CHAPTER I
INTRODUCTION

A. Background

Education is one aspect that is very much considered by all circles, both government and ordinary people because education has a function as a means to develop capabilities and shape dignified national character and civilization in order to educate the nation's life, aiming to develop the potential of the Indonesian people to become believers and fear God Almighty, have good morals, knowledgeable, skillful, creative, independent, and become a democratic and responsible citizen.

According to Law No. 20 of 2003 concerning the National Education System (Sisdiknas), education is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious-spiritual strength, self-control, personality, intelligence, noble character, and skills needed by himself, society, nation, and country. National education is education based on Pancasila and the 1945 Constitution of the Republic of Indonesia which is rooted in religious values, Indonesia's national culture and is responsive to the demands of changing times. The national education system is a whole component of education that is interrelated in an integrated manner to achieve national education goals. Education is a shared responsibility of the government and society.

Higher Education is a level of education after secondary education that includes diploma programs, undergraduate programs, master programs, doctoral

programs, and professional programs, as well as specialist programs, organized by universities based on the culture of the Indonesian nation. By-Law No.20 of 2003 Article 24 concerning National Education System, higher education obtains autonomy to manage itself the implementation of education, research and community service. Higher education institutions can obtain funding from the community whose management is based on the principle of public accountability. Universities are expected to be able to manage financial funds so that they can create public trust in the education sector. Public trust is related to creating processes and management that ensure that public resources are used as appropriate (good governance). With good governance in higher education or what we commonly call the term Good University Governance (GUG), education is expected to provide the best quality or quality for society.

As the first object of this study, the City of Tasikmalaya is the third-largest education center in West Java after Bandung and Bogor, evidenced by the many educational institutions in this city such as Universitas Negeri Siliwangi, UPI Bandung Branch in Tasikmalaya, Politeknik Kesehatan Tasikmalaya, Universitas Perjuangan Tasikmalaya, Universitas Muhammadiyah Tasikmalaya, and dozens of other private higher education. However, what is excellent for new students is Universitas Negeri Siliwangi (UNSIL), because of the status that has shifted from private tertiary institutions to state universities by bearing B accreditation status even though several private higher education have accreditation status B (equivalent to UNSIL). Community interest in private tertiary institutions is still very minimal, except for some compulsion factors such as not wanting to go far

from their hometown and parents or not qualifying for state tertiary admission (SBMPTN, SNMPTN, UM, etc.). In addition to the prestige factor, the community still believes that private higher education have lower-quality education than state universities.

The second object in this study is a private university located in Ciamis. There are as many as seven private higher education in Ciamis. Judging from the aspect of accreditation, very few private higher education have received accreditation from The National Accreditation Agency for Higher Education (BAN-PT) both in Tasikmalaya and in Ciamis, the rest is still very much not accredited. As can be seen in Table 1.0, the author collected the names of private higher education in Tasikmalaya and Ciamis along with their accreditation status.

Table 1. 1
Accreditation Data on Private Higher Education

No.	Higher Education	Region	Accreditation	Expired
1.	Universitas Muhammadiyah Tasikmalaya	Tasikmalaya City	-	-
2.	Universitas Perjuangan Tasikmalaya	Tasikmalaya City	-	-
3.	STMIK Tasikmalaya	Tasikmalaya City	B	2022-11-07
4.	STMIK DCI Tasikmalaya	Tasikmalaya City	C	2020-04-18
5.	Sekolah Tinggi Ilmu Kesehatan Bakti Tunas Husada Tasikmalaya	Tasikmalaya City	B	2020-03-10
6.	Sekolah Tinggi Hukum Galunggung (STHG)	Tasikmalaya City	B	2024-03-12
7.	Sekolah Tinggi Ilmu Kesehatan Mitra Kencana	Tasikmalaya City	C	2020-10-04
8.	Sekolah Tinggi Ilmu Ekonomi Cipasung	Tasikmalaya District	C	2021-05-20
9.	Bina Sarana Informatika	Tasikmalaya	B	2024-05-14

No.	Higher Education	Region	Accreditation	Expired
		City		
10.	STAI (Sekolah Tinggi Agama Islam)	Tasikmalaya City	C	2020-04-10
11.	STIA YPPriatim	Tasikmalaya City	-	-
12.	LP31 (Lembaga Pendidikan dan Pengembangan Profesi)	Tasikmalaya City	-	-
13.	Akademi Pariwisata Siliwangi	Tasikmalaya City	-	-
14.	Politeknik TRIGUNA	Tasikmalaya City	-	-
15.	IAIC Cipasung	Tasikmalaya District	-	-
16.	Akademi Manajemen Informatika dan Komputer Citra Buana Indonesia (CBI)	Tasikmalaya City	C	2022-09-12
17.	STISIP Tasikmalaya	Tasikmalaya City	-	-
18.	STTC (Sekolah Tinggi Teknologi Cipasung)	Tasikmalaya District	C	2023-12-04
19.	Akademi Manajemen Informatika dan Komputer (AMIK)	Tasikmalaya City	-	-
20.	STIE Indonesia	Tasikmalaya City	-	-
21.	STIKes Respati	Tasikmalaya District	-	-
22.	Akbid Kebidanan Syahida Mangkubumi	Tasikmalaya City	-	-
23.	STT YBS Internasional	Tasikmalaya City	-	-
24.	POLTEKES Kesehatan Gigi	Tasikmalaya City	-	-
25.	Stai-M Tasikmalaya	Tasikmalaya District	-	-
26.	Institut Agama Islam Latifah Mubarokiyah (IAILM) Suryalaya Tasikmalaya	Tasikmalaya District	C	2023-11-27
27.	Universitas Galuh	Ciamis	B	2022-10-31
28.	STIKES Muhammadiyah	Ciamis	B	2023-10-02

No.	Higher Education	Region	Accreditation	Expired
	Ciamis			
29.	Institut Agama Islam Darussalam (IAID) Ciamis Jawa Barat	Ciamis	B	2023-12-12
30.	Sekolah Tinggi Ilmu Dakwah Sirnarasa Ciamis	Ciamis	-	-
31.	STITNU Al-Farabi Pangandaran	Ciamis	-	-
32.	STAI Putra Galuh Ciamis	Ciamis	-	-
33.	STAI Al-Ma`arif Ciamis	Ciamis	-	-

Source : https://www.banpt.or.id/direktori/institusi/pencarian_institusi.php
(31/07/2019)

Based on the data listed in table 1.0, it can be concluded that in Tasimalaya there are 18.52% of private higher education that have B accreditation status, 25.92% for private tertiary institutions with C accreditation status, and the remaining 55.56% of private higher education in Tasikmalaya have not received accreditation from BAN-PT. Regrettably, there are no private higher education in Tasikmalaya that have the status of A accreditation, given a large number of private higher education in Tasikmalaya. Whereas in Ciamis there were 42.86% of private tertiary institutions that had B accreditation status, the remaining 57.14% of private higher education in Ciamis had not yet received accreditation status from BAN-PT. Just like in Tasikmalaya, there are no private higher education in Ciamis that have an accreditation status A.

Therefore the demand for the implementation of GUG at this time is not only an obligation but also a necessity. Along with the increasingly fierce competitive situation, universities must continue to strive to realize good university

governance as a system that is inherent in the dynamics of higher education. The purpose of the GUG policy is for those who play a role in running the management of tertiary institutions to understand and carry out their functions and roles according to their authority and responsibility following the principles of transparency and accountability.

GUG includes many aspects, one of which is financial management problems. The current implementation of financial management in higher education still varies, one of which is the use of methods or approaches to the budgeting process, namely using the line-item budgeting and zero-based budgeting (incremental) method. However, in the process of applying, it turns out that the method has several weaknesses so that it provides an opportunity for the occurrence of budget deviations and wastage. To overcome this problem, the Indonesian government has determined the use of a performance-based budgeting approach in the budgeting process following what is stated in Law Number 17 of 2003 and Law Number 1 of 2004 concerning State Treasury. Performance-based budgeting is an approach in budgeting that is oriented to performance or work performance that is to be achieved (output), in contrast to the previous budgeting approach which is only input-oriented.

Through the implementation of performance-based budgeting, educational institutions are required to create performance standards in each activity budget, so it is clear what activities will be carried out, what costs are needed, and what results will be obtained. The budget classification is specified starting from the strategic target to the type of expenditure from each activity or work program,

thus facilitating the performance evaluation. Thus, it is expected that the preparation and allocation of budgets can be more tailored to the priorities and preferences of the educational institutions concerned, taking into account the principles of economics, efficiency, and effectiveness.

Management of higher education funds must be followed by overall budget transparency to the public based on the principles of justice, accountability and honesty as described in Article 48 of the National Education System Law No.20/2003. The principle of accountability and transparency is the basic principle to bring a college towards GUG. Understanding the basic principles in the GUG will spur to find the best form of a university that is closest to the academics (Anwar and Pratolo, 2012).

The most important thing in facing the implementation of changes in the budgeting system is the problem of the quality of human resources. Wiley in Diastuti (2017) defines that human resources are the main supporting pillars as well as the wheels of the organization to realize the vision and mission and goals of the organization. Human resources are one of the most important elements of the organization, therefore it must be ensured that human resource management is carried out as well as possible to be able to contribute optimally in efforts to achieve organizational goals.

According to Wulandari in Safitri (2019), every employee must commit to the organization where he works. Organizational commitment is a belief and support and a person's loyalty to the values and objectives of the organization. Having a strong organizational commitment can make individuals always try to achieve

organizational goals, always think positively and always do the best for their organization so that organizational goals can be achieved. This can happen because the individual or employee feels that they share the organization so that they will act as good as possible for the organization. So that with high commitment, the possibility of a budget gap can be avoided.

Managerial activities in organizations with a pattern of cooperation as a process of achieving goals are also explained in Al-Qur'an Surah As-Shaff verse 4 which reads:

إِنَّ اللَّهَ يُحِبُّ الَّذِينَ يُقَاتِلُونَ فِي سَبِيلِهِ صَفًّا كَأَنَّهُمْ بُنْيَانٌ مَرْصُوصٌ

"Indeed, Allah loves those who fight in His cause in a row as though they are a [single] structure joined firmly."

In this letter, there are five major concepts that must exist to create a solid organization, namely the suitability of concepts and implementation in the organization, team solidity, the accuracy of measuring and knowing strengths and challenges, the concept of sincerity in work and struggle, and having a militant cadre (solid cadres). With the existence of a strong commitment in a person towards the organization they occupy is believed to be able to encourage their organization to achieve its objectives easily because it is done together with people who have the same vision and mission.

According to Mahmudi (2013), performance is interpreted as a form of construction that is multidimensional in nature and its measurement is very dependent on the complexity of the factors that shape and influence it such as (1) Personal/individual factors, including knowledge, skills, self-confidence, motivation, and commitment by each individual; (2) Leadership factors, including

quality in providing encouragement, enthusiasm, direction, the support provided by the manager/team leader; (3) Team factors, including quality and enthusiasm given by colleagues in one team, trust in fellow team members, cohesiveness and closeness of team members; (4) System factors, including work systems, work facilities, / infrastructure provided by organizations, organizational processes, and organizational performance culture; and (5) Contextual/situational factors, including pressure and changes in the external and internal environment of the organization.

An organization must have a goal so that performance plays a role in controlling its management, therefore it is necessary to do "if we can measure it, we can manage it" where if we can measure performance in an organization then we can regulate how the organization can achieve destination that has been made. Higher education belongs to public sector organizations. In a public organization environment, performance is a measure of achievement or success in running an organization that is related to everything that the organization does in a certain period.

As explained in the resource-input model, scarce and quality resources are needed by educational institutions to achieve diverse goals and provide quality services in a short time. The education quality indicators may include student intake, more qualified staff recruited, better facilities and equipment, better staff-student ratio, and more financial support procured from the central education authority, alumni, parents, sponsoring body or any outside agents (Cheng and Tam, 1997).

The effect of university accreditation is also very instrumental in assessing the quality of the performance of higher education, of course, inseparable from the quality of the resources in it. Quoted from the Large Indonesian Language Dictionary (KBBI), accreditation is an acknowledgment of an educational institution provided by an authorized body after it is judged that the institution meets certain requirements or criteria. Accreditation is needed to guarantee the quality of an educational institution. In addition to the general public, accreditation can also be a tool to measure the readiness of a university to carry out the education process. There are 15 components of assessment in recognition of accreditation, including the following:

1. College Leadership (Chancellor, Chairperson, Purek I-IV, Waket I-IV)
2. Student Affairs
3. Higher Education Human Resources
4. Curriculum applied
5. College Funding
6. College Facilities and Infrastructure
7. Civil Service
8. Management System
9. Learning System
10. Academic atmosphere
11. Academic Information System
12. Internal Quality Assurance System
13. Graduate output or College Alumni
14. Research and Community Service
15. Study Program

From the explanation of the above phenomena, the author is interested in making a study entitled: "**The Effect of Human Resource Quality and Organizational Commitments on The Performance of Private Higher Education in Tasikmalaya and Ciamis with The Implementation of Performance-Based Budgeting as Intervening Variables**".

B. Research Question

1. Does the quality of human resources have a positive effect on the implementation of performance-based budgeting in Tasikmalaya and Ciamis private higher education?

2. Does organizational commitment have a positive effect on the implementation of performance-based budgeting in Tasikmalaya and Ciamis private higher education?

3. Does the quality of human resources have a positive effect on private higher education performance in Tasikmalaya and Ciamis?

4. Does organizational commitment have a positive effect on the performance of private higher education in Tasikmalaya and Ciamis?

5. Does the implementation of performance-based budgeting have a positive effect on the performance of private higher education in Tasikmalaya and Ciamis?

6. Does the implementation of performance-based budgeting mediates the quality of human resources to the performance of private higher education in Tasikmalaya and Ciamis?

7. Does the implementation of performance-based budgeting mediates the organizational commitment to the performance of private higher education in Tasikmalaya and Ciamis?

C. Research Objective

1. To obtain empirical evidence regarding the influence of the quality of human resources on the implementation of performance-based budgeting in Tasikmalaya and Ciamis private higher education.

2. To obtain empirical evidence regarding the influence of organizational commitment on the implementation of performance-based budgeting at Tasikmalaya Ciamis private higher education.

3. To obtain empirical evidence regarding the influence of the quality of human resources on the performance of private higher education in Tasikmalaya and Ciamis.

4. To obtain empirical evidence regarding the influence of organizational commitment on the performance of private higher education in Tasikmalaya and Ciamis.

5. To obtain empirical evidence regarding the effect of implementing performance-based budgeting on the quality of performance of private higher education in Tasikmalaya and Ciamis.

6. To obtain empirical evidence regarding the influence of the implementation of performance-based budgeting which mediates the quality of human resources to the performance of private higher education in Tasikmalaya and Ciamis.

7. To obtain empirical evidence regarding the influence of the implementation of performance-based budgeting which mediates the

organizational commitment to the performance of private higher education in Tasikmalaya and Ciamis.

D. Significance of the Study

1. Theoretically

   a. This research is expected to add insight and knowledge to the researcher and can be a reference for future researchers regarding the implementation of performance-based budgeting in higher education.

   b. This research is expected to be able to add insight and knowledge to the researcher and can be a reference for further researchers regarding the assessment of employee performance in higher education.

   c. This research is expected to contribute information in the development of public sector accounting studies regarding the implementation of performance-based budgeting.

2. Practically

   This research is expected to provide additional information to the teaching workforce in private higher education in Tasikmalaya and Ciamis in improving the quality of performance.