



Factors Influencing Budget Absorption in Government Working Units: A Literature Review on Budget Planning, Competence of Human Resources, and Use of Information Technology

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Abstract— This study conducts a literature review regarding the influence of factors on budget absorption in Government Work Units (Government Work Units). The factors studied were budget planning, competence in human resources (HR), and the use of information technology. From the results of the literature review, it was found that budget planning has a positive and significant influence on budget absorption. HR competence also has a positive effect, although several studies have found that the effect is not always significant in the procurement of goods and services. The use of information technology, especially the SIMonev application, has also proven to have a significant effect on budget absorption. In addition, other factors such as technological task suitability, administrative records, organizational commitment, and the bureaucratic environment also affect budget absorption. Taking these findings into account, it is recommended for budget managers to improve careful budget planning, quality human resources, and the use of information technology in order to increase the level of absorption of the budget in government spending units.

Index Terms— Budget Planning, HR Competence, Use of IT, Government Working Units.

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INTRODUCTION

Implementation of Law Number 22 of 1999 which was revised to Law Number 32 of 2004 concerning Regional Government or better known as the Regional Autonomy Law and Law Number 25 of 1999 which was revised to Law Number 33 of 2004 concerning Balance Finance between the Central Government and Regional Governments has brought about fundamental changes in the administration of governance, especially in terms of managing state finances, and is the first step in the emergence of Regional Autonomy. Regional autonomy gives authority to local governments to allocate financial and material resources independently for different functions [1].

In line with this view, Vincent Lemius also stated that regional autonomy is freedom or authority in making political and administrative decisions in accordance with higher laws and regulations. Laws on Regional Government and on Financial Balance between the Central Government and Regional Governments give hope that the government can improve effectiveness and efficiency in administering government, taking into account the relationship between the structure of government and the regional government system, regional potential and diversity, as well as challenges in global competition. In addition, the government is expected to accelerate community welfare through improving services, empowering community participation, and increasing regional competitiveness [2].

In the context of implementing these autonomous regional functions, one of the aspects that need to be carefully regulated by regional governments is the issue of budgeting and its management. A budget in general can be defined as a detailed plan regarding income and use of financial and other resources in a certain period [4]. Meanwhile, according to Robert D. Lee et al. [3] A budget is a document or set of documents that refers to the financial condition of an organization (family, company, government), including information about income, expenses, activities and goals.

Local governments, just like the central government, are also responsible for managing the budget which is carried out in one fiscal year. The initial steps in regional financial management include planning, implementing, administering, reporting, accountability, and regional financial supervision [2]. In practice, all forms of regional revenues and expenditures must be recorded and

managed in the Regional Revenue and Expenditure Budget (APBD) in accordance with Permendagri Number 13 of 2006. APBD includes resources obtained and spent by local governments in the context of carrying out decentralization tasks. The low rate of absorption of the budget exceeding the budget ceiling is still a problem in several government work units. Absorption of the budget that does not reach the target causes funds to be delayed or even not distributed to the public, hinders economic growth, and interferes with the planned performance of APBD policies for the economy in general. Low budget absorption also has a negative impact on public services and development funded by the public budget.

There are two perspectives regarding the low absorption of the budget. First, in terms of the amount of budget realization at the end of the year compared to the total budget. Second, in terms of disproportionate budget absorption in one budget period [5]. In the context of developing countries like Indonesia, the phenomenon of low absorption of the budget is often referred to as "slow back-loaded," meaning that absorption of the budget is low at the beginning to the middle of the fiscal year, but spikes sharply at the end of the fiscal year [6][7].

The problem of low budget absorption has a significant impact on economic growth, employment, poverty alleviation, and sustainable development. To overcome this problem, good budget planning, adequate human resource competence, and the use of appropriate information technology are key factors in increasing the absorption rate of the budget [9][10][11].

Several previous studies have also examined the factors that influence budget absorption in Government Work Units (Government Work Units). The results of research by Eko Saryanto [8] stated that budget planning factors, HR competencies, and the use of information technology have a significant effect on the level of budget absorption. Another study by Anfujatin [9] also found that the lack of good planning, lack of human resource competence, and minimal use of information technology were the main factors for the low absorption of the budget in government work units. Meanwhile, Hendra [12] explained that by optimizing these three factors, it is hoped that budget absorption can run proportionally and budget goals can be achieved properly.

Based on the inconsistency of previous research results, this research was again carried out with the aim of re-examining the effect of budget planning, human resource competence, and the use of information technology on budget absorption. In the context of this research, a comprehensive literature review will be carried out to gain an in-depth understanding of budget planning, HR competencies, and the use of information technology as factors that influence budget absorption in Government Working Units. By collecting and analyzing various previous studies, it is hoped that this research can provide deeper insights and effective solutions in increasing budget absorption in Government Working Units.

Through a literature review approach, this study will analyze various articles, scientific journals, books, and other relevant sources to identify findings and conclusions from previous studies. The results of this research are expected to contribute to the Government Working Units in increasing the efficiency and effectiveness of budget management, as well as providing input for local government policies in an effort to achieve sustainable development.

2 RESEARCH METHODS

The research method used in this article is a literature review. A literature review is a research approach that focuses on collecting, analyzing, and synthesizing various sources of literature that are relevant to the research topic. In the literature review method, researchers search and select articles, journals, books, and other scientific publications related to the factors that influence budget absorption in the Government Working Units, especially regarding budget planning, human resource competencies, and the use of information technology, as outlined in the table matrix. Next, the researcher analyzed the content of the collected literature to identify key findings, disagreements, and contributions of previous research to the topic.

3 RESULTS

With the literature review method carried out, then presented in the following table.

Table 1. Literature Review Matrix

No	Researcher Name	Year	Topic	Research methodology	Research result
1	Hendra Pong-silurang [12]	2022	The Influence of Budget Planning, Competency of Human Resources and Use of Information Technology on Budget Absorption in North Toraja Regency Bappeda	Quantitative approach is used in this research. Data was collected and analyzed using numerical data to identify the effect of budget planning, human resource competence, and the use of information technology on budget absorption in North Toraja Regency Bappeda.	Budget planning, HR competence, and the use of information technology affect budget absorption

No	Researcher Name	Year	Topic	Research methodology	Research result
2	Halim, et al. [13]	2012	Identification of the factors causing the low absorption of district/city regional budget revenues and expenditures (APBD) in Riau province in 2011.	Using mixed methods, namely quantitative and qualitative approaches.	Each district and city in Riau Province has different factors that result in low Absorption of the 2011 Regional Revenue and Expenditure Budget (APBD) Human resource competency does not have a positive effect on budget absorption related to the procurement of goods/services.
3	Ruddy Mantiri, et.al [14]	2018	The Influence of Budget Planning, Employee Competence and Information Technology on Budget Performance at Sam Ratulangi University, Manado	The method used is quantitative with data collection using surveys or questionnaires and data analysis using statistical techniques to examine the relationship between these variables.	Budget Planning has a positive and significant effect, Employee Competence has a positive but not significant effect and Information Technology has no effect on budget performance.
4	Journalists and Supomo [15]	2002	The influence of the suitability of Technology Tasks and IT Utilization factors on the Performance of Public Accountants	Using a qualitative approach by analyzing data from interviews or case studies to understand the extent to which technology is compatible with the tasks performed by public accountants and the impact of IT utilization on individual performance.	There is a match between the technology and the tasks it supports with good individual performance. Although not supported empirically, the use of Information Technology has a positive impact on individual performance.
5	Malahayati, Islahuddin and Basri [16]	2015	The Influence of Human Resource Capacity, Budget Planning and Budget Execution on Budget Uptake of Regional Work Units (SKPD) in Banda Aceh City Government	This study uses a quantitative approach with data collected through surveys or questionnaires to examine the effect of human resource capacity, budget planning, and budget execution on budget absorption in the Regional Work Units (SKPD) in the City Government of Banda Aceh.	Simultaneously the three independent variables affect budget absorption.
6	Priatno and Khusaini [17]	2013	Analysis of Factors Influencing Budget Absorption in Work Unit Blitar KPPN Payment Scope	This study uses a quantitative approach by collecting data and statistical analysis to test the effect of budget planning on budget absorption in the Blitar KPPN Payment Scope Work Unit.	Planning has a significant influence on the absorption of work unit budgets.
7	Sulaeman, et al [18]	2011	Absorption of the Budget in the Indonesian Ministry of Finance and Influencing Factors	This study uses a qualitative or mixed approach by analyzing relevant data and identifying factors that influence budget absorption in the Indonesian Ministry of Finance.	Good and comprehensive activity planning is the most important factor influencing budget absorption in the Ministry of Finance of the Republic of Indonesia.
8	Anfujatin [8]	2019	The Influence of Budget Planning, Administrative Recording, Human Resources, Organizational Commitment and Bureaucratic Environment on Absorption of PNPB Budget for Vital Object Security Activities at Riau Police Working Units Variable	This study uses a quantitative approach by collecting data through surveys or questionnaires to examine the effect of budget planning, administrative records, human resources, organizational commitment, and bureaucratic environment on the absorption of the PNPB budget for securing vital objects in the Satker of the Riau Regional Police.	Variables of budget planning, administrative records, human resources, organizational commitment have an effect on budget absorption while bureaucratic environment variables have no effect on budget absorption in vital object security activities at the Riau Police Satker

From the results of the literature review above, several findings were found related to the influence of certain factors on budget absorption in various government agencies or institutions. The following are some of the main findings that can be identified from these studies:

1. Budget Planning Factor: The majority of studies conclude that budget planning has a positive and significant influence on

budget absorption. The better the budget planning, the better the absorption rate of the budget. Careful planning can help ensure that work programs or activities run well and achieve budget absorption targets.

2. **Competence of Human Resources (HR):** Several studies have found that competence of HR has a positive influence on budget absorption. However, there is also research which concludes that HR competence does not always have a significant effect on budget absorption related to the procurement of goods/services.
3. **Use of Information Technology:** In several studies, it was found that the use of information technology, such as the SIMonev application, has a significant effect on budget absorption. The use of information technology can ensure the implementation of activities goes according to plan and facilitate monitoring and evaluation of projects or programs.
4. **Other Factors:** In addition to the three factors above, there is also research that identifies other factors that influence budget absorption, such as suitability for technological assignments, administrative records, organizational commitment, and the bureaucratic environment.

In general, the literature review shows that budget planning, HR competencies, and the use of information technology are critical factors that can affect the level of budget absorption in various government agencies. Good management of these factors can help increase the efficiency and effectiveness of budget use and achieve better budget goals and targets.

4 DISCUSSION

4.1 The Influence of Budget Planning on Budget Absorption

Based on the results of the literature review that has been carried out, it can be seen that budget planning has a significant positive effect on budget absorption. The results of testing the budget planning variable (X1) on the budget absorption variable (Y) show a regression coefficient value of 0.238 with a significance level of 0.000, which indicates a strong influence between the two [12]. That is, the better the budget planning is done, the higher the level of absorption of the budget achieved.

These results are in accordance with the findings of several previous studies. Dadan Ramdhani's research [19] found that budget planning is one of the important factors influencing the absorption of the development budget in the Banten Province Regional Apparatus Organization. Apart from that, Malahayati's research [16] also revealed that planning factors had an effect on delays in budget absorption in the SKPD Work Unit of the Banda Aceh city government. In research on regencies/cities in Riau Province in 2011 it was also found that budget planning that was not carried out properly could cause delays in budget approval and have an impact on low budget absorption.

Thus, it is important for budget managers to ensure that budget planning is carried out carefully and in accordance with the principles of good planning. With good budget planning, it is hoped that programs and activities in one budget year can run smoothly, so that the budget absorption target can be achieved properly too.

4.2 The Effect of Human Resource Competence on Budget Absorption

Based on the results of the literature review, there are findings indicating that there is a positive and significant influence of human resource competence (HR) on budget absorption in Government Working Units. The results of testing the human resource competency variable (X2) show a low level of significance (0,000) and a regression coefficient value of 0.287, indicating that the higher the competence of HR, the level of budget absorption will increase [12]. Thus, the more professional and qualified the human resources occupying positions in the Regional Apparatus Organization (OPD) in the region, the easier it will be for the organization's goals, including budget absorption, to be achieved.

Previous research also supports these findings, such as Rumenser's research [20] which found that the lack of human resource capacity was a factor in delaying budget absorption in the Manado City Government. Other studies, such as Zarinah's research [10], also reveal that the quality of human resources influences the level of budget absorption in other regions.

Thus, it is important for the Government Work Units to ensure that the Regional Apparatus Organizations have qualified human resources, with adequate educational backgrounds, often attend education and training, and have experience in management. This will have a positive impact on increasing budget absorption in the region, in accordance with the findings of the analysis showing that the quality of human resources has a strong impact on increasing budget absorption in the Government Working Units.

4.3 Effects of the Use of Information Technology on Budget Absorption

Based on the results of the literature review, research shows that there is a positive and significant effect of the use of information technology (X3) on budget absorption (Y) in the scope of government. The results of testing the variable use of information technology show a low significance level (0.000) and a regression coefficient value of 0.296, indicating that the use of information technology has a positive effect on the budget absorption process [12].

From a review of various previous studies, it was concluded that budget absorption in government work units is highly dependent on the use of information technology, both hardware and software. Respondents stated that the budget absorption process, starting from collecting data on budget proposals for each work unit, income and expenditure plans, to the preparation of planning and budget execution documents, cannot be separated from the use of information technology through the SIMonev application (software). The importance of information technology in ensuring timely and efficient budget absorption processes is also supported by previous studies, such as research by Hullah [21], Riyanti [22], and Pratikyo [23] who show that the use of

information technology plays a role in increasing the effectiveness of budget absorption by producing timely information. This timeliness is one dimension of the effectiveness of budget management.

Thus, the results of this study are in line with previous literature and confirm that the use of information technology is an important factor in increasing budget absorption within the Government Work Units.

5 Conclusion

Based on the results of the literature review above, several findings can be identified related to the influence of certain factors on budget absorption in various government agencies or institutions. The majority of research concludes that budget planning has a positive and significant influence on budget absorption. Competence of human resources (HR) is also identified as a factor that has a positive influence on budget absorption, although several studies have found that the effect is not always significant in terms of procurement of goods/services. In addition, the use of information technology, such as the SIMonev application, has proven to have a significant effect on budget absorption in several studies. In addition to these three factors, there are also other factors that affect budget absorption, such as suitability of technology tasks, administrative records, organizational commitment, and bureaucratic environment. Overall, budget planning, HR competence, and the use of information technology are critical factors that can affect the level of budget absorption in government agencies. Good management of these factors will help increase the efficiency and effectiveness of budget use and achieve better budget goals and targets.

6 SUGGESTION

Suggestions for a literature review regarding the influence of factors on budget absorption, namely after collecting related articles, categorize the findings of each study based on the factors studied. For example, findings on the impact of budget planning, HR competence, and use of information technology can be grouped separately.

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