International Journal of Research in Advent Technology, Vol.6, No.1, January 2018
E-ISSN: 2321-9637
Available online at www.ijrat.org

Factor Analysis of Obstacles in Implementation of Pattern Financial Management for Local Public Services Agencies in Public Health Center District of West Lombok

Lalu Moh. Husaini Rahman[1], Prayitno Basuki[2], Lilik Handajani[3]
[1,2,3]Master of Accounting Program, University of Mataram, Indonesia
Email: 1

Abstract-Government institution that implement the financial management for local public services (called PPK-BLUD) are given flexibility in their financial management. But on the process to implement is not easy. Implementation has problems and obstacles from external and internal organization. Purpose of this study is to know the factors that become obstacles in the implementation of financial management for local public services in public health centers of West Lombok. Object of this study is all public health centers in West Lombok. Population in this study is 136 public health centers with financial management for local public services. Method of determining the respondents in this study is to use the census where all members of the population become respondents, there are two respondents did not fill out the questionnaire so that the processed 134 respondents. Analysis used exploratory factor with SPSS. Results of exploratory factor, from 25 initial variables obtained all valid variables seen from MAS $\geq$ 0.5. Furthermore 25 variables reduced to 17 variables because at the time of the rotation occurs cross loading. 17 reduced variables resulted in 5 new factors constraining the implementation. The five newly formed factors meet the criteria, with a total cumulative variance showing all of which has a substantial contribution of 62.27%.

Index term-public health center, implementation, obstacles, financial management for local public services, exploratory factor analysis

INTRODUCTION

Law Number 1 Year 2004, especiallyy Article 68 and 69 which focuses on Government Institutions in which their duties and functions provide services to the public, are provided with flexibility in the financial management for local public services (PPK-BLUD). Likewise in the local government environment, there are many regional working unit that have the potential to be managed more effectively through the financial management for local public services. This transformation of government is included in the concept of New Public Management (NPM), start from institutional arrangement, personnel reform, and reform of state financial management (Mahmudi, 2003).

With the flexibility, the implementation of the financial management for local public services becomes one of the alternatives in financial management that appeals to some regions. However, on the process to implement is not easy. With the flexibility, the implementation of financial management for local public services becomes one of the alternatives in financial management that appeals to some regions. The implementation has problems, for example related to the original budgeting mechanism using regional working unit (SKPD) budget work plan (RKA) into budget business plan (RBA). Another problem is the bureaucratic cuts in the local public service board that divert the role of the regulation that was originally regulated with local regulations into the regulation of the regional head and the head of the institution. This means that large discretion is left to the regional head and local public service board leadership in the management. This bureaucratic pruning provides a freedom of movement so that the institution can move faster and responsive to the demands of change. But on the other hand, the extent to which this flexibility can be accounted for becomes a problem.

According to Kusuma (2016) the internal obstacles of the organization include the limited competent personnel in the field of finance and asset management. Apriliyanto (2015) stated that human resources, especially those with accounting and finance background, are very

important because they are expected to be the managers of financial management so that the financial flexibility given by the government after becoming the local public service board is not a barrier and can be utilized by the public health center. Limited to human resources that have capabilities in preparing financial statements cause accounting information presented is not comprehensive (Nadilla, 2016).

In previous studies always get obstacles, there are even the same different. The results can be concluded in these studies is that the factors that become obstacles on the implementation local public service board, especiallyy in public health centers is very diverse and still presented in general. In fact, if further examined, actually there are many more contextual factors that become constraints on the implementation of financial management for local public services that can be presented more specifically. Obstacles are so much experienced public health centers in the implementation of financial management for local public services into an interesting phenomenon to be raised in this study.

The above studies related to the implementation of the financial management for local public services mostly use a descriptive qualitative approach which some of its findings are obstacles in the implementation. Unlike the previous study, the novelty in this study is how to look implementation from different perspectives. This study will use statistical factor analysis method through Exploratory Factor Analysis (EFA) because it is used to find the main factor which become the obstacles in the implementation.

METHOD

This type of study is exploratory research. The purpose of this study are to formulate the problem more appropriately, develop the hypothesis, set priorities for further study, gather information, improve analyst knowledge and explain the concepts systematically (Churcihill (2001) in Herriyanto, 2012). This study uses statistical factor analysis method through Exploratory Factor Analysis (EFA) approach. This means that this study explores independently the variables to be selected. Huang (2017) describes EFA is one factor analysis method to identify the relationship between manifest variables or indicator variables in making a construct.

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics set by the researchers to be studied and then drawn conclusions (Sugiyono, 2016). As for the population in this study is the management of local public service board and responsible program of 17 public health centers. 8 respondents from each public health centers, so the total population is 136 respondents. All populations become respondents or conducted by census, ie research that tested 100% (all) members of the population. A census is a sample determination technique when all members of a population are used as a sample. This is often done when the population is relatively small, less than 30 people, or research that wants to make generalizations with a very small error (Sugiyono, 2016).

The main instrument in this study is a questionnaire that the question is determined from 25 variables that have been obtained. This study uses quantitative data of ordinal data type using Likert scale where the intensity value is from 1 to 5. According to Ghozali (2016), the scale or summated scale is basically ordinal. In this study conducted literature search, survey experience and in-depth interviews with the parties who have relevance to the study problem in order to arrange the variables to be studied. From the results of the search/exploration phase, it is found that the indicators that become the implementation are 25 manifest variables with the following details, see table 1.

Table 1. Obstacles in implementation of financial management for local public services

No	Indicators
X1	Quality and quantity of human resources
X2	Availability of administration staff especially accountant
X3	Limitation of certified procurement staff
X4	Not know procurement guideline
X5	Procurement still done in the health office
X6	Double job
X7	Difficulty in making budget work plan and budget business plan
X8	Availability of guidelines for making budget work plan and budget business plan
X9	Supporting facilities
X10	Lack of socialization
X11	Regulation related to financial management for local public services in public health center
X12	Difficulty in building internal supervisor
X13	Internal supervisor is not active
X14	Difficulty in writing financial report
X15	Difficulty in recruitment system
X16	Accountant is not professional to work
X17	Internal communication
X18	Rotation job

X19	Not special training
X20	Support and commitment of health office
X21	Support and commitment of local public services board
X22	Competency of local public services board
X23	Difficulty in writing minimal services standards and procedure operating standard in financing
X24	There is no supervisory board
X25	Evaluation of implementation

After determined 25 variables that will be the question items on the questionnaire to the responder, the next step is to spread the questionnaire to the respondents to get data to be analyzed through factor analysis. The results of questionnaires distributed to public health center, then analyzed by using exploratory factor analysis (EFA) method by using SPSS.

RESULTS AND DISCUSSION

Exploratory factor analysis results at the factor rotation stage there are several variables to produce cross loading. The variables are excluded from factor analysis, among which are X1, X10, X11, X13, X14, X18, X19, X22. There are 17 variables that will be continued for factor analysis.

Test Validity and Reliability

The question item to be tested for validity is 17 items. With validation process using SPSS, the result of all question items submitted to the respondent is valid because it fulfills r count requirement is bigger than r table (r count> 0,168; n = 134) with 95% significance level (α = 5%) (Ghozali, 2016). Based on test result, Cronbach's Alpha coefficient value of all question items is 0.853. Thus the entire item of question numbering 17 passes the reliability test because the reliability coefficient of 0.853 is greater than 0.60.

Factor Analysis

1. KMO and Bartlett's Test

Based on the output of SPSS in table 2, it is known that the value of KMO of 0.782 where the value is greater than 0.5 means that the sample used in the factor analysis can be said enough. KMO and Bartllett's Test are related to the size of significant numbers of data taken as in the following table.

Table 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.782
Bartlett's Test of Sphericity	Approx. Chi-Square	739.041
	df	136
	Sig.	.000

Source: output of SPSS

By looking at KMO and Bartllett's Test values, the correlation matrix is feasible for factor analysis.

2. Reproduce Correlation

After the KMO and Bartllett's Test requirements are met, correlation is performed to see which variables are appropriate for use in factor analysis through the Measure of Sampling Adequancy (MSA) number. The magnitude of the MSA of a variable can be seen in the table anti-image matrices, especially in the anti-image correlation section will see a number of numbers that form diagonal (which marked 'a'). The procedure if the MAS value ≥ 0.5 then the indicator or variable is feasible for use in factor analysis.

Table 3. Nilai Measure of Sampling Adequancy (MSA)

Variable	MSA score	Variable	MSA score	Variable	MSA score
X2	0,777	X8	0,697	X20	0,613
X3	0,781	X9	0,891	X21	0,774
X4	0,740	X12	0,860	X23	0,797
X5	0,801	X15	0,692	X24	0,745
X6	0,832	X16	0,835	X25	0,797
X7	0,775	X17	0,804		

Source: output of SPSS

3. Communalities

Communalities are the values that indicate the contribution of these variables to the factors formed. Communalities are essentially the number of variants (in percentages). In the variable X2 (table 4) the number is 0.504. This means that about 50.4% of the variant of the variable X2 can be explained by the factors formed. Likewise for the next variable, provided that the greater the communalities of a variable, the more closely related to the factors formed.

Table 4. Communalities

	Initial	Extraction		Initial	Extraction		Initial	Extraction
X2	1,000	0,504	X8	1,000	0,716	X20	1,000	0,664
X3	1,000	0,701	X9	1,000	0,511	X21	1,000	0,805
X4	1,000	0,641	X12	1,000	0,630	X23	1,000	0,662
X5	1,000	0,505	X15	1,000	0,664	X24	1,000	0,693
X6	1,000	0,537	X16	1,000	0,611	X25	1,000	0,607

X7	1,000	0,704	X17	1,000	0,432			

Source: output of SPSS

4. Total Variance Explained

Total variance explained is related to the number of factors that will be formed from the 17 processed variables as in table 5.

Table 5. Total Variance Explained

Component	Initial Eigenvalues		
	Total	% of variance	Cumulative %
1	5.254	30.906	30.906
2	1.672	9.835	40.742
3	1.342	7.896	48.638
4	1.201	7.064	55.702
5	1.116	6.564	62.266
6	.912	5.364	67.629
7	.796	4.682	72.311
8	.741	4.360	76.671
9	.686	4.034	80.706
10	.619	3.640	84.346
11	.562	3.307	87.653
12	.467	2.745	90.399
13	.456	2.681	93.080
14	.395	2.322	95.402
15	.314	1.846	97.248
16	.255	1.497	98.745
17	.213	1.255	100.000

Source: output of SPSS

The total value of initial eigenvalues must be above the number 1 to be able to form a factor. In table 5, the total initial eigenvalues above the number 1 only reach the 5th component. Based on the value of initial eigenvalues obtained then the factors formed as many as 5 factors, with each having eigenvalues value of 5.254, 1.672, 1.342, 1.201, 1.116. The value of eigenvalues below number 1 can not form a factor.

5. Component Matrix

Component matrix shows the distribution of 17 variables on the 5 factors formed. In the matrix component some variables have been grouped into a factor up to the 5th factor but will still change in factor rotation. The numbers that exist in the component matrix is the number factor loading, which shows the correlation between a factor with the variables used.

6. Factor Rotation

Component matrix result of rotation component (Rotated component matrix) shows the distribution of variable more clear and real. In this study using Varimax rotation method, by rotating the axis of the factor from the center point to the destination point of 90 ° or called Orthogonal rotation. In the process of rotation, the number of factors that initially small loading is minimized, and the large loading factor increasingly enlarged. This is the utility of the rotation process, which is to clarify the position of a variable on a factor. In essence, the variables that have formed into a factor in the matrix component exist that move into another factor when entering in the rotation process due to the changing factor factor rate. See table 6.

Table 6. Factor Rotation

Factor	Eigenvalue	Variable	*Factor loading*
1	5,254	X8	0,814
		X7	0,716
		X12	0,665
		X17	0,478
		X9	0,440
2	1,672	X4	0,761
		X3	0,755
		X6	0,584
		X5	0,568
3	1,342	X20	0,799
		X21	0,782
		X23	0,651
4	1,201	X15	0,784
		X16	0,646
		X2	0,589
5	1,116	X24	0,818
		X25	0,740

Based on the data in table 6, it is known that there are 17 variables that have a loading factor greater than 0.4 which is classified into 5 factors, then the analysis can be continued to the next stage is the factor interpretation stage.

7. Interpretation of Factors

Undertake interpretation of factors that include labeling on the factors formed, modeling factors and interpretation of factor analysis models. The result of factor rotation in table 6 shows that there are 5 factors that form. Then the five factors are named bida based on the variable that has the highest factor loading value or in accordance with the relevant theory that is as follows:

a. Factor 1 consists of X8, X7, X12, X17, X9, called administration and institutional

factors. This is in accordance with Medyawati (2010) stating the obstacles faced in the implementation of the Public Service Agency one of which is the weakness of the Internal Control System. Not being able to plan budget with budget business plan optimally is also an obstacle found by Gustini (2011). As expressed by Rondonuwu (2013) that constraints also come from lack of communication to the stakeholders, causing differences in perception among stakeholders.

b. Factor 2 consists of X4, X3, X6, X5, then this factor called factor provider of goods and services. Putra (2014) discloses that accounting policies and guidelines for procurement of goods and services and the quality and quantity of human resources become obstacles in implementing of financial management for local public services. Also encountered obstacles that are always the attention of the leadership of organization is the procurement of goods and services where there is still fear dragged in the criminal case project procurement of goods and services (Riawati, 2014).
c. Factor 3 consists of X20, X21, X23, this factor is called organizational commitment factor. This is in accordance with Indrayathi et al., (2014), that the low commitment of the Dinas Kesehatan in the implementation of financial management fo local public services in public health center and the lack of administrative personnel who manage the finances resulted in the public health center having difficulty in completing its duties.
d. Factor 4 consists of X15, X16, X2, hence this factor is called professional factor. Dwirista (2014), Apriliyanto (2015) and Gustova (2016) found the same thing that the availability of professional accountants to implement the financial management pattern is still a constraint.
e. Factor 5 consists of X24, X25, then this factor is called coaching and supervision factor. This is in line with Surianto and Laksono (2013) who found that the implementation constraint is the role of the health office as the supervisory board has not been implemented due to the absence of the supervisory board.

CONCLUSION

Based on the results of the analysis and discussion of factors, the implementation of financial management is caused by 5 factors with variation of 62.27%. While the rest of 37.73% explained by factors other than those five factors. The process through exploratory factor analysis of 25 initial variables and then reduced to 17 variables, obtained 5 latent factors or main factors that become obstacles in the implementation of financial management for local public services in public health center of West Lombok. Variations of these five factors indicate the magnitude of the priority issues that the policy maker must solve. Here is the order of priority factors of the five factors are:

1. Administrative and institutional factors describing the variation of all items by 30.91%, which can be measured from: (a) availability of guidelines for making budget work plan and budget business plan; (b) difficulty in making budget work plan and budget business plan; (c) difficulty in building internal supervisor; (d) internal communication: (e) supporting facilities.
2. Factors providers of goods and services that explain the variation of all items by 9.84%, which can be measured from: (a) not know procurement guideline for procurement of goods and services; (b) limitation of certified procurement staff; (c) double job; (d) procurement still done in the health office.
3. Organizational commitment factors that explain the variation of all items by 7.90%, which can be measured from: (a) support and commitment of health office; (b) support and commitment of local public services board (c) difficulty in writing minimal services standards and procedure operating standard in financing.
4. Professional factor of BLUD that explains the variation of all items by 7.06%, which can be measured from: (a) difficulty in recruitment system; (b) accountant is not professional to work; (c) availability of administration staff especially accountant.
5. Coaching and supervision factors that explain the variation of all items by 6.56%, which can be measured from: (a) There is no supervisory board; (b) evaluation of implementation.

RECOMMENDATION

As a consideration for the Health and public health center are: (1) from 25 initial factors that become obstacles implementation of financial management for local public services in public health center of West Lombok produce 5 main factors that need to be paid attention so that can influence significantly, that is

administration and institute, providers of goods and services, organizational commitment, local public service board professionals, coaching and supervision; (2) obstacles to the implementation can be overcome by making the moment of birth as starting point to build new paradigm for all human health center to grow sense of having business of public health center and to show that every individual position in public health center is important; (3) for subsequent research is expected to add other variables that can be used as indicators, it is also necessary to increase the sample population and expand the research area if using exploratory analysis; (4) It is suggested to the next researcher to develop data analysis tool by using multiple regression to enrich the research result.

REFERENCES

1. Aprilliyanto, D. R. dan I. Subekti. 2015. Restructuring of General Hospital in Padangan Bojonegoro from Local Working Unit into Local Public Services Board. Student Scientific Journal. Faculty of Economic and Bussiness. Universitas Brawijaya, 4(2).
2. Dwirista, Vina. 2014. Analysis of Implementation of Financial Management P for Local Public Service Board in Sambas General Hospital. Journal of Accounting Study of Faculty of Economics. UNTAN (KIAFE). 3(4).
3. Ghozali, Imam. 2016. Application of Multivariate Analysis with IBM SPSS23 *program*. Semarang: BP Universitas Diponegoro.
4. Gustini, Susi. 2011. Implementation of Financial Management Policy of Local Public Service Board: Case study in General Hospita of Tidar, Magelang.
5. Gustova, Andry. 2016. Readiness Analysis of the Implementation of Financial Management for Local Public Service Board in Public Health Center of South Solok Year 2016. Thesis. Universitas Andalas.
6. Hair, J.F.; W.C. Black; B.J. Babin and R.E. Anderson. 2010. *Multivariate Data Analysis, 7th Edition.* Pearson Prentice Hall.
7. Herriyanto, Hendris. 2012. Factors Influencing Delayed Exploitation of Expenditure Budget at Ministry/Institution Work Unit in Jakarta. Thesis.. Jakarta: Faculty of Economic, Planning and Public Policy. Universitas Indonesia.
8. Huang, A. Hidayat. 2017. Differences in Exploratory and Confirmator Factor Analysis with SPSS. Globalstats Academic. Globalstats Academic. Statistik Consultan for Academic Research.
9. Indrayathi, P. A.; R. Listyowati; N. M. S. Nopiyani dan L. P. S. Ulandari. 2014. Quality of Care Services Community Health Center Local Public Service Bureau. National Public Health Journal. 9(2) : 164-170.
10. Kusuma, Tri Putranto Vindi. 2015. Barriers In The Beginning of Transition The Application of Financial Management for Public Service Board.
11. Mahmudi. 2003. New Approach for Management in Public Sector. Synergy Business and Management Studies. 6(1) : 69-76.
12. Meidyawati. 2010. Implementation of Financial Management System Pattern of Public Service at National Stroke Hospital of Bukitinggi. Thesis. Universitas Andalas.
13. Nadilla, T., H. Basri dan H. Fahlevi. 2016. Identifikasi Problems of Implementation of Financial Management for Local Public Service Board: Case Study at Permata Hospital and Hospital Berlian. Journal in Graduate Accounting. Universitas Syiah Kuala. 5(2) : 89-99.
14. Putra, J. J. dan L. Farida. 2014. Implementation of Public Service Board. Implementasi Badan Layanan Umum Daerah. Journal of Development Administration. 2 (2) : 115-226.
15. Riawati, Reni. 2014. Analysis of Implementation of Financial Management for Local Public Service Board in Panembahan Senopati Hospital, Bantul. Thesis. Universitas Muhamadiya Yogyakarta.
16. Rondonuwu, J. dan L. Trisnantoro. 2013. Change Management in Government Institution: Case Study of Implementation Policy in Psychiatry Hospital of NTB Province. Health Policy Journal. 2(4) : 163-170.
17. Law Number 1 in 2004 about State Financing.
18. Sugiyono. 2009. Qualitative and Quantitative Research Methods R & D. Bandung: Alfabeta.
19. Suhud, Usep. 2017. Exploratory Factor Analysis (EFA) One Variable – SPSS.
20. Surianto dan L. Trisnantoro. 2013. Evaluation of the Implementation of Policy of Local Public Service Agency at Undata Hospital of Central Sulawasi Province. Indonesian Health Policy Journal. 3(1) : 35-41.