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The Effect of Budget Planning, Budget Implementation, the Competency of Human Resources and Understanding of Regulation on Village Financial Budget Absorption with Organizational Commitment as Moderating Variable

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Abstract: *This study aims to examine and analyze the effect of budget planning, budget implementation, the competency of human resources and understanding of regulation on Village Budget Absorption with organizational commitment as moderator. The population in this study is 136 villages in Bengkalis Regency and the sample was determined by Saturated Sampling technique. The Village Chief, Village Secretary (Sekdes), Planning and Finance Section participated as respondent. Data were analyzed by using Moderated Regression Analysis. The results of this study shows that budget planning, budget implementation, the competency of Human Resources and understanding of regulations affect the village budget absorption. Furthermore, the result shows that organizational commitment strengthens the effect of village financial budget absorption.*

Key Words: *Budget Planning, Budget Implementation, Competency of Human Resources, Understanding of Regulations, Village financial Budget Absorption, Organizational Commitment*

Introduction

The Ministry of Villages, Development of Disadvantaged Regions and Transmigration (Kemendes PDTT) recorded that the absorption of the Indonesian Village budget as a whole in 2017 reached 98.54 percent or Rp 60 trillion and continued to increase reaching 99 percent or Rp 60 trillion in 2018 (TribunNews.com - Jakarta). This is not in line with what is happening in Bengkalis Regency where the absorption of Village budget (DD) and Village budget Allocation (ADD) has decreased from 2017 to 2018.

According to the data obtained by the Village budget absorption (DD) in 2017 reached 81.50 percent or 88 billion and decreased in 2018 to 71.82 percent or 82 billion. The absorption of Village budget Allocation (ADD) in Bengkalis Regency also decreases every year, where in 2017 the budget absorbed by 96.04 percent or by 171 Billion and decreased in 2018 to 87.56 percent or 127 Billion (Community and Village Empowerment Agency of Bengkalis Regency).

The data above shows that the achievement of budget absorption has not been optimal. Failure to absorb the budget will result in loss of expenditure benefits, because not all of the budget that allocated can be utilized. If the budget allocation is efficient, then the limited source of budget owned by the state can be optimized to budget the strategic activities (Herriyanto, 2012).

The maximum budget absorption without being accompanied with well planning can be said as something that is almost impossible to be realized (Halim, 2014). Planning is an important element in an organization, whether in a public or private organization. Planning is a reference and determination of all activities that need and will be carried out to achieve the goals and objectives have been set (Ledy et al, 2016). For organizations, goals that have been set and then formulated into planning are a means that can help organizations be easier to achieve organizational performance targets in accordance with the vision and mission of the organization (Locke, 1996). Therefore, each organization must formulate the concrete and proactive steps in a comprehensive planning so that budget targets and government performance are easily to be realized (David, 2010).

The village government plays an important role in developing and advancing the village. In the context of the implementation of village authority for the purpose of organizing government, implementing the development of village, community development, and community empowerment), so the BPD, as a Village Community Institutions, community leaders, religious leaders and other elements of the village community are the stakeholders who has the right to get information about how the village government runs the government. This is because those who are identified will benefit and will be affected by the village development goals as mentioned above (Deegan, 2004 in Yuniarti, 2007).

In carrying out the responsibility to manage the village, the performance of the Village Government will be assessed based on the achievement of budget targets (Mardiasmo, 2009). The achievement of budget targets can be seen from the ability of budget absorption. The budget absorption is considered good if the budget absorption in accordance with the target of the planned work completion.

According to Arif and Halim (2013) budget planning that is prepared carefully and rationally with due regard to the ability to implement the budget plan will cause the work program/activities to run well in one budget year, so that the target of budget absorption can be achieved. Otherwise, if the budget planning has not been done well and not in accordance with the principles of budget planning, it will result in delays in the approval of the budget (Ulfa, 2013). These delays can make the on the government work programs will not run, which will indirectly have a negative impact on government performance such as the level of budget absorption that has not been maximized (Arif, 2013).

The results of Bakara's study (2000) found a positive and significant effect of budget planning on budget absorption. The results of this study are in line with the findings of Sulaeman, et al. (2011), Kuswoyo (2011), Herryanto (2012), Suakadi (2012), Priatno (2013), Zarinah (2015) and Malahayati (2015), Nina et al. (2016), Ledy et al. (2016) and Anfujatin (2016) who also found that planning factors affects the budget absorption. But the results of the above studies are different from Seftianova (2013) and Helmy Adam (2013) and Ahmad Rifai (2016) which show that planning has no effect on budget absorption.

One of the government's efforts to meet the needs of the community is through the implementation of the budget. The budget implementation process includes the process of procurement of goods and services, as well as the payment mechanism (budget disbursement) process. These three things affect the size of the absorption of the financial budget (Malahayati, 2015).

For the village government, the more effective the role of the village government in implementing the budget is, the more effective the absorption of the village financial budget. Regulation of the Minister of Home Affairs No.113 of 2014 explained that in the implementation of activities in the village, the Village officers must calculate the time, record the expenditures on the burden of activity expenditure by using an activity cash handbook as the responsibility for implementing the activities so that village financial absorption can be more optimal.

The implementation of the budget has a positive effect on the budget absorption (Dadan and Indri (2017). In general, the implementation of programs and activities in the village is quite good, but the implementation of programs and activities has not been carried out on time in accordance with the budget planning, so that it is necessary to implement the budget according to the plan so that the village financial budget is absorbed. The empirical evidence in the field shows that budget implementation has a significant effect on budget absorption (Herriyanto 2012; Albulescu and Goyeau, 2013).

In addition to budget implementation, human resource competence is absolutely needed so that budget management can be carried out well. The government as an organizational unit in managing its organization effectively and efficiently requires the support of human resources (HR) who have the competency to carry out their tasks. This is due to qualified human resources can support local governments to carry out the service function to the community, including in the management of regional finances.

According to Yunita (2016) human resources are indeed an important element in organizations. Competence human resources will be a distinct advantage for village government organizations as well as supporting competitiveness in the era of globalization in facing the environment and social society that is always increasing dynamic change (Putri, 2014). Resource competence does have an important role in increasing the capacity of the village budget. The more competent the human resources, the better their performance in realizing the village budget, so that the budget can be proportional and budget objectives can be achieved (Zarinah, Darwanis, and Abdullah, 2016).

An equally important factor in budget absorption is the understanding of regulations. According to some practitioners and the previous study in some government institutions show that one of the causes of the occurrence of inaction in terms of expenditure absorption due to the many rules that change rapidly, thus making a part of the budget implementation is somewhat constrained in the implementation of an activity.

The Minister of Home Affairs had amended the Minister of Home Affairs Republic of Indonesia Regulation No.113 of 2014 concerning Village Financial Management to the Republic of Indonesia Minister of Home Affairs No.20 of 2018 concerning Village Financial Management. The changing rule forces Village officers to understand the new Regulation of the Village, so that in carrying out activities are in accordance with the rules that have been set and budget absorption can be optimized.

Research conducted by Arif (2013) on the identification of the factors that causing the lack of absorption of the district / city budget (APBD) in Riau Province found that Understanding the Regulation is a factor that dominates the causes of the lack of budget absorption.

Referring to the results of previous studies, there are inconsistencies in results that affect budget absorption. These factors are budget planning, budget implementation, the competency of human resource (HR). Besides that there are also other situational factors that interact with each other in affecting a particular situation. Where these factors can strengthen or weaken the relationship or explain the position of other factors. One of the factors that are believed to be able to affect the relationship is organizational commitment. Good organizational commitment that is owned by the budget manager, will enable managers to be easier to communicate, disclose and provide local (personal) information that is known to be included in the standard or as a basis for evaluating a budget (Merchant, 1981).

The higher the organizational commitment of an individual, the higher the willingness to optimize the potential owned (Parker, 1996). Commitment to the organization will cause a person's trust on the values of the organization, and one's willingness to support in realizing

the goals of the organization increases and loyalty to remain an organizational part of Ratifah and Ridwan, 2012).

Organizational commitment is the identification and involvement of someone who has a strong desire for the organization and willing to strive in the achieving the organizational goals (Mowday, 1982). Strong organizational commitment will encourage budget managers who participate in budget planning to mobilize all capabilities possessed for budget planning which is accurate as a guide for actions to be taken in the future. So with the commitment to the organization, members of the organization will make every effort to run the budget that has been prepared. Halim and Kusufi (2012) revealed that in village budget planning, commitment is an important part in achieving the absorption of the stipulated budget. According to the description above that the effect of budget planning on the absorption of village financial budgets is getting stronger with the organizational commitment.

The implementation of activities and programs in accordance with the specified time and budget will make the budget absorption performance be better. This effect will be stronger with the support of organizational commitment. A strong organizational commitment will encourage budget managers who participate in the implementation of the budget to mobilize all the capabilities they have for the sake of accurate budget implementation as a guide for actions to be taken in the future.

Organizational commitment is an important prerequisite for organizational success. In addition, commitment to the organization also causes employees to be willing to remain in the organization so that the existence of employees can help to implement the budget so that it will have a positive impact on budget absorption. When village officials have a high commitment to their village, then the village chief as the user of the budget and other village apparatuses with various efforts will strive to achieve the maximum budget absorption target. With a serious organizational commitment to the absorption of the budget it can improve the implementation of the budget and ultimately can increase the Absorption of the Village Financial Budget.

Rahadi and Salam (2017) proved that organizational commitment is a factor that strengthens the implementation of activities towards budget absorption. Based on the explanation above it can be seen that the effect of budget implementation on the absorption of village financial budgets is getting stronger with the existence of organizational commitment.

In the attribution theory Wexley and Gary (2005) state that the different behavior of people is affected by the ability they have. In line with this theory, Meyer and Allen (1991) suggested that basically every human in an organization wants to contribute to achieve organizational goals where to achieve these goals is affected by different commitments.

Commitment makes an individual identify himself with the organization and organizational goals, so that individual expectations to become part of the organization are higher (Robbins, 2008). Someone who has HR competence and understands the goals set by the environment / organization will always highlight the advantages and increase the capacity and capabilities possessed for the achievement of organizational goals. Therefore, a position of strong commitment on the existing organization in each person will trigger the person to be more competent in achieving organizational goals, in the village administration the goal of the organization itself is to absorb the village financial budget.

Nouri and Parker (1996) state that the higher the organizational commitment of an individual, the stronger the competence in optimizing organizational goals. Wardhana (2015) states that the commitment makes the village apparatus are more competent in absorbing village budgets. Based on the description above, the effect of HR competence on the absorption of village financial budget is getting stronger with the organizational commitment.

Organizational members who have organizational commitment will do their best by making maximum efforts for the benefit of the organization, assuming that what is important must be achieved is the achievement of one task by increasing their understanding of applicable regulations. One of the things that drives the Understanding of Regulation in absorbing budget is organizational commitment. The more clear understanding of regulation makes it easier for the recipient of the mandate (steward), with the organizational commitment in implementing programs and activities that exist in the work unit so that it is expected that budget absorption for a program and activity can be carried out faster because there is a clear legal or regulatory force so that there is no doubt

So it needs organizational commitment to understand the rules that change quickly and can affect the level of Absorption of the Village Financial Budget in the Village Government (Alimuddin, 2018). Sanjaya Research, 2018 said that the Understanding of Regulation was strengthened by the presence of organizational commitment in the budget absorption.

The phenomenon of absorption of the budget that is not maximal and not yet proportional is often happened, so it needs a study to find out the cause. This study is the extending of the research that conducted by Iqbal (2018). This research extended the previous research by added the budget implementation and understanding of regulations. This is done by considering the budget implementation and budget planning as well. Understanding of regulations is also considered important because there are often changes to regulations so that changes in regulations are sometimes not well understood by village officials, causing slow budget absorption.

This research applies attribution theory (Weiner, 1992) in developing research hypotheses. There are two main objectives of this research. Firstly, examine and analyze the effect of budget planning, budget implementation, human resource competence and understanding of regulations on the absorption of village financial budgets. Secondly, examine and analyze the role of organizational commitment as a moderating variable that strengthen the influence of budget planning, budget implementation, HR competencies and understanding of regulations on budget absorption.

Methodology

The research method is using quantitative research methods, that is research methods based on the philosophy of positivism, used to examine certain populations or samples. Sampling techniques are generally carried out randomly, data collection using research instruments, data analysis is statistical in order to test the hypotheses that have been set (Sugiyono, 2012: 7).

Based on the explanation in previous section, there are 8 hypotheses proposed:

- H1: budget planning affects the village financial budget absorption.
- H2: budget implementation affects the village financial budget absorption.
- H3: human resources competences affect the village financial budget absorption.
- H4: the understanding of regulations affects the village financial budget absorption.
- H5: organizational commitments strengthen the effect of budget planning on the village financial budget absorption
- H6: organizational commitments strengthen the effect of budget planning on the village financial budget absorption.
- H7: organizational commitments strengthen the effect of hr competences on the village financial budget absorption.
- H8: organizational commitments strengthen the effect of the understanding of regulations on the village financial budget absorption.

Population and Sample

The population of this research was 136 villages located in 11 districts in Bengkalis Regency. Sample size was determined by Saturated Sampling method, so that all villages were used as the sample.

Data Collection

This study use primary data, which is obtained directly from respondents by a questionnaire. The number of respondents was 544 (136 villages x 4 respondents). The data were obtained through a questionnaire submitted directly to the Village Chief, Village Secretary, The Planning and Financial Affairs Unit as research respondents. The completed questionnaires were then taken back again according to the agreed time. The data then analyzed by using Moderated Regression Analysis.

The Definition of Operational Variable

In this study, Budget Absorption is defined as the ratio between the budget and the realization which is a comparison between the financial expenditure used and the budget provided in government activities during a certain period. This operational definition was adopted from the definition of budget absorption made by the State Audit and Development Agency (Paris Review, 2011). This variable was measured using 8 statement items using a 5 point Likert scale.

There are 3 independent variables in this study, namely (1) Budget planning is defined as the process of determining objectives and strategies that cover all activities stated in financial units and are valid for the future. This operational definitions are adopted from Munandar (2007). This variable is measured using a 5 point Likert scale with 8 statement items. (2) Budget Implementation. In this study, the operational definition of budget implementation was adopted from the BPKP Yogyakarta Provincial Representative Magazine Paris Review (2011) Budget implementation is defined as a series of activities or activities that have been planned and can be carried out at a specified time. This variable is measured by 8 items with a 5-point Likert scale (3) The Competency of Human Resources is defined as the abilities and characteristics possessed by a Civil Servants, in the form of knowledge, skills and attitudes required for the conduct of the duties of his office. Competency variable was adopted from Republic of Indonesia's Minister of Domestic Affairs Regulation No. 108 of 2017. This variable was measured using 9 items with a 5 point Likert scale. (4) Understanding of Regulation. In this study, the operational definition of Understanding of Regulation is adopted from the Complete Indonesian Dictionary. Understanding is something that we understand and understand correctly. Whereas the definition of Understanding Regulations according to RI Law No.12 of 2011 is a written regulation that contains generally binding legal norms. So it can be said that Understanding Regulation is something that is understood by the village apparatus regarding written regulations that contain generally binding legal norms. This variable is measured by 10 questions. Each question answered correctly is given a value of 5 and an incorrect answer is given a value of 0 (zero).

Moderating Variable

In this study, organizational commitment is the identification and involvement of someone who has a strong desire for the organization and willing to strive for the achievement of organizational goals. This definition is adopted from Mowday (1982). This variable was measured using 9 items with a 5 point Likert scale.

Result and Discussions

Respondents of this study were the Village Chief, Village Secretary, Planning and Village Finance Office in Bengkalis Regency. The questionnaires were distributed as many as 544 copies and of these were 436 copies are returned or 80.1%. Based on the gender, the number of male respondents was 267 people or 61.2% and female respondents were 169 people or 38.8%. The majority of respondents in this study were in the age range of 21-30 years in which there were 129 respondents or 29.6%, ages 31-40 years which amounted to 189 respondents or 43.3%, aged 41-50 years when there were 78 respondents or 17.9 %, and above the age of 50 years amounted to 40 respondents or 9.2%. The majority of respondents had a bachelor degree (S1), namely 176 respondents or 40.4%.

Before testing the hypothesis, an initial analysis of the data has been carried out. Testing of the validity and reliability of instruments found that the instruments used were valid and reliable so that the data collected could be analyzed. Furthermore, testing of the classical assumptions for regression analysis found that the research data is free from multicollinearity problems, no homoscedasticity or heteroscedasticity was found and the distribution of data is normal. Table 1 below presents the results of Multiple Linear Regression to test the hypothesis 1 through hypothesis 4.

Table 1. Results of Regression of Budget Planning, Budget Implementation, the Competency of Human Resources and Understanding of Regulation on Budget Absorption

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.727	3.017		.241	.810
Planning (X1)	.187	.064	.116	2.930	.004
Implementation (X2)	.106	.040	.109	2.650	.008
HR Competences (X3)	.118	.039	.120	3.004	.003
Understanding of Regulations (X4)	.358	.030	.485	11.880	.000

a. Dependent Variable: Budget Absorption (Y)

The result from testing the 1st hypothesis (H1) found that the t value of Budget planning is 2.930 with the p value of 0.004 and β (unstandardized) value of 0.187. Positive β value means that the budget planning variable has a positive effect on the absorption of the village financial budget. This shows that the absorption of village financial budgets in Bengkalis Regency is affected by budget planning. Well budget planning makes the absorption of village financial budgets achievable. Thus, H1 is accepted. The result from testing the 2nd hypothesis (H2) found that the t value of budget implementation 2.650 with the p value of 0.008 and β (unstandardized) of 0.106. The β value is positive, so it means that the budget implementation variable has a positive effect on the absorption of the village financial budget. This shows that the budget implementation is done well, in accordance with the plans that have been prepared causing the budget provided can be absorbed properly. Thus, H2 is received. The results from

testing the 3rd hypothesis (H3) found that the t value of the competency of human resources is 3.004 with the p value of 0.003 and β (unstandardized) of 0.118. The β value is positive, so it means that the HR competency variable has a positive effect on the absorption of the village financial budget. This shows that the competence of human resources has a positive effect on the absorption of the village financial budget in Bengkalis Regency. Thus, H3 is accepted. The result from testing the 4th hypothesis (H4) found that the t value of understanding of regulation is 11.880 with the p-value of 0,000 and β (unstandardized) of 0.358. The β (unstandardized) value is positive, so it means that the understanding of regulation has a positive effect on the absorption of the village financial budget. Thus, H4 is accepted.

Table 2 present the results of testing the Hypothesis 5. This hypothesis is tested by using Moderated Regression Analysis (MRA) (Ghozali, 2016 and Sharma et al. 1981). The following steps are taken: X1 is regressed to Y, the t value of budget planning is 3.929 with a significant level of 0,000 (<0.05) and β (unstandardized) is 0.298. It shows that there is a positive and significant effect of the budget planning variable on the budget absorption variable (the first requirement is fulfilled because X1 has a significant effect on Y). X1 and Z1 are regressed to Y, the t value of the moderation variable (organizational commitment) is 2.955 with a significant value of 0.003 with β (unstandardized) is 0.149. This shows that there is an effect of moderating variables that is organizational commitment to the criterion variables that is budget absorption. X1, Z1 and X1 * Z1 are regressed to Y, obtained the t-value of the interaction variable (budget planning*organizational commitment) is 2.766 with a significant level of 0.000 (<0.05) and β (unstandardized) is 0.122. This shows that the interaction between budget planning and organizational commitment affect budget absorption.

Table 2. Results of Moderated Regression Analysis (MRA) to Test Hypothesis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	β		
Model 1					
(Constant)	21.359	2.904		7.354	.000
Planning (X1)	.298	.076	.185	3.929	.000
Model 2					
(Constant)	15.362	3.522		4.362	.000
Planning(X1)	.312	.075	.194	4.136	.000
Organizational Commitment (Z1)	.149	.050	.138	2.955	.003
Model 3					
(Constant)	46.480	6.377		7.289	.000
Planning (X1)	.439	.164	.335	3.277	.001
Organizational Commitment (Z1)	.375	.151	.629	4.476	.000
X1*Z1	.122	.014	.942	2.766	.000

a. *Dependent Variable:* : Village Budget Absorption (Y)

From the results present above, it proves that there is a Quasi Moderator. It means that the budget planning (X1) affects the absorption of the village financial budget (Y) and this effect will be stronger if it is moderated by Organizational Commitment (Z1), then the decision H5 is accepted.

Table 3 present the results of testing the Hypothesis 6. This hypothesis is tested by using Moderated Regression Analysis (MRA) (Ghozali, 2016 and Sharma et al. 1981). The following steps are taken:

X2 is regressed to Y, the t value of the budget implementation is 5.363 with a significant level of 0.000 (< 0.05) with β (unstandardized) is 0.243. It shows that there is a positive and

significant effect of the budget implementation on the budget absorption variable (requirement 1 is fulfilled because X2 has a significant effect on Y).

X2 and Z1 are regressed to Y, the t value of the moderation variable (organizational commitment) is 2.963 with a significant value of 0.003 (< 0.05) and β (unstandardized) is 0.147. This shows that there is an effect of moderating variables that is organizational commitment to the criterion variables that is budget absorption.

X2, Z1 and X2 * Z1 are regressed to Y, obtained the t-value of the interaction variable (budget implementation* organizational commitment) is 2.085 with a significant level of 0.038 (< 0.05) and β (unstandardized) is 0.022. This shows that the interaction between budget implementation and organizational commitment affect budget absorption.

Table 3 Result of Moderated Regression Analysis (MRA) to Test Hypothesis 6

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Model 1					
(Constant)	24.781	1.497		16.554	.000
Implementation (X2)	.243	.045	.249	5.363	.000
Model 2					
(Constant)	19.200	2.398		8.007	.000
Implementation (X2)	.248	.045	.255	5.522	.000
Organizational Commitment (Z1)	.147	.049	.137	2.963	.003
Model 3					
(Constant)	7.226	6.377		.560	.576
Implementation (X2)	1.068	.164	1.095	2.698	.007
Organizational Commitment (Z1)	.860	.151	.801	2.487	.013
X2*Z1	.022	.014	1.056	2.085	.038

a. *Dependent Variable: Village Budget Absorption (Y)*

Based on results above, it is prove that in the hypothesis H6 there is a Quasi Moderator. It means that the budget implementation (X2) effect the absorption of the village financial budget (Y) and this effect is stronger if it is moderated by Organizational Commitment (Z1), then the H6 is accepted.

Table 4 present the results of testing the Hypothesis 7. This hypothesis is tested by using Moderated Regression Analysis (MRA) (Ghozali, 2016 and Sharma et al. 1981). The following steps are taken:

X3 is regressed to Y, the t value of the HR competency is 3.998 with a significant level of 0,000 (< 0.05)with β (unstandardized) is0.185. It shows that there is a positive and significant effect of the HR competency on the budget absorption variable (requirement 1 is fulfilled because X3 has a significant effect on Y).

X3 and Z1 are regressed to Y, the t value of the moderation variable(organizational commitment)is 2.704 with a significant value of 0.007 (< 0.05)and β (unstandardized) is 0.136. This shows that there is an effect of moderating variables that is organizational commitment to the criterion variables that is budget absorption.

X3, Z1 and X3 * Z1 are regressed to Y, obtained the t-value of the interaction variable (Competency of HR*organizational commitment) is 2.164 with a significant level of 0.031 ($<$

0.05) and β (unstandardized) is 0.007. This shows that the interaction of competency of HR and organizational commitment affect budget absorption.

Table 4. Result of Moderated Regression Analysis (MRA) to Test Hypothesis 7

	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
Model 1						
(Constant)	25.898	1.723			15.027	.000
Competency of HR (X3)	.185	.046	.188		3.998	.000
Model 2						
(Constant)	20.889	2.522			8.284	.000
Competency of HR (X3)	.185	.046	.188		4.025	.000
Organizational Commitment (Z1)	.136	.050	.127		2.704	.007
Model 3						
(Constant)	11.929	4.843			2.463	.014
HR Competences (X3)	.424	.120	.432		3.546	.000
Organizational Commitment (Z1)	.392	.128	.365		3.050	.002
X3*Z1	.007	.003	.355		2.164	.031

a. *Dependent Variable:* Village Budget Absorption (Y)

Based on the results present above, it is prove that in the hypothesis H7 there is Quasi Moderator. This means that the Competency of HR (X3) affect the absorption of the village financial budget (Y) and the effect is stronger if it is moderated by Organizational Commitment (Z1), then the H7 is accepted.

Table 5 present the results of testing the Hypothesis 8. This hypothesis is tested by using Moderated Regression Analysis (MRA) (Ghozali, 2016 and Sharma et al. 1981). The following steps are taken:

X4 is regressed to Y, the t-value of the regulatory understanding is 13.186 with a significant level of 0,000 (< 0.05) and β (unstandardized) is 0.395. It shows that there is a positive and significant effect of the understanding of the regulation to the budget absorption variable (requirement 1 is fulfilled because X4 has a significant effect on Y).

X4 and Z1 are regressed to Y, the t-value of the moderation variable (organizational commitment) is 2.589 with a significant value of 0.010 (< 0.05) and β (unstandardized) is 0.112. This shows that there is an effect of moderating variables that is organizational commitment to the criterion variables that is budget absorption.

X4, Z1 and X4*Z1 are regressed to Y, obtained the t-value of the interaction variable (understanding regulation*organizational commitment) is 3.233 with a significant level of 0.001 (< 0.05) and β (unstandardized) is 0.011. This shows that the interaction between understanding of regulation and organizational commitment affect budget absorption.

Table 5 Results of Moderated Regression Analysis (MRA) to Test Hypothesis 8

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Model 1					
(Constant)	13.970	1.433		9.747	.000
Understanding of regulations (X4)	.395	.030	.535	13.186	.000
Model 2					
(Constant)	9.989	2.096		4.765	.000
Understanding of Regulations (X4)	.392	.030	.530	13.152	.000
Organizational Commitment (Z1)	.112	.043	.104	2.589	.010
Model 3					
(Constant)	29.211	6.297		4.639	.000
Understanding of regulations (X4)	.016	.130	.022	.127	.899
Organizational Commitment (Z1)	.009	.173	.400	2.483	.013
X4*Z1	.011	.004	.774	3.233	.001

a. *Dependent Variable:* Village Budget Absorption (Y)

Based on results above, it is prove that in the H8 hypothesis there is a Quasi Moderator. This means that the effect of understanding of regulation (X4) to absorption of the village financial budget (Y) is stronger if it is moderated by Organizational Commitment (Z1), then the decision H8 is accepted.

Discussions

This study reveal that Budget Planning affect significantly the absorption of village financial budget (H1). It proves that proper budget planning of financial budget of the villages in Bengkalis Regency increased the absorption of the village financial budget. Planning can indeed be said to be the most crucial stage in the context of management of budget, because all activities formulated in the planning will eventually become a benchmark for the amount of budget needs that must be provided, so that the success of management of budget starts from the planning. The results of this study are in line with the results of Bakara's research (2000) which found a positive and significant relationship between budget planning with budget absorption.

The results show that the implementation of the budget affects the absorption of the village financial budget (H2). This means that the implementation of the budget in villages in Bengkalis Regency has made the village financial budget absorbable. This shows that the implementation of the village budget has been done well, so that budget absorption is also getting better. The results of this study support the findings of Herriyanto (2012) regarding the significant effect of implementation of the budget on budget absorption.

This study found that competency of HR significantly affects the absorption of the village financial budget (H3). It indicates that the village apparatus with the enough competencies direct the budget implementation well so that it can increase the absorption of the village financial budget. The result of this study is supported by Kaharuddin (2012) who concluded that human resources have an effect on budget absorption.

This study proves that the understanding on regulations affects the absorption of the village financial budget (H4). The study revealed that the understanding of village officials about budget regulations in Bengkalis District increased the absorption of village financial budgets. This finding is in line with Arif (2013) who found that one of the factors that caused the lack of absorption of the district/city budget (APBD) in Riau Province was the lack of government officials' understanding of regulations.

Results of this study show that the organizational commitment moderates the effect of budget planning on the absorption of the village financial budget in Bengkalis Regency (H5). It can be concluded that the organizational commitment of the village apparatus as a budget planner is able to strengthen the effect of budget planning on absorption of the budget. The high commitment of village officials to their villages makes them give their best efforts and mobilize their abilities during budget planning. They also taking into account the vision, mission and needs of the village in village budget. With a well-planned budget, when the budget is implemented, the plan can be executed well so that the budget s that have been allocated can be absorbed.

The results of the research showed that organizational commitment moderates the effect of budget implementation on the absorption of village financial budgets in Bengkalis Regency (H6). With a high commitment to the organization, the village apparatus when implementing the budget will give a serious effort to realize the village budget. They will ensure that the implementation of the budget is in accordance with the plan and ensure that all activities are carried out as planned. This is done because they feel the have to give their best effort to the success of the organization, since the success of the organization is also count to their success. Therefore, the budgeted budget will be executed well. This finding support Babakus et al. (2003) that stated the importance of commitment to the organization to the optimal absorption of budget.

The results of the study indicate that the organizational commitment moderates the effect of HR Competence on the absorption of village financial budgets in Bengkalis Regency (H7). The commitment to the organization makes the members of the organization always try their best for the organization including in increasing their competence in managing village finances. The results of this study support the results of Iqbal's research (2018) which concluded that organizational commitment is able to moderate the relationship between budget planning and budget absorption.

The finding of the study indicates that the organizational commitment is able to moderate the effect of understanding of regulations on the absorption of the village financial budget in Bengkalis Regency (H8). It can be concluded that the higher organizational commitment of the village apparatus the stronger the effect of the understanding of regulations on the absorption of the village financial budget. With high commitment of village officials to the organization the more effort they give to make clear understanding of regulation especially related to the rule of management of village budget. The results of this study support Sanjaya (2018) which conclude that understanding of I financial regulations influences budget absorption.

Conclusions, Recommendation and Implication

This study has successfully prove all the hypotheses proposed. Budget planning, budget implementation, the competence of human resource and understanding of village officials on regulations are found to have a positive effect on budget absorption of the village budget. Further, analysis reveal that the effect of budget planning, budget implementation, competency of human resource and understanding of village officials on regulation causes the effect of these variables to budget absorption become stronger.

Results of this study suggest that to increase the absorption level of budget, the well planned budget, the proper implementation of budget, human resource with appropriate competency and village officials with good understanding of regulation are needed. Therefore, well-planned budget is a need. In addition, a careful and precaution need to be done during budget implementation. Village must give its attention to improve the competency of their officers by giving them chances to attend workshop, short course, seminars and etc in order to increase their competencies. Beside, the village officials also encouraged to give their attention to learn the regulations especially related to management of village budget. This is done to avoid irregularities of budget implementation and also to increase budget absorption. This study also suggests the importance of organizational commitment. Therefore, village chief has the responsibility to keep organizational commitment of his self and his officials in order to yield the best results to the village.

Even though, this study has succeeded in achieving its objectives, the generalization of these results is limited to villages in Bengkalis Regency. To provide more comprehensive result, similar research can be developed by taking samples of villages from other regency or province in Indonesia. Future research can also extend this study by adding possible moderator or mediating variable such as systems internal control, leadership style, culture and etc.

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