# ANALYSIS OF FACTORS AFFECTING GOVERNMENT AGENCY PERFORMANCE : A STUDY ON SURABAYA CITY GOVERNMENT

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## ABSTRACT

The purpose of this study is to examine how Surabaya City government agencies' performance is impacted by workload, internal control systems, and budget target clarity. These three factors are taken into account since they strategically contribute to the efficacy and efficiency of public services. Employees from 20 Regional Agency were given questionnaires as part of a quantitative data collection process, and multiple linear regression was used for analysis. The analysis's findings demonstrate that workload, internal control, and budget target clarity all significantly impact government agencies' performance at the same time. Workload has the most significant impact of the three. This result demonstrates that balanced task management is just as important as planning and supervision when it comes to efforts to enhance bureaucratic performance. In order to improve the effectiveness of public services at the local level, the study's recommendations suggest that internal control systems be strengthened, more targeted budgets be created, and tasks be distributed more fairly.

Keywords : Government Performance; Internal Control; Workload; Budget Clarity

## *ABSTRAK*

*Tujuan dari penelitian ini adalah untuk menguji bagaimana kinerja instansi pemerintah Kota Surabaya dipengaruhi oleh beban kerja, sistem pengendalian internal, dan kejelasan target anggaran. Ketiga faktor ini diperhitungkan karena secara strategis berkontribusi pada efektivitas dan efisiensi layanan publik. Pegawai dari 20 Dinas Daerah diberikan kuesioner sebagai bagian dari proses pengumpulan data kuantitatif, dan regresi linier berganda digunakan untuk analisis. Temuan analisis menunjukkan bahwa beban kerja, pengendalian internal, dan kejelasan target anggaran secara signifikan mempengaruhi kinerja instansi pemerintah secara bersamaan. Beban kerja memiliki dampak yang paling signifikan dari ketiganya. Hasil ini menunjukkan bahwa manajemen tugas yang seimbang sama pentingnya dengan perencanaan dan pengawasan dalam upaya meningkatkan kinerja birokrasi. Untuk meningkatkan efektivitas pelayanan publik di tingkat daerah, rekomendasi dari studi ini menyarankan agar sistem pengendalian internal diperkuat, anggaran yang lebih tepat sasaran, dan pembagian tugas yang lebih adil.*

*Kata Kunci : Kinerja Pemerintah; Pengendalian Internal; Beban Kerja; Kejelasan Anggaran*

## INTRODUCTION

Local government organizations, which are the institutions that run the government, are given legitimacy by the community. Therefore, great performance must

be matched with the community's trust in government organizers in order to improve services and have an impact on the community. The public has not completely experienced the outcomes of government performance, and there are numerous assumptions surrounding the implementation of regional autonomy (Pattiware & Maryam, 2024). Government performance is therefore one of the most discussed subjects in society. The government must carry out its duties and obligations effectively as a public sector organization.

To enhance administrative governance, the East Java Provincial Government has put in place a number of initiatives, such as enhancing performance-based budgeting, fortifying internal control systems, and setting up efficient workloads (Wadipalapa et al., 2024). However, there are still a number of challenges, including insufficient integration of technology-based administrative systems, subpar internal monitoring, and unequal staffing distribution. The inability of certain East Javan districts and municipalities to conform regional policies to national standards causes delays in the implementation of work programs. To increase bureaucratic effectiveness in East Java, policy synchronization between local and central government is required, as is the development of human resource capacity through competency-based training.

In order to create good governance, the performance of government agencies must be evaluated. The ability of a region to successfully manage its resources is demonstrated by optimal performance, which also shows the professionalism of the State Civil Apparatus.

Significant progress has been made, particularly in the city of Surabaya, based on Table 1 SAKIP Evaluation Results for Surabaya City. Its Evaluation Results Report score increased from 73.47 in 2019 to 83.92 in 2023. Furthermore, these performance outcomes align with the accomplishments of the East Java Provincial Government, which once more earned a distinguished title in the national rollout of the 2023 Government Agency Performance Accountability System.

Despite Surabaya City's relatively good SAKIP score, the Public Service Commission continues to receive a lot of citizen complaints regarding the government's performance in the Surabaya area. This indicates that the public services in the Surabaya Metropolitan City continue to leave a negative impression on its residents. Despite being a world-class contemporary city that has won honors for its achievements,

Surabaya City still has to enhance its public service management (Pratiwi & Meirinawati, 2023). Citizens continue to protest that they are not receiving the services they are entitled to, as is the case with the Population and Civil Registration Office, which made blunders in resolving issues related to population administration and the shortage of blanks (*KOMPAS.Com*, 2024).

Another phenomenon is the outcome of the net aspirations of Surabaya DPRD members, who have expressed dissatisfaction with the Surabaya City Government's disregard for the infrastructure and facilities of the periphery (*Dinas Kominfo*, 2024). Development policies have been inconsistent and have not affected all societal levels. Since the periphery is neglected, development in the center of the city is frequently done solely for aesthetic purposes. People draw attention to the performance of the City Development Planning Agency, which is thought to be unable to implement development planning equally, because this is undoubtedly out of proportion to the strength of the budget that the city government owns to carry out development in every part of Surabaya (Manna, 2022). According to the Surabaya Transportation Agency (*KOMPAS.Com*, 2025), the deteriorating traffic situation in Surabaya which even surpasses Jakarta reflects the intricacy of urban management issues and the effectiveness of local government organizations. One of the performance metrics that needs particular attention is this situation. For money to be allocated effectively for traffic control and infrastructure enhancement, budget targets must be clear. To reduce the possibility of abnormalities in the execution of traffic control and public transportation programs, a strong internal control system is required. For duties to be implemented and field supervision to function at its best, a balanced workload for pertinent agency personnel is also crucial.

According to public budget theory, one of the elements that significantly influences how well government agencies function is the clarity of budget targets (Kewo, 2024). Budgets can be managed more effectively and efficiently by government agencies with meticulous preparation and a clear grasp of budget priorities. Budgets that are distributed carelessly or without a clear priority system, on the other hand, may result in waste, program delays, or even the failure to meet pre-established objectives. In order to guarantee that the given budget may be utilized in line with the established goals, the internal control system plays a crucial role. The internal control system

serves as the cornerstone of open and responsible financial management at the governmental level and is more than just a set of rules and regulations (Setiawan & Johannes, 2024). The performance of government organizations is also significantly impacted by employee burden, particularly when it comes to public services and program management (Ikhwan et al., 2023). An excessive workload, particularly if improperly managed, can lower worker productivity, raise stress levels, and eventually degrade the standard of public services. Every government worker has certain tasks to perform in carrying out current initiatives, and an unbalanced workload may have an impact on the caliber of work generated. Contractual agreements between principals and agents, as well as the necessity of control systems to guarantee that agents follow the principal's orders, are highly valued in agency theory (Kadir, 2022). The primary topic of this study is the concurrent and partial influence of the factors influencing government agency performance.

In the context of local governance, studies on how government agency performance is affected by workload, internal control systems, and budget target clarity are highly pertinent. Proper and transparent management of public spending is a major obligation of Surabaya's local governments. It is anticipated that the study's findings will give the government fresh perspectives on how to enhance internal control and budget planning and management. It is anticipated that this research will offer the Surabaya City Government useful ideas for enhancing the internal control system, optimizing staff workload, and increasing the quality of budget management by identifying the relationship and influence between these aspects. This will undoubtedly help government agencies perform better and make the initiatives they operate more successful. As a result, this study has a lot of potential to raise the standard of Surabaya's public services.

## THEORY

### Agency Theory

Agency Theory forms the basis of this research. According to (AKBAR, 2023). this theory explains the relationship between the principal, who gives the mandate, and the agent, who carries out the mandate. As the principal in this study, the Surabaya City Regional Apparatus Organization (OPD) acts as an agent who has the duty to provide the best service plan for the community. Improved public services based on efficient

government performance can increase public trust and increase the performance responsibility of government agencies.

**Budget Target Clarity**

The goals that must be accomplished within a specific time frame are described in government organizations' budget targets (Kewo, 2024). In order to be easily measured and to accurately reflect the steps that will be taken to accomplish the established goals, budget targets ought to be created in a quantitative manner. Budget targets also contribute to provide the planning of activities more precise guidance so that they are thorough, quantifiable, and feasible.

**Internal Control System**

The internal control system is a set of procedures created by organizational management to offer a reasonable level of assurance in accomplishing specific goals, such as operational effectiveness, regulatory and policy compliance, and the accuracy of financial statements (Irianto & Rachman, 2023). Internal control encompasses all the actions required to safeguard the company's resources, guarantee the integrity of financial reports, and stop fraud or theft.

**Workload**

The quantity of duties or responsibilities that individuals or groups in an organization have to perform in a specific amount of time is known as the workload. Workload, according to (Sumantrie, 2021), is a situation where employees must finish tasks in accordance with the organization's requirements. However, according to study by (Oktaviana & Ilham, 2024), workload may be separated into two categories: quantitative workload, which refers to the quantity of work that needs to be done, and qualitative workload, which refers to the degree of complexity of a task that calls for specific knowledge and abilities.

**Government Agencies Perfomance**

Performance is a term used to describe how well an activity program or policy is implemented in terms of achieving the organization's goals, vision, mission, and resources as specified in its strategic planning (Asrin, 2021). The achievement or success rate of individuals or groups of individuals is frequently referred to as performance. Only after a person or group of people has established success criteria can

performance be known. The evaluation of government performance must take into account inputs, outputs, and outcomes collectively rather than just outputs

**Hypothesis**

**H₁ : The Impact of Budget Target Clarity on The Performance of Government Agencies**

The clarity of budget targets is thought to have a positive effect on the performance of government agencies. According to agency theory, when budget objectives are clear, it makes it easier for principals and agents to communicate, allowing agents to function more purposefully, transparently, and accountablely in order to satisfy performance criteria (Jatiningrum & Marantika, 2021). If budget goals are unclear, agents may make decisions that are not in the best interests of the principal, which can result in subpar performance and wasteful budgetary use. According to study (Tome et al., 2023), organizations with more defined budget goals typically exhibit higher performance outcomes since every employee is aware of the success metrics that need to be met.

**H₂ : The Impact of Internal Control System on The Performance of Government Agencies**

The effectiveness of the internal control system plays a crucial role in improving the performance of government agencies. According to agency theory (Yulianti & Cahyonowati, 2023), this system serves as a control mechanism to guarantee work efficiency and stop irregularities. Weak control could lead to opportunistic activities like budget mismanagement or corruption. On the other hand, putting in place a sound system improves governance, reduces fraud, and promotes accountability. Therefore, the improvement in agency performance is closely correlated with the level of internal control. Strong internal controls are associated with better financial and service performance (Harun, 2022).

**H₃ : The Impact of Workload on The Performance of Government Agencies**

Optimal workload is thought to have a positive effect on the performance of government agencies. From the standpoint of agency theory, an ideal workload enables human resources to operate effectively in order to meet organizational goals (Gunawan, 2021). Employee motivation and performance can actually rise when workload is kept within normal bounds. The results (Husin et al., 2021) support the idea that

organizational performance and a balanced task distribution are positively connected. Consequently, a key element in raising the efficiency of government agency performance is proportionate task management.

## METHOD

Method is a method of work that can be used to obtain something. While the research method can be interpreted as a work procedure in the research process, both in searching for data or disclosing existing phenomena (Zulkarnaen, W., et al., 2020:229). A closed questionnaire employing a semantic differential scale was used to collect primary data for this quantitative study. Structural authorities from 20 Surabaya City Government Regional Work Units (SKPD) made up the research population. Purposive sampling was used to choose the sample, and department secretaries, personnel staff, and financial staff were among the respondents.

The study's independent factors include workload, internal control system, and budget target clarity; the dependent variable is agency performance. Workload, the internal control system, and the clarity of the budget aim are the independent factors in this study, while agency performance is the dependent variable. Using SPSS version 24, multiple linear regression analysis was employed to assess the hypotheses at the 5% significance level.

The multiple regression equation used in this study is:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:
Y = Government Agency Performance
$\alpha$ = Constant
$\beta$ = Regression Coefficient
$X_1$ = Budget Goal Clarity
$X_2$ = Internal Control System
$X_3$ = Caseload
e = Error.

## RESEARCH RESULTS

### Analysis of Linear Regression

To ascertain how workload, control systems, and budget target alignment affected Surabaya municipal government agencies' performance, multiple linear regression analysis was employed. The results are shown in three primary tables, Model Summary, ANOVA, and Coefficients, which also offer the following explanation:

The results of the determination test in table 2 show an R Square value of 0.880, meaning that the factors of workload, internal control system, and budget target clarity account for 88% of the variation in government agency performance. Other variables not included in the model account for the remaining 12%. A robust and trustworthy regression model is also shown by the Adjusted R Square score of 0.873.

Based on the results of the ANOVA test in table 3, the regression model is significant because the calculated F value is 129.425 with a significance level of 0.000 <0.05. This shows that workload factors, internal control systems, and budget target clarity together have a significant effect on the performance of government agencies.

The results of the partial significance test (t test) in Table 4 show that the three independent variables in this study have a significant effect on the performance of Surabaya City government agencies. With a significance value of 0.042 and a t value of 2.080, budget target clarity is a variable that has a significant effect on agency performance. With a calculated t value of 3.832 and a significance value of 0.000, the internal control system also has a significant effect. With a significance value of 0.000 and a t value of 6.182, workload is the variable that has the greatest influence. Therefore, it can be said that each independent variable in this study has a partial influence on the ability of government agencies to improve their performance.

## CONCLUSIONS

The study's findings indicate that the performance of Surabaya's government agencies is significantly impacted by workload issues, internal control mechanisms, and the clarity of budget targets. According to the regression model, workload has the biggest impact among the three variables, which together significantly increase the efficacy and caliber of public services. There are still issues with community service and human resource distribution, despite the Surabaya municipal government's performance showing improvement in management and accountability. Therefore, it is recommended that the government strengthen the internal control system, improve task management proportionately, and prioritize budget objective clarity through more sophisticated and practical planning. In order to provide a more comprehensive picture, this study also recommends that future research compare different locations and look at additional performance-influencing characteristics, such as corporate culture, service innovation, and community involvement. It is anticipated that the government would be

able to enhance community services in a sustainable, effective, and transparent way by putting these measures into place.

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## ATTACHMENT

Table 1 Results of SAKIP Evaluation of Surabaya City

| Year | Number | Predicate |
|------|--------|-----------|
| 2019 | 73.47 | BB |
| 2020 | 75.13 | BB |
| 2021 | 75.34 | BB |
| 2022 | 80.31 | A |
| 2023 | 83.92 | A |

Source : https://ro-organisasi.jatimprov.go.id/

Table 2 Results of Determinant Test ($R^2$)

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-----|----------|-------------------|----------------------------|---------------|
| 1 | .938[a] | .880 | .873 | 1.003 | 1.269 |

a. Predictors: (Constant), Total Beban Kerja, Total Sistem Pengendalian Internal, Total Kejelasan Sasaran Anggaran

b. Dependent Variable: Total Kinerja Instansi Pemerintah

Source : Processed by Researchers, 2025

Table 3 Results of Model Significance Test (ANOVA)

**ANOVA**[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 390.704 | 3 | 130.235 | 129.425 | .000[b] |
| | Residual | 53.331 | 53 | 1.006 | | |
| | Total | 444.035 | 56 | | | |

a. Dependent Variable: Total Kinerja Instansi Pemerintah

b. Predictors: (Constant), Total Beban Kerja, Total Sistem Pengendalian Internal, Total Kejelasan Sasaran Anggaran

Source : Processed by Researchers, 2025

Table 4 Results of the Partial Significance Test (Coefficients)

**Coefficients**[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.184 | 1.956 | | .605 | .548 |
| | Total Kejelasan Sasaran Anggaran | .187 | .090 | .195 | 2.080 | .042 |
| | Total Sistem Pengendalian Internal | .320 | .083 | .351 | 3.832 | .000 |
| | Total Beban Kerja | .481 | .078 | .470 | 6.182 | .000 |

a. Dependent Variable: Total Kinerja Instansi Pemerintah

Source :  Source : Processed by Researchers, 2025