

THE INFLUENCE OF PLANNING, IMPLEMENTATION, AND HUMAN RESOURCES ON THE BUDGET ABSORPTION OF PUBLIC SERVICE AGENCY (BLU) OF TADULAKO UNIVERSITY

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ABSTRACT

This research aims to determine the influence of planning, implementation, and human resources on the budget absorption of the Public Service Agency (BLU) of Tadulako University. The object of this research is the Rectorate of Tadulako University, all Faculties and the Postgraduate Program of Tadulako University. This research was quantitative type using survey methods. Samples were taken through the purposive sampling technique and applied the Structural Equation Model (SEM) method with Variance Based SEM or Partial Least Square (PLS) approach. Hypothesis testing with $\text{sig.}=0.05$. The reliability test applied two criteria: composite reliability and Cronbach's alpha with a coefficient limit value $\alpha > 0.70$. Data were collected through questionnaires to 52 respondents. The results show that partially the variables of planning, implementation, and human resources have a positive and significant influence on the budget absorption of the Public Service Agency of Tadulako University with p-values >0.001 , 0.005 , and >0.001 , respectively.

Keywords: Planning, Implementation, Human Resources, Budget Absorption

INTRODUCTION

Budget absorption is a common problem that occurs every year in Indonesia. Delays are a persistent problem that results in minimal State Budget funds being spent, mostly affecting Government Work Units. One of the Government Work Units whose budget absorption is still experiencing delays is the Work Unit at Tadulako University. This can be seen at Tadulako University, where planning is a factor that affects the number of grants. However, there is a general understanding that not all grants will be accepted, causing the grants needed to be granted to be larger without considering the needs in the implementation process. Improper budget planning also required a review of the Budget Implementation Document (DIPA) before implementation. The Budget Implementation Document (DIPA) review resulted in adjustment requirements for the early stages of the project and a longer completion time. Budget execution is decisive in terms of budget absorption. Although budget planning is very good, problems in budget absorption will still occur if the implementation experiences many obstacles. As a result, activities cannot be completed on time, so they differ from the previous plans. Then the budget implementation can also be inappropriate at the specified time (Nugroho dan Alfarisi, 2017).

The capacity of human resources, in this case, civil servants as financial management institutions, is an aspect that affects the slow absorption of the budget. This is in line with the findings of Maulana (2011), namely that the absorption of the Regional Revenue and Expenditure Budget (APBD) from the Regional work unit (SKPD) has yet to be maximized. This indicates that the concerned regional work unit (SKPD) needs to maximize human resources (HR). HR in the budget process has a relationship with the ability of individuals to perform role functions in policy formulation and financial management of government agencies (Amiruddin, 2009). Tadulako University always strives to improve the quality of its human resources by conducting recruitment and selection processes, adequacy, qualifications and experience, as well as coaching and development so that they can have added value, competitiveness and quality to realize a superior campus. In addition to budget planning, aspects of budget execution and human resources also affect budget absorption. This can facilitate the budget absorption process and affect the payment mechanism if done efficiently. The realization of activity payments is budget work (Herriyanto, 2012).

Budget absorption is the stage of the budget cycle that begins with planning, implementing, and approving budget absorption, absorption/implementation, monitoring, and accountability. The government, which acts as the implementer of the State Budget Law, clarified it further by issuing a Presidential Decree on the Implementation of the State Budget as the basis for the Law. The current Presidential Decree is Presidential Decree Number 42 of 2002. (Kuncoro, 2013). Budget absorption has a major impact on accelerating economic growth. Thus, all revenue agencies must manage expenditures effectively and support the achievement of national development goals. However, budget absorption does not need to be 100%, but at least can complete $>80\%$ of the total budget. Tofani et al. (2020) and Shah dan Fabozzi (2007) say that planning has a close relationship with budget absorption because if budget planning fails, it can impact work programs that are not implemented and have implications for government performance. Even though planning has been carried out according to procedures properly, there are obstacles during implementation, so activities must be carried out according to schedule and implementation time (Salwah, 2019; Nugroho dan Alfarisi, 2017). Human resources are closely related to budget absorption, especially human resources in financial managers (Tofani et al., 2020). The budget process has a close relationship with the ability of individuals to carry out their functions and roles in policy formulation, financial management, and accuracy in withdrawing government agency funds. (Nugroho dan Alfarisi, 2017 and Tofani et al. 2020).

Planning is one of the elements that must be considered in the organization. A plan determines all activities that have been carried out, are being carried out and will be carried out so that organizational goals can be realized (Nugroho dan Alfarisi, 2017). A budget is needed to realize the plan. The budget is a blueprint for descriptions, actions, and procedures in the planning process (Darmanegara dan Agung, 2010). The results of a study by the Directorate General of Fiscal Balance (2013) show a strong influence of the budget planning process on the absorption of regional public service expenditures. Planning as the basis for budgeting based on the Directorate General of Fiscal Balance (2013) is preparing plans for revenue, expenditure, and financing in a certain period. The immaturity of planning at the time of budget preparation causes the work plan not to run properly because there is a mismatch between the budget plan and the work plan to be carried out, which is part of the contributing factor to the lack of budget absorption (Arif et al., 2013).

Budget implementation is a stage that requires resources to implement budget policies. The possibility will occur when the budget has been well prepared. However, its implementation needs to be revised, and it is also impossible for a poorly prepared budget to be implemented appropriately. Budget planning is key to successful implementation (Nugroho dan Alfarisi, 2017). Good budget implementation depends on several factors, such as the ability of groups and work units to implement the budget. Budget implementation needs to have guarantees for budget authority and reporting that can be immediately known if there are budget implementation problems to minimize delays in budget absorption. Budget implementation is good if it is timely, effective and efficient. Budget implementation is decisive in terms of budget absorption. Even though budget planning is very good, problems in budget absorption will still occur if the implementation experiences many obstacles. As a result, activities cannot be completed on time, so they do not follow the previously made plans.

Budgets are important in the process of realizing organizational goals. The budget is an organizational planning, control and organizational decision-making. The plan generally includes various interrelated and interacting business activities; and carries out management responsibilities for planning, coordination, and control formally and systematically. As part of the source of funds that serves to develop activities by prioritizing the community's interests, the budget needs to be prepared with effective expenditure planning. This aligns with the budget function, which is a planning tool. Budget implementation can only occur after the Work and Budget Plans (RKA) is approved and becomes a Budget Implementation Document (DPA). Budget implementation is the implementation of a

plan that has been carefully organized and detailed. Only when budget planning is carried out properly can budget implementation run smoothly (Miliasih, 2012). Nugroho dan Alfarisi (2017) also state that good budget implementation depends on several factors, such as the ability of groups and work units to implement the budget. One important aspect that will determine whether or not this government runs is human resources. This can be seen in how workers maximize their physical and psychological potential to achieve organizational (institutional) goals. Human resources are important and inseparable from an organization, be it an institution or a company.

There are many impacts of mismanagement of budgets and human resources; for instance, in terms of the economy, the quality of services will be reduced due to mismanagement of budgets and misallocation of human resources. Indonesia's economic progress will be slow due to the failure of human resources to be managed properly. Of course, in this globalization era, the Indonesian government needs human resources with the ability to manage the budget properly. Corruption, Collusion and Nepotism are actions that can occur in every job. Human resources only well manage the availability of abundant natural resources if they can manage them properly. The low quality of human resources is also the cause of the slow process of administrative services, for example, in processing business licenses. Then, the quality of human resources, namely the state civil apparatus that acts as a financial management institution, is part of the factors that influence the slow absorption of the budget. This follows the expression of (Maulana, 2011), namely, the absorption of the Regional Revenue and Expenditure Budget (APBD) by several Regional Work Units (SKPDs) has not been maximized, indicating that the SKPD concerned has failed to maximize human resources. Based on the phenomena described, the researcher is motivated to examine with a focus on the budget absorption of the Public Service Agency of Tadulako University. The study was entitled "The Influence of Planning, Implementation, and Human Resources on Budget Absorption of Public Service Agency (BLU) of Tadulako University."

H1: Planning has a significant influence on budget absorption.

H2: Implementation has a significant influence on budget absorption.

H3: Human Resources (HR) significantly influences budget absorption.

RESEARCH METHOD

The research is quantitative and applies the survey method. The survey method quoted from Sugiyono (2013) is research on large and small populations using questionnaires. However, the data studied are samples from certain populations, so relative activities, distribution and relationships between variables, sociology and psychology.

The population of this study was the Rectorate of Tadulako University, all Faculties within Tadulako University and the Postgraduate Program of Tadulako University. The samples were taken by purposive sampling technique, with a total sample of 52 respondents. Data were collected through questionnaires, observations, and interviews and analyzed using Structural Equation Modeling (SEM) and variance-based SEM method, or Partial Least Squares (PLS) with SmartPLS 6.0 software assisted in testing the hypothesis. This study applied Quantitative analysis.

RESULT AND DISCUSSION

Result

1) Structural Model Testing

Inner model testing is a structural model that tests the causal relationship between latent variables.

a) Coefficient of Determination

The R-squared value can determine how well the model performs in the regression equation. Ghozali (2018) states that the R-squared value is considered good if > 0.05 because R-squared is between 0 and 1. If the R-squared value is close to 1, the independent variable can predict almost all the information needed for the dependent variable. Based on data processing, Table 1 below will present the R-squared, adjusted R-squared and Q-squared values.

Table 1.
R-squared, adjusted R-squared and Q-squared

Variable		R-Squared	Criteria	Adj R-Squared	Q-Squared	Criteria
Exogenous	Endogenous					
Planning	Budget	0.699	Good	0.682	0.569	Good
Implementation	Absorption					
HR						

Source: primary data, processed 2022

Table 1 shows that the Adj R-squared value for the budget absorption variable is 0.682, which means that in the model proposed in this study, the variables Planning (X1), Implementation (X2), and Human Resources (X3) can explain the Budget Absorption variable (Y) by 68.2% and fall into the strong category. The remaining 31.8% is explained by other variables not explained in the study.

b) Q-Squared

In addition to the R-squared value, Table 1 above also shows the Q-squared value, which assesses the predictive validity or relevance of the predictor latent variable group to the criterion variable. The data processing results in Table 4.10 above obtained the predictive validity value of the research model in the good model category. This is because the Q-squared value of Budget Absorption (Y) ranges from 0 to 1, which is 0.569.

c) Effect Size for Path Coefficient

Based on the data that has been done, the effect size value used to measure how strongly the predictor variables affect the criteria is presented in Table 4.11 below.

Table 2.
Effect size values

	X1	X2	X3
Y	0.283	0.073	0.344

Source: primary data, processed 2022

Table 2 above-obtained information that the magnitude of the influence of predictor variables, namely:

1. First, the magnitude of the effect of Planning on government budget absorption amounted to 0.283. These results explain that the Budget Absorption sampled in this study was influenced by planning by 28.3% (moderate). The influence (effect size) of this planning is included in the medium category.
2. Second, the effect size of implementation on the relationship between Implementation and Budget Absorption is 0.073. This result explains that the Budget Absorption, which is the sample in this study, is influenced by implementation by 7.3% (weak). The effect size of this implementation is included in the weak category.
3. Third, the magnitude of the influence between Human Resources and Budget Absorption is 0.344. This result explains that Budget Absorption, the sample in this study, is influenced by Human Resources by 34.4% (medium). The influence (effect size) of Human Resources is included in the medium category.

2) Hypothesis testing

Structural model analysis can be used to test hypotheses. The results of measuring the full structural equation model can be seen in Figure 1.

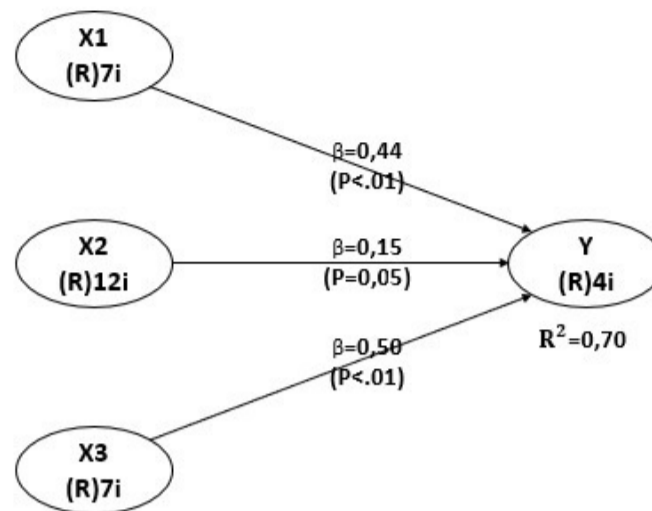


Figure 1. Full Structural Equation Model
Source: Data processed, 2022

Hypothesis testing aims to explain the relationship between exogenous variables and endogenous variables. The criteria for determining the hypothesis decision is based on the p-value. Sig. which is applied is 5%. If the p-value <0.05, the hypothesis is confirmed. Conversely, if the p-value > 0.05, the hypothesis is rejected. The results of the hypothesis test are described in Table 3.

Table 3.
Hypothesis Testing Results

Hypothesis	P-values	Criteria P-values	Result
H1	<0.001	<0.05	Confirmed
H2	0.05	<0.05	Confirmed
H3	<0.001	<0.05	Confirmed

Source: Data processed, 2022

Based on the results of the calculation and testing of the complete model (inner model and outer model) in Figure 1 and Table 3 above, as a basis for answering the research hypothesis, a hypothesis is used to explain the relationship between the directional independent variables and dependent variables. The results of hypothesis testing and conclusions on the confirmation or rejection of hypotheses based on the direction of the relationship (the resulting coefficient) and the resulting probability level will be discussed in the following explanation:

Discussion

The Influence of Planning on Budget Absorption. The results of testing the hypothesis of the program's impact on budget absorption obtained a p-value <0.001. Therefore, the hypothesis is confirmed. Planning influences budget absorption. Testing the first hypothesis (H1) provides results that show a significant influence on budget absorption. Based on the test results, it is clear that planning significantly influences the budget absorption of the Public Service Agency of Tadulako University. Absorption can be considered as a goal/level of performance to be achieved. If planning is done toward the goal, this affects the action and the consequences of the goal. In this case, the goal is budget absorption. The results of this study are in line with previous research conducted by Gagola et al. (2017) with the title Analysis of factors affecting the Budget Absorption of regional revenue and Expenditure (APBD) of the Government at Kepulauan Talaud District, which states that the budget planning variable has a positive and significant effect on budget absorption. Based on the results of this study, the indicators used in measuring budget planning significantly affect budget absorption at the Public Service Agency at Tadulako University. This shows that the budget planning variable can affect budget absorption at the Public Service Agency at Tadulako University. This study's results align with previous research conducted by Priatno (2013), which states that planning positively and significantly affects budget absorption. This research supports agency theory; good planning also improve budget absorption. The principal determines the work program made by the agent by budget planning so that budget absorption is right on target. Budget planning is a key part of the success of budget execution. Therefore, the role of agents and principals in preparing work programs through budget planning is very important. The reality of the buildup of activities in TW 4 makes the initial planning not well realized, thus disrupting the full absorption of the budget.

The Influence of Execution on Budget Absorption. The results of testing the assumption of the effect of execution on budget absorption show a p-value of 0.05. The test results show that the assumption that implementation affects budget absorption is accepted and supported by empirical evidence. Accepting or proving the second hypothesis while answering the second research question. Testing the second hypothesis (H2) turned out to have a significant effect on budget absorption. From the results of the tests carried out, implementation significantly impacts the budget absorption of the Tadulako University Public Service Commission. Budget implementation affects budget absorption. From an agency theory perspective, the better the budget is executed, the better the budget will be absorbed. This affects the performance of public service agency in carrying out their duties and functions by the planning and needs of Tadulako University. Based on the results of this study, the indicators used to measure budget execution significantly affect the budget absorption of public service institutions at Tadulako University. This shows that the budget implementation variable affects budget absorption by the Public Service Agency of Tadulako University. This study's results align with previous research conducted by Salwah (2019) and Nugroho dan Alfarisi (2017), which states that budget implementation positively and significantly affects budget absorption. In reality, implementations still accumulate and will be realized in TW III and TW IV. This must be anticipated by related parties to pay more attention to the sustainability of the implementation to avoid accumulating at the end of the year. The role of agency theory in budget implementation is very important, especially how, where, and by whom, to achieve budget absorption goals. This affects the agent's performance (management) by the objectives and activity plans set by the principal.

The Influence of Human Resources (HR) on Budget Absorption. The results of hypothesis testing obtained a p-value <0.001. The hypothesis is confirmed, and HR has a significant influence on budget absorption. Nawawi (2001) said that human resources work as personnel or employees in an organization. HR is part of the determining factor for organizational operations. This can be seen when humans become a workforce and utilize their physical and psychological potential to the maximum to realize organizational goals. The results of the third hypothesis research (H3) prove that there is a significant influence on budget absorption. From the results of the tests carried out, it is proven that human resources have a significant influence on budget absorption at the Public Service Agency at Tadulako University. This study's results align with previous research conducted by Ramdhani dan Anisa (2017) and Priatno (2013), which state that human resources positively and significantly affect budget absorption. Based on the results of the analysis previously described, human resource indicators, namely the quality of human resources, quantity of human resources, and education and training certification, show a relationship between human resources and budget absorption. The focus of the Public Service Agency at Tadulako University in improving the quality of human resources is based on the things mentioned above. Improving the quality of human resources at the Public Service Agency at this time began to be a concern of Tadulako University by being implied through providing rewards for good performance and clear penalties for its resources, facilitating for employees who take part in training/certification according to their duties and positions and providing a clear job description so that they are responsible for their respective jobs. This effort is expected to provide added value for employees, especially supporting work performance to improve the quality of human resources in increasing budget absorption. Agency theory in matters such as controlling and improving human resources performance is the duty of every person in charge (principal), whose base begins with determining the right employee for the right function. Each person has different experience, education and skills to complete a particular task. If there is a mismatch in the ability or expertise of human resources (agents) with what the principal wants, there will be problems in campus organizations, including budget management. Based on the realization of the budget, which always accumulates activities in TW 4, making HR not optimal in dealing with activities in that TW, it is necessary to equalize the activities in each TW so that HR can carry out activities properly.

CONCLUSION AND SUGGESTION

Based on the results of hypothesis testing in this study, the conclusions are as follows:

1. The research results on Public Service Agency Budget Absorption at Tadulako University show that Planning, Implementation, and Human Resources can explain or provide information on budget absorption by 69.9%, and the remaining 30.1% are explained by other variables not examined in this study.
2. Planning positively and significantly influences the budget absorption of the Public Service Agency at Tadulako University.
3. Implementation positively and significantly influences the budget absorption of the Public Service Agency at Tadulako University.
4. Human resources have a positive and significant influence on budget absorption.

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