JOURNAL OF WORLD SCIENCE
https://jws.rivierapublishing.id/index.php/jws
Volume 2 No. 2 February 2023
P-ISSN: 2828-8726
E-ISSN: 2828-9307

THE IMPACT OF NEW PUBLIC MANAGEMENT, THE PERFORMANCE BUDGET REPORTING MODEL IN EDUCATIONAL INSTITUTIONS

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ABSTRACT
The public administration reforms of the late 1970s brought about revolutionary changes in the delivery of social services and the accounting for government spending and government organizations. A significant challenge Indonesian educational institutions face is allocating resources according to the steps to be taken. Empirical evidence shows that implementing planning and budgeting in school management still needs to be more efficient and full of obstacles. So that the purpose of this study is to find out and analyze the impact of new public management, a model of reporting performance budgets on educational institutions. This research is part of qualitative research using a systematic review approach. Based on the synthesis of the literature review that has been carried out, the impact of implementing the new public management, the performance budgeting reporting paradigm in educational institutions can be summarized as follows: 1) Due to limited available resources, performance-based budgeting is very profitable. 2) A More Comprehensive and Integrated Budget Establishment of an integrated and comprehensive budget is the second shift in the budget system. 3) Preparation of budget and financial reports is the duty and effort of all elements in the school, not only the treasurer. And 4) Structured Governance Pattern. New public management and performance budget reporting models can have a significant impact on educational institutions. By increasing accountability, increasing transparency, increasing efficiency, and improving performance standards.

Keywords: financial management, new public management, school institutions, performance budget.

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INTRODUCTION

The public administration reforms of the late 1970s brought about radical changes in the delivery of social services and the accounting for government spending and government structures. This marketization reform, or the application of commercial management theory and practice to government administration, came to be known as the New Public Management (NPM) (Tolofari, 2005). NPM is generally seen as a global phenomenon because it spreads quickly from its home country to other parts of the world, influencing government policies in developed and developing countries. Considering this, the article will not limit itself to any one country or region in drawing examples to demonstrate the impact of NPM (Nugraha & Wibowo, 2020). Also, regarding the impact on education, there will be no restrictions for tertiary or secondary education. With the ongoing reform of the education management system, the continuous expansion of the education scale, and increasingly fierce competition between schools, the benefits of providing education are increasingly being considered. The status of economic benefits has become increasingly prominent (Idris, 2016). How to improve the efficiency of using funds has become the focus of attention of educational institutions. The original educational institution's budget management model could not fully meet management needs in the new situation, exposing a series of problems (Business, 2020). Suppose we only pay attention to the allocation and use of budget funds but ignore the evaluation and evaluation of the effectiveness of using funds. In that case, using funds in educational institutions will inevitably lead to unnecessary waste (Wijoyo, 2021).

As in most other countries, financial management in public and private schools differs in Indonesia. Budget planning in public schools always involves parents and school boards and adherence to educational and financial budgeting procedures that comply with government standards but are not optimal (Achdiat, 2010). Meanwhile, private schools have very different implications depending on the foundation that oversees them and the parents/community environment as stakeholders. Performance-based budgeting is a budget in which the organization's attention is toward achieving goals. Therefore, organizations must be able to link the allocation of resources explicitly or spending to organizational goals to be achieved. Institutions' main problem is allocating resources based on activities to achieve specific goals (Fowler, 2022). Empirical evidence shows that implementing planning and budgeting in school management is still inefficient and full of obstacles. Many educational institutions, especially private schools, have closed or are struggling to exist due to poor financial management (Martono et al., 2018). The financial reporting in educational institutions in Indonesia still follows the traditional budget reporting paradigm (Majir, 2020).

Many public sector organizations have departed from this financial budgeting and reporting paradigm, particularly during the New Public Management (NPM) era. The New Public Management Technique (NPM) encourages businesses to implement public sector budgeting strategies, particularly performance budget reporting (Feng, 2019). Approach This budgeting method is beneficial because it relates to meeting input, output, and outcome targets, as well as the vision, mission, strategic goals, and organizational goals (Wahyudin et al., 2020). From the viewpoint of the New Public Management, these recommendations are designed to change the transparency and accountability aspects of school performance (NPM). To encourage the success of education governance, NPM changes are expected to occur in government public sector organizations and school public sector organizations, one of which is High Schools (SMA) (Ali, 2021). This project aims to develop a budget reporting model and financial reports for educational institutions, especially SMAs, to promote transparency and accountability of performance. Changes in accounting methods also reflect that in the future, the management of educational institutions will pay more attention to cost accounting and performance management. Performance budget management supported by the school's strategic goals is conducive to increasing budget transparency and binding power, which is conducive to increasing the efficiency of using funds by budget agencies and maximizing budget benefits (Sains et al., 2021). The aim and mechanism are the same as the introduction of managerialism, namely, to 'manage' education rather than administer education. Management will be left to schools, and education professionals will have less influence. Public-private partnerships will provide alternatives, and parents and businesses will have the power. As the agency takes over powers for planning, budgeting, and resource allocation from the Local Education Authority (LEA), principals and teachers will be held accountable for quality, which will be measured and checked using various instruments and organs (Van De Walle & Hammerschmid, 2011).

The impact of the new public management and performance budget reporting models on educational institutions lies in improving accountability and efficiency of budget management, as well as improving the quality of education. The purpose of this study is to find out and analyze the impact of new public management, performance budget reporting models on educational institutions. So that the benefit of this research is that it can provide an overview of the extent to which the effectiveness and efficiency of budget management in educational institutions has been achieved by implementing a new performance budget reporting model and providing recommendations for improving public management in educational institutions, especially in terms of budget management, to improve the effectiveness and efficiency of budget management in educational institutions.

METHODS

This research is a type of qualitative research with a systematic review approach. A systematic review is a method that uses previous evidence-based evidence through review, evaluation, structured evaluation, classification, and categorization. Because the steps and strategies for carrying out systematic reviews are planned and well structured, this method differs from the method used only to convey literature studies (Priadana & Sunarsi, 2021). A systematic review is a type of evidence synthesis in which broad or narrow research questions are formulated, and data directly related to the systematic review questions are identified and synthesized. Data was collected through a review of previous research literature. Then, it is concluded through deductive reasoning (general to specific). The following will describe the flow of this research.

RESULTS AND DISCUSSION

The public sector's New Public Management (NPM) paradigm influences the transition of the budget system from the traditional model to performance-based budgeting. "Performance-based budgeting" is defined as "budgeting that takes into account the relationship between funds and expects outputs, as well as efficiency in obtaining these results and outputs" (according to Article 7 paragraph (1) PP No.21 of 2004). "Performance-based budgeting requires the preparation of performance indicators, cost criteria, and performance evaluation for each program and type of activity" (according to Article 7 paragraph (2) PP No.21 of 2004).

The performance budget considers several criteria. First, analyze the motivation and purpose of the request for funds (A. Budi Santosa, 2021). Second, the cost of the recommended program to achieve this goal. Third, measurable data can be used to analyze the achievements and efforts of each program. This performance-based budgeting strategy focuses on the organizational effectiveness of activities. Efficiency itself is the ratio between output and input. An activity is considered efficient if it produces more with the same input or the same amount with less input. This budget is based on specific goals/plans, the implementation of which must be planned or supported by an adequate budget, and expenditures must be used as efficiently as possible (Van De Walle & Hammerschmid, 2011). It is practical and efficient. Government regulation no. 21 of 2004 concerning the Preparation of Work Plans and Budgets for State Ministries/Agencies emphasizes that work plans and budgets are prepared using three approaches: 1) integrated budget, 2) medium-term spending framework (MTEF), and 3) performance-based budget. Because resources are scarce, performance-based budgeting is very profitable.

Performance-based budgeting can help decision-makers use limited resources better, thus increasing government efficiency and effectiveness. Managers can choose among highly competitive needs, and the impact of these decisions can be seen directly in performance measurements and trends because available resources are limited. Performance budgets can improve internal management because the performance budget communicates the boss's vision to the subordinates, leaders, and managers to know what to expect (Sri Hartati, 2020). Zero-based budgeting, School planning has created a budget structure to cross programs.

The Unified and More Comprehensive Budget

The introduction of a unified budget and a comprehensive budget is the second shift in the budget system. A unified budget is created for better planning and budgeting operations. Duplication and effectiveness This is necessary to ensure that the money collected from the community through school fees paid to schools has been appropriately managed, honestly, and responsibly. In addition, there is hardware and software that supports the work of each department in the school, as well as the work of the treasurer and his staff. Researchers analyzed the model of the school budget and financial reports according to school conditions based on feasibility evaluations and observations of researchers in the school field and have adopted the New Public Management in accounting and finance.

The Preparation of Budget Reports and Financial Reports Is a Joint Obligation.

By using the new public management system, financial management in schools is not only the task of the school treasurer, but all elements in the school, such as the vice principal of the school, set performance and financing targets. Budgets in schools are more adaptive. This means that budget-using agencies can divert budgets if they are within the scope of the same strategic objectives (between targets) so that spending activities can be generated economically and efficiently.

Structured Governance Pattern

The structure of power has changed, including strategy and control mechanisms. Schools now exercise most of the power, including planning and budgeting, resource allocation, hiring and firing, and evaluation and monitoring. Apart from direct powers of control, LEA only offers services in a capacity that allows for school management. In Indonesia, authority lies with the school principal. Accountability patterns to parents and other community stakeholders are emphasized. Teachers also must be responsible for each other. Resource flow. The number of students a school has directly determines the size of its budget. Therefore, schools must play in a pseudo-market to attract students to compete with other schools. Write, however, that there is, in fact, no active competition for pupils. The new method of devolution (Van De Walle & Hammerschmid, 2011). Devolution is seen here to strengthen control of the administrative center. While schools and departments have budgetary autonomy, they disburse funds within institutional plans and targets. For example, they may be partially responsible for generating initial revenue by admitting a minimum number of fee-paying students.

CONCLUSION

Based on the synthesis of the literature review that has been carried out, it can be concluded that the impact of implementing new public management, the performance budget reporting model in educational institutions is: Performance-based budgeting is very beneficial because available resources are minimal, integrated and more comprehensive budget (The Unified and More Comprehensive Budget), the second transformation in the budget system is the establishment of a unified and comprehensive budget, preparation of budget reports and financial reports is a joint obligation and structured Governance Pattern.

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