

## The Implementation of Performance Based Budgeting in Enhancing the Efficient of School Management

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### Abstrak

Penelitian ini bertujuan untuk menganalisis implementasi *performance-based budgeting* (PBB) dalam meningkatkan efisiensi manajemen sekolah di SD Negeri 04 Taman. Penelitian ini menggunakan pendekatan kualitatif dengan desain studi kasus untuk memperoleh pemahaman yang mendalam mengenai praktik penganggaran dalam konteks pendidikan yang nyata. Data dikumpulkan melalui wawancara semi-terstruktur, observasi, dan dokumentasi dengan melibatkan enam informan, yaitu kepala sekolah, bendahara, operator, dan guru. Hasil penelitian menunjukkan bahwa implementasi PBB telah mulai diterapkan, khususnya pada tahap perencanaan, di mana Rencana Kegiatan dan Anggaran Sekolah (RKAS) mencerminkan prioritas program dan keterlibatan pemangku kepentingan. Namun demikian, indikator kinerja masih bersifat umum dan belum memiliki ukuran yang terukur secara jelas. Pada tahap pelaksanaan, penggunaan anggaran telah sesuai dengan perencanaan, tetapi masih berorientasi pada kepatuhan administratif dibandingkan pencapaian kinerja. Selain itu, proses evaluasi lebih menekankan pada pertanggungjawaban keuangan daripada pengukuran kinerja. Meskipun PBB berkontribusi dalam meningkatkan prioritas dan pengendalian anggaran, dampaknya terhadap efisiensi masih bersifat parsial akibat belum terintegrasinya perencanaan, pelaksanaan, dan evaluasi. Oleh karena itu, diperlukan penguatan indikator kinerja, peningkatan kapasitas sumber daya manusia, serta pengembangan sistem evaluasi untuk mengoptimalkan implementasi PBB dalam manajemen sekolah.

**Kata kunci:** performance-based budgeting, manajemen sekolah, efisiensi, pembiayaan pendidikan, studi kasus.

### Abstract

*This study aims to analyze the implementation of performance-based budgeting (PBB) in enhancing the efficiency of school management at SD Negeri 04 Taman. The research employed a qualitative approach with a case study design to obtain an in-depth understanding of budgeting practices in a real educational setting. Data were collected through semi-structured interviews, observations, and documentation involving six informants, including the principal, treasurer, operator, and teachers. The findings indicate that the implementation of PBB has been initiated, particularly in the planning stage, where the School Activity and Budget Plan (RKAS) reflects program priorities and stakeholder involvement. However, performance indicators remain general and lack measurable benchmarks. In the implementation stage, budget utilization aligns with the plan but is still oriented toward administrative compliance rather than performance outcomes. Furthermore, the evaluation process focuses more on financial accountability than on performance measurement. Although PBB contributes to improved budget prioritization and control, its impact on efficiency remains partial due to the lack of integration between planning, implementation, and evaluation. Strengthening performance indicators, human resource capacity, and evaluation systems is necessary to optimize PBB implementation in school management.*

**Keywords:** performance-based budgeting, school management, efficiency, educational finance, case study.

## 1. Introduction

School financial management is a strategic aspect in improving the effectiveness and efficiency of educational administration. In the era of decentralization, schools are required to exercise greater autonomy in managing their resources, including financial budgets, based on the principles of transparency, accountability, and results orientation. One of the emerging approaches in public sector financial management is *performance-based budgeting* (PBB), which emphasizes the linkage between budget allocation and measurable performance outcomes. This approach is considered capable of enhancing the quality of financial management by focusing on program outputs and outcomes rather than merely on budget absorption (Ratmono & Suryani, 2016; Dewata et al., 2022).

Conceptually, performance-based budgeting is part of public sector management reform aimed at improving the efficiency and effectiveness of resource utilization (Hananto et al., 2015). PBB requires each organizational unit, including schools, to design programs based on clear performance indicators and to conduct result-oriented evaluations (Afiah et al., 2025). In practice, the implementation of PBB is influenced by various factors, such as the quality of human resources, internal control systems, as well as policy support and organizational structure (Kuntadi & Livrianti, 2023). Furthermore, PBB is believed to enhance public accountability and transparency in financial management (Megah & Valiant, 2025; Damayani et al., 2024).

However, the implementation of PBB does not always operate optimally. Several studies indicate that there is still a gap between performance-based budget planning and its actual realization in practice. In many cases, budgeting remains oriented toward budget absorption rather than achieving the intended performance outcomes (Firmansyah, 2020). Moreover, evaluations of PBB implementation suggest that its effectiveness largely depends on the quality of planning and supervision (Dewi & Wiguna, 2019). In some public sector contexts, PBB has not fully succeeded in improving efficiency due to weak integration between planning and performance evaluation (Devi et al., 2025).

Previous empirical studies also confirm that PBB implementation has a significant impact on improving accountability and the effectiveness of budget management. Dewata et al. (2022) found that the implementation of PBB positively affects the effectiveness of budget control. Meanwhile, Afiah et al. (2025) demonstrated that the use of standard costs within the PBB system can improve the quality of planning and financial reporting. Other studies highlight that the success of PBB implementation is strongly influenced by institutional factors, such as leadership commitment and organizational readiness (Ratmono & Suryani, 2016; Kuntadi & Livrianti, 2023). Additionally, studies by Megah and Valiant (2025) and Damayani et al. (2024) indicate that PBB can enhance efficiency and transparency in public sector financial management.

Nevertheless, most existing studies focus on local government or large-scale public institutions, while research on the implementation of PBB at the level of educational institutions, particularly primary schools, remains limited. In fact, schools as operational units of education have distinct characteristics in terms of resource capacity, organizational complexity, and budgeting needs. This condition highlights a research gap that requires further investigation through contextual and empirical approaches.

Based on this background, this study aims to analyze the implementation of performance-based budgeting in enhancing the efficiency of school management at SD Negeri 04 Taman. This study is expected to contribute theoretically to the development of educational management studies and to serve as a practical reference for schools in optimizing performance-based budget management effectively and efficiently.

## 2. Method

### A. Research Design and Approach

This study employed a qualitative approach with a case study design. The qualitative approach was selected because the study aims to gain an in-depth understanding of the implementation of performance-based budgeting within a real school context. The case study design enables the researcher to explore the phenomenon holistically and contextually based on field conditions (Creswell & Creswell, 2022; Creswell & Poth, 2021). This approach is also appropriate for examining meanings, processes, and dynamics that cannot be quantified, thereby providing a more comprehensive understanding of school management practices (Guetterman & Creswell, 2021).

### B. Research Site and Duration

This study was conducted at SD Negeri 04 Taman, which was purposively selected because it has implemented principles of performance-based budgeting. Purposive site selection is a common technique in qualitative research to obtain data that are relevant to the research objectives (Creswell & Creswell, 2022). The study was carried out over a three-month period, from January to March 2026, encompassing data collection, analysis, and continuous verification of findings.

### C. Research Subjects and Informants

The subjects of this study were individuals directly involved in school budget management. Informants were selected using purposive sampling, based on their involvement, experience, and understanding of the phenomenon under investigation (Johnson & Christensen, 2020). A total of six informants participated in this study, consisting of the principal, the school treasurer, the school operator, and three teachers. The selection of these informants aimed to obtain rich and in-depth data, in line with the characteristics of qualitative research, which emphasizes data quality over quantity (Merriam & Tisdell, 2021).

### D. Data Collection Techniques

Data were collected through in-depth interviews, observations, and documentation. Semi-structured interviews were conducted to allow flexibility while maintaining alignment with the research focus (Creswell & Poth, 2021). Observations were carried out to directly examine budget management activities within the school, enabling the researcher to understand the real context of the phenomenon (Yin, 2021). Documentation was used to complement the data through the analysis of official documents, such as the School Activity and Budget Plan (RKAS) and financial reports, which serve as important data sources in case study research (Flick, 2022).

### E. Data Trustworthiness

The trustworthiness of the data was ensured through triangulation and member checking. Triangulation was conducted by comparing multiple data sources and methods to enhance the validity of the findings (Creswell & Creswell, 2022). In addition, member checking was performed by reconfirming interview results with the informants to ensure that the data accurately reflected their experiences. These strategies are essential in qualitative research to ensure the credibility and reliability of the findings (Merriam & Tisdell, 2021).

### F. Data Analysis Techniques

Data analysis employed an interactive analysis model consisting of data reduction, data display, and conclusion drawing. The analysis process was conducted simultaneously with data collection and continued throughout the research process (Miles et al., 2020). Data reduction involved selecting and focusing on relevant information, while data display was presented in descriptive narrative form. Conclusions were drawn gradually to ensure the validity of the findings. This analytical model is widely used in qualitative research due to its ability to provide a systematic and in-depth understanding of the data (Saldaña, 2021).

### **3. Result dan Discussion**

#### **A. Performance-Based Budget Planning at SD Negeri 04 Taman**

The findings indicate that budget planning at SD Negeri 04 Taman has begun to reflect the principles of performance-based budgeting. This is evident in the preparation of the School Activity and Budget Plan (RKAS), which is not solely oriented toward administrative requirements but also considers the linkage between program activities and the intended performance indicators. The principal, together with the school management team, routinely identifies needs based on educational program priorities, such as improving the quality of teaching and learning, enhancing teacher competencies, and providing supporting infrastructure.

Based on interviews with the principal, the budget planning process is conducted through deliberative meetings involving the school team to determine program priorities to be funded. This is supported by the school operator, who stated that the preparation of the RKAS involves multiple stakeholders to ensure that planned programs align with the school's needs. In addition, teachers reported that they are involved in proposing activities, particularly those related to improving instructional quality. However, interviews with the school treasurer revealed that the linkage between budget allocation and performance indicators has not been fully quantified, as some indicators remain general and lack clear measurement criteria.

#### **B. Implementation of Performance-Based Budgeting**

At the implementation stage, budget utilization at SD Negeri 04 Taman follows the plan outlined in the RKAS. Budget realization shows that most planned programs have been implemented according to the established schedule. The school treasurer stated that all expenditures must align with the approved plan and be supported by complete administrative documentation as a form of accountability. In practice, every expenditure transaction is verified and documented to ensure transparency and compliance with financial regulations established by the government. This administrative process also supports the preparation of periodic financial reports and facilitates monitoring activities conducted by internal and external supervisors.

Interviews with the principal indicate that budget implementation is directly supervised to ensure consistency between planning and realization. The principal also emphasized that continuous supervision is necessary to prevent deviations in budget use and to maintain the effectiveness of school programs. Meanwhile, the school operator explained that financial recording and reporting are conducted systematically using government-designated applications. The use of digital financial systems has helped improve the accuracy and efficiency of school financial administration. However, based on observations and interviews with teachers, program implementation still tends to emphasize administrative compliance and budget absorption rather than the achievement of performance targets. This suggests that the implementation of performance-based budgeting has not yet been fully outcome-oriented, particularly in measuring the direct impact of programs on educational quality improvement and student learning outcomes.

The implementation process is also carried out collaboratively through school work meetings involving the principal, teachers, treasurer, school committee, and other stakeholders in preparing and implementing the RKAS based on BOS funds. These meetings function as a coordination forum to ensure that budget utilization is aligned with school priorities, educational needs, and government regulations. In addition, the meetings reflect stakeholder participation in supporting transparency and accountability in school financial management. The following figures illustrate the implementation process of performance-based budgeting through RKAS preparation meetings at SD Negeri 04 Taman.



Picture 1. Activity Documentation

### C. Evaluation of Performance-Based Budgeting

Evaluation of budget utilization at SD Negeri 04 Taman is conducted through the preparation of accountability reports and internal evaluation meetings. The school treasurer stated that evaluation is primarily carried out by comparing planned budgets with actual expenditures, indicating a focus on administrative aspects.

Interviews with the principal revealed that program evaluations are conducted periodically; however, they are not yet fully based on measurable performance indicators. Teachers, as program implementers, also reported that evaluations tend to be general in nature and do not explicitly link budget usage to achieved outcomes. This finding is reinforced by the school operator, who noted the absence of a structured performance-based evaluation system. Therefore, it can be concluded that the evaluation of performance-based budgeting has not yet been optimally implemented.

### D. Impact of Performance-Based Budgeting on School Management Efficiency

The implementation of performance-based budgeting at SD Negeri 04 Taman has contributed positively to the efficiency of school management, although not yet optimally. Interviews with the principal indicate that more structured budget planning has helped the school determine program priorities, leading to more focused allocation of resources.

This is further supported by the school treasurer, who stated that budget management has become more orderly and controlled. Teachers also noted that implemented programs are more relevant to instructional needs. However, interviews with the school operator revealed ongoing challenges, particularly related to limited understanding of performance-based budgeting concepts and the lack of an effective performance measurement system.

Thus, the efficiency achieved through the implementation of performance-based budgeting remains partial. Strengthening performance indicator development, promoting outcome-oriented implementation, and establishing an integrated evaluation system are necessary to achieve optimal efficiency in school management.

## Discussion

The findings of this study indicate that the implementation of performance-based budgeting (PBB) at SD Negeri 04 Taman has begun to reflect the principles of performance-oriented budgeting, particularly in the planning stage. This finding is consistent with previous studies which suggest that PBB aims to enhance accountability and the quality of planning by linking budget allocation to performance outcomes (Afiah et al., 2025). In this context, the involvement of multiple stakeholders in the preparation of the School Activity and Budget Plan (RKAS) demonstrates an effort toward participatory planning, which is a key characteristic of PBB. However, the use of general and non-measurable performance indicators suggests that the implementation has not yet reached an optimal

level, as the effectiveness of PBB largely depends on the quality of the performance indicators employed (Dewi & Wiguna, 2019).

At the implementation stage, the findings reveal that budget utilization is aligned with the planned activities but remains largely oriented toward administrative compliance and budget absorption. This result is consistent with previous research indicating that, in practice, the implementation of PBB in Indonesia often fails to fully emphasize performance outcomes and instead tends to focus on administrative formalities (Firmansyah, 2020). This condition highlights a gap between the ideal concept of PBB and its practical application. Furthermore, other studies have shown that the implementation of performance-based budgeting still encounters challenges in achieving program objectives optimally (Gustina, 2021).

With regard to the evaluation aspect, this study finds that budget evaluation continues to focus on administrative compliance rather than performance measurement. This finding supports previous research emphasizing that the success of PBB depends significantly on its integration with a comprehensive performance measurement system (Sofyani, 2018). Without clearly defined indicators and a structured evaluation framework, it becomes difficult to assess the effectiveness of budget utilization. In addition, prior studies have highlighted that the success of PBB implementation is influenced by factors such as the quality of human resources, internal control systems, and the use of information technology (Ratmono & Suryani, 2016), which, in this study, remain key challenges at the school level.

In terms of impact, the findings indicate that the implementation of PBB contributes positively to improving the efficiency of school management, although the effect remains partial. This is in line with previous studies suggesting that PBB has a positive influence on financial performance and accountability through more productive budget allocation (Fauziah et al., 2024). Moreover, other research has demonstrated that PBB plays an important role in enhancing efficiency, transparency, and effectiveness in public sector financial management (Damayani et al., 2024).

Nevertheless, limited understanding of PBB concepts and the lack of an optimal performance measurement system emerge as the main challenges in its implementation. This finding is consistent with studies indicating that factors such as communication, resource availability, and bureaucratic structure significantly influence the success of PBB implementation (Kuntadi & Livrianti, 2023). Additionally, previous research has shown that managerial competence and incentive systems have a significant impact on the successful implementation of PBB and the improvement of organizational quality (Pratolo et al., 2020).

Therefore, this study confirms that the implementation of performance-based budgeting at the primary school level has been initiated but has not yet reached an optimal stage. Strengthening the development of measurable performance indicators, promoting outcome-oriented implementation, and establishing an integrated performance evaluation system are essential to achieving the intended goals of PBB. Without such integration, the primary objective of PBB to enhance the efficiency and effectiveness of school management cannot be fully realized.

#### **4. Conclusion**

Based on the findings of this study, it can be concluded that the implementation of performance-based budgeting at SD Negeri 04 Taman has been initiated but has not yet been optimal in enhancing the efficiency of school management. At the planning stage, the school has begun to adopt performance-based budgeting principles through the preparation of the School Activity and Budget Plan (RKAS), which is aligned with program priorities and involves multiple stakeholders. However, the performance indicators used remain general and are not yet quantitatively measurable.

At the implementation stage, budget utilization has been carried out in accordance with the planned framework, but it is still largely oriented toward administrative compliance and budget

absorption rather than the achievement of performance outcomes. Meanwhile, at the evaluation stage, the assessment of budget utilization continues to emphasize administrative aspects and has not yet been based on systematic performance measurement.

The implementation of performance-based budgeting has contributed positively to the efficiency of school management, particularly in terms of prioritizing programs and controlling budget use. However, the efficiency achieved remains partial due to the lack of strong integration among planning, implementation, and performance-based evaluation processes. Therefore, it is necessary to strengthen the development of measurable performance indicators, enhance human resource capacity in understanding performance-based budgeting concepts, and establish an integrated evaluation system to ensure that school financial management becomes more effective and efficient.

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