

Analysis of Factor Affecting Budget Absorption of the Local Government Organizations in Asahan Regency

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ABSTRACT

This study aims to evaluate and analyze whether budget planning, budget execution, quality of human resources, organizational commitment, the process of procurement of goods/services, and bureaucratic reform affect budget absorption. The population of this study were 31 Regional Apparatus Organizations (OPD) in Asahan Regency. The sampling technique used is *purposive sampling*, namely the Head of Regional Apparatus Organizations as budget managers, Head of Sub-Division of Finance and Commitment Making Officers in Regional Apparatus Organizations as many as 93 (ninety-three) respondents. This study uses primary data. The data analysis method used is multiple linear regression analysis using *Statistical Product and Service Solution* (SPSS) software. The results showed that budget planning, the quality of human resources, organizational commitment, and the procurement process of goods/services had a positive and significant effect on budget absorption. Budget implementation does not affect budget absorption, and bureaucratic reform negatively and significantly affects budget absorption. Other results of budget planning, budget execution, quality of human resources, organizational commitment, the procurement process of goods/services and bureaucratic reform simultaneously have a positive and significant effect on budget absorption.

Keywords: Budget Planning, Budget Execution, Quality of Human Resources, Organizational Commitment, Goods/Services Procurement

Process, Bureaucratic Reform, Budget Absorption

INTRODUCTION

APBD is one of the most important parts of Indonesia's regional financial management. Regional financial management is the stage that must be carried out in managing the authority and responsibility of local governments so that financial management meets economic, efficient, effective, transparent and accountable principles. According to Law Number 23 of 2014 concerning Regional Government, decentralization is a new paradigm in government management, which contributes greatly to change, especially in managing regional finances. However, in implementing its budget, the Indonesian government is always faced with a classic problem, namely the problem of budget absorption. The problem of low budget absorption is still a major problem in managing state finances. Almost every half of the fiscal year, many parties argue about the low absorption capacity of the budget absorption.

Table 1. Budget Realization of District Apparatus Organizations Asahan Year 2013-2014

Year	Budget	Realization	%
2013	1.459.726.781.278	1.143.614.491.115	78,34%
2014	1.561.447.373.523	1.388.135.949.419	88,25%
2015	1.564.968.449.604	1.393.705.779.748	89,18%
2016	1.670.441.954.000	1.501.954.305.763	89,00%
2017	1.550.420.215.653	1.025.580.301.193	56,90%
2018	1.597.200.490.453	1.594.700.490.455	78,07%
2019	1.798.422.321.053	1.778.430.103.253	73,34%
2020	1.811.810.443.639	610.700.018.021	36,8%

Source: BPKAD of Asahan Regency

The Asahan Regency Government is less than optimal, and the absorption pattern is less proportional. The budget absorption percentage shows that the budget absorption level is still low. The amount of budget absorption is still below 90%. It should be budget absorption can approach 100% annually. The low absorption of the budget in 2020 reached 36.8% because there were still ODP of the Asahan Regency who had not realized the budget. Only 12 OPD had realized the value of 50%. According to the Head of Communications and Information Technology of Asahan Regency, Rahmat Hidayat Siregar, the low absorption of the APBD is due to the impact of COVID-19. Based on the phenomenon of low budget absorption that occurs in Indonesia, especially in Asahan Regency and the inconsistency of previous research, the authors are interested in conducting research under the title "Analysis of Factors Affecting Budget Absorption of The Local Government Organization in Asahan Regency".

LITERATURE REVIEW

1. Budget Absorption

Budget absorption is a measure that shows the extent to which the government has achieved the financially planned goals. Budget absorption is important in achieving national goals for improving and maintaining the population's welfare. Budget absorption capacity is considered good and successful if the realization of budget absorption follows the realization of physical work that can be completed, assuming the actual physical work is relatively the same as the planned completion target (Nugroho & Ananda, 2013). Budget absorption is measured by how much budget can be absorbed each year (Kuswoyo, 2011). Meanwhile, Anisa (2017) Research results of Ulfa Lia Syarifah (2014), Muda and Handayani (2017) Asniarti (2020) budget planning, quality of human resources and budget execution have a positive effect on budget absorption.

2. Budget Planning

Planning is the way an organization sets its goals. Planning includes activities and tactics and also includes operational aspects. In this case, organizational planning and accounting provide historical and predictive information that facilitates planning. Planning is very important to anticipate conditions in the future. The budget planning process has four objectives, namely: 1) Assisting the government in achieving its financial goals and improving coordination between departments within the government; 2) Help create efficiency and fairness in providing public goods and services by prioritizing processes; 3) Make it possible for the government to meet spending priorities; 4) Increase the transparency and accountability of the government to the DPR/DPRD and the public.

3. Budget Execution

Implementation of regional apparatus organization budget is the basis for budget execution to achieve functions, programs, and activities to achieve objectives. Regional financial managers must prepare a plan document for withdrawing funds for each work unit and an estimate of revenue. The document in question is the Budget Implementation List (DIPA) or a work unit within the local government called the Budget Implementation Document (DPA). DPA is the level of how well DPA plans are made to be used as a basis for budget implementation (Suwito, 2017). For public sector organizations, the budget is not only an annual plan but also a form of accountability for managing public funds entrusted to them. Based on the results of the budget absorption *survey* conducted by the Directorate General of Treasury, it can be seen that the document aspect of budget implementation is one of the factors causing the low budget absorption. Several other studies have also examined the relationship between the quality of budget documents and budget absorption. Seftianova and Adam (2013), show that the quality of DIPA

positively affects the quality of budget absorption. It is following the findings of Siswanto and Rahayu (2010) and, Maman and Soffan (2017), Asniarti (2020) that aspects of budget documents affect budget absorption.

4. Quality of Human Resources

The quality of human resources is one of the main factors determining whether or not a government's planning and implementation process are good. It is also shown by how the community as workers use their physical and psychological potential to achieve the goals of government organizations (institutions) as well as possible. The better the quality of an OPD's human resources as *stewards* of client programs and activities, the better the budget absorption will be because human resources in the organization already understand the basics of their work and functions. Some OPDs do not maximize budget absorption because they cannot maximize their resources. Herriyanto (2012) found that human resource factors significantly affect budget absorption. It is followed by research by Utomo (2014), Maman and Soffan (2017) and Thomas (2018), showing that employee competence affects budget absorption.

5. Organizational Commitment

According to Kreitner and Kinicki in Putu and I Wayan (2017), organizational commitment is an agreement to do something for oneself, other individuals, groups or organizations. Organizational commitment is defined as a strong desire to remain a member of the organization, work hard according to organizational goals and accept the values and goals of the organization (Luthans, 2005). Organizational commitment is built on employee beliefs or values, willingness to help realize organizational goals, and loyalty to remain members of the organization. Meyer, Allen and Smith (1993) formulate three dimensions of

organizational commitment: Affective Commitment, Normative Commitment Continuance Commitment. Research results from Ponti et al. (2016), Luh et al. (2019) Purtanto (2015) reveal that organizational commitment has a significant effect on budget absorption. Alumbida et al. (2016) and Asniarti (2020) show different results where organizational commitment has a positive but insignificant effect on budget absorption.

6. Procurement of goods and services

Procurement of goods and services is an activity to obtain goods and services by regional officials financed by the APBD, whose process starts from planning needs until the completion of all activities to obtain these goods and services. Bastian (2010:263) explains that the procurement of public goods and services is the essence of the tasks of public sector organizations, the main proportion of public expenditure at each level of the public sector organization is the procurement of goods and services and construction activities. Halim (2017) stated that activities that directly touch the interests of the community, the earlier the implementation of activities, the benefits and effects of the stimulus will also be greater. The absorption of the budget for the procurement of goods and services is generally very slow in its realization and often accumulates at the end of the year. The slow absorption of the budget for the procurement of goods and services occurs due to the long auction process. It is because several technical and non-technical processes must be carried out and go through the procedures established by law. Conflicts during the auction process further aggravated the time needed to implement the budget (Arif, 2012). Sudarwati, Karamoy & Pontoh (2017) argue that the factor of goods/services procurement that is not good is one of the factors that can affect

the accumulation of budget realization. They found several problems related to the procurement of goods/services that could hinder the budget realization process: (1) procurement officials with very limited certificates. The results of Gagola *et al.*'s research (2017) and Rahim & Saputra (2018) found that the auction process for the procurement of goods and services is the most important factor in the accumulation of budget absorption at the end of the fiscal year.

7. Bureaucratic Reform

Bureaucratic reform is interpreted as a fundamental paradigm and a shift in governance. Bureaucratic reform includes changes in the structure and repositioning of the bureaucracy, changes in the political and legal system as a whole, changes in the mental attitude and culture of bureaucrats and society, and changes in mindsets and the commitment of the government and political parties (Prasojo & Kurniawan, 2008). Regulation President Number 81 the Year 2010 About *Grand Design Reform Bureaucracy 2010-2025* and Permenpan-RB Number 11 of 2011 concerning Criteria and Measures of the Success of Bureaucratic Reform. Therefore, the implementation of bureaucratic reform is very important to support the acceleration of budget absorption because bureaucratic reform aims to improve administrative procedures in the government bureaucracy, increase the use of government finances, and increase accountability for the performance of government agencies. The results of research by Szabo (2011), Utomo (2014), Maman and Soffan (2017), Berocan and Sanday (2012) and, Kanayo and Kizito (2014), Asniarti results (2020) reveal that bureaucratic reform has a positive effect on budget absorption.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

Research is a data collection media. The data used are primary data using a

questionnaire given directly to respondents who become the research sample, namely the Head of OPD, Head of the Finance Sub-Section, and Commitment Making Officers in the Asahan Regency Regional Apparatus Organization. Data management from the questionnaire results is quantitative and then processed by the *Statistical Product and Service Solution* software (SPSS).

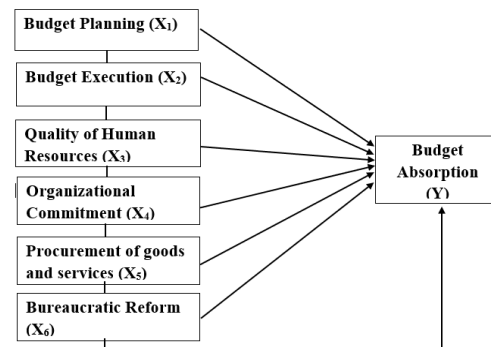


Figure 1. Conceptual Framework

Hypothesis

1. Planning has a significant effect on the absorption of work unit budgets.
2. Budget implementation affects the absorption budget.
3. The quality of human resources has a significant positive effect on budget absorption.
4. The procurement of goods and services positively affects budget absorption.
5. Bureaucratic reform affects the absorption budget.
6. Planning, budget execution, human resources, and procurement of goods/services simultaneously and partially negatively affect the accumulation of budget absorption.

RESEARCH METHODS

1. Questionnaire Distribution

Table 2. Questionnaire Distribution

No	Information	Return Questionnaire	Percentage
1	Shared Questionnaire Completely filled out	93	100%
2	questionnaire	93	100%
3	Questionnaire not filled	-	-
4	Questionnaire used in research	93	100%

Source: Data processed by researchers (2022)

Based on the data in Table 2, the questionnaire's return follows a predetermined schedule, with a percentage rate of return of 100%. In this case, all distributed questionnaires can be used as data for research.

2. Descriptive Statistics

Table 3. Descriptive Statistics Table

Variable	N	Min	Max	Mean	Std. Deviation	Category
Budget Planning (X1)	93	32	52	44.38	3.435	Good
Budget Execution (X2)	93	21	35	28.23	2.740	Good
Quality of Human Resources (X3)	93	25	40	33.23	3.373	Good
Organizational Commitment (X4)	93	18	30	25.64	3.112	Good
Procurement of Goods and Services (X5)	93	12	29	21.98	4.119	Very Good
Bureaucratic Reform (X6)	93	22	45	34.22	5.084	Very Good
Budget Absorption (Y)	93	15	34	24.77	4.615	Very Good
Valid N (listwise)	93					

Source: Data processed by researchers (2022)

The results of the study from table 3 show that the overall value shown in each variable falls into 2 categories. The variables of budget planning, budget execution, quality of human resources and organizational commitment are included in the good category. Procurement of goods and services, bureaucratic reform, and budget absorption are very good. It shows that each variable has a good representation of all research data. All statements have a response range of 1 to 5. It shows a high variation between respondents and questions in one variable.

3. Validity test

A validity test is a measure that shows the validity of a research instrument in the form of a questionnaire. The question questionnaire proved valid if the value of the r-count was greater than the r-table. The value of r-count is seen from the *Corrected Column Item-Total Correlation*, and the r-table value can be seen from df (*degree of freedom*) = n-2 with a significance level of 0.05 and df 30. The r-table value is 0.361.

Table 4. Validity Test Results

Variable	Statement	r Stat	R Table	Information	
(X ₁)	X1.1	0.626	0.361	Valid	
	X1.2	0.708	0.361	Valid	
	X1.3	0.462	0.361	Valid	
	X1.4	0.415	0.361	Valid	
	X1.5	0.410	0.361	Valid	
	X1.6	0.582	0.361	Valid	
	X1.7	0.591	0.361	Valid	
	X1.8	0.527	0.361	Valid	
	X1.9	0.601	0.361	Valid	
(X ₂)	X2.1	0.691	0.361	Valid	
	X2.1	0.565	0.361	Valid	
	X2.3	0.712	0.361	Valid	
	X2.4	0.802	0.361	Valid	
	X2.5	0.379	0.361	Valid	
	X2.6	0.684	0.361	Valid	
(X ₃)	X3.1	0.596	0.361	Valid	
	X3.2	0.437	0.361	Valid	
	X3.3	0.756	0.361	Valid	
	X3.4	0.622	0.361	Valid	
	X3.5	0.684	0.361	Valid	
	X3.6	0.549	0.361	Valid	
	X3.7	0.613	0.361	Valid	
(X ₄)	X3.8	0.407	0.361	Valid	
	X3.9	0.507	0.361	Valid	
	X4.1	0.619	0.361	Valid	
	X4.2	0.583	0.361	Valid	
	X4.3	0.773	0.361	Valid	
	X4.4	0.776	0.361	Valid	
	X4.5	0.721	0.361	Valid	
	X4.6	0.647	0.361	Valid	
	(X ₅)	X5.1	0.759	0.361	Valid
		X5.2	0.598	0.361	Valid
		X5.3	0.423	0.361	Valid
		X5.4	0.773	0.361	Valid
X5.5		0.742	0.361	Valid	
X5.6		0.749	0.361	Valid	
(X ₆)	X6.1	0.790	0.361	Valid	
	X6.2	0.797	0.361	Valid	
	X6.3	0.565	0.361	Valid	
	X6.4	0.804	0.361	Valid	
	X6.5	0.698	0.361	Valid	
	X6.6	0.786	0.361	Valid	
	X6.7	0.714	0.361	Valid	
	X6.8	0.722	0.361	Valid	
	X6.9	0.671	0.361	Valid	
(Y)	Y1	0.363	0.361	Valid	
	Y2	0.529	0.361	Valid	
	Y3	0.711	0.361	Valid	
	Y4	0.888	0.361	Valid	
	Y5	0.596	0.361	Valid	
	Y6	0.399	0.361	Valid	
	Y7	0.883	0.361	Valid	

Source: Data processed by researchers (2022)

4. Reliable Test

A questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent or stable. According to Nunnally (1994), the questions are declared reliable (feasible) if Cronbach's alpha > 0.6.

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Reliable Limit	Description
Budget Planning (X ₁)	0.625	0.60	Reliable
Budget Execution (X ₂)	0.673	0.60	Reliable
Quality of Human Resources (X ₃)	0.765	0.60	Reliable
Organizational Commitment (X ₄)	0.771	0.60	Reliable
Procurement of Goods and Services (X ₅)	0.755	0.60	Reliable
Bureaucratic Reform (X ₆)	0.891	0.60	Reliable
Budget Absorption (Y)	0.745	0.60	Reliable

Source: Data processed by researchers (2022)

5. Classical Assumption Test

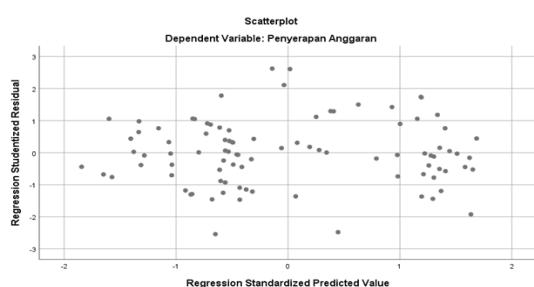
1. Normality test

The normality test is declared normal if the significance value is greater than 0.05. shows that the significant value of *Asymp. Sig (2-tailed)* is 0.200, and it can be concluded that the data is normally distributed.

2. Multicollinearity Test

The test results show that the Tolerance value of each independent variable is greater than 0.10, and the *Variance Inflation Factor (VIF)* is entirely smaller than 10. Thus, it can be concluded that the tested regression model does not occur multicollinearity.

3. Heteroscedasticity Test



The scatterplot graph shows residual data distribution and does not form clear or random patterns, with graphs spreading above and below the zero Y axis. It can be identified that the regression model does not have heteroscedasticity problems.

6. Hypothesis Test

a) Independent Variable Hypothesis Testing and Dependent Variable.

This study uses multiple linear regression analysis models based on the proposed hypothesis.

Table 6. Testing of Independent Variables and Dependent Variables

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	16.937	5.905			2.868	.005
Budget Planning (X ₁)	.194	.095	.144		2.031	.045
Budget Execution (X ₂)	.270	.166	.160		1.622	.109
Quality of Human Resources (X ₃)	.170	.081	.129		2.109	.046
Organizational Commitment (X ₄)	.382	.127	.270		3.000	.006
Procurement of Goods and Services (X ₅)	.426	.103	.380		4.156	.000
Bureaucratic Reform (X ₆)	-.524	.104	-.577		5.043	.000

Source: Data processed by researchers (2022)

Based on the results of the independent and dependent hypothesis tests that have been carried out, the research model is as follows:

$$Y = 16.937 + 0.194 X_1 + 0.270 X_2 + 0.170 X_3 + 0.382 X_4 + 0.426 X_5 + 0.524 X_6 + e$$

Table 7. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 ^a	.581	.552	3.08995

Source: Data processed by researchers (2022)

Based on table 7, it is known that *R Square* is 0.581. it shows that the variables of budget planning, budget execution, quality of human resources, organizational commitment, the process of procurement of goods/services and bureaucratic reform affect the variable of budget absorption as the dependent variable of 58.1%. The adjusted R² value of 0.552 means that budget absorption as the dependent variable can be explained by budget planning, budget execution, quality of human resources, the procurement process of goods/services and bureaucratic reform of 55.2%. In comparison, the remaining 41.9% is explained by other variables not explained in the study.

b) Simultaneous Significance Test (F Test)

This test is used to determine whether the independent variables together can affect the dependent variable. The decision-making is the significance level used = 5% to test the hypothesis using the F statistic, which means that the error probability can only be smaller or equal to 5%. If it is greater, then the variable is not feasible to use.

Table 8. F Statistics Test

Model	ANOVA ^a				
	Sum of Square	Df	Mean Square	F	Sig.
1 Regression	1139.147	6	189.858	19.885	.000 ^b
Residual	821.111	86	9.548		
Total	1960.258	92			

Source: Data processed by researchers (2022)

Based on table 8 above, the results of the F test = 19,885 and a significant value of 0.000 is smaller than = 0.05. It can be concluded that budget planning, budget execution, quality of human resources, organizational commitment, the procurement process of goods/services and bureaucratic reform simultaneously affect budget absorption.

c) Individual Significance Test (t-Test)

The t-statistical test shows how far one independent variable individually explains the variation of the dependent variable. The steps in making decisions for the t-test are to look at the significant value. If the value of sig < 0.05, it can be concluded that the independent variable partially has a significant effect on the dependent variable or the hypothesis is accepted, and vice versa.

Table 9. Partial test (t-Test)

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
	1 (Constant)	16.937	5.905			
Budget Planning (X ₁)	.194	.095	.144		2.031	.045
Budget Execution (X ₂)	-.270	.166	-.160		1.622	.109
Quality of Human Resources (X ₃)	.170	.081	.129		2.109	.046
Organizational Commitment (X ₄)	.382	.127	.270		3.000	.006
Procurement of Goods and Services (X ₅)	.426	.103	.380		4.156	.000
Bureaucratic Reform (X ₆)	-.524	.104	-.577		-5.043	.000

Source: Data processed by researchers (2022)

It can be concluded that the results of the partial test (t test) of each independent variable are as follows.

- The budget planning variable (X₁) influences budget absorption. This can be seen from the t-count 2.031 > t-table 1.661 with a significant value of 0.045 < 0.05. This test indicates that H1 is accepted. It can be concluded that the budget planning variable has a positive and significant effect on budget absorption. SiLPA (Sqrt_X2) partially has a significant effect on the dependent variable, or the hypothesis is accepted.
- The budget implementation variable (X₂) does not affect budget absorption. It can be seen that the t-count is 1.622 < t-table 1.661 with a significant value of 0.109 > of 0.05. This test shows that H₂ is rejected. It can be concluded that the budget implementation variable has no significant effect on budget absorption.
- The variable quality of human resources (X₃) influences budget absorption. It can be seen in the table above, which shows that the significant value is 0.046 < from 0.05 and t-count is 2.109 > t-table is 1.661 then H3 is accepted. It means that the quality of human resources positively and significantly affects budget absorption.
- The budget commitment variable (X₄) influences budget absorption. This can be seen from the t-count 3,000 > t-table 1,667 with a significant value of 0.06 < 0.05. This test shows that H4 is accepted. It means that the variable quality of human resources has a positive and significant effect on the budget absorption variable.
- The variable of the procurement process of goods/services (X₅) has a statistical value of t-count 4.156 > t table 1.661 with a significant value of 0.000 < 0.05. This test shows that H5 is accepted. It means that the variable of the procurement process of goods/services

has a positive and significant effect on budget absorption.

- The bureaucratic reform variable (X_6) influences budget absorption. It can be seen from the t-count $-5.043 > t$ -table 1.661 with a significant value of $0.000 < 0.05$ from the results H_6 is accepted. It means that the bureaucratic reform variable has a negative and significant effect on budget absorption.

RESULTS AND DISCUSSION

Budget Planning Affects Budget Absorption.

The results of hypothesis testing (H_1) above show that budget planning affects budget absorption in the regional apparatus organization of Asahan Regency. It can be seen that the coefficient obtained is positive, so if there is an increase in the budget planning variable, the budget absorption variable will increase, and vice versa. The results of this study are in line with the research of Puluala (2021) and Ferdinan et al. (2020), Kadek Putri et al. (2017), Purtanto (2015), Zarinah (2015), Heriyanto (2012) in the study found that the results of budget planning had a positive and significant effect on budget absorption. Based on respondents' answers to the OPD of Asahan Regency in the planning process involving all parties involved in the activity program, preparing the OPD budget using instruments such as performance indicators and performance results. So preparing the OPD budget follows the needs and main functions of the OPD.

The results of this study are supported by agency theory. According to Bergman and Lane (1990), agency theory can be applied in public organizations. He said modern democracies based on principal-agent relationships are very important for analyzing public policy commitments. The same thing was stated by Moe (1984), who explained the economic concept of public sector organizations using agency theory. This result aligns with Mardiasmo (2002) that the context of the public sector means

that in the management of local government, there is an agency relationship between the community as the principal and the local government as the agent.

Budget Execution Affects Budget Absorption

From the results of testing the research hypothesis, it is found that implementing the budget does not affect the absorption of the budget in regional apparatus organizations in Asahan Regency. The budget implementation system for the Asahan Regency regional apparatus organization, the budget that was prepared well, was not implemented on time. It is the cause that the budget absorption process is not carried out effectively and efficiently. This problem has been confirmed based on interviews with the OPD of Asahan Regency. Several OPDs cannot carry out program activities in a timely, effective and efficient manner due to the pandemic in recent years. It has caused the budget implementation to be not achieved based on the planning that has been designed. According to Jensen and Meckling (1976), this study is supported by agency theory, stating that agency relationships can occur in all entities that rely on explicit and implicit contracts as a reference for participant behaviour institutions. Referring to Law no. 32 of 2004, The law states that regents and mayors are responsible for planning, implementing and being accountable for government programs.

The results of this study are in line with the research results of Putri (2014), Syarifah (2015), Atmanegara (2017), Marlina et al. (2019), Sasmita et al. (2020) and Puluala (2021), showing that budget execution has no significant effect on budget absorption.

Quality of Human Resources Affects Budget Absorption

Based on the results of hypothesis testing, it is found that the quality of human resources has a positive and significant effect on budget absorption in the regional apparatus organization of Asahan Regency. It proves

that this variable has a role in budget absorption in regional apparatus organizations in Asahan Regency. The research results state that human resource quality affects the OPD budget's absorption in Asahan Regency. The government is the most important component in budget absorption as the maximum steward in managing human resources. It is also proven based on the results of the tabulation of respondents showing that the quality of human resources in the government environment in the Asahan district has skills and good expertise in carrying out tasks and responsibilities. It can be seen from the respondent's education level of 76% for the undergraduate education level and 23% for the master's education level, followed by HR who attended the training/training related to the budget by 56%. It indicates that the respondents have extensive knowledge and the higher quality of human resources in the regional apparatus facilitates the program. The activity is running and has implications for the absorption of the regional budget. The theory of stewardship supports the results of this study. It states that the existence of local government as an institution that can be trusted can accommodate the community's aspirations. It can provide good service to the public and good governance so that the government always tries to improve the components that improve the quality of resources.

It is in line with the results of research conducted by Arif and Halim (2013), Herriyanto (2012), Maman and Soffan (2017), Thomas (2018), Asniarti (2020), Puluala (2021), and Viki et al. (2021) said that the quality of human resources has a positive and significant effect on budget absorption.

Organizational Commitment Affects Budget Absorption

Based on the results of hypothesis testing that has been carried out, there is evidence that organizational commitment affects budget absorption in the Asahan district

regional apparatus organization, so the hypothesis (H4) is proven true. In addition, based on observations and data obtained from the research object through respondents' answers, the average respondent gives the perception of agreeing in assessing organizational commitment in each OPD of Asahan Regency. Organizational commitment is the self-actualization of organizational loyalty through willingness or willingness to try to be part of the organization and proud to be part of the organization. The measure used to measure organizational commitment refers to affective, normative and sustainable commitment indicators. The results of this study are in line with the research of Kadek et al. (2017), Alumbida et al. (2016) and, Ponti (2016), Zarinah, Abdullah (2016), who obtained the results that organizational commitment had a positive and significant effect on budget absorption. This study supports the theory used in this study, namely stewardship theory, which states that all government actions as stewards are not motivated by individual goals but rather are aimed at their main goal, namely for the benefit of the organization. The government will act with full awareness, responsibility, and wisdom to gain credibility or public trust.

The Procurement Process of Goods/ Services Affects Budget Absorption

The test results state that procuring goods/services positively and significantly affects budget absorption in regional apparatus organizations in Asahan Regency. The results of this study indicate that the better the procurement of goods/services, the greater the absorption of the budget in each OPD of Asahan Regency. The same results were also stated by Ledy S et al. (2015), Syakhrial (2018), Dahana (2020), and Viki et al. (2021), which stated that the process of procuring goods/services had a major influence on budget absorption.

This study supports the agency theory, which explains that the procurement of

goods/services is necessary for implementing government activity programs with that the procurement of goods/services will affect the budget absorption. The procurement of government goods and services is a very important activity for the realization of development. From a different point of view, the progress of Asahan Regency cannot be separated from these activities.

Bureaucratic Reform Affects Budget Absorption

Reform has a negative and significant impact on the organization of the regional apparatus of the Asahan district. The results of the study are in line with Utomo (2014), Ledy S (2015), Ulfa (2015), and Asniarti (2020) and get the results that bureaucratic reform has a negative effect on budget absorption. This result underscores that bureaucratic reform in the Asahan district OPD has not yet been able to gain internal strength to become agents of change. It can be caused by unpreparedness to respond to the transformation of values with broad dimensions so that they will impact various complex development problems. With many obstacles and challenges, the law on bureaucratic reform remains a reference for the government. Implementing bureaucratic reform has an important role in realizing good governance, by enhancing/strengthening any changes, identifying problems, finding solutions and expanding the scope of implementation of bureaucratic reform. All efforts and hard work are nothing but to bring a clean and accountable government bureaucracy, an effective and efficient bureaucracy and a bureaucracy that has quality public services. Bureaucratic reform is a mechanism for success and efficiency in carrying out activities to achieve certain goals or objectives. The conditions or circumstances in the local government will greatly affect whether it runs smoothly. Based on the tabulation of respondents on the variable of bureaucratic reform with structuring the HR apparatus system by 36%, supervision reaching 44%,

structuring management by 51%, strengthening accountability reaching 48% and in order to measure the level of satisfaction of improving public services that have been obtained from respondents by 77%. Based on respondents' answers, various legal procedures have been followed in the bureaucratic environment. Research theory supports theory stewardship. The theory assumes a relationship exists between government organizations and the goal to be achieved, namely the welfare of the community.

Budget Planning, Budget Execution, Quality of Human Resources, Organizational Commitment, Procurement Process of Goods/Services and Bureaucratic Reforms Affect Budget Absorption

Based on the research hypothesis above, budget planning, budget execution, quality of human resources, organizational commitment, the procurement process of goods/services and bureaucratic reform have a significant effect. The test results in this study indicate that budget planning, budget execution, quality of human resources, organizational commitment, procurement of goods/services, and bureaucratic reform significantly influence budget absorption in regional apparatus organizations in the Asahan district. The significant effect is shown in table 5. 20 With these results, the hypothesis of budget planning, budget execution, quality of human resources, organizational commitment, the procurement process of goods/services and bureaucratic reform simultaneously significantly affect budget absorption. The theory in this study is strongly supported by the influence of all independent variables on the dependent variable. It is supported by the agency and stewardship theory which has carried out all the principal's needs for the agent following the plan that has been designed and works effectively and efficiently. As a regulator and service provider for public needs, the government can carry out its role properly to advance the

region and carry out economic development to the fullest.

CONCLUSIONS AND SUGGESTIONS

Conclusion

1. Budget planning positively and significantly affects budget absorption in regional apparatus organizations in Asahan Regency.
2. Budget implementation does not affect budget absorption in regional apparatus organizations in Asahan Regency.
3. The quality of Human Resources has a positive and significant effect on budget absorption in regional apparatus organizations in Asahan Regency.
4. Organizational commitment has a positive and significant effect on budget absorption in regional apparatus organizations in Asahan Regency.
5. The procurement process of goods/services has a positive and significant effect on budget absorption in regional apparatus organizations in Asahan Regency.
6. Bureaucratic reform negatively and significantly affects budget absorption in regional apparatus organizations in Asahan Regency.
7. Budget Planning, Budget Execution, Quality of Human Resources, Organizational Commitment, Procurement Process of Goods/Services and Bureaucratic Reform have a positive and significant impact on budget absorption in regional apparatus organizations in Asahan Regency.

Suggestion

1. The limitation of this study is that it only examines OPD in Asahan Regency, so it only reflects OPD in Asahan Regency and cannot generalize to all OPD conditions in other Regencies.
2. The scope of this research is limited to certain variables, so it is still possible to look for other variables related to budget absorption.

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