



DETERMINANT FACTORS AFFECTING TRAINING BUDGET ABSORPTION PERFORMANCE: A CONCEPTUAL MODEL

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ABSTRACT

Human resource is one of the important component for any organizations, not only within the government but also in non-government or private sector. The role of human resources as a major component not only in planning activities but also as a driving force, and controlling the activities of the organization in order to achieve the desired target. In the governmental environment as evidence of advancing aspects of the quality of human resources, is the existence of bureaucratic reform related to the management of civil servants, where bureaucratic reform in Indonesia has been carried out since the government launched the grand design of national bureaucratic reform through Presidential Regulation No. 81/2010 so that bureaucratic reform efforts can be more directed and sustainable. Competence is defined as the underlying characteristics of a person relating to the effectiveness of one individual performance in his work or the basic characteristics of an individual who has a causal relationship or as a cause and effect with criteria that are used as a reference, effective or excellent or superior performance in the workplace or in certain situations. Performance is the result of quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to them. This indicates that the organization must be able to give responsibilities to employees in accordance with the ability or expertise in carrying out the work. Employee performance is a function of the interaction between ability and motivation. This paper is a proposed conceptual model to find out what factors affecting budget absorption and how much it affects institutional performance.

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INTRODUCTION

Human resource is one of the important component for any organizations, not only within the government but also in non-government or private sector. The role of human resources as a major component not only in planning activities but also as a driving force, and controlling the activities of the organization in order to achieve the desired target. In the governmental environment as evidence of advancing aspects of the quality of human resources, is the existence of bureaucratic reform related to the management of civil servants, where bureaucratic reform in Indonesia has been carried out since the government launched the grand design of national bureaucratic reform through Presidential Regulation No. 81 of 2010 so that bureaucratic reform efforts can be more directed and sustainable.

The enactment of Law Number 5 Year 2015 concerning State Civil Apparatus as an implementation of bureaucratic reform is expected to bring significant changes in the institutional, career system and performance benefits for civil servants. Some of the changes made are related to the system of recruitment, coaching and career development which includes a high position filling system through open promotion. This makes career patterns more transparent and provides fair opportunities for civil servants who have the competence and professional position to occupy accordingly.

Civil Servants are Indonesian citizens who meet certain conditions, that appointed as Servants of the State Civil Apparatus on a permanent basis by the Civil Serving Officer to occupy certain governmental positions. High demands of competence and performance are important keys for every civil servant worker. Explained through the Government Regulation of the Republic of Indonesia Number 11 Year 2017 Regarding Management of Civil Servants in Chapter V career development that Competency Development, and Career Management Information Systems must be carried out by applying the principles of the Merit System. Merit System is the policy and management of the State Civil Apparatus based on qualifications, competencies, and performance in a fair and reasonable manner regardless of political background, race, color, religion, origin, gender, marital status, age, or disability conditions. Thus each Civil Servants need to have technical competence, managerial competence, and Social Cultural competence.

Competence is defined as the underlying characteristics of a person relating to the effectiveness of one individual performance in his work or the basic characteristics of an individual who has a causal relationship or as a cause and effect with criteria that are used as a reference, effective or excellent or superior performance in the workplace or in certain situations [1]. Competence is very important in an organization. With the competence, organizations can determine the standard of knowledge, expertise, work ability of a person in a particular field, and can be used as a selection for the purposes of promotion. The existence of competence also makes it easier for organizations to describe how someone is performing and mapping employees. It is from this apparent competency that organizations become more aware of how a person is responsible, solving problems, adjusting their behavior to organizational priorities and goals, controlling themselves when facing problems and so on.

Based on the measurement of competence as well, it can be seen what kind of competencies need to be developed in each employee so that their performance can be improved. Employees who have good performance can help the organization in achieving the goals set by the organization.

Performance is the result of quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to them. This indicates that the organization must be able to give responsibilities to employees in accordance with the ability or expertise in carrying out the work. Employee performance is a function of the interaction between ability and motivation [2-3]. There are many factors that affect employee performance such as educational background that is not suitable for work, low employee commitment, low employee motivation and high workload [4].

Workload is one of the factors that affect employee performance which is a group or a number of activities that must be completed by an organizational unit within the specified time [5]. Minister of Home Affairs Regulation No. 12/2008 states that workload is the amount of work that must be borne by a position or organizational unit and is the product of work volume and time. If the worker's ability is higher than the demands of the job, boredom will emerge. But on the contrary, if the ability of workers is lower than the demands of the job, more fatigue will emerge.

Workloads that assigned to employees can be categorized into three conditions, workloads that are in accordance with standards, workloads that are too high, and workloads that are too low. The number of tasks and responsibilities given to an employee causes the results achieved to be less than optimal because employees only have a little time to complete many tasks. If this happens, it will have an impact on the performance of the employees themselves and will have an impact on the performance of an organization.

In government organizations, one of the assessment of organizational performance is measured by the level of budget absorption in the implementation of the budget. Problems with the absorption of the budget that are not in accordance with the targets set experienced by many agencies or government agencies not only at the central level but also in various regions in Indonesia. Every time at the end of the year, the budget is almost always an interesting discussion about budget absorption. The failure of the target budget absorption indeed results in the loss of expenditure benefits, because not all of the funds allocated can be used, which results in idle money. If the allocation of efficient funds, the limited source of funds owned by the state can be optimized to fund strategic activities. Limited sources of state revenue require the government to prioritize activities and allocate budgets that are effective and efficient. When the absorption of the budget fails to meet the target, it means that there has been an inefficiency and ineffectiveness of the budget allocation. If the government want to be more proportionate in assessing budget absorption, it should also be seen from the budget absorption target that was prepared at the beginning, whether it is on target or not[6].

Many factors influence the delay in absorption of the budget, including the planning process, the implementation process, the

process of procurement of goods and services, to the internal factors of budget users. The government has tried to accelerate the process of budget absorption, among others by improving institutions, improving business processes, structuring human resources to improving income or remuneration to improve service performance, especially related to the budget absorption process [7].

The phenomenon of budget absorption performance problems also occurs at the Center for Community Training Development, Ministry of Villages, Disadvantaged Regions and Transmigration, as seen from the S curve pattern which illustrates the gap between the target and the realization. In accordance with the main tasks and functions of the Center for the Development of Community Training in the field of training, one that contributes to the deviation of the performance of budget absorption in the Center Training Development is the deviation of the absorption performance of the training budget. This deviation reflects that the performance of the absorption of training budget is not optimal because the process is not exactly according to plan. This will have an impact on the performance assessment of Center Training Development and rescheduling the training schedule which will shift resulting in other activities. Considering that the performance of the proper budget absorption is very important, it is necessary to analyze what is the cause of the deviation that reflects the suboptimal performance of the training budget absorption.

LITERATURE REVIEW

Attribute Theory

The attribute theory is a theory that explains a person's behavior and studies the process of how a person interprets an event, reason or cause of behavior. This theory refers to how a person explains the causes of other people's behavior or himself which will be determined whether from internal factors such as nature, character, attitudes, etc. or externally such as the pressure of certain situations or circumstances that will give effect to individual behavior [8-9]. Attribution theory in this context is widely used by researchers to explain the assessment of organizational performance by budget organizers. Attribution relates to valuation and explains how a budget organizer behaves. The ability of budget organizers to achieve organizational goals is largely determined by internal attribution, where the factors that determine the ability of more comes from within the budget organizers. Abilities can be formed through one's efforts such as increasing competence by searching for knowledge, motivation and many more. Based on the description of the attribute theory above, it can be related to the phenomena that occur among budget organizers that the behavior originating from within the organizer of the budget such as competence, knowledge, motivation or encouragement as well as the perception or nature of individual self greatly affects organizational performance. Lack of competence and motivation from within the organizer of the budget can be one factor inhibiting the low performance of budget absorption. This can be seen from the level of basic understanding of the administration of state finance is very minimal. Thus it can affect the behavior of budget organizers due to limited work ability and lack of motivation from within to carry out all tasks and work, which will lead to low budget absorption performance.

Human Resource's Competencies

The success of an organization in achieving a goal is largely determined by the quality and ability of Human Resources that are employed in it. In public sector organizations, the role of Human Resources is more emphasized on the ability to provide the best service to the community, so that the organization still has a reputation for superior and accountable performance in the eyes of the community. Therefore, Human Resources competence at every level of management becomes urgent both the level of leadership and government staff. Competence is a basic characteristic of individual behavior related to criteria for effective reference and or superior performance in a job or situation. In other words, competence is the basic foundation of people's characteristics and identifies how to behave or think, equate situations, and support for long periods of time [10-11]. Determination of the level of competence is needed in order to know the level of performance expected for either a good or average category. Determination of the required competency threshold can certainly be used as a basis for the selection process, succession of planning, performance evaluation and development of Human Resources. Someone who has competence will work with their knowledge and skills so that they can work easily, quickly, intuitively, and with experience can minimize possible future mistakes[12].

Budget Absorption Rate

Measurement of absorption of work unit budget is the proportion or percentage of the total budget that has been realized in one budget year against the amount of the budget ceiling [13]. However, measuring absorbency requires more than just comparing available funds and actual expenditure. Even if 100 percent of the allocated budget is spent, there may be absorptive constraints that have caused the reallocation of funds or failure to implement the work plan [14]. Referring to macroeconomic theory, governmental spending is one element to maintain a country's economic growth. Budget absorption, especially spending on goods and services, has a significant influence in driving economic growth. Each government agency must regulate its expenditure so that it runs smoothly and can support the success in achieving national development goals. Budget absorption is not required to reach 100%, but budget absorption is expected to be able to meet at least more than 80% of the budget that has been set. High and low absorption of the budget in a government agency to measure performance of these agencies. The performance of the public sector will be

assessed based on the achievement of budget targets, how much has been achieved. Performance appraisal is done by analyzing the difference or the difference between actual and budgeted performance [15].

Performance-Based Budgeting

Performance-based budgeting in the Regional Government is based on the issuance of Decree of the Minister of Home Affairs No. 29/2002 which contains guidelines for making performance budgets, budget execution, and reporting on budget implementation. This regulation was perfected by the issuance of Law Number 17/2003 on State Finances which explained that work plans and budgets were based on work performance to be achieved or based on performance. Government Regulation No. 58/2005 was ratified and further elaborated with Domestic Regulation No. 13/2006 last amended by Minister of Home Affairs Regulation No. 21/2011 describing ABK as an effort to improve the budgeting process in the public sector. Good budgeting will provide a basis for performance measurement and produce valid and accurate performance information, so that it can be used as material for preparing performance reports as a control tool. Performance-based Budgeting has been defined as procedures intended to strengthen links between the funds provided to public sector entities and their outcomes and outputs through the use of formal performance information in resource allocation decision-making [16]. Performance-based budgeting, which is supported by good governance and competent implementers, is considered capable of reducing corruption, and regain the sense of trust from society. In practice, performance-based budgeting is seen to be able to improve a systematic budgeting process which links the desired results on the basis of state policy with the mission and level of agency spending.

CONCEPTUAL MODEL

This study is the type of qualitative study. This study uses data in the form of qualitative data, for example the data in the form of words, sentences, schematics, and images. By using this descriptive research and qualitative approach, the researcher aims to make systematic, factual, accurate descriptions of the facts and phenomena that exist. The focus of qualitative research is not intended to make generalizations from the results of his research. Research subjects become informants who will provide various informants who will provide various information needed during the research process.

Research Design

This study aims to identify the process and result of budget absorption realization at Center for Community Training Development which is repeated over the past 3 years, is shown by the pattern of deviations in the S curve between targets and the realization of training budget absorption. This study used the total of 10 informants, each is a person in charge for annual budget and spending at Center for Community Training Development. The data used in this study is a primary data. The data used in this study is primary data, and obtained from continuous observation, in depth interviews, and documentation study. And based on the description above, the proposed research design is as follow.

Figure 1: The Conceptual Model

Conclusions

This paper is a proposed conceptual model to find out what factors affecting budget absorption and how much it affects institutional performance.

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