

Activity Based Management (ABM) Method to Improve the Efficiency of Education Financing at SMK Sore Ponorogo

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Abstract (English)

In carrying out the educational process in educational institutions, one of the important factors is financing management. Financing management functions as planning, implementation, control, and evaluation related to the financial process in educational institutions. Activity Based Management is an approach that focuses management attention on activities carried out to increase customer value and provide benefits derived from that value. Efficiency can be done properly if the policies taken are based on observations and realities in the field so that the program that set can run optimally. This study aims to describe and analyse Activity Based Management (ABM) based budgeting in improving the efficiency of education financing at SMK Sore Ponorogo. The research method used is descriptive qualitative which seeks to explain and describe the findings in the field and was associated with the theory found. The results of this study were (1) SMK Sore Ponorogo has implemented the Activity Based Management (ABM) method (2) Based on the application of the Activity Based Management (ABM) method, it was found that there were non-value-added activities that needed to be minimized (3) After applying ABM, cost efficiency can be found after reducing activities so that cost stability is found.

Keywords; *Financing, efficiency, education management.*

Abstrak (Bahasa Indonesia)

Dalam menjalankan proses pendidikan di lembaga pendidikan, salah satu faktor penting adalah manajemen pembiayaan. Manajemen pembiayaan berfungsi sebagai perencanaan, pelaksanaan, kontrol, serta evaluasi terkait proses keuangan di lembaga pendidikan. Activity Based Management merupakan pendekatan yang memfokuskan perhatian manajemen pada aktivitas yang dilakukan untuk meningkatkan nilai pelanggan dan memberikan keuntungan yang diperoleh dari nilai tersebut. Efisiensi dapat dilakukan dengan tepat apabila kebijakan yang diambil didasarkan pada hasil pengamatan dan realita di lapangan sehingga program yang ditetapkan bisa berjalan dengan optimal. Dalam penelitian ini bertujuan untuk mendeskripsikan dan menganalisa penganggaran berbasis Activity Based Management (ABM) dalam meningkatkan efisiensi pembiayaan pendidikan di SMK Sore Ponorogo. Metode penelitian yang digunakan dengan kualitatif deskriptif yang berusaha untuk menjelaskan dan memaparkan temuan di lapangan dan dikaitkan dengan teori yang ditemukan. Hasil dari penelitian ini adalah (1) SMK Sore Ponorogo sudah menerapkan metode Activity Based Management (ABM) (2) Berdasarkan penerapan metode Activity Based Management (ABM) ditemukan adanya aktivitas yang tidak bernilai tambah sehingga perlu diminimalisir (3) Setelah diterapkan ABM dapat ditemukan efisiensi biaya setelah pengurangan aktivitas sehingga ditemukan kestabilan biaya.

Kata Kunci; *Pembiayaan, efisiensi, manajemen pendidikan.*



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PRELIMINARY

The financing management of educational institutions has a series of activities that include school program planning, budget prediction, and income required for program implementation, approval, and use of the school budget. Financing management is defined as the act of managing or administering financing which includes recording, planning, implementing, accountability, and reporting. Educational institutions need to improve and adjust to the needs of development and development in all fields, including educational facilities and infrastructure, adequate work facilities and welfare for all teaching staff.

The state's contribution to financial management and education financing is stated in the 1945 Constitution Article 31 Paragraph 4, namely that the state prioritizes an education budget of at least 20% of the APBN and APBD (Inkiriwang, 2020). Education financing management is the management of funds that are utilized for needs effectively and efficiently (Ruslan Wahyudin, 2021). Activity-based management (ABM) is an integrated and comprehensive approach that focuses management attention on activities carried out to increase customer value and provide benefits derived from that value (Ratnawati & Kusniawati, 2016). So it can be said that ABM focuses on business effectiveness, as well as to increase the value received by customers and provide profit for the company / institution.

The application of ABM focuses on controlling activities, namely through activity analysis. Activity analysis aims to find out what activities contribute to the company and what activities do not contribute to the company or institution (Elifia, 2018). Contributing activities are activities that are needed or required to carry out business and add value to the product and if this activity is eliminated it will reduce the value of a product, while non-contributing activities are unnecessary and inefficient activities so that if this activity is eliminated or reduced it will not reduce the value of the product for consumers (Nasution et al., 2023).

ABM is a method of reducing or wasting costs in managing a company or organization if management chooses the wrong method to be used for the sustainability of the company or institution, it will be at stake (Muskitta, Morasa, and Alexander 2018). ABM is said to be of quality if it is supported by all aspects, especially in human resources. Therefore, the human resources of each company or institution must be considered (Solikin & Ilat, 2022). Based on previous research with the title "The Role of Activity Based Management in Increasing Efficiency at Moovby

Indonesia" explains that cost efficiency is needed for the sustainability of an institution. So that activities that do not have added value are reduced and even eliminated (Lestari et al., 2021).

Efficiency is measured based on equivalent input and output results. In an educational institution, increasing efficiency is correlated with certain costs that can produce or obtain better results. This means that costs are minimized as much as possible to reduce unnecessary expenses (Thomas Johnson, 1991). Therefore, in ABM several processes are carried out including identifying activities and sorting out activities which if the activity provides less value or even does not provide it will be deleted. in ABM activities are divided into primary and secondary activities, primary activities are activities that are able to provide more value, while secondary activities are activities that do not provide value but do not reduce the budget so that this activity can be deleted or still implemented with a note that secondary activities are activities that will be deleted if there is a decrease in the budget (Thomas Johnson, 1991).

This research discusses ABM budgeting to improve efficiency at SMK Sore Ponorogo. This is done to maintain the institution so that it can continue to operate. The decline in the number of students at the SMK made the principal to initiate changes in programs and activities at the institution. The results show that SMK Sore is able to survive until now because it is able to implement ABM well through the support of all stakeholders in SMK.

RESULT AND DISCUSSION

Identification of Operational Activities;

The activities that occur during the activities at SMK Sore Ponorogo have been identified in detail. Based on the results of interviews and observations, a list of financing activities at SMK Sore Ponorogo can be presented. In the process of operational activities of SMK Sore Ponorogo, not all activities are activities that provide added value to the school. Sometimes there are various parts of the activities that do not or do not provide added value to the school. This is then the target in implementing Activity Based Management, thus Activity Based Management is expected that activities that do not provide added value can be minimized. Without identifying activities, school operations cannot reduce (eliminate) activities that do not add value to the product in order to increase cost efficiency.

Tabel 1. Identification of Operational Activities at SMK Sore Ponorogo

No	Description	Percentage
1.	Development of Graduate Competencies	5,24%
2.	Development of Content Standards	0,72%
3.	Development of Process Standards	2,58%
4.	Development of Educators and Education Personnel	0,62%
5.	Development of Facilities and Infrastructure	29%
6.	Development of Management Standards	5,64%
7.	Development of Financing Standards	56,10%
Total		100%

Source: SMK Sore Ponorogo (data processed)

Activity Analysis;

Activity analysis is defined by Hansen and Mowen as follows: "Activity analysis is the process of identifying, describing, and evaluating, the activities an organization performs" (Elifia, 2018). Meanwhile, according to Horngren and Sunden, activity analysis is the process of identifying the right costs and their effect on the cost of making products or providing services (Kalonio et al., 2017). After knowing the activities that occur during the activity process at SMK Sore Ponorogo, further analysis of the activities is carried out one by one so that it can be seen which activities are maintained and which activities are reduced.

Tabel 2. Analysis of Operational Activities at SMK Sore Ponorogo

Section	Activity	Financing Percentage
Development of Graduate Competencies	Student Training	28%
	Extracurricular Ops	20%
	PHBN	15%
	PHBA	27%
	LKS	10%
	Total	100%
Development of Content Standards	Curriculum	33%
	Workshop	47%
	Modul	20%
	Total	100%
Development of Process Standards	Monitoring and supervision	6%
	Tutoring	1%

	TBSM Internship	46%
	MM Internship	24 %
	AKL Internship	23 %
	Total	100%
Development of Educators and Education Personnel	PSDM	100%
Development of Facilities and Infrastructure	Procurement of facilities	68%
	Procurement of Infrastructure	20%
	Maintenance	22%
	Total	100%
Development of Management Standards	MKKS	15%
	Featured Program	5%
	DU/DI Synchronization	4%
	Social Activities	23%
	Principal Development	52%
	Total	100%
Development of Financing Standards	Honorarium	59 %
	Overtime	1%
	Power and Service Charges	16%
	Covid Handling	25 %
	Total	100%

Source: SMK Sore Ponorogo (data processed)

After analyzing the data, it is necessary to determine the cost drivers of the costs incurred for operational activities carried out during one year..

Tabel 3. Cost Driver Analysis at SMK Sore Ponorogo

Activity	Cost Driver	Responsible
Student Training	MOS, student council training, OPP, student council reconstruction, student training workshop	Student Affairs
Extracurricular Ops	Music, dance, scout	Student Affairs
Curriculum	Direct Loading	Curriculum
Workshop	Direct Loading	Curriculum
Modul	Direct Loading	Curriculum
Monitoring and supervision	Direct Loading	Curriculum
Tutoring	Direct Loading	Curriculum
Internship	Direct Loading	PR
PSDM	Direct Loading	PSDM

Procurement of facilities	Direct Loading	Facilities and Infrastructure
Maintanance	Direct Loading	Facilities and Infrastructure
Covid-19 handling	Emergency Direct Loading	Facilities and Infrastructure
MKKS	Direct Loading	WMM
PPDB	Direct Loading	WMM
Featured Program	Public service competition	WMM
DU/DI Synchronization	Comparative study, PKL	PR
Social Activities	Compensation. Social fund, receive guests	PR
Honorarium	Direct Loading	Committee
Overtime	Direct Loading	Committee
Power and Service Charges	Electricity, SMS center, Telephone, Teacher's Drink, Fuel, Cleaning Service, Wifi, Meeting Consumption	Committee

Source: SMK Sore Ponorogo (data processed)

Cost Driver Analysis is required in an effort to identify the factors that cause the incurrence of activity costs from value-added activities and non-value-added activities.

Charges to Activities;

After knowing the cost drivers above the costs incurred, the next step is to charge the costs incurred to the school's operational activities, to determine activity costs. Costing to each activity is determined based on the type of resources used by each activity and the amount of resource consumption in each activity.

Tabel 4. Overhead Costing at SMK Sore Ponorogo

Activity	Implementation	Total
PHBA	Student Affairs	Rp 19.000.000
Workshop	Curriculum	Rp 2.340.000
TBSM Internship	PR	Rp 9.625.000
Outstanding Teacher Award	PSDM	Rp 2.000.000
Procurement of Health Facilities	Facilities and Infrastructure	Rp 12.000.000
PPDB	Student Affairs	Rp 10.000.000`
Honorarium	Committee	Rp 106.000.000
Electricity Financing	Committee	Rp 18.000.000
Teacher Refreshments	Committee	Rp 15.230.000

Source: SMK Sore Ponorogo (data processed)

Activity Reduction;

SMK Sore Ponorogo experienced a decrease in the number of students after Covid 19, there was a decrease in the number of students who used to be 300 students to 120 students. With a decrease in the number of students, there was a decrease in revenue sources. Based on the discussion above, it was found that there are activities that need to be reduced because they are not value-added, namely the charging of health costs and also teacher drinks. At SMK Sore Ponorogo, after the COVID-19 pandemic, there are several considerations that can be taken regarding the reduction or elimination of several medical devices introduced during the pandemic.

There were some medical devices that may need to be evaluated for reduction or elimination, Automatic Disinfectant Spraying Equipment: Early in the pandemic, automatic disinfectant sprayers may be widely used to periodically sanitize classrooms and common areas. However, with increased vaccinations and better understanding of virus transmission, the use of these sprayers may be reduced, especially if strict hygiene policies are in place. Infrared Thermometers: The use of infrared thermometers to measure body temperature quickly and without contact may have been common during the pandemic. After the decline in cases and stabilization of the situation, this tool may no longer be a top priority as body temperature is not the only indicator of COVID-19 infection. Excessive Personal Protective Equipment (PPE): Excessive amounts of PPE may have been needed at the height of the pandemic to protect students, teachers and staff. As vaccine availability increases and the pandemic situation improves, PPE use may be reduced to more normal levels.

Universal Use of Masks: At the height of the pandemic, wearing masks may have been mandatory indoors in schools. However, after increased vaccination and reduced cases, it is worth considering whether the mask policy can be changed to better suit the local situation and current health guidelines. Extensive Isolation Room: A purpose-built isolation room to address the possibility of COVID-19 positive cases is reduced. If the risk of transmission decreases, these rooms may be reduced or restored to their original function. In addition, the cost of the teacher's beverage that was originally budgeted and is now costing is transferred.

Financing Efficiency;

The implementation of Activity Based Management was directed at controlling the activities that occurred at SMK Sore Ponorogo through activity analysis, thus it can be seen which ones have value and try to eliminate activities that do not provide added value, because they can add costs that do not add value. Management must make various kinds of efforts to minimize the costs incurred in order to produce and achieve current and future benefits. Efficiency in school operations is the comparison between outputs and inputs, related to achieving maximum output with few inputs. Prior to the advent of Activity-Based Management (ABM), educational institutions in Indonesia typically used a traditional financing system which proved to have many weaknesses that are lacking when applied to the dynamic educational environment as it is today. Traditional financing focuses on cost management and allocation of institutional overheads in providing facilities and infrastructure based on production volumes e.g. labor hours and raw materials. Another common failure in the traditional costing system is the use of inaccurate costing methods that lead to inefficient cost data.

Therefore, Activity Based Management (ABM) was present and applied at SMK Sore in order to focus its attention on organizing activities to reduce costs. In addition, it also reduced the volume allocation adjusted to the number of students so that it was able to be said that if the number of students decreased, the procurement of costs for an activity also decreased. The results of this study supported Muskitta et al who stated that activities that do not provide added value, namely in the division of activity rooms; in addition, by reducing costs on activities that do not provide added value, so that efficiency increases without reducing the quality of service provided to customers. The results of this study also support Sutjahyani (2020) who states that the Application of Activity Based Management is more efficient than using conventional methods that have not focused on identifying each activity. Pustita (2020) states that by implementing Activity Based Management the company is more efficient. With a good understanding of the various activities that have been carried out, the management of SMK Sore is expected to get a fairly good view of how to use, manage, and control company resources, and can also be used to find out the opportunities that exist in improving the performance of the institution and provide good guidelines for assessing this performance.

CLOSING

The application of ABM focuses on controlling activities, namely through activity analysis. ABM is a method of reducing or wasting costs in the management of a company or organization if management chooses the wrong method to be used for the sustainability of the company or institution it will be at stake. ABM is said to be of quality if it is supported by all aspects, especially in human resources. the application of the Activity Based Management (ABM) method found the existence of non-value-added activities so that it needs to be minimized (3) After applying ABM can be found cost efficiency after reducing activities so that cost stability is found.

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