



The Effect of Budgeting Quality and Human Resource Competency of School Financial Performance with Information Technology as a Moderating Variables

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Abstract

This research was conducted to identify the influence of budget quality and financial human resources competence on the school financial performance. In addition, this research was conducted to identify the influence of moderating variables of information technology on the relationship between budget quality and human resources competence on the school financial performance. This research is population research. The number of population in this research is among all the vocational high school in Pemalang Regency with totaling 42 schools. Of the 42 schools, only 37 schools who returned the questioners.

This research used quantitative approach using hypothesis testing study design. To test hypothesis using multiple linear regression analysis with the absolute different with application program SPSS. The result of analysis shows that quality of budgeting, financial human resources competence on the school and information system have a positive significant effect on the school financial performance with simultaneously or partially. Information technology has a positive significant effect in moderating the influence of budget quality on school financial performance. However, information technology has not significant effect in moderating the influence of budget quality on school financial performance.

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INTRODUCTION

School financial performance is an important factor in determining school performance. This is in line with the opinion of Widodo (2014) which revealed that between budget and school performance cannot be separated both conceptually and in its implementation. Conceptually, there is no dichotomy or it cannot be separated because both of them appear and are oriented towards the realization of internal school accountability. The implementation cannot be separated because both of them will be used by the school management to oversee the operation of school programs and activities.

School financial performance is essentially a representation of the financial situation in a certain period achieved by the school. While the purpose of the financial report according to financial accounting standards in the chapter of the basic framework, arrangement, and presentation of the financial report is to provide information related to the financial position, performance and changes in the financial position of a company that is useful for almost consumers in determining economic decisions.

Financial performance in Pematang Regency is still relatively low. It can be seen in terms of regional expenditure for employees as states by detiknews (2011), Pematang Regency itself is included in the second-lowest category in the Province of Central Java after Kebumen Regency. This is reinforced by findings from Ulumudin's research (2014), stated that Pematang Regency was included in the final quadrant mapping in the Pekalongan Residency as same as Brebes and Tegal Regencies in terms of financial performance.

Weaknesses in school financial performance in Pematang Regency can be seen that there is no provision regarding transparency in BOS (School Operational Assistance) budget management. According to Aiptu Slamet Susanto and Hargo Kusprihanto in the national news media, the main bhayangkara revealed that it was found the accurate facts and evidence after supervising and observing in the education unit related in proposing BOS (School Operational Assistance) funds especially in Pematang Regency

for the Academic Year 2015/2016. Such as the number of students in schools differs from the number of grants given by the government and almost on it exceeds the number of students.

Even though the technical guidelines of BOS (School Operational Assistance) funds being proposed by the education unit are based on the number of students in the education unit. Thus, it can be concluded that the mark up of students' data in proposing BOS funds is deliberately carried out by unscrupulous principals with motivation to look for strengths and or to enrich themselves. This alleged abuse was allegedly carried out privately and or in the group in an educational unit environment. Another weakness is that the foundation is managed unprofessionally. The appointment of human resource that manages the foundation is done as a mere formality.

If it occurs continuously, as a result, the goals of national education will not be realized. Therefore, efforts are needed to build good financial performance. Based on the theory of resource-based theory, it states that schools will achieve excellence if they have superior resources. It is expected that schools will be able to carry out good strategies that ultimately bring schools to have a competitive superiority. Therefore, it is necessary to have high competence in financial management human resources and good quality budgeting so that it can improve school financial performance towards being more conducive to ensure the quality of the organization's performance optimally. In line with agency theory which explains that the agency relationship arises when one or more people (principal) employ another person (agent) to provide a service and then delegate decision-making authority to the agent. The agent, in this case, is human resources in the financial sector.

According to budgeting participation theory, budgeting in a certain organization must involve the participation of members to arrange the budget to achieve organizational goals. One of the important goals in school organizations is financial performance. This explains that transparency plays an important role in establishing the quality of school financial performance.

The quality of budgeting affects school financial performance. This is under what was stated by Mardiasmo (2004: 61). That opinion is supported by the findings of research conducted by Riawan (2016) which suggests that the quality of budgeting has a significant positive effect on regional financial performance. It is also strengthened by Kenis's research (1979), Qi (2010), Silva and Jayamaha (2012) research which stated the characteristics of the budget (budget planning, budget control, budget sophistication, budget participation, clarity of budget targets, budget evaluation and difficulty of budget targets) had a significant and positive effect on financial performance.

The competence of human resources in the field of finance greatly influences the school's financial performance. This is in line with the finding of Desiana Wati's research, et al (2014) which revealed that human resources have a positive and significant effect on the quality of regional financial reports. Financial managers who understand financial science will find it easy to prepare and arrange financial reports. The contents of the financial statements can be accounted for if it is prepared by competent human resource,

It is still found there is a gap in research on financial performance. Research on the quality of human resources on financial performance has not received yet related to research results. The results of research by Gomes, et.al, (2013) show that the quality of human resources has a significant positive effect on financial performance. The results of these studies contradict with Arifai and Abrial's (2013) research that shows the human resources do not influence financial performance, that means the quality of human resources is not related to the level of financial performance

The results of Kenis's research (1979), Qi (2010), Silva and Jayamaha (2012) revealed that the characteristics of the budget (budget planning,

budget control, budget sophistication, budget participation, clarity of budget targets, budget evaluation and difficulty of budget target) had a significant positive effect on finance. In contrast, Bangun (2009) and Ramandei (2009) research revealed that there was no significant relationship between the clarity of budget targets and the performance of government agencies.

The importance of this research is to prove whether the quality of budgeting affects financial performance, whether human resource competence in the financial sector influences financial performance, and whether information technology can strengthen the relationship between budgeting quality and human resources in the financial sector on school financial performance. For this reason, researchers conducted a study entitled "The effect of the budgeting quality and financial human resource competencies on school financial performance with information technology as moderating variable".

RESEARCH METHODS

This research is a quantitative approach that is to test the hypothesis of the existing theory. The populations in this study were all vocational high schools in Pematang Regency, several 42 vocational high schools. The data source of this study used a questionnaire, the study used descriptive analysis and conducted a classic assumption test and used an analysis of the absolute difference test. The results of the normality test with the Kolmogorov-Smirnoff calculation obtained significance values above 0.05. It means that residual data are normally distributed. The results of multicollinearity test tolerance value > 0.10 and the VIF value of each independent variable <10, then it does not contain multicollinearity and the regression model does not contain heteroscedasticity.

RESULTS AND DISCUSSION

Table 1. Results of Multiple Regression Analysis with Financial Performance as Dependent variable

Variabel	Stand. Coeffisients Beta	Count T	Sig.	R Square	Adj. R Square
Budgeting Quality (X1)	5.041	3.341	0.002	0.545	0.472
HR Competency in Finance (X2)	4.303	2.106	0.043		
Teknologi Informasi (Z)	3.365	2.061	0.048		
Abs X1-Z	6.040	2.851	0.008		
Abs X2-Z	-4.329	-0.201	0.143		

Source: Primary data processed

So that we get the regression equation:

$$Y = 181,195 + 5,041 X1 + 4,303 X2 + 3,365 Z + 6,010 [X1 - Z] - 4,329 [X2 - Z].$$

The Effect of Budgeting Quality on School Financial Performance

The results showed that the testing of the first research hypothesis (H1) which stated that the quality of budgeting had a positive effect on school financial performance that was significantly acceptable. It provided empirical evidence that the quality of budgeting had a positive effect on school financial performance.

Based on the results of this study, the average quality of vocational high school budgeting in Pemalang Regency that the average quality of school budgeting (Mean) in the percentage of 79.08% with a maximum value of 91% and a minimum value of 70% while standard deviation value by 5.12%. These results indicated that in general the quality of budgeting both public and private vocational high schools in Pemalang Regency had been well managed, reaching 79%. It meant that almost all Vocational Schools in Pemalang Regency have tried to implement participation in a budget arrangement, clarity of budget objectives, budget feedback, budget evaluation, and budget sufficiency level.

Regression coefficient X1 (budgeting quality) has a significant level of 0.002 and a regression coefficient 1 value of 5.041. This means that the quality of budgeting has a positive effect on financial performance, and in every opportunity, there is one point increase in the quality of budgeting while other variables are considered permanent it will be followed by an increase in the financial performance of 5,041.

The results of this study indicated that the high and low budgeting quality will affect the high

and low financial performance, in other words, if the budgeting quality is high then the financial performance will increase otherwise if the budgeting quality is low then the financial performance is also low. This showed that the higher quality of the budget (Participation in budgeting, clarity of budget targets, budget feedback, budget evaluation and the level of budget difficulties) would achieve good financial performance. Thus, what must be done by each school management is maximizing the quality of the budget through optimal budget planning, describing clear targets to be understood by those responsible for achieving the budget targets, and evaluating the budget so that there are no deviations so that it will produce good financial performance.

The quality of budgeting affects school financial performance. This is in accordance with what was stated by Mardiasmo (2004: 61), the Budget is a managerial plan for action to support the achievement of organizational goals by taking into account aspects that must be included in the public sector budget, they are: (1) Planning Aspects; (2) Control Aspects; and (3) Accountability Aspects. In the planning aspect, it is needed good coordination in the budget arrangement process. Then, this process is called budgeting. Good budgeting in a certain agency will provide a basis for the use of the budget and produce valid quality and accurate financial reports.

The results of this study were also in line with the research conducted by Riawan (2016) which stated that the quality of budgeting had a

significant positive effect on regional financial performance. It was also strengthened by the results of Kenis's research (1979), Qi (2010), Silva and Jayamaha (2012) which stated budget characteristics (budget planning, budget control, budget sophistication, budget participation, clarity of budget targets, budget evaluation and difficulty of budget targets) had positive effect that significantly impacts on financial performance

The results of this study were also by the theory of Resource-Based Theory (RBT). Schools that had competent human resources in the form of quality budgeting, of course, it will improve school performance. Resource-Based Theory (RBT) focuses on the concept of school attributes that were difficult for other competitors to imitate because they are heterogeneous, performance between one school and another will not be the same, and with proper management of resources is expected to create competitive advantage and provide more value compared with similar competitors.

In line with agency theory which explains that the agency relationship arises when one or more people (principal) employ another person (agent) to provide a service and then delegate decision-making authority to the agent. The agent, in this case, is the school treasurer.

Effect of Competence in Human Resources in the Field of Finance on School Financial Performance

Based on the results of the study, it indicated testing the second research hypothesis (H2) which mentions human resources in the financial sector have a positive effect on school financial performance significantly acceptable. It provided empirical evidence that human resources in the financial sector had a positive effect on school financial performance.

Based on the research results it is known that the average of human resources in vocational high school finance in Pematang Regency with the percentage of 86.10% with the maximum value of 94% and minimum value of 74% with standard deviation value of 4.18%. These results indicated that in general human resource competencies in the financial sector both public and private vocational high schools in Pematang Regency are already good that reach 86.10%. It means that

almost all human resources in vocational finance in Pematang Regency already have a good educational background related to their profession that has attended education and training, also are experienced.

Regression coefficient X2 (human resources in finance) has a significant level of 0.043 and regression coefficient 1 value of 4.303. This means that financial human resources affect financial performance and every one-point increase in financial human resources while other variables are considered permanent it will be followed by an increase in the financial performance of 4,303.

The competence of human resources in the field of finance greatly influences the school's financial performance based on the Resource-based theory (RBT) theory. This theory is a thought that develops in the theory of strategic management and the company's competitive advantage believes that the company will achieve excellence if it has superior resources. With superior resources, in this case, a good organizational culture is expected to make schools able to carry out business strategies that ultimately bring schools to manage school financial performance. This is consistent with the results of research Desiana Wati, et al (2014) which states that human resources have a positive and significant effect on the quality of regional financial reports

Influence of Information Technology on School Financial Performance

The results showed the third research hypothesis testing (H3) which mentioned that information technology had a positive effect on school financial performance was significantly acceptable. This provides empirical evidence that information technology has a positive effect on school financial performance.

According to the results of the study related to the average of information technology in vocational high school especially in Pematang Regency with percentage of 83.08%, maximum value of 90% and minimum value of 75% and standard deviation value of 3.53%. These results indicate that in general the information technology in both public and private vocational high schools in Pematang Regency is already good, reaching 86.10%. It means that almost all of

the vocational high schools in Pematang Rejang Regency have tried to have integrated systems, internet networks, and databases.

Based on the results of descriptive analysis of each indicator, namely integrated systems, networking capabilities, and databases, the results obtained that overall information technology indicators namely 82.93% included in both categories. The highest indicator of information technology, namely database, which is 83.50% is included in the good category, while the lowest is the networking capability, which is 82.43% included in the good category.

Z regression coefficient (information technology) has a significant level of 0.048 and a regression coefficient value of 1 is 3,365. This means that information technology affects financial performance and every one-point increase in information technology while other variables are considered permanent it will be followed by an increase in the financial performance of 3,365.

Information technology affects financial performance. It is based on the Resource-based theory (RBT) theory. This is in line with the results of Ledian's study (2013) entitled "The effect of the effectiveness of the application of information technology on the quality of local government financial reports" where the results of the study are the positive influence of the application of information technology on financial performance by 53%. Strengthened by the research of Yudianta, and Erawati (2014) which states that information technology, the influence of HR, and internal control affect financial performance.

The Influence of Information Technology in Moderating the Effect of Budgeting Quality on Financial Performance

Based on the results of research and testing on the hypothesis obtained that there is a significant positive effect between the quality of budgeting on school financial performance when moderated by information technology can be significantly accepted. This provides empirical evidence that information technology reinforces the effect of budgeting quality on school financial performance.

AbsX1_Z regression coefficient (information technology moderating the quality of budgeting) has a significant level of 0.008 and a regression coefficient 4 of 6.010. This means that information technology strengthens the influence of budgeting quality on financial performance and every time there is an increase in information technology points (the absolute difference between information technology and budgeting quality) while other variables are considered permanent it will be followed by an increase in the financial performance of 3,365. Information technology is proven as a moderating variable between the quality of budgeting on financial performance.

Information technology strengthens the effect of budgeting quality on financial performance. It is based on the Resource-based theory (RBT) theory. One of the school's resources is information technology. Adequate information technology will make it easier for users to arrange budgets for school financial management. The quality of budgeting that is composed with the help of information technology will make schools more effective and efficient in the use of cost and time. This is in line with the statement Rahadi (2007) states that Information Technology (IT) has the benefit of convenience for someone in saving time and energy.

The results of this study indicate that the better utilization of information technology will strengthen the quality of budgeting in improving school financial performance. This is in accordance with research conducted by Sudaryanti (2013) reveals that the Regional Management Information System is a means to assist regional financial management activities that include budgeting, financial administration activities. The results of this study support research from Riawan (2016) which states that budgeting has a significant positive effect on performance moderated by the regional financial information system.

The Influence of Information Technology in Moderating the Effects of Competence in Human Resources in the Field of Finance on Financial Performance

The results of the research show that testing the fifth research hypothesis (H5) which states that information technology positively strengthens the

influence of human resources in the financial sector on school financial performance significantly unacceptable. This provides empirical evidence that information technology does not significantly strengthen or positively weaken the effect of budgeting quality on school financial performance.

In this study, the AbsX2-Z regression coefficient (information technology moderating human resources in finance) has a significant level of 0.143, greater than 0.05. while the value of the regression coefficient is of -4,329. This means that information technology does not affect financial performance and every one-point increase in information technology while other variables are considered permanent it will not be followed by an increase or decrease in financial performance. Information technology is not proven as a moderating variable between the quality of budgeting on financial performance

CONCLUSION

Based on the results of the study and discussion, it can be concluded as follows:

1. There is a significant positive effect on the quality of budgeting, the competence of financial human resources and information technology on school financial performance.
2. Information technology has been proven significantly as a moderating variable, then strengthening the effect of budgeting quality and the competence of financial human resources on school financial performance.

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