increasing the observation period (pooling data), so that variations in data between years can be more visible.

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