

The Government Readiness For E-Planning Implementation To Development Planning In Indonesia With Budget Availability As Intervening Variable

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Abstract: This research aims to determine the supporting factors of the government readiness for e-planning implementation to the district/city development planning in Indonesia. The variables used in this research were central government support, the head of the region support, and legislative support as independent variables (X), effectiveness of e-planning implementation as dependent variable (Y), and budget availability as intervening variable. The data of this research were obtained using questionnaires. The questionnaires that could be further processed were as much as 182 questionnaires. The hypothesis was analyzed using Structural Equation Model (SEM) with the help of SmartPLS software3.0. The results of this research are the central government support has positive effect on the budget availability. The head of the region support has no effect on budget availability. Legislative support positively affect the budget availability. Budget availability has positive effect on the effectiveness of e-planning implementation.

Keywords: Central Government Support, the Head of The Region Support, Legislative Support, Budget Availability and Effectiveness of E-Planning Implementation.

1. INTRODUCTION

E-Government can be defined as all actions in the public sector involving information and communication technologies with the aim of optimizing the efficiency, transparency and effectiveness of public services process (Turban, *et.al.*, 2018). The legal basis of e-government in Indonesia at the national level is the Presidential Instruction No.3 of 2003 on National Policy and Strategy of E-Government Development. The key point of the regulation is to instruct the Minister, Head of Non Departmental Government Institution, Secretariat of the Supreme and Higher State Institution, the Commander of the Indonesian National Army, the Chief of the Indonesian National Police, the Attorney General of the Republic of Indonesia, the Governor and the Regent/Mayor to take steps required in accordance with their duties, functions and authorities for the development of E-Government nationally based on the Policy and National Strategy of E-Government Development. Since the enactment of the Presidential Instruction, the central and local governments are competing to implement E-Government, one of them is the implementation of e-planning or integrated regional development planning information system which is a tool for preparing *RKPD* (Local Government Work Plan), *KUA PPAS* (General Budget Policy, Provisional Budget Priorities and Funding Levels), *KUA/PPAS* of Change, Regency/Provincial *RKPD* of Change (Rahman *et al.*, 2019).

The implementation of e-planning is expected to complete the work programs easily, quickly, accurately and in accordance with the direction of the Minister of Home Affairs Regulation No. 54 of 2010 so that the work programs produced are able to present an informative analysis for the users or stakeholders. The Ministry of Home Affairs' recommendation for the local government to implement e-planning (electronic planning) is so that the government can design the regional development well, measurably and transparently (Uddin *et al.*, 2018). The people can access and find out the development activities of their region several years earlier as a part of the supervisory function. Not all situations in the field have been utilized well by local government. The existence of e-planning application will save budget usage especially the *SKPD* (Local Government Work Unit) operational budget. The effectiveness of e-planning implementation with the availability of local government budget must be supported by the central government, local government, and legislative parties in accordance with the Presidential Instruction No 3 of 2003 so that the implementation of e-planning can be maximum and integrated well. From the description, it can be taken several variables as the supporting factors for the effectiveness of e-planning implementation namely central government support, the head of the region support, and legislative support as independent variables, and budget availability as intervening variable. Therefore the problem formulations of this research are (1) does central government support, the head of the region support, and legislative support partially affect the budget availability? and does budget availability affect the effectiveness of e-planning implementation?. The aims of this research are to find out: the effect of central government support, the head of the region support, and legislative support to the budget availability and the effect of budget availability to the effectiveness of e-planning implementation. The results of this research is very useful, firstly, for practitioners as a source of information and consideration in decision-making related to Accounting

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Information System on e-planning, as well as provide insight and discourse to the central government, local government, or other agencies in developing and improving the comprehension of integrated e-planning implementation to improve the effectiveness and efficiency of regional/Local Government Budget management. Second, for the academics, the research results are expected to be able to develop and become a science comparison tool in the field of accounting, especially in the field of Information Systems Accounting.

2. LITERATURE REVIEW

2.1. Economic Co-operation and Development (OECD)

Organization for Economic Cooperation and Development (OECD) is an international organization engaged in economic cooperation and development. In the Indonesian language the OECD International Organization is also called the Organization for Cooperation and Economic Development. The purpose of the establishment of the OECD or Organization for Economic Cooperation and Development is to strengthen cooperation and inter-state economic development to achieve sustainable economic stability (Dickson, 2017). The OECD is a development of the OEEC (Organization for European Economic Co-operation) established in 1948, the OEEC Organization is composed only of European countries. However, under the Convention on Organization for Co-operation and Economic Development in 1961, non-European countries were also enrolled in their membership so that the OEEC name was officially renamed OECD or Organization for Economic Cooperation and Development. OECD now has 35 Member Countries, most OECD member countries are Advanced Countries, but there are also some developing countries incorporated therein. Developing countries that join OECD include Turkey, Mexico and Chile. The OECD Head Office is located in Paris, France.

2.2. Budget Reform

The monumental change in budgeting reform is by applying 3 (three) budgetary pillars of Unified Budget, Performance Base Budgeting, Medium Term Expenditure Framework (Medium Term Expenditure Framework). Budgeting reforms are programs and activities undertaken in relation to bureaucratic reforms must be able to achieve outcomes that lead to improved institutional quality, management, legislation, human resource management, oversight, accountability, public service quality, mindset change and culture. Implementation of programs and activities carried out in synergy (Henning et al., 2018; Lindé, 2018; Manes et al., 2018 and Praharaj et al., 2018). One stage of activity should have a positive impact on stages of other activities, one program must provide positive impact for other programs. Activities performed one government agency should pay attention to linkages with activities undertaken by government agencies others, and should avoid any overlap between activities in each agency.

2.3. Factors Affecting the Success of E-Planning Implementation

Information System of Regional Development Planning (e-planning) is a tool of arrangement of Local Government Work Plan, General Policy of Budget, Change of Regency /Province to be completed easily, quickly, accurately and in accordance with directives contained in Regulations with the existence of e-planning tools, the Regional Development (Xiao, K. (2018 and Zagonari, 2018). Planning can maximize the system and the system is also able to present a very informative analysis for the stakeholders (Ebrahimi, 2018 and Okamuro & Nishimura, 2018). Efforts to improve the budgeting process in the public sector are the implementation of performance-based budgets. Given that performance-based/results-based budgeting systems require performance control and evaluation criteria and to avoid duplication in the preparation of work plans and budgets of state ministries/agencies/regional offices, it is necessary to integrate performance accountability systems into the budgeting system by introducing a work plan and budgeting system (Daksueva and Lin, 2018). The preparation of work plans and budgets of ministries/institutions/local devices can be fulfilled as well as the need for performance-based budgeting and measurement accountability performance ministries/institutions/local equipment concerned. This can be accomplished by drawing up work plans and budgets of regional apparatus units. Approach based on work performance to be achieved. By building a budgeting system that can integrate performance planning with an annual budget, there will be a link between available funds and the expected results (Musafir, 2018 and Valle et al., 2018). This budgeting system is also called performance-based budgeting based on Input of data, process and flow. Preparation of reports manually that previously took weeks to complete in a matter of seconds. Maintain the conformity of local government document so that it complies with protect so that it can only take program of activities which is its business only (Liao, 2018; Miyazaki, 2018 and Zeng et al., 2018). The process of input data program/activity can be done online or offline. Local Government has the ability to correct and modify plans of programs or activities that have been inputted and reference no account, the name of the program/activity can use the standard or can be modified according to the needs of each region and can create indefinite budget ceilings for each institution in accordance with consideration of budget availability, regional interests and priorities and data can be exported into other file (Garcia et al., 2018; Gamayuni, 2018 and Maher et al., 2018). The analysis menu for stakeholders in order to quickly understand the conformity of the plans that have been drawn up on the vision of the mission, priorities, goals and location and accessible to the public as a form of government information disclosure and can accommodate community proposal as a form of communicative bottom up mechanism prepare in Figure 1 as a follows:

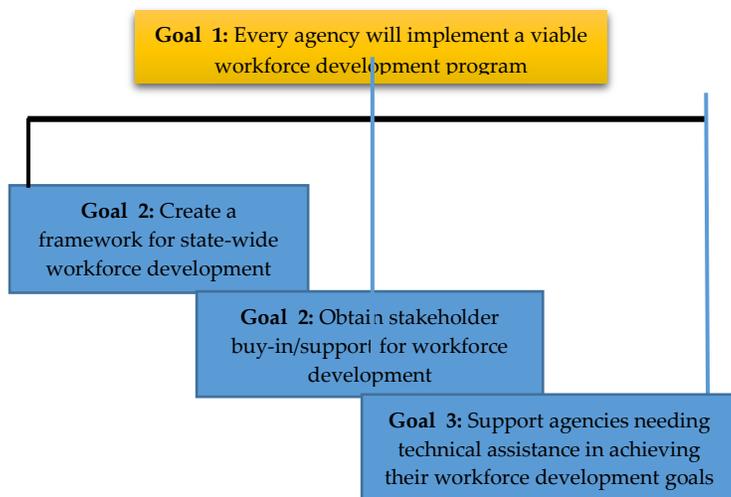


Figure 1. E-Planning Concept

Based on Figure 1 explained the strategic planning is a systematic process of annual strategic planning, with procedures and schedules that have been determined. The strategy formulation is not systematic. Strategies are re-examined in response to perceived opportunities or threats (Ran and Budic, 2018; Russo *et al.*, 2018; Brimkulov and Baryktabasov, 2018; David, 2018; Priano *et al.*, 2018 & Musafir *et al.*, 2018). The aim is to make difficult choices between alternative programs and not to extrapolate figures as detailed as budget, time and effort should be aimed more at informal analysis and discussion, and relatively less for paper work; and the focus should be on the program itself rather than on the central responsibilities that implement it. Strategic plans usually cover the next five years. Five years is a long enough period to estimate the consequences of the current program decisions. The consequences of the decision to develop and market new products or to acquire assets, the new main capital may not be fully felt in the shorter period. The time period above five years may be so vague that attempts to make a program for a longer period are useless to do.

3. METHODS

This research was conducted at the local government agencies in Indonesia. This research is a quantitative research because the data used were in the form of numbers. The main information sources of this research were the data obtained directly from the local government agencies. Those data were the primary data. The primary data were obtained by giving questionnaire to each local government agency in Indonesia. The populations of this research were the employees of all central and local government agencies in Indonesia whose scope of work was in the field of development design. The number of samples in this research was 182 people. The independent variables employed in this research were central government support, the head of the region support, and legislative support. The intervention variable was budget availability. The dependent variable used in this research was the effectiveness of e-planning implementation. The data analysis technique used in this research was SEM (Structural Equation Model) analysis method with Partial Least Square (PLS) measurement. Structural Equation

Model (SEM) model is a statistical technique that allows relative complex circuit testing simultaneously and partially. Meanwhile, the PLS measurements can be used on each type of data scale (nominal, ordinal, interval, ratio) as well as more flexible assumption terms. PLS is also used to measure the relationship of each indicator with its construct. In addition, bootstrapping testing against structural models (outer model and inner model) is conducted in PLS. Hypothesis testing is presented based on the research objectives. The confidence level used is 95%, thus the level of precision or inaccuracy limit is $(\alpha) = 5\% = 0.05$. Therefore, the generated *t*-table is 1.96 so that:

- If the *t* count is greater than 1.96 then H_0 is accepted;
- If the *t* count is smaller than 1.96 then H_0 is rejected.

4. RESULTS AND DISCUSSION

4.1. Results

4.1.1. Loading Factor

Outer model is assessed by looking at the convergent validity (the amount of loading factor for each construct). Loading factor above 0.70 is recommended, however the loading factor of 0.50-0.60 can still be considered as long as the model is still in the development stage. The results of the processed data are given in Table 1 as follows:

Table 1. Table of the Loading Factor

	Outer Loadings				
	central government support	at the head of the r	legislative support	effectiveness of e-planning implementation	budget availability
X11	0,850				
X12	0,941				
X13	0,937				
X21		0,898			
X22		0,903			
X23		0,901			
X24		0,885			
X41			0,866		
X42			0,961		
X43			0,946		
Y11					0,882
Y12					0,887
Y13					0,870
Y14					0,824
Y15					-0,459
Z11					0,927
Z12					0,886
Z13					0,901

Source: Results of data processing with SmartPLS 3.0 (2018).

The Table 1 above shows that the loading factor gives a value above the existing value, corresponding to the suggested value of 0.70 or 0.50-0.60 such as the indicator on the local commitment construct. However, there is also a value below 0.50, namely effectiveness of e-planning implementation construct in indicator Y15, with the value of -0.459. It means that the indicators used in this research is valid or has met the convergent validity and there is also indicator that is not valid or does not meet the convergent validity. The following is the diagram of the loading factor of each indicator in the research model in Figure 2 :

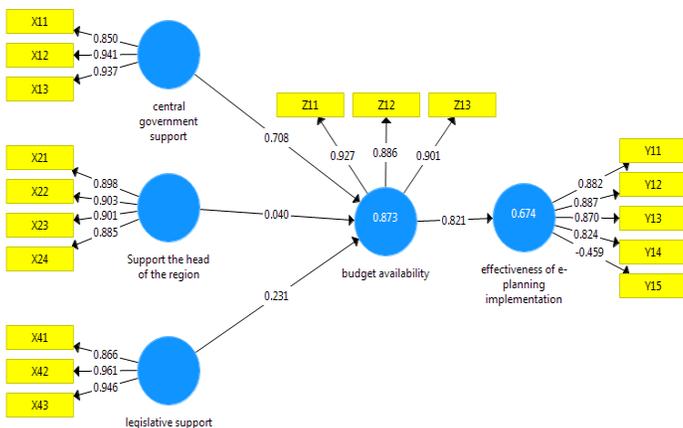


Figure 2. The value of Loading Factor

Source: Results of data processing by SmartPLS 3.0 (2018).

4.1.2. Reliability Test

Reliability test is done by looking at the indicators that measure the construct value which should not under 0.50. The reliability test is seen from the value of composite reliability and Cronbach alpha. From the data processed, the results obtained in Table 2 and Table 3 as follows:

Table 2. Composite Reliability

	Composite Reliability
Central Government Support	0.935
The Head of The Region Support	0.943
Legislative Support	0.947
Budget Availability	0.931
Effectiveness of E-Planning Implementation	0.918

Source: Results of data processing by SmartPLS 3.0 (2018).

Table 3. Table of Cronbach's Alpha

	Cronbach's Alpha
Central Government Support	0.895
The Head of The Region Support	0.919
Legislative Support	0.916
Budget Availability	0.889
Effectiveness of E-Planning Implementation	0.653

Source: Results of data processing by SmartPLS 3.0 (2018).

Based on Table 2 and Table 3 show that the composite reliability values for all exogenous and endogenous constructs are all very reliable because they are above 0.70. However, viewed from the value of Cronbac's Alpha, there is a value below 0.70 on the construct of e-planning implementation effectiveness, which is 0.653.

4.1.3. Structural Model Testing

After the estimated model meets the outer model criteria, the structured model (inner model) testing is conducted. The inner model is used to see the relationship between construct and significance value as well as the R-Square

value. The following is the R-Square value in the construct in Table 4 as a follows :

Table 4. R-Square value

	R Square	R Square Adjusted
Budget Availability	0.873	0.871
Effectiveness of E-Planning Implementation	0.674	0.673

Source: Results of data processing by SmartPLS 3.0 (2018).

From the Table 4, it can be seen the R-Square value for budget availability variable shows the results of 0.873 and the effectiveness of e-planning implementation shows the results of 0.674. It means that the variability of the budget availability construct (as an intervening variable) with the effectiveness of e-planning implementation (which can be explained by the central government support, the head of the region support, and legislative support construct as the intervention variables) were as much as 87.3% for budget availability constructs and 67.4% for the effectiveness of e-planning implementation.

4.1.4. Hypothesis Testing

The results of hypothesis testing are found in Table 5 below:

Table 5. Table of Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t Statistics (O/STDEV)	p Values
Central Government Support -> Budget Availability	0.708	0.707	0.037	19.214	0.000
The Head Of The Region Support -> Budget Availability	0.040	0.044	0.043	0.936	0.350
Legislative Support -> Budget Availability	0.231	0.229	0.042	5.489	0.000
Budget Availability -> Effectiveness of E-Planning Implementation	0.821	0.823	0.023	35.753	0.000

Source: Results of data processing by SmartPLS 3.0 (2018).

Based on Table 5 show that the inter-construct relationship test shows that the central government support construct has positive effect on the budget availability with the parameter coefficient value of 0.708 and significant at 5% (t count is greater than 1.96). The construct of local government support has no effect on the budget availability. The legislative support has positive effect on the budget availability with parameter coefficient value of 0.231 and significant at 5% (t count is greater than 1.96) and budgetary availability construct positively affect the effectiveness of e-planning implementation with parameter coefficient value of 0.821 and significant at 5% (t count bigger than 1.96). The following is the diagram of t-statistic value based on the SmartPLS 3.0 output in Figure 3:

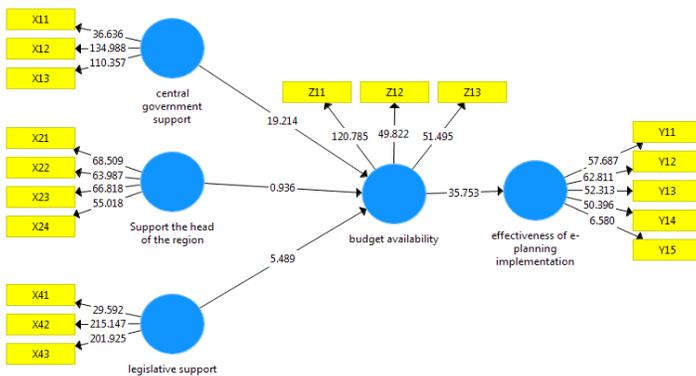


Figure 3. Output Bootstrapping

Source: Results of data processing by SmartPLS 3.0 (2018).

4.2. Discussion

Planning and budgeting activities involving all implementing elements in the Local Government Work Units, ranging from the determination of programs and activities, the classification of expenditures, the determination of cost standards, the determination of performance indicators and performance targets, up to the amount of budget to be provided, require serious attention to the leaders of the regional apparatus unit and program implementers and activities. Budget documents should be able to provide clear information about the objectives, targets, and correlations between the size of the budget and the benefits and outcomes to be achieved from a budgeted activity. The importance of implementing performance-based budgeting has an impact on the successful implementation of performance-based budgeting, namely:

1. Leadership and commitment from all organizational components.
2. Focus on administration continuously.
3. Adequate resources for the business of completion (money, time, and people).
4. Rewards (rewards) and sanctions (punishment) are clear.
5. Strong will to succeed.

5. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusions

1. Central government support has positive effect on the budget availability.
2. The head of the region support has no effect on the budget availability.
3. Legislative support has positive effect on the budget availability.
4. Budget availability has positive effect on the effectiveness of e-planning implementation.

5.2. Suggestions

1. The future researchers are suggested to expand or add variables related to the effectiveness of e-planning implementation in order to obtain more maximum result and can be used as a comparison for further researches.

2. For the central government and regional government institutions as well as the non-government agencies are expected to be able to implement the integrated e-planning system so that the development planning can be implemented maximally to produce more effective, efficient, transparent and accountable work programs.

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