

# The Effect of Planning and Competence of Employees in Efforts to Increase Budget Performance in Regional Financial Agency of Tabanan Regency

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**Abstract:** *The shift in the format of regional government in the autonomy era has brought about the implications of changes in the series of regional governance processes. The regional government in addition must have sensitivity to the existing problems, also be required to professionally manage the budget, starting from planning, implementation to the evaluation stage. Related to the management of the budget, this study tried to analyze the effects of planning and employee competencies on improving budget performance within the Tabanan District Financial Agency. The design used in this study is explanatory survey, where this design attempts to explain the influence that occurs between planning variables (X1) and competency variables (X2) with budget performance (Y). The population is 214 people, with a sample of 66 people. The main instrument used was a questionnaire using the Likert summated rating. Meanwhile, specifically for specific questions that are typical and require more detailed answers, there is also a companion instrument in the form of an interview guide. The scale in ordinal size will be transformed using the interval method of successive interval method. Furthermore, in the data analysis technique will be used product moment correlation to measure the closeness of relationships between variables, then to measure the effect between variables is shown a simple multiple regression. Based on the results of research that has been done, it can be explained that the planning variables affect the performance of the budget, as well as the competency variables affect the budget performance variables. With regard to this, it is suggested that Tabanan Regency Government can place employees who have adequate competence, or provide technical training and make good budget planning to be able to improve budget performance better.*

**Keywords:** Finance, planning, budget

## 1. Introduction

The occurrence of a paradigm shift in thinking in the government system in Indonesia due to the swift flow of reforms, turned out to bring fundamental changes to the format of regional governance in the country. In accordance with Law Number 23 Year 2014 concerning Regional Government (State Gazette of the Republic of Indonesia Year 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 9 Year 2015 concerning Second Amendment to Law Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679), shows that the current format of regional government is agreed to adopt local democratic models, with a focus on how democratization can grow and develop in regions, in addition to building public service oriented to the community.

The shift in the format of regional government at this theoretical level brings various logical consequences at a practical level, especially related to planning, organization, implementation and control of local government management. One of the fundamental changes due to the scaling up of regulations and paradigms that occur in the system of regional governance in the homeland, is about the institutional organization of the region which is formed in

accordance with the poor spirit of the function-rich structure and of course also adjusted to the characteristics and needs of the region itself.

So in brief the institutional model in the Regency / City in accordance with the Law No. 23 of 2014, basically consists of 4 (four) types or functions, namely line organizations represented by agencies, staff and auxiliary represented by the formation of a secretariat, supporting units that are realized through the establishment of technical institutions, as well as territorial / territorial organizations that are represented through the formation of District and Village organizations.

Based on this arrangement, the Tabanan Regency Government has tried to take strategic steps aimed at forming regional device organizations that are at least able to reflect the organization based on a clear vision, mission and strategy, so that the design of an appropriate organization in order to guarantee the effectiveness and efficiency of regional device organizations. With that in mind, the Tabanan Regency Regional Government through Tabanan District Regulation No. 13 of 2016, dated November 14, 2016 concerning the Formation and Composition of Regional Devices was established by the Tabanan Regency Regional Finance Agency. The main task of the body in accordance with this regional regulation is to carry out financial support functions.

Volume 7 Issue 8, August 2018

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If understood further, of course the tasks and functions of regional bodies in implementing decentralization tasks, play a very strategic role in efforts to strengthen regional autonomy, with the hope of being able to quickly realize "beauty of autonomy", namely the creation of public welfare summarized in the democratic society and open (open society). Looking at the empirical facts that occur at the practical level, it is necessary to conduct further research concerning the level of budget performance in the Tabanan Regional Financial Agency, by conducting a series of tests on variables including planning and competency variables that are suspected to affect the level of budget performance in the work environment of the Financial Agency. Tabanan Regency Region.

The gap in the conceptual level with the practical level as described above becomes very important to be solved because if it is not addressed more seriously by the local government, it will certainly have an overall adverse impact on the future administration of the regional government in Tabanan Regency, and this will certainly make the decline of bureaucracy in the eyes of society. As a result, it will certainly have a bigger impact, because it will cause distrust, which in the end the existence of the government will be questioned or even sued by the public.

Herefore, an increase in budget performance within the Tabanan Regency Regional Finance Agency is absolutely necessary to be improved, given the heavy burden borne on this body must be able to be answered by all employees in this department.

## 2. Research Methods

The design used in this study is explanatory survey, where this design attempts to explain the influence that occurs between planning variables (X1) and employee competency variables (X2) with budget performance (Y). The survey method is used in accordance with the purpose of research that wants to generalize and provide explanations of the population through observing samples from one population and using questionnaires as the main data collection tool (Singarimbun, 1989: 3).

The survey method used in this study is to obtain facts from the existing symptoms and find out the facts factually to get the truth about the situation and practices that are ongoing and the results can be used in making plans and making decisions in the future coming. Related to the effort to interpret the information - the information obtained during the study will be strengthened by qualitative methods, so that the disclosure of the truth will be more holistic or comprehensive about the facts.

### 2.1 Place and Time of Research

This research was conducted for three months (12 weeks) located in the Tabanan District Finance Agency as of the completion of the research proposal seminar and the issuance of a research permit.

### 2.2 Population and Sample

#### 2.2.1 Population

The population is all employees in the work environment of the Tabanan Regency Regional Finance Agency. The population is as follows:

**Table 2.1** Number of employees in the work environment of the Tabanan Regency regional financial institution according to the group

Group										
II A	II B	II C	II D	III A	III B	III C	III D	IV A	IV B	IV C
10	23	24	10	41	55	26	21	6	1	1
Total Number of Employees: 214 people = total population										

#### 2.2.2 Sample

The determination of the number of samples needed in this study was done using random sampling technique, which uses a sampling formula developed by Frank Lynch in Fred N. Kerlinger and Pedhazur (1973: 199). So the number of samples that will be used is 66 (sixty six) people. However, it should be understood that considering that this research was intended to measure planning, the Head of the Tabanan Regency Regional Finance Agency as the factor to be measured will not be included as part of the sample size.

### 2.3 Data Analysis

To collect the data needed in this study, the main instruments used were questionnaires compiled according to the Likert scale (likert summated rating).

Meanwhile, specifically for specific questions that are typical and require more detailed answers, accompanying

instruments are also included in the form of interview guides.

In accordance with the aims and objectives of the study to explain the magnitude of the effect of independent variables (exogenous) on the dependent variable (endogenous), the closeness of the relationship between variables is first analyzed with the product moment correlation formula. Furthermore, the autocorrelation test was carried out with the aim to test whether in the linear regression model there is a correlation between confounding errors in period t with confounding errors in the period t-1 (before). If there is a correlation, then there is an autocorrelation problem. Autocorrelation arises from consecutive observations over time related to each other.

### 3. Findings and Discussions

#### 3.1 General Description of Research Object

Tabanan District Financial Agency is one of the Regional Organization (OPD) formed by the Tabanan Regency Government based on Tabanan Regency Local Regulation Number 13 of 2016 concerning the Establishment of Regional Apparatus Arrangements, and Tabanan Regent Regulation Number 52 of 2016 concerning Position, Organizational Structure, Tasks and Functions and Work Procedures of the Regional Apparatus of Tabanan Regency. This regional tool can be said to be a new regional tool, considering this organization is a merging organization of several organizations within the Tabanan Regency Government structure.

The District Regional Finance Agency in carrying out its main duties and functions itself has specific tasks and functions. The main tasks of the Tabanan Regency Regional Finance Agency are to carry out some of the regional household affairs in the area of income, finance and regional assets and other tasks that are handed over by the Regent. Furthermore, the function of the Tabanan Regency Regional Financial Institution organization is to formulate policies in the area of revenue, finance and regional assets, provide guidance and provide guidance and carry out technical coordination and other tasks submitted by the Regent in accordance with applicable laws and regulations.

Considering the main functions and tasks of the Tabanan Regency Regional Finance Agency, this organization has a specific function in the administration of government in the Regency.

#### 3.2 Characteristics of Respondents

Questionnaires in this study were distributed as many as 66 copies to employees in the Tabanan District Financial Agency, who subsequently were stratified into four ranks or groups. The questionnaire was distributed starting April 9, 2018 and the questionnaire was collected again on April 16, 2018. The questionnaire was sent directly to the respondent. Details of the distribution and return of the questionnaire are summarized in Table 3.1.

**Table 3.1** Questionnaire distribution

Details of Questionnaire Distribution and Returns		
Information	Amount	Percentage
Questionnaires distributed	66	100,00
Questionnaire that does not return	-	0,00
Questionnaires were returned and analyzed	66	100,00

Based on Table 3.1 shows that of the 66 questionnaires distributed, the return of 66 questionnaires. This means that the percentage of questionnaires runs well and receives appreciation from employees at the Tabanan Regency Regional Financial Agency grouped in the sample. The profiles of respondents who participated in this study are shown in Table 3.2.

**Table 3.2:** Profile of Respondents

Internal	Auditor	Description%
Jenis Kelamin		
Laki-laki	46	69,70
Perempuan	20	30,30
	<b>66</b>	<b>100,00</b>
Umur		
28 – 34 Tahun	10	15,15
35 - 40 Tahun	10	15,15
41 – 46 Tahun	20	30,30
47 – 52 Tahun	20	30,30
53 – 58 Tahun	6	9,10
	<b>66</b>	<b>100,00</b>
Pendidikan Terakhir		
Magister (S2)	13	19,70
Sarjana (S1)	43	65,15
SMA	10	15,15
	<b>66</b>	<b>100,00</b>
Bidang Ilmu yang ditekuni		
Akuntansi	14	21,21
Ekonomi	32	48,48
Lain Lain	20	30,30
	<b>66</b>	<b>100,00</b>
Masa Kerja		
1 – 4 Tahun	6	21,21
5 – 8 Tahun	10	15,15
9 -12 Tahun	5	7,57
13 – 16 Tahun	15	22,72
17 -20 Tahun	30	45,45
	<b>66</b>	<b>100,00</b>

Through data related to questionnaires submitted to employees as samples can be drawn an understanding as follows:

- 1) Gender is used as a reference to determine the gender involvement of respondents in conducting the examination. Table 4.4 shows 46 male respondents (69.70 percent) more than 20 women (30.30 percent).
- 2) The age of the respondent describes the level of maturity of the respondent so that it can influence their decision making and performance. Table 4.4 shows that respondents aged 28 to 34 years 10 respondents (15.15 percent). Respondents aged 35 to 40 years old 10 respondents (15.15 percent). Respondents aged 41 years to 46 years were 20 respondents or 30.30 percent. Respondents aged 47 years up to 52 years old were mostly 20 respondents (30.30 percent). Respondents aged 53-58 years 6 respondents (9.10 percent).
- 3) The level of education is used as an indicator to know intellectuality, the ability to respond to problems, also describes the mindset of respondents. Table 4.4 shows respondents with Masters (S2) education 13 respondents (19.70 percent), Bachelor education (S1) 43 respondents (65.15 percent) and those who have high school education or equivalent to 10 respondents (15.15 percent).
- 4) He field of study that the respondent pursued illustrates the respondents' interest and conceptual and technical mastery of the financial sector at the Tabanan District Finance Agency. Table 4.4 shows the respondents who pursue accounting 14 respondents (21.21 percent) and economic fields 32 respondents (48.48 percent), and other fields as much as 20 or as much as 30.30 percent.

5) The working period of respondents ranging from 1 to 4 years is 6 people (21.21 percent). Respondents who have a working period of 5 to 8 years are 10 people (15.15 percent), while those who have a working period of 9 to 12 years are 5 people (7.57 percent), while those who have a working period of 13 to 16 years are as many as 15 people or 22.72 percent. Finally, respondents who have a working period of 17 to 20 years are as many as 30 people or 45.45 percent.

Paying attention to various data obtained by researchers during carrying out a series of studies in the work environment of the Tabanan District Financial Agency related to planning variables, employee competencies and budget performance, it can be conveyed several important points related to this research, namely this study uses internal validity given the limited time it has by researchers related to this research, namely by linking between statement items with relevant theories into a questionnaire form, then distributing questionnaires directly to the original respondents as many as 66 employees in the work environment of the Tabanan Regency Regional Financial Agency. Interviews were conducted in collecting questionnaires to get more in-depth information regarding the questionnaires distributed and clarifying the answers submitted in the questionnaire that were filled in correctly and in accordance with the provisions.

The instrument in the study in the form of a questionnaire received then tested its validity by using the Pearson Correlation test. If the total correlation value is greater than the critical number ( $r_{count} > r_{table}$ ) for degree of freedom ( $df$ ) =  $N-2$ , then the research instrument is valid.

The degree of freedom ( $df$ ) in this study is  $45-2 = 43$ , with a significant level of 5 percent, the critical number for the validity test is 0.2940. The recapitulation of the validity test results from each item of question is presented in Table 3.2 below as follows:

**Table 3.2** Validity Test Results

Variable	Indicator	Correlation	Value	Sig
Budget Performance (Y)	Y1	0,933	0.00	Valid
	Y2	0,882	0.00	Valid
	Y3	0,848	0.00	Valid
	Y4	0,821	0.00	Valid
	Y5	0,885	0.00	Valid
	Y6	0,841	0.00	Valid
	Y7	0,855	0.00	Valid
Planning (X1)	X1.1	0,901	0.00	Valid
	X1.2	0,776	0.00	Valid
	X1.3	0,846	0.00	Valid
	X1.4	0,815	0.00	Valid
	X1.5	0,812	0.00	Valid
	X1.6	0,811	0.00	Valid
	X1.7	0,821	0.00	Valid
	X1.8	0,725	0.00	Valid
	X1.9	0,816	0.00	Valid
Employee Competency (X2)	X2.1	0,871	0.00	Valid
	X2.2	0,697	0.00	Valid
	X2.3	0,783	0.00	Valid
	X2.4	0,749	0.00	Valid
	X2.5	0,822	0.00	Valid

	X2.6	0,791	0.00	Valid
	X2.7	0,674	0.00	Valid
	X2.8	0,838	0.00	Valid

Based on table 3.2 shows the calculated  $r$  value is greater than the table (0.2940) and positive value which means that all research instruments are valid.

Reliability testing is carried out to test the consistency of respondents' answers to all statement items used. Testing using Cronbach's Alpha, if the Cronbach's Alpha coefficient is  $> 0.70$ , the instrument can be said to be reliable or reliable. The results of the variable reliability test are presented in Table 3.3

**Table 3.3:** Reliability Test

Variable	Cronbach Alpha	Information
Performance (Y)	0.978	Reliabel
Planning (X1)	0.975	Reliabel
Employee Competency (X2)	0.969	Reliabel

Based on the results of instrument reliability testing in Table 3.3, the Cronbach's Alpha coefficient is obtained, all variables greater than 0.70 concluded that all instruments used in this study were reliable.

Descriptive statistics are presented in providing information about the characteristics of the research variables. A summary of descriptive statistical results can be seen in table 3.4, as follows:

**Table 3.4** Descriptive statistics of test data

	N	Minimum	Maximum	Mean	Std. Deviation
Budget Performance (Y)	66	14,00	35,00	281,364	743,358
Planning (X1)	66	18,00	45,00	364,394	879,883
Employee Competency (X2)	66	16,00	40,00	322,121	761,075

Range of data dissemination of respondents' answers to each variable was assessed based on the average score obtained from the calculation of the total score of respondents divided by the number of respondents (Furqon, 2009: 24). According to Umar (2001) to find out whether or not the respondents' assessment was good, the average score was divided into 5 (five) classifications with the following criteria: 1.00 – 1.49 = sangat tidak baik (STB)  
 1) 50 – 2.49 = not good (TB)  
 2) 50 - 3.49 = doubt (RR)  
 3) 50 - 4.49 = good (B)  
 4) 50 - 5.00 = very good (SB)

Based on table 3.4 shows the number of respondents (N) are 66 employees in the Tabanan Regency Regional Finance Agency. The minimum value of the budget performance variable is 14.00 and the maximum value is 35.00 with an average value of 28.1364 and a standard deviation of 7.43358. Budget performance variables are measured by 7 statement items, where each statement item is measured on a scale of 1 to 5. Description of statements relating to budget performance is the result of research on 66 respondents.



Range of data dissemination results of respondents' answers seen in table 3.5, as follows:

**Table 3.5:** Respondent's assessment of performance variables

No	Performance variable	Respondent's Answer Frequency					Score	Average	Information
		SS (5)	S (4)	N (3)	TS (2)	STS (1)			
1	The suitability of the vision and mission between the organization as the OPD and the Regional Government	180	36	30	22	-	268	4,060	B
2	The resulting output answers the bigger problem in the capacity as an autonomous regional organization	180	28	39	20	-	267	4,045	B
3	There is a common thread between organizational needs and regional problems	170	48	39	16	-	273	4,136	B
4	There is a match between the results achieved with the rules that are the basis for the implementation of activities	170	40	39	18	-	267	4,045	B
5	There is an internal assessment of the implementation of activities	150	64	27	22	-	263	3,984	B
6	There is an external assessment of the implementation of activities	150	48	45	18	-	261	3,954	B
7	There is a complete evaluation of existing planning and realization.	150	52	39	20	-	261	3,954	B

Based on table 3.5, it can be seen that the average score of respondents' answers is 3,954 to 4,136, the distribution of data tends to be right showing the classification of respondents' answers in this study has a good performance.

The minimum value of the planning variable is 18.00 and the maximum value is 45.00 with an average value of 36.4394

and a standard deviation of 8.798. Planning variables are measured by 9 statement items, where each statement item is measured on a scale of 1 to 5. Description of statements relating to planning is the result of research on 66 respondents. Range of data distribution results of respondents' answers can be seen in table 3.6.

**Table 3.6:** Respondent's assessment of planning variables

No	Performance variable	Respondent's Answer Frequency					Score	Average	Information
		SS (5)	S (4)	N (3)	TS (2)	STS (1)			
1	Level of HR education planning	150	72	27	18	-	267	4,045	B
2	The intensity of the training obtained	155	68	27	18	-	268	4,060	B
3	The opportunity to contribute ideas, ideas and ideas	170	64	21	18	-	273	4,136	B
4	Conformity with organizational needs	140	68	39	16	-	263	3,984	B
5	Answering organizational problems	140	60	33	24	-	257	3,893	B
6	Measured with clear indicators	165	68	21	18	-	272	4,121	B
7	Internal communication related to organizational needs	175	68	15	18	-	276	4,181	B
8	External communication with other organizations as stakeholders	175	44	30	20	-	269	4,075	B
9	There is an evaluation related to planning activities	140	60	42	18	-	260	3,939	B

Based on table 3.6, it is known that the average score of respondents' answers is 3,893 to 4,181, the distribution of data tends to be right showing the classification of respondents' answers in this study have good planning.

The minimum value of the competency variable is 16.00 and the maximum value is 40.00 with an average value of 32.21

and a standard deviation of 7.61075. Employee competency variables are measured by 8 statement items, where each statement item is measured on a scale of 1 to 5. Description of statements relating to competencies which are the results of research on 66 respondents, with a range of data dissemination of answers can be seen in table 3.7

**Table 3.7:** Respondent's assessment of competency variables

No	Motivasi	Frekuensi Jawaban Responden					Score	Average	Information
		SS (5)	S (4)	N (3)	TS (2)	STS (1)			
1	The knowledge possessed by the apparatus in carrying out their work	130	84	42	10	-	266	4,030	B
2	There are ideas and ideas that can facilitate the completion of a job	160	64	24	20	-	268	4,060	B
3	The desire to add insight through various literature	145	76	30	16	-	267	4,045	B
4	The skills possessed by the apparatus in completing activities	140	68	39	16	-	263	3,984	B
5	There are adequate efforts from the apparatus in overcoming various work problems	155	60	33	18	-	266	4,030	B
6	There is training followed by the apparatus	140	76	27	20	-	263	3,984	B
7	There is internal motivation as a government apparatus	165	60	24	20	-	269	4,075	B
8	Existence of external motivation from the organization	150	60	36	18	-	264	4,000	B

Based on table 3.7, it is known that the average score of respondents' answers is 3.984 to 4.060, the distribution of data tends to be right to show the classification of answers respondents in this study have good competence.

### 3.3 Classical Assumption Test Results

Before testing hypotheses, a classic assumption is tested. Classic assumption test is a statistical requirement that must be met in regression analysis based on Ordinary Least Square (OLS), to determine whether there is a violation of classical assumptions in the regression model so that the results of Best Linear Unbiased Estimator or BLUE. The classic assumption test used in this study is residual normality test, heteroscedasticity test, and multicollinearity test.

Based on the results of the Residual Normality test shows that the Asymp Sig (2-tailed) coefficient is 0.130 this means that the existing population data is normally distributed because the Asymp coefficient Sig (2-tailed) is greater than  $\alpha = 0.05$ .

Multicollinearity test to test whether the regression model found correlation between independent variables (Ghozali, 2013: 105). Based on the test results showed no independent variables that have tolerance values of less than 0.10. The VIF results also show that none of the independent variables have a VIF value of more than 10. This means that there are no multicollinearity symptoms between independent variables in the regression model, so that the model is suitable for use.

Heteroscedasticity test to test whether in the regression model there is a variance inequality from residual one observation to another observation. Heteroscedasticity test is done by the Glejser test, which is to express the absolute residual value of the model to the independent variables (Gujarati, 2003). Based on the results of heteroscedasticity test shows that there are no independent variables whose significance is below 5 percent. It can be said that there is no heteroscedasticity in the regression model.

### 3.4 Model Feasibility Test (Test F) and Determination Coefficient

The model feasibility test (F statistical test) was carried out to test whether the regression model used was fit (fit) or not. F test produces Fcount value of 74.930 with a significance of 0.000 smaller than the level of significance that has been set  $\alpha = 0.005$ . The results of the F test indicate that the research model that is used properly and the proof of the hypothesis can be continued.

The determination coefficient describes the extent to which the independent variables in the model are able to explain the dependent validity (Ghozali, 2013). The indicator of the determination coefficient used in this study is Adjusted R<sup>2</sup>. Based on the results showed that the value of Adjusted R square of 0.704 means that 70.4% of Tabanan Regency's budget performance is explained by planning and competency variables. While the remaining 29.6% is

explained by other variables not included in the research model.

### 3.5 Results of Regression Analysis and Hypothesis Testing

Regression analysis is used to see the dependence of the dependent variable with one or more independent variables. The aim is to estimate the average value of the dependent variable based on the value of the known independent variable. Regression analysis test using SPSS software ver 22 for Windows, which is multiple linear regression analysis. Testing to determine the influence of planning and employee competencies on budget performance.

### 3.6 Multiple Linear Regression Analysis

The regression equation obtained is  $Y = -0.370 + 0.389X_1 + 0.421X_2 + e$ , this shows that constant values that are negative do not become a problem and can be ignored as long as the regression model tested has fulfilled the assumptions, where the normality of this research is 0.081 or the probability value  $> 0.05$  or 5 percent, so that it can be said that the data is normally distributed, each increase in planning one unit, it will increase the budget performance by 0.389 with the assumption that the other independent variables are fixed, each increase in competence of one unit will increase the budget performance of 0.421 assuming variable other free is fixed, and if all the independent variables ( $X_1$ ,  $X_2$ ) have a zero value (0) then the value of the budget performance is - 0.370.

### 3.7 Test Statistics t

The t test is used to show the effect of independent variables on the variation of the dependent variable individually. Based on the t test results obtained are the results of the regression test the effect of planning on budget performance obtained the results of the  $\beta$  coefficient of 0.389 with P value of 0.000 less than  $\alpha = 0.05$ . This shows that planning has a direct effect on budget performance and 2. The regression test results of the influence of competence on budget performance obtained by the results of the  $\beta$  coefficient of 0.421 with P value of 0.000 smaller than  $\alpha = 0.05$ . This shows that the competence of the guards directly affects budget performance.

### 3.5 Planning Affects Budget Performance

The regression test results of planning variables on budget performance with a coefficient of  $\beta$  of 0.389 with a P value of 0,000 smaller than  $\alpha = 0.05$  indicates that they cannot reject the first hypothesis. This shows that planning influences budget performance.

The results obtained above are in accordance with the Theory of Reasoned Action (TRA) which is the basis of this research. This Theory of Reasoned Action (TRA) explains that a person's behavior is done because individuals in an organization have the intention or desire to do it (behavioral intention). Behavioral intention (behavioral intention) will determine its behavior (behavioral) in the organization where

it is located. The desire to behave individually is determined by the person's attitude to behavior and also determined by subjective subjective norms.

The planning factor plays a very important role for the sustainability of budget performance, with the bottom line taking it if there is good planning from the beginning, the absorption of budget performance will be good. The underlying logic is that the implementers in this case the employees in the Tabanan District Finance Agency will find it easier to carry out budget execution which all comes down to budget performance.

### 3.6 Employee Competencies Affect Budget Performance

The regression test results of the competency variable (X2) on the budget performance variable (Y) with a coefficient of  $\beta$  of 0.421 with a P value of 0.000 smaller than  $\alpha = 0.05$  indicates that it cannot reject the second hypothesis, this means that the competency affects budget performance.

This shows that the competence of employees owned by employees in the Tabanan District Financial Agency is able to provide a significant influence on efforts to improve budget performance in the organizational environment of the Tabanan Regency Regional Finance Agency. This result is consistent with the Expectancy Theory presented by Victor Vroom (in Wibowo 2014: 336) which states that people behave motivated in a way that produces valued benefits. Individual beliefs that certain levels of business in this competence possessed by employees in the work environment of the Tabanan Regency Regional Financial Agency will be followed by a certain level of performance, in this case the level of budget performance.

The results of this study are consistent with attribution theory which mentions the behavior shown by a person due to internal and external factors. An internal auditor is very dependent on the level of competence. Competencies possessed by an employee of a budget manager is one of the internal factors that influence employees in completing their duties and responsibilities.

### 3.7 Performance Improvement Strategy

Tabanan Regency Regional Finance Agency, as one of the organizations that are at the forefront of regional financial management, has so far determined and formulated a joint commitment involving all stakeholders within the Tabanan Regency Regional Financial Agency. Determination of these commitments is determined in one objective relating to the duties and functions of the Tabanan District Financial Agency as the agency in charge of managing revenue, finance and regional assets.

The goals set by the Tabanan Regency Regional Finance Agency refer to the statement of the organization's vision and mission, so that the formulation of the organization's vision and mission must be able to show a condition to be achieved in the future. This means that the conformity of the vision and mission is one aspect that gets serious attention. This suitability is one of the ways taken to be able to improve

budget performance in the Tabanan District Financial Agency.

Some strategies that have been formulated by the Tabanan Regency Regional Finance Agency in order to maximize the performance of the existing budget. In the future, of course with the formulated strategy, it can encourage regional financial management that is more open, accountable and professional.

## 4. Conclusions and Suggestions

### 4.1 Conclusions

Based on the above research results can be concluded that is:

4.1.1 Planning variables (X1) and employee competency variables (X2) have a significant effect on budget performance (Y), where the better the planning is made, the better the employee's competencies, the better the budget performance in the Tabanan District Financial Agency's work environment.

4.1.2 Improving budget performance can be done by improving the quality of planning and employee competencies. This can be seen from the various steps that have been formulated by the District Finance Board as one of the strategies to improve budget performance. The strategy carried out by the Tabanan Regional Finance Agency is how this organization clearly sets organizational goals with realistic goals. Through this goal setting, it is hoped that all existing employees can understand the goals of the organization, so that it will directly impact the improvement of budget performance. In addition, the Tabanan Regional Finance Agency also made adjustments to the vision and mission between the organization and the regional vision and mission as well as internal and external supervision. The expectation to be achieved is that supervision is systematic, so that it can ultimately improve budget performance.

### 4.2 Suggestions

The advice given is:

4.2.1 Associated with the influence of planning on efforts to increase budget performance, then in the future it is necessary to take strategic measures in an effort to encourage planning that contains targets to be achieved both physically and financially, using criteria that are important in achieving performance. The steps that need to be done in budget planning at the Tabanan Regency Regional Finance Agency are better by setting goals and objectives, results, and benefits and performance indicators to be achieved clearly. In addition, there needs to be a determination of priority activities and workload calculations as well as rational unit pricing.

4.2.2 Regarding the influence of employee competencies on efforts to improve budget performance, it is deemed necessary for the Tabanan District Government to strengthen the level of competency of employees within the Tabanan District Financial Agency. Not only that,

the Tabanan Regency Government is also highly expected to make policies that can place human resources with adequate competence in the work environment of the Tabanan Regency Regional Financial Agency. This is important to do to avoid the placement of human resources based on short-term interests with a political approach.

- 4.2.3 Regarding efforts to formulate a strategy for improving budget performance, we are of the opinion that the District Regional Finance Agency can engage with relevant parties who have good qualifications to be able to provide stimulus to the wishes of the Tabanan Regional Finance Agency to improve the existing budget performance.

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