

# ***Analysis of Planning, Budgeting, And Forecasting in Improving Quality of Services at Private Hospital in Yogyakarta***

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**Abstract:** A proper planning, budgeting, and forecasting process can be obtained by comparing and analyzing the actual costs with budgeted costs. This can provide information for management to identify deviations that occur from planned activities so as to improve the efficiency and utility of the company's budget system. The budget has a very close relationship with management, especially in relation to planning, coordinating work, monitoring work, and evaluating work. The purpose of this study is to know how the planning, budgeting, and forecasting improve the quality of services at Private Hospital in Yogyakarta. The study used a qualitative research with a case study approach. Data collection techniques in this study are using depth interviews, questionnaires, and supporting data. The subject were the budgeting team at Private Hospital in Yogyakarta. The planning and budgeting process is done with a bottom up system, based on reference from the previous year, and also considering that it can improve service quality. Forecasting is not running optimally yet, so it needs improvement to face off obstacles so the planning, budgeting, and forecasting process can run more optimally in the future.

# 1 INTRODUCTION

The country's financial system has entered a new phase. Hariadi stated that reforms in state financial management began with the enactment of Law Number 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning State Treasury and Law Number 15 of 2004 concerning Examination of State Financial Management and Responsibility (Zuraidha, 2014). The law demands the government to improve the State's financial management system towards transparent and accountable management.

Hospitals are one of the social service business units in the field of clinical media that contribute to the management of State finances. According to Waworuntu (2013) some hospitals currently still have a quality service that is concerned. This is partly due to limited resources, both financial resources and non-financial resources. Demands to improve the quality of service require a big investment funds. For this reason, a system is needed to regulate and control the business carried out by the hospital. The financial impacts that are expected to occur as a result of the work plan then need to be compiled and evaluated through the budget preparation process.

According to Agusalim, et al (2013) as a planning tool, the budget is an activity plan consisting of a number of targets that will be achieved by department managers in carrying out a specific set of activities in the future. Budget targets can be achieved through the implementation of a series of activities that have been pre-determined in the budget control system.

The budget control system is one component that plays an important role in controlling the company's performance. Manoharan Nair's (2017) research shows that in India a lot of attention has been given to increasing budget control and planning and there is a reciprocal relationship between them. The existence of budget allocation for specific purposes makes managers must consider the actual operation planning to be able to change better. This encourages managers to coordinate organizational activities to examine the relationship between their operations and other departments by controlling resources; communicate plans to various managers' responsibility centers, motivate managers to try to achieve budget goals, evaluate manager performance, provide visibility into company performance and for accountability.

Adongo et al (2013) research findings show that there is a significant positive relationship between budget control and the financial performance of state companies. The budget feature

reflects the ability to predict organizational financial achievements. Human factors in budget control so that managerial commitment, employee motivation, employee training, competence and attitudes influence the budget control process. The budget control process shows a significant positive influence on the financial performance of state enterprises through financial activities, as well as investment efforts undertaken by the organization.

One of the results of a study conducted by Olurankinse (2012) shows that budget performance as a fund adequacy function states that the inability to meet expectations and sub-standard performance is a result of poor budget processes coupled with poor fund management. Therefore, it requires a careful planning in the preparation of budgeting and proper estimation.

With the proper planning and budgeting by comparing and analyzing the actual costs with budgeted costs, it can provide information for management to enable them to identify deviations that occur from planned activities so as to improve the efficiency and utility of the company's budget system. Because the budget has a very close relationship with management, especially related to the preparation of plans, coordinating work, supervision of work and evaluation of work.

According to Surajkumar (2011) the efficiency and utility of the budget system depends on management skills and experience. This shows that the activities of financial budgeting in an organization cannot be carried out automatically because of the need for continuous activities such as coordinating work, supervision of work and evaluation of work for the implementation of an effective and optimal budget.

The purpose of this research is to find out is to find out the planning, budgeting and estimation in improving the quality of service at Private Hospital in Yogyakarta.

## 2 METHOD

This study is using a qualitative approach, which will describe the object and subject of research through the process of analysis of planning, budgeting and estimation in improving the quality of service at Private Hospital in Yogyakarta. Data collection techniques using interviews, questionnaires and using supporting data. The research subject was the budgeting team at Private Hospital in Yogyakarta. Data analysis using 3 stages, data reduction, data presentation, and conclusion / verification.

The informants in the study are human resources who are members of the budget preparation team at Private Hospital in Yogyakarta.

The research informant retrieval technique was based on nonprobability with purposive sampling technique.

### 3 RESULTS AND DISCUSSION

As for the result of planning, budgeting, and forecasting at Private Hospital in Yogyakarta, the process is bottom up from the Supervisor to the Manager. Then, the manager will have a plenary discussion with the Director and also Drafting Team. After that, they will have a discussion with the Founder.

Collecting data, in order to obtain complete data and information, researchers conducted interviews and distributed questionnaires with various parties related to planning, budgeting and estimation at Private Hospital in Yogyakarta as many as 10 people and from the total respondents were interviewed with 6 people.

Respondens	Age	Education	Position
Responden 1	46 years	S2	Finance Director
Responden 2	32 years	S2	Quality Managers
Responden 3	32 years	S2	Supporting Managers
Responden 4	32 years	S2	Service Managers
Responden 5	43 years	Accountant	Finance Managers
Responden 6	52 years	S2	Finance Tam
Responden 7	41 years	S2	Admin and SDI
Responden 8	48 years	S1	Supervisor
Responden 9	46 years	S1	Supervisor
Responden 10	44 years	S2	Supervisor

Hospitals are one of the social service business units in the clinical media that contribute to the management of State finances. According to Waworuntu (2013) some hospitals currently still have a quality service that is concerned. This is partly due to limited resources, both financial resources and non-financial resources. Demands to improve the quality of service services require various investment funds that are not small. For this reason, a system is needed to regulate and control the business carried out by the hospital, namely through planning, budgeting and estimation. The financial impacts that are expected to occur as a result of the work plan then need to be compiled and evaluated through the budget preparation process.

Planning is a very decisive factor for a hospital, without budget planning the hospital cannot run the service and in operational implementation requires planning. Each activity requires careful and systematic planning so that the objectives to be achieved can be carried out smoothly, therefore in the Hospital budget planning must pay attention to the vision and mission,

indicators of Hospital services and refer to the strategic plan and adjust to Regional Original Income (Agusalim et al. 2013)

Planning at Private Hospital in Yogyakarta is done with a bottom up system and based on reference from the previous year. The bottom up system is carried out to determine the unit / installation work program and the needs of each unit / installation so that management can determine the unit / installation work program and the needs of each unit / installation which will be a priority.

According to Artini (2015) budget planning or Budget Business Plan (RBA) is the elaboration of a Business Strategy Plan which is used as a work guide and activities within a budget year in accordance with the established Vision, mission and goals of the organization. The work plan is an outcome that will be used as a basic guide in carrying out the operational activities of the hospital plan that is systematically arranged covering all hospital activities stated in the monetary unit including the work plan of the income and expenditure budget that is valid for a certain period and continued in the preparation of budgeting.

Budgeting at Private Hospital in Yogyakarta is involved in several part : Supervisor, Manager, and Director. The bottom up process is carried out by Supervisors by creating work programs and budgets and then submitting them to financial Managers and Admin. A good budget can be used as a reference so that operational activities continue to run well and in accordance with existing funds, thus there will be no over or under budget by involving all interested parties in the process.

Budgeting is very important in the sense that it determines the way in which the hospital can achieve financial and other goals. Budgeting is an estimate of future management actions in the form of financial statements (Manoharan Nair, 2017). Management accounting provides useful information for management to develop strategies. To achieve organizational goals, implementation of internal control is needed.

Budgeting can help plan actual operations with the manager's control process to consider how conditions can change and what steps must be taken now and by encouraging managers to consider problems before they emerge (Manoharan Nair, 2017). The existence of an employer is able to control resources in determining hospital needs and communicate plans to various centers of manager responsibility, motivate managers to strive to achieve budget goals, evaluate performance, provide visibility into home performance and achieve hospital targets ie profits exceeding the amount of savings last year and the work program

is carried out according to a predetermined time period.

The results of respondents' responses related to planning, budgeting and forecasting are company processes that connect operations with finance, as many as 100% of respondents think that budgeting and forecasting planning must be carried out in partnership between operations and finance taking into account company risks. The process of planning, budgeting and forecasting between financial and operational in a mutually sustainable practice, that is between human resources and available facilities.

Achievement of Planning, Budgeting and Forecasting at Private Hospital in Yogyakarta cannot be separated from several factors that support the implementation of the business plan. The existence of special applications in budgeting can help implement the target hospital. Private Hospital in Yogyakarta is temporarily using Microsoft Excel and the special application for the new budget will be used in October.

According to O'Mahony et al (2016), planning, budgeting and forecasting process in a hospital must function well to support better performance activities. With the allocation of resources according to strategic objectives and planning actions to help meet the strategic objectives of the company, it can change the situation to be better and improve the quality of hospital services. Service quality is an appropriate appearance or in accordance with the standards and procedures of an intervention that is known to be safe that can provide results to the community concerned (Satrianegara, 2014: 197).

In addition to the supporting factors of the occurrence of obstacles during the process, it shows that planning, budgeting and forecasting process is currently not running optimally, namely in the part of the estimation or forecasting process. Therefore, it is necessary to improve the existing obstacles so that the planning, budgeting and forecasting process can run more optimally in the future or year next year. Merging internal and external data in the hospital will be useful in the estimation or forecasting process.

Zuraidha's research (2014) explains that the constraints found in the planning, budgeting and forecasting process, namely the existence of a cost accounting system to simplify budget calculations as a result of the calculation using more estimates and lack of human resource capacity in understanding the budget system and lack of ability in cost analysis so that the system this budget is not running maximally.

The budget system that runs less than the maximum needs an improvement to the existing obstacles so that the planning, budgeting and

forecasting process can run more optimally in the future or in the following years. There needs to be a detailed guideline or reference for implementing planning, budgeting and forecasting process. Conducting internal and external studies can help in the process of drafting planning, budgeting and forecasting process and minimizing the obstacles that arise. According to the results of interviews, internal studies were carried out by always considering the results of profit and loss and all forms of work programs carried out in accordance with the vision and mission of the hospital. This is intended so that staff and management are not mistaken in interpreting the implementation of Planning, Budgeting and Forecasting. In addition, this guideline will make it easier for everyone at Private Hospital in Yogyakarta to understand, understand and implement each stage in the planning, budgeting and forecasting system.

## 4 CONCLUSIONS

Planning, budgeting, and forecasting process at Private Hospital in Yogyakarta is done with a bottom up system and based on strategic plan or previous year. The bottom up system is conducted to find out the work program of the unit and the needs of each unit so that management can determine the work program and the needs of each unit that will be a priority. SWOT analysis needed in the planning, budgeting, and forecasting process so they can improve the quality of services.

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