



The Influence of Budget Planning And Human Resources on Budget Absorption at The Bali State Polytechnic

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Abstract—The research objective was to analyze the influence of budget planning on budget absorption and human resources on budget absorption at the Bali State Polytechnic. Sources of data used in this research are primary data and secondary data. Primary data was collected directly using questionnaires, observation, and interviews. Meanwhile, secondary data related to the budget ceiling and realization. The research population consisted of: heads of departments, study programs, units/centers/sections, treasurers, person in charge at the Bali State Polytechnic. The sampling technique was carried out by purposive sampling, with 50 respondents. This research type is quantitative research—data processing method with Smart Partial Least Square (PLS) application. The results showed that budget planning, human resources had a positive and significant effect on budget absorption at the Bali State Polytechnic.

Keywords—budget planning; human resources; budget absorption

I. INTRODUCTION

Failure to target budget absorption results in a loss of spending benefits because not all of what is allocated can be utilized, which means idle money occurs. The amount of the budget ceiling and realization of the Bali State Polytechnic from 2020 to 2022 can be seen in Table I.

TABLE I. BUDGET CEILING AND REALIZATION OF BALI STATE POLYTECHNIC YEARS 2020-2022

Year	Ceiling (Million Rp)	Realization (Million Rp)	Budget Absorption (%)
2020	133,552	106,934	80.07
2021	116.156	106,400	91.60
2022	145,694	129,982	89,22

The lowest percentage of absorption of the PNB expenditure budget was achieved in 2020 at 80.07%, the highest absorption of the expenditure budget of 91.60% was achieved in 2021, and in 2022, the absorption of the expenditure budget decreased to 89.22%. The development of absorption of the PNB expenditure budget from 2020 to 2022 has yet to reach the optimal budget absorption target each year. The distribution of PNB budget pin 2022 can be broken down: quarter one at 12.45%, quarter two at 37.58%, quarter three at 58.58%, and quarter four at 89.22% (PNB Finance Section, 2022). Absorption of government budgets tends to be low at the beginning of the year and accumulates at the end of the year causing inequitable absorption of the budget [1]

The indicators used in measuring the variable absorption of the budget: Absorption of the quarterly PNB expenditure budget, Absorption of the expenditure budget experienced a buildup of activities at the end of the year, percentage of absorption of the expenditure budget [2].

According to Bastian [3], A budget is a written statement in the form of a financial measure regarding future performance estimates to be achieved during a specific period, usually within a fiscal year, which will be evaluated at the end of the fiscal year to determine whether the estimated performance measures have been achieved. If the budget manager can properly prepare budget planning, then work programs/activities in one budget year will run well to achieve the budget absorption target [4]. Conversely, planning activities that are not mature will have implications for implementing activities outside the plan. Determination of budget planning with an immature planning concept determining the budget impacts work programs that do not work as desired. Budget planning could often create obstacles in its implementation, so it must be revised or cannot be realized. The indicators used to measure budget planning variables include DIPA budget preparation, programs arranged according to needs, budget plans, and timely [4].

Kennedy [5] states that individual skills are an added value for people in carrying out work with competent State Civil Apparatuses (ASN) in terms of linear education levels according to their fields, and receive regular technical training from the world of work, and develop their experience. Employees who are highly educated and have technical qualifications are easier to assimilate and can carry out good budget absorption. Research conducted at the Ministry of Kenya by Thomas [6] explains that human resources can contribute to the success or failure of an organization. The staff's skills, expertise, and experience are a

valuable asset to the organization. The indicators used in measuring human resource variables: skills, discipline, and multiple assignments [5].

Ramdhani & Anisa's research results [7] regarding the absorption of the budget in regional apparatus organizations in Banten province found that budget planning factors had a positive and significant effect on budget absorption. Salwah's research results [8] show that planning factors do not affect budget absorption. The results of the research by Ulandari, V., Akram & Santosa, B [9] show that human resources positively affect budget absorption. Research conducted by Rifai et al. [10] which states otherwise that human resources do not affect budget absorption. So there needs to be more consistency in research results for human resource factors.

II. RESEARCH METHODOLOGY

This study uses quantitative research. The population in this research is the spending treasurer, head/secretary, head of the study program, head/head of unit/center/section/unit, and person in charge (PIC) within the Bali State Polytechnic. The recommended number of samples using the PLS-SEM processing method is between 30 and 100 Ghozali [11]. The number of samples in the study was 50 respondents using a sideways purposive technique. Primary data collection was carried out using questionnaires, observations, and interviews. The questionnaire contains closed statements that are thought to influence budget absorption at the Bali State Polytechnic and are filled out based on the perceptions of each respondent using a Likert scale with a score range of 1 to 5. Information on the range of scores: 1 = strongly disagree (SD), 2 = disagree (D), Neutral (N), agree (A), and 5=strongly agree (SA). The mean calculation results are grouped as follows: 1.00-1.80 very poor category, 1.81-2.60 poor category, 2.61-3.40 moderate category, 3.41-4.20 good category, 4, 21-5.00 very good female category [12]. Research framework as follow:

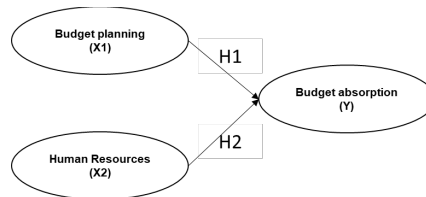


Fig. 1 Research framework

H1: Budget planning (X1) has a positive and significant effect on budget absorption (Y).

H2: Human resources (X2) have a positive and significant effect on budget absorption (Y).

III. RESULTS AND DISCUSSION

A. Results

Respondent characteristics based on: education is presented in the following Table II.

TABLE II. CHARACTERISTICS OF RESPONDENTS BY EDUCATIONAL LEVEL

Level of education	Amount	Percentage (%)
S1	10	20
S2	34	68
S3	6	12
Total	50	100

Based on Table II shows that ten respondents with an undergraduate education level, or 20%, a Masters' education level 34 people, or 68%, and a doctoral education level 6 people, or 12%. This result shows that the more dominant respondents are those with a Master's level of Education.

B. Discussions

1. Budget Planning (X1)

Respondents' responses to the influence of budget planning factors on budget absorption are presented in Table III.

TABLE III. BUDGET PLANNING

Indicator	Respondents' Responses					Means
	SD	D	N	A	SA	
1. The preparation of DIPA has	0	4	8	22	16	4.00

involved all work units						
2. Planned activities/programs are prepared as needed.	0	1	5	28	16	4,18
3. The budget plan has been prepared following the SBM	0	2	6	29	13	4,06
4. A withdrawal plan has been prepared	0	1	7	25	17	4,16

Indicator-planned activities/programs are prepared according to needs to obtain the highest mean of 4.18. The preparation of DIPA PNB has involved all work units with the lowest mean of 4,00, indicating that the preparation of DIPA PNB or operational activity programs (POK) for work units within PNB needs to be further improved, according to respondents' suggestions that an adequate number of executives follows the preparation of work programs in work units. The mean value range for budget planning is 4.00 – 4.18 belonging to the good category.

2. Human Resources (X2)

Respondents' responses to the influence of human resource factors on budget absorption are presented in Table IV.

TABLE IV. HUMAN RESOURCES

Indicator	Respondents' Responses					Means
	SD	D	N	A	SA	
1. Executors of activities have skills in doing the job	0	5	5	31	9	3.88
2. Executors of activities carry out more than one task.	0	1	8	28	13	4.06
3. Executors of activities need more discipline in carrying out their duties.	0	6	6	27	11	3.86

The indicator for implementing activities carrying out more than one task obtained the highest mean of 4.06 and the lowest mean achieved by indicators of implementing activities lacking discipline in carrying out their duties of 3.86. The low mean value of this indicator indicates that the activity implementer (PIC) has a significant role in carrying out the activities in the operational program of activities in work units in PNB. Following the respondent's suggestion that the PIC make a mature and responsible schedule in terms of physical activities and the budget, if necessary, proposes a schedule of activities so that it is faster and there is no buildup at the end of the year. In accordance suggestions from respondents expected users of funds to be more disciplined in terms of administration. The mean value range for the human resource factor is 3.86 – 4.06, belonging to the good category.

3. Budget absorption (Y)

Respondents' responses to the absorption of the PNB budget are presented in Table V.

TABLE V. ABSORPTION OF THE BUDGET

Indicator	Respondents' Responses					Means
	SD	D	N	A	SA	
1. The absorption of the quarterly PNB expenditure budget has not been proportional.	0	1	7	31	11	4.04
2. The absorption	0	2	8	26	14	4.04

of the expenditure budget experienced a buildup of activities at the end of the year.						
3. The PNB expenditure budget's absorption percentage	0	2	5	27	16	4.14

The percentage indicator of PNB expenditure budget absorption, obtaining the highest mean of 4.14. Meanwhile, the lowest mean is achieved by the indicator of absorption of the quarterly GNP expenditure budget, which is not proportional, and the indicator percentage results of the expenditure budget experienced a buildup of activities at the end of the year, obtaining the lowest mean of 4.04. The low mean of this indicator indicates that the realization of budget absorption in each quarter has yet to be carried out according to the plan for withdrawing funds; the implementation of activities is rescheduled, which can lead to a buildup of activities at the end of the year. The mean value range for the budget absorption is 4.04 – 4.14, belonging to the good category.

4. Validity and Reliability Test Results

a. Validity test

The indicators in the model are declared valid if the loading factor value exceeds 0.7. Following Fig. 1, all the loading factors of the PLS Algorithm are > 0.7.

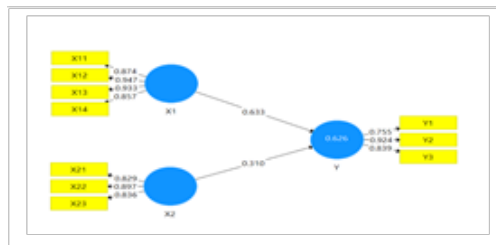


Figure 2 Outer Model SEMS PLS. Source: SmartPLS Output 3.0.8.5 (2023)

Besides being seen from the loading factor value, convergent validity can be seen from the AVE value. Convergent validity is accepted if the AVE value is above 0.5. The AVE value in each construct meets the requirements, as seen in Table VI.

TABLE VI. AVE VALUE

Variable	AVE	AVE Terms	Information
Budget Planning (X1)	0.817	>0.5	Valid
Human Resources (X2)	0.730	>0.5	Valid
Budget Absorption (Y)	0.709	>0.5	Valid

b. Reliability Test

The reliability test can be seen from Cronbach's Alpha and Composite-Reliability values with conditions > 0.7. The Cronbach's Alpha value and the Composite-Reliability value in Table VII show evidence that the research instruments are all reliable.

TABLE VII. RELIABILITY TEST RESULT

Variable	Cronbach's Alpha	Composite-Reliability	Information
Budget Planning (X1)	0.925	0.947	Reliable
Human Resources (X2)	0.838	0.890	Reliable
Budget Absorption (Y)	0.791	0.879	Reliable

5. Structural Model Evaluation

Testing the inner model (structural model evaluation) can be done through the R-Square (R²) value [11].

TABLE VIII. R SQUARE VALUE

	R Square	R Square Adjusted
Y	0.626	0.610

In Table VIII, the value of R^2 is 0.626, which means that budget absorption is influenced by budget absorption and human resources by 62.6%. Based on the R-Square value according to the criteria Sugiyono [13] shows a moderate effect of exogenous variables on endogenous variables.

6. Testing the hypothesis in this study was carried out by looking at the path coefficient values on the original sample (O), which indicates the direction of the influence of exogenous variables on endogenous variables, namely positive or negative. Exogenous variables' significant influence on endogenous variables can be seen from the t-statistic or p-value. The results of hypothesis testing are presented in Table IX.

TABLE IX. HYPOTHESIS TEST RESULT

	Original Sample (O)	t-Statistics	p-values	Information
X1 -> Y	0.633	5.998	0.000	Significant Positive
X2 -> Y	0.310	2.587	0.010	Significant Positive

a. Budget planning (X1) affects budget absorption (Y) of spending at the Bali State Polytechnic

Based on the results of the hypothesis test in Table IX, the path coefficient value (O) is obtained +0.633, meaning that the effect of the budget planning (X1) on budget absorption (Y) is positive with value 0.633. The P-value = 0,000 < 0.05 indicates that the budget planning (X1) has a significant effect on budget absorption (Y). So that the budget planning (X1) has a positive and significant effect on budget absorption (Y) spending at the Bali State Polytechnic. The results of this study support the results of the study Ramdhani & Anisa [7] regarding the absorption of the budget in regional apparatus organizations in Banten province, found that budget planning had a positive and significant effect on budget absorption. The results of this study are in line with the results of the research of Syahwildan, Muhamad, and Irma Damayanti [14], namely that budget planning have a positive and significant effect on budget absorption in the regional government area of Bekasi Regency.

b. The influence of human resource on budget absorption at the Bali State Polytechnic

Based on the results of the hypothesis test in Table IX, the path coefficient value (O) is obtained +0.310 of, meaning that the influence of the human resource (X2) on budget absorption (Y) is positive with value 0.310. P-value = 0.010 < 0.05 so that the human resource (X2) has a significant effect on budget absorption (Y). These results indicate that the human resource positively and significantly affects budget absorption at the Bali State Polytechnic. The research results are in line with the research results Safpremi [15] shows that the human resource factor positively and significantly affects the absorption of the regional budget (APBD) of the Pasaman Regency government. The results of this study support the results of the study B. Ulandari, V., Akram & Santosa [9] shows that human resources have a positive effect on budget absorption.

IV. CONCLUSION

Budget planning positively and significantly affects budget absorption at the Bali State Polytechnic. Human resources positively and significantly affect budget absorption at the Bali State Polytechnic.

Preparation of work programs in PNB work units so that a sufficient number of implementing staff (PICs) are followed so that the work program can be implemented properly following the fund withdrawal plan (RPD) that has been prepared. The PIC makes a mature and responsible schedule in terms of physical activities, and the budget, if necessary, proposes a schedule of activities so that it is faster and there is no buildup at the end of the year.

The implication of good budget planning is disciplined human resources, being responsible for proportional quarterly budget absorption, and reducing activities' build up at the fiscal year's end.

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