



Mapping the Budget Plan Towards the Key Performance Indicators

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Abstract. Universitas Negeri Surabaya in its financial management is required to prepare a Business and Budgeting Plan (RBA) every year. Public Service Agency (BLU) Business and Budgeting Plan, hereinafter abbreviated as RBA, is a business planning and budgeting document that contains the programs, activities, performance targets, and budget of a BLU. This RBA will guide each unit in carrying out its activities. Thus, all the activities that require a budget need to be organized in such a way as to refer to the formulation of predetermined Key Performance Indicators, therefore, researchers conducted research on “Mapping the Business Plan and Budget (RBA) for the 2021–2022 Fiscal Year of the Faculty of Education (FIP) towards the Performance of the Main Performance Indicators (IKU) of Surabaya State University”, with the object of research choosing one of faculty sample out of 7 (seven) faculties and 2 (two) programs in Unesa, namely the RBA of the Faculty of Education (FIP). The purpose of this study is to map the business and budgeting plan toward key performance indicators based on the results of the evaluation of the 2021 and 2022 programs and budgets against the suitability of the IKUs that have been determined at FIP. It is hoped that the results of this research can become a model/example for 2023 budget planning. With the synchronization between RBA and IKU, it can be expected that budget planning can be more optimal and right on target, eventually will increase the achievement of Unesa’s targets. To achieve appropriate research objectives, researchers use methods that can display factual data that describe existing phenomena. So that the Quantitative Descriptive Research Method was chosen, where would be captured or described the preparation of RBA based on IKU at FIP objectively using existing real data. The research begins with data collection & observation of the objects of research followed by interpretation of the data or data analysis and ends with presenting the research results. The output of this research is to produce instruments or templates of business and budget plans toward key performance indicators as a reference for the preparation of the PTN-BH RKAT for the 2023 fiscal year and articles in international seminar proceedings.

Keywords: Main Performance Indicators · Business and Budgeting Plan

1 Introduction

Public budget theory originated from the view of V.O. Key in the 1940s mention that public budgeting tends to be atheoretic [1]. Key posited a critical question in what

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reason ones allocate any dollars for one activity rather than other activity? The answer is to control the budget size (line-item budgeting); to control the execution (performance budgeting); to control the target achievement (program budgeting) and its various forms of change (e.g., PPB and MBO); attempts to overcome incrementalism (e.g., ZBB); increased managerial discretion (entrepreneurial budgeting), etc. However, in terms of budget theory, none of these public budget systems really shows one advantage over the other. A more important force in the current administration lies in performance accountability [2]. Therefore, various performance measurement programs of central and local governments are often associated with collecting and reporting data on the results (outputs, outcomes, or impacts) of government programs.

Performance accountability in state universities cannot be separated from the application of results-based performance measurement. As a consequence of being a Public Service Agency, every year, Universitas Negeri Surabaya (Unesa) is required to prepare a Business and Budget Plan as a means of assessing annual performance accountability. Based on the Regulation of the Minister of Finance Number 129 of 2020 article 1 number 18, Unesa Business Plan and Budget is a business planning and budgeting document containing the programs, activities, performance targets, and budgets.

Business Plan and Budget is a guideline for each unit in carrying out activities, so that all activities that are already good, of course, require a budget to be arranged in such a way referring to the performance indicators that have been set. Therefore, the quality of the Business Plan and Budget compiled determines the level of achievement of the goals and targets of the Institution. Efforts to use the budget to be on target require mapping business plans and budgets with reference to the Key Performance Indicators (KPI) which are the benchmark for the Rector's performance. Performance indicators on the work unit (Echelon I) are indicators of results (outcomes) and or outputs (outputs) that are at a level higher than the outputs (outputs) of the work units below. Performance indicators on the work unit (Echelon II) at least is the output indicator (output).

This study aims to analyze the suitability of mapping between RBA and efforts to achieve the Key Performance Indicators of Universitas Negeri Surabaya. The results of the conformity analysis can be used as input for the budgeting model in the coming years.

2 Literature Review

2.1 Outcome Budgeting in Public Budgeting Theory

Researcher and practitioners in public budgeting has been accept outcome budgeting concept. Yet, remains there is no single accepted definition of outcome budgeting. One popular definition is introduced by David Osborne and Ted Gaebler. They define outcome budgeting as a system of budgeting that focuses on the outcomes of the funded activity" [3]. Outcome budgeting also claimed as an extension of program budgeting (the allocation of organizational costs to key programs) and linking outcome goals and objectives with those programs to obtain unit costs per outcome [4].

Unfortunately, the concept of outcome budgeting as a component or subset of performance budgeting fails to recognize the important difference between focus on outputs

and focus on outcomes. According to most public budgeting scholars, performance budgeting has to do with "the things that the government does" [5], rather than the results that the government achieves.

A professor from Florida Atlantic University, Thomas D. Lynch provides a distinctive definition of performance budgeting: "a budget format that presents the inputs and outputs of government programs, thus enabling easy verification of the economy and efficiency of programs" (emphasis added) [6]. The budgeting of results is not related to output, economy, and efficiency, but rather to results and effectiveness (the ratio of results to inputs).

For a long time, it has been assumed that the public budget system has three main objectives: control, management and planning [7]. This primary goal is said to exist in all public budget systems, but with different emphasis. Because performance budgeting is an embodiment of accountability for performance, it has two additional objectives (transparency and communication) not generally found in other public budgeting systems. A performance budgeting system is just as important as being transparent about government programs and communicating information about those programs to stakeholders and communicating results.

There are two important decisions in the implementation of outcome budgeting, those are (1) how to choose among basic approaches, and (2) which level of unit analysis is appropriate.

2.2 The Selection of a Basic Approach

In 1992, David Osborne and Ted Gaebler identifies two basic approaches to outcome budgeting: (a) a budgeting system that connects specific outcomes with budgets and budget processes, and (b) a budgeting system that buys, or allocates, specific resources for the achievement of a particular outcome [3].

With the primary method, results are made a part of the budget document and budget process withinside the equal manner that outputs are made part of the performance budget.

Obviously the purchasing method is more sophisticated and consequently herefore extra hard to enforce than the connecting method. However, linking outcomes with the budget document and the budget process is a important first step irrespective of whether or not the budgeting of the outcomes stops right here or proceeds to the buying technique.

2.3 The Level of Analysis

The selection of the analysis level determines the level at which the next budget is incurred. Lawrence L. Martin posits that outcomes-based budgeting can be done at any level, e.g. at program/service level, institution/organizational level, country/municipality level or a combination thereof [8].

Program or service level takes the form of associating outcomes with program or service level budgets or through actual purchases of specific program or service level outcomest outcome budgeting.

The agency/business enterprise degree seeks to move past character packages and offerings through connecting or buying effects which can be steady with the

agency/business enterprise's basic mission. Budgeting of effects at this degree corresponds to the primary concepts of strategic planning [9].

3 Method

Following Sharifi [10], the methodological approach of this study consists of three steps: (1) set the KPI based on university indicators; (2) define the criteria for the assessment of every indicators; (3) assess the indicators. This research was conducted in one work unit, namely the Faculty of Education Universitas Negeri Surabaya. The selection of this unit is based on the consideration that all work units of the faculties in the university have relatively the same characteristics, but Faculty of Education in addition to having 'general' learning facilities also has special facilities for people with disabilities. Thus, UNESA's spirit to raise the issue of equality can be represented. The research data was obtained from the planning section in the form of secondary data, which was outlined in the Business Plan and Budget. The analysis of this budget mapping into each indicator is obtained through an in-depth interview process with the leaders and coordinators of finance in the work unit with the aim of obtaining justifications that are in accordance with the interpretation of the work unit metrics from mapping.

The results of the interview are poured in a table to get confirmation of the correctness of the data processed by the researcher. Confirmation was carried out by providing a mapping table to 12 respondents from 6 faculties other than faculty of education. The respondent gave approval to the results of the mapping that had been carried out. Furthermore, based on the results of the mapping, it is used as the basis for determining the main activities (core activities) that support the achievement of each KPI.

4 Results

The following is a description of the achievement indicator which is used as a measure of rector performance. There are four performance targets, specifically [S1] increasing the standard of upper education graduates, [S2] increasing the quality of higher education lecturers, [S3] increasing the quality of info and learning, and [S4] increasing the governance of labor units inside the board of directors General of upper Education. The four goals are achieved through various relevant programs of activities.

Universitas Negeri Surabaya must encourage all work units to compile a Business Plan and Budget that supports the achievement of targets through each indicator. The following is a description of the relationship between the elements of each work program compiled and outlined in the Business Plan and Budget with the achievement of the KPI.

Based on the results of interviews with leaders in the faculty, the results of mapping were obtained that KPI 1 was achieved through the judicial activity program, Student Creativity Program assistance, Tracer Study, Excellent Entrepreneurship Development, Student Competency Improvement, PIMNAS Student Creativity Program (PKM) Assistance, and Faculty Entrepreneurial Student Assistance (PMW). These activities are activities that provide opportunities for students to develop themselves with assistance from lecturers and education staff to obtain various grants that support the acquisition of soft skills improvement such as PKM, PIMNAS. Tracer study activities are activities carried

out in order to get feedback on the teaching process carried out by lecturers and learning infrastructure that supports the academic process of students so that they go through their studies well.

The results of interviews with leaders in the faculty obtained the results of KPI 2 mapping achieved through teaching and learning programs/activities, student competitions/competitions and student achievement assistance. These activities are activities that support students in carrying out the implementation of Merdeka Belajar Kampus Merdeka (MBKM) such as internships, Real Work Lectures (KKN), student exchanges, project studies, research etc. and provide opportunities for students to carry out self-development so that they can achieve the lowest achievements at the national level.

The results of the KPI 3 mapping are achieved through student guidance programs/activities to achieve achievements, but for programs/activities that support lecturers with tridharma activities in QS 100 and become DUDI practitioners, it has not been clearly stated/explicitly in the budget plan scheme. This activity only supports the achievement of lecturers to guide students to participate. For lecturers who carry out the tridharma, there should be but not directly supported by the budget, if the target is achieved but the budget is small, it will automatically be more effective, efficient and accountable.

IKU 4, based on the results of the interview, is achieved through programs/activities to increase the competence of lecturers, but for programs/activities that support S3 lecturers, it has not been clearly stated/explicitly in the budget plan scheme. These activities are activities that support competent lecturers such as scientific seminars, competency certification training, but the assistance of S3 lecture lecturers also needs to be carried out so that they are controlled and predictable and encourage all lecturers who have NIDN and NIDK to have a competency certificate, but if the target can be achieved but a small budget, of course it will be more effective, efficient and accountable.

Based on the results of interviews with leaders in the faculty, the results of KPI 5 mapping were achieved through research programs/activities, Community Service (PKM), journal management, article writing assistance, Intellectual Property Rights (IPR) assistance and monitoring evaluation research/PKM. These activities are activities that support the number of research outputs/PKM such as publication articles, IPR, patent rights and ISBN books. Things that also need to be considered are assisting in patent drafting and selecting research or PKM that has the potential to produce patents.

The results of interviews with leaders in the faculty resulted in that KPI 6 was achieved through collaborative seminar programs/activities. This activity is an activity that supports the Study Program to carry out cooperation, but to meet this large target, of course, it is not just a cooperation seminar activity but needs to carry out assistance to all study programs, understand the criteria for the operational definition of KPI, organize cooperation initiation and evaluate the achievement of cooperation documents per study program.

Based on the results of interviews with leaders in the faculty, it was found that KPI 7 was achieved through curriculum revitalization programs/activities, procurement/maintenance of learning facilities and infrastructure and updating of Semester Learning Plan tools. These activities are activities that support students in carrying

out lecture implementation using case-solving learning methods or project-based group learning. Things that also need to be considered are involving the Industrial World Business World and practitioner lecturers in designing semester learning plans and developing internal system features namely SIAKADU through course coding.

The results of interviews with leaders in the faculty showed that KPI 8 was achieved through mentoring programs/activities in the preparation of accreditation forms, procurement of K3, procurement of hydrant pipes and implementation of international accreditation. These activities are activities that encourage all study programs to review and evaluate the criteria/quality standards of study programs so as to bridge the criteria for the ability of graduates produced and the ability of graduates needed by the job market. Important things that need to be considered are meeting the criteria requested by accreditation institutions in the curriculum, human resources, developing international activities (mobility, cooperation, research collaboration, guest lecturers) and improving infrastructure based on safety assessment, preparing study programs to appropriate international accreditation institutions that already have international accreditation competencies but are not optimal and maintaining the criteria of the accreditation institutions that have been recognized.

KPI 9, achieved through programs/activities for the preparation of a Strategic Plan, the preparation of a Business and Budget Plan, the preparation of Performance Reports and quality assurance. These activities are activities that encourage the implementation of good organizational performance, but to carry out accountable performance management of government agencies is certainly not enough with these programs/activities because the process of the Government Agency Performance Accountability System namely SAKIP starts from performance planning, performance measurement, performance reporting and evaluation of internal performance accountability. The important thing that needs to be considered is that it meets all the criteria in the implementation of SAKIP, all documents that support performance must exist and be archived properly and between employees and leaders must have a strong commitment.

KPI 10, based on the results of interviews with leaders in the faculty, obtained mapping results where KPI 10 was achieved through programs/activities for the procurement of office infrastructure, maintenance of office infrastructure, power and service subscriptions, coordination meetings, system development, work unit operations, higher education development, human resources development of educational personnel, spirituality, fitness, imaging. These activities are activities that encourage the implementation of good budget performance values, but to carry out accountable budget performance is certainly not enough with these programs/activities because the important point is that the performance of budget implementation and evaluation of budget performance must run together in harmony. The important thing that needs to be considered is that it meets all the criteria in the implementation of budget performance, namely starting the process of planning, implementing, accountability and evaluating budget performance must be aligned and between employees and leaders must have a strong commitment (Fig. 1).

Furthermore, the Business Plan and Budget of 2021 is grouped according to the mapping rules above and the results are as follows. The pie chart above shows that the work unit uses more budgets to compile programs that support KPI 10, KPI 5, and KPI

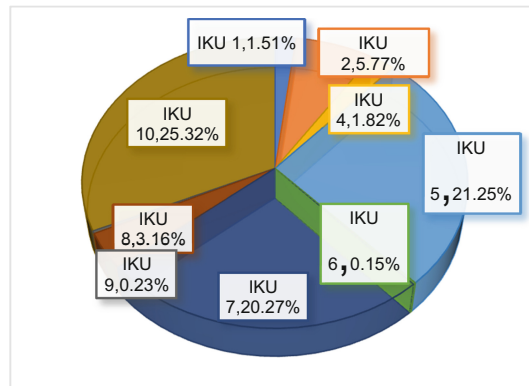


Fig. 1. Nine (9) Main Performance Indicators

7, where the KPI focuses more on university governance, the tridharma of lecturers and teaching by lecturers.

5 Conclusion

Based on the mapping results above, it is concluded that universities have a focus on 3 things, namely: university governance, the tridharma of lecturers and teaching by lecturers. If the three KPIs become the main focus, then the proportion of budget in the work units can follow the pattern shown by the Faculty of Education, but if the focus is not on the three, the university needs to conduct an in-depth review of budgeting in its work units.

This shows that this research is still limited to mapping so that subsequent researchers are expected to provide justification for the accuracy of mapping to the competitiveness of universities.

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