

## PERFORMANCE MEASUREMENT USING VALUE FOR MONEY OF GOVERNANCE IN INDONESIA

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### Abstrak:

Value for Money adalah metode pengukuran kinerja sektor publik berdasarkan tiga elemen utama, yaitu ekonomi, efisiensi, dan efektivitas. Tujuan dari kegiatan ini adalah untuk mengukur keberhasilan kinerja Value for Money (ekonomi, efisiensi, dan efektivitas) dalam program peningkatan infrastruktur dan sarana Sekretariat Daerah. Jenis kegiatan yang dilakukan adalah studi kasus pada Sekretariat Daerah Kabupaten. Teknik analisis yang digunakan adalah deskriptif kuantitatif, yaitu teknik berdasarkan perhitungan. Pengukuran dimulai dengan terlebih dahulu mengukur ekonomi, efisiensi, dan efektivitas setiap kegiatan dalam program perbaikan sarana dan prasarana aparatur, dan kedua menentukan nilai akhir dari setiap kegiatan. Berdasarkan hasil dan uraian kegiatan, dapat disimpulkan bahwa kinerja program perbaikan sarana dan prasarana aparatur di Sekretariat Daerah Kabupaten memperoleh predikat sukses dalam pengukuran kinerja Value for Money.

**Kata Kunci:** Kinerja, Nilai untuk Uang, Tata Kelola

### Abstract:

Value for Money is a method of measuring public sector performance based on three main elements, namely economy, efficiency, and effectiveness. The purpose of this activity is to measure the success of Value for Money performance (economy, efficiency, and effectiveness) in the Regional Secretariat's infrastructure and facilities improvement program. The type of activity carried out is a case study on the Regional Secretariat of the Regency. The analysis technique used is descriptive quantitative, a technique based on calculations. The measurement starts with first measuring the economy, efficiency, and effectiveness of each activity in the apparatus facilities and infrastructure improvement program, and second determining the final value of each activity. Based on the results and description of the activities, it can be concluded that the performance of the apparatus facilities and infrastructure improvement program at the Regional Secretariat of the Regency obtained a successful predicate in the Value for Money performance measurement.

**Keywords: Performance, Value for Money, Governance**

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**INTRODUCTION**

Local government is one of the tools in the governance system. According to Law Number 23 of 2014 concerning local government, local government is the head of the region as an element of regional government organizers who lead the implementation of government affairs which are the authority of autonomous regions, while local government is the administration of government affairs by the local government and the Regional People's Representative Council (DPRD) according to the principles of autonomy and assistance tasks with the principle of the widest possible autonomy within the system and principles of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia. Local government refers to the administrative authority in a smaller region of a country where Indonesia is a country whose territory is divided into provinces. Provincial regions are further divided into regencies and municipalities. The provincial region is an administrative area that becomes the working area for the governor. Regencies/municipalities are the administrative areas of regents/mayors.

Each region, both provincial and district/city, is assisted by the Regional Apparatus Organization (OPD). OPD is an organization or institution in the local government that is responsible to the regional head in the context of administering government in the region. Local governments including OPD in a government area are required to not only provide excellent service but also provide accountability to the community (accountability). Government agencies are not only responsible to higher authorities but also to the general public. This is necessary because the community also contributes to paying taxes. Therefore, performance measurement is needed in government agencies so that the public knows the performance of government agencies is good or vice versa. In general, the term performance is used to refer to the achievement or level of performance measurement as an activity of assessing the achievement of the target targets of the organization's strategic goals. The performance of an agency or organization can be measured through the programs implemented including the results of the programs carried out. This is important because performance measurement is a tool to assess the success of an organization or agency in carrying out its duties.

Measuring the performance of public sector organizations is not just to find out how the success rate of government agency work programs but can also be a benchmark and evaluation material in improving performance and accountability. The success of the organization can also provide benefits in the form of support and trust from the public. The public can judge the success of public sector organizations not only in satisfying public services but also with accountability and transparency from the government.

Several methods can be used in measuring public sector performance. One of the methods that can be used is (economy, efficiency, and effectiveness). Value for Money Value for Money is a method based on three main elements, namely economy, efficiency, and the application of Value for Money effectiveness. very helpful in performance assessment because it does not only review from one aspect but from three aspects at once.

The economic aspect is related to the secondary. Money/cash is the primary input that is converted into primary input while resources such as labor, infrastructure, and nature are secondary inputs. The economic concept according to Mahsun is related to how much it costs to obtain a unit but at a low price.

The efficiency aspect is a comparison between output and input. It is said to be efficient if the use of the organization can produce a large output input with a low one. The third aspect is effectiveness. Effectiveness is the relationship between the results that the Value for Money method expects and the results that occur. Tries to measure the benefits of each fund allocated to achieve an activity goal. for Money Value Measurement is expected to increase awareness of public money used to be more efficient in allocating resources, resources can be efficient and can be right on target so that public accountability can be achieved.

Regulation of the Minister of Home Affairs (Permendagri) No. 13 of 2006 Article 4 paragraph 1 which states that "Regional finances are managed in an orderly manner, obedient to laws and regulations, effective, efficient, economical, transparent, and responsible with due regard to the principles of justice, appropriateness, and benefits for the community".

Performance measurement can use methods and provisions of the organization concerned by the conditions. Based on the Permendagri above, three keywords are very relevant to the definition of mandate from Permendagri, namely Value for Money with effective, efficient, and economical. This shows that Value for Money is following the conditions and applies to public sector organizations in Indonesia so it is appropriate to determine its performance.

One of the public sector organizations in Indonesia is the regional secretariat which is a staff element that assists in policy formulation and coordination of regional offices and technical institutions where the regional secretary is led by a regional secretary. The regional secretary is an agency or auxiliary element that assists the mayor/regent in carrying out his duties. The regional secretary is tasked with carrying out the duties of government administration, administration, organization, and governance and providing administrative services to all OPDs.

When carrying out its duties and authorities, the regional secretary cannot be separated from the demands to become an organization that has good performance and has accountability based on economy, efficiency, and effectiveness. The many tasks carried out by the regional secretary as an element of the regent's staff in coordinating the agencies, it is appropriate that the performance of the regional secretary needs to be reviewed so that it can see the extent of the success that has been achieved and make the results of the review as a basis for improving future performance.

The regional secretary has several functions, namely coordinating the preparation of regional policies, implementing regional apparatus tasks, monitoring and evaluating the implementation of regional policies, and administrative services, fostering the state civil apparatus and regional agencies, as well as implementing other functions. Therefore, the performance of the regional secretary needs to be measured. This will be a benchmark and evaluation material for improving performance and accountability.

There is a program implemented by the regional secretary to support the implementation of its functions. The regional secretary has several programs, one of which is the program to

improve apparatus facilities and infrastructure. The activities in the program are related to the procurement of vehicle advice, and other infrastructure in the form of buildings, land, and others. As mentioned earlier that the performance of an agency can be measured through the program implemented, through this program the performance of the regional secretary will be measured.

## **RESEARCH METHODS**

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The analysis technique used in this activity is descriptive quantitative, which is an analysis based on calculations. This technique is used to assess Value for Money or in terms of economy, efficiency, and effectiveness.

The type of activity to obtain the required data is field research. Field research is a research process by going directly to one of the regional secretariats. This is done so that the data obtained is accurate data that can be used for measuring the performance of the regional secretariat.

The data collection technique used by the author to obtain data by what the author will report is document analysis. Document analysis is data collection by analyzing Budget Implementation Document, Strategic Plan Data for Devices, Government Agency Performance Reports, and Budget Realization Reports from the Regional Secretariat.

## **RESULT AND DISCUSSION**

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Performance measurement using the Value for Money method that will be used in this research is carried out by measuring each activity in the apparatus facilities and infrastructure improvement program implemented by the district secretary during 2018 based on economic aspects, efficiency aspects, effectiveness aspects, and final value calculations.

Economic measurement will be applied to each activity of the apparatus facilities and infrastructure improvement program. This measurement is applied to determine the value of performance in these activities has met one of the economic criteria, namely economic, quite economical, or not economical. This economic measurement is obtained by dividing the performance target (budget) by the performance achievement (realization) which will then be multiplied by 100%.

The application of efficiency measurement to all activities of the facilities and infrastructure improvement program aims to determine the value of performance in these activities that are efficient or otherwise. The level of efficiency is measured by comparing the value of output and input performance. The output performance value can be determined by dividing the output performance achievement (realization) by the output performance target (plan) and then multiplying it by 100%. The input performance value is the result of previous economic measurements.

Measuring effectiveness requires outcome performance indicators in the form of real results that have been achieved from these activities. There are 2 ways used to get the results of the outcome performance value, each way has provisions in its use. If the expected outcome performance achievement is lower than the target, then the outcome performance target formula is used divided by the outcome performance achievement, and multiplied by 100%. But if the outcome performance is expected to be higher than the target, the outcome performance achievement formula is used divided by the outcome performance target multiplied by 100%.

The value of these aspects can be seen in the budget target and budget realization of activities, data on performance targets and performance achievements of activities, data on output, and outcome results of each activity. There are 14 activities carried out in the apparatus facilities and infrastructure improvement program, in 2018 the regional secretary carried out 12 of the 14 activities in the program.

The last step is to calculate the final value. The measurement of the final value is intended as a basis for determining the value of the success of the activity. Therefore, the performance values of inputs, outputs, and outcomes are needed to calculate the final value of an activity. The final value is calculated by summing the average performance values of inputs, outputs, and outcomes divided by three.

Based on the measurement of economic performance by the district secretary, it is known that the performance of the facilities and infrastructure improvement program gets an economic predicate. The performance value of office building construction activities, procurement of office building equipment, routine/periodic maintenance of office cars, official/operational vehicles, office building equipment, and provision of office buildings/houses (rent), is in the range of >100.00%. The performance value for the procurement of official/operational vehicles, office/office house equipment, office building equipment, and routine/periodic maintenance of office houses, is in the range of 85.00% to 100.00%.

Performance indicators related to economics are inputs. Economical, in other words, savings, is the level of costs incurred to carry out an activity. An activity is said to be economical if it expends the lowest possible input. The above value is obtained from the mathematical calculation of the comparison between the budget realization and the budget plan for each activity. Based on the measurement of Value for Money performance from the economic aspect, it can be concluded that in the District Secretary, there are 8 activities, or 67% showing economical performance while 4, or 33% of these activities show quite economical performance. In general, activities based on economic aspects are still dominated by economic performance.

Based on the results of the calculation of efficiency performance at the Regional Secretary, it is known that the performance of the facilities and infrastructure improvement program gets an efficient predicate. The efficiency performance value of procurement activity is 75.00%, the performance value which is in the range of values < 90% is very efficient. Office building construction activities, routine / periodic maintenance of official/operational vehicles, routine/periodic maintenance of office building equipment, provision of office buildings/houses (rent), and routine/periodic maintenance of office buildings are in the range of 90% to 99%, activities in this range are included in the efficient criteria. The performance value for the procurement of official/operational vehicles, procurement of office/office house equipment, procurement of office building equipment, routine/periodic maintenance of office houses, procurement of office building equipment, and routine/periodic maintenance of office cars is Performance measurement using the Value for Money method that will be used in this research is carried out by measuring each activity in the apparatus facilities and infrastructure improvement program implemented by the district secretary during 2018 based on economic aspects, efficiency aspects, effectiveness aspects, and final value calculations.

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Performance indicators related to efficiency are output and input. Before calculating the efficiency performance value, the output and input performance values must be determined. The output indicator value is generated by mathematical calculation of the comparison between the realization and plan of each activity. The efficiency performance value is generated by comparing the output and input performance indicators. An activity can be said to be efficient if the activity process uses the lowest possible resources. Based on the measurement of Value for Money performance from the efficiency aspect, it can be concluded that there is only 1 activity, or 8% that shows very efficient criteria, 5 activities, or 42% show efficient performance while 6 activities, or 50% of these activities show fairly efficient performance. In general, activities for regional secretaries based on efficiency aspects are still dominated by moderately efficient performance.

Based on the results of the calculation of effectiveness performance at the Regional Secretary, it is known that the performance of the facilities and infrastructure improvement program is effective. All activities in this program show a performance value of 100.00%. Effectiveness is related to outcome and output performance indicators. The outcome performance value is generated between realization and plan. The effectiveness performance value is generated by comparing outcome and output performance. Effectiveness is related to objectives. The greater the output contribution to the achievement of goals, the more effective the activity. Based on the measurement of Money Value for performance from the effectiveness aspect, it can be concluded that the regional secretary of all activities shows efficient performance. 100%, for this value is in the criteria quite efficient.

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## CONCLUSION

Based on the results of research and discussion regarding the measurement of Value for Money performance at the Regency Regional Secretariat, it can be concluded that the performance results of the 2018 apparatus facilities and infrastructure improvement program obtained the title "Successful" with a value of 103.36%. This is indicated by activities that obtain economic value as many as 8 activities and quite economical as many as 4 activities. Activities with a very efficient value of 1 activity, efficient as many as 4 activities, and quite efficient 7. All activities of the program to improve the facilities and infrastructure of the apparatus get an effective value.

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