

The Effect of Budgetary Slack, Organizational Commitment, Compensation, Human Capital and Governance on the Financial Performance of the Bureau Facilities and Logistic Construction of the POLRI

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Abstract— This study aims to examine whether the effect of Budgetary Slack , Organizational Commitment , Compensation, Human Capital, and Governance on the financial performance of the Bureau of Logistics Facilities and Construction of the Police Headquarters (Case Study at the Bureau of Logistics Facilities and Construction at the Police Headquarters). Research is using the type of research causality approach is quantitative, which was measured by using a method based regression linear multiple with SPSS version 25.00. The population of the research this is the Institute of Logistics Police in the whole of Indonesia. The sample is determined based of Logistics Facilities and Construction of the Police Headquarters. The data used in this study are primary data. The data collection technique used a questionnaire which was distributed to 50 respondents. Testing the hypothesis by using test T and test F. The results of the study prove that (1) Budgetary Slack has an effect on the financial performance of the Police Headquarters Logistics Facilities and Construction Bureau, (2) Organizational Commitment has no effect on the financial performance of the Police Headquarters Logistics Facilities and Construction Bureau, (3) Compensation has no effect on the Facility Bureau financial performance. And Construction Logistics Headquarters of Police, (4) Human Capital affect on the performance of financial Bureau of facilities and Construction Logistics Headquarters of Police , (5) Governanceno effect on the performance of financial Bureau of facilities and Construction Logistics Headquarters Police.

Keywords—: budgetary slack, commitment to the organization, Compensation, Human Capital, Governance, and the performance of financial Bureau of Facilities and Construction Logistics Headquarters Police

INTRODUCTION

POLRI as the fourth most trusted institution by the public after the Corruption Eradication Commission (KPK), the Indonesian National Army (TNI), and the Presidential Institute. As many as 46 percent of respondents rated POLRI's performance in general as better than last year. In addition 32,7 percent rated the performance as good INP. However, as many as 10,5 percent of respondents still considered POLRI to be bad and 10.3 percent were getting worse [1].

Minister of Finance Sri Mulyani Indrawati appreciated the performance of the Indonesian National Police (POLRI) which has received six consecutive Unqualified Opinions (WTP). This can be seen from the results of the satisfactory performance audit and made the Minister of Finance Sri Mulyani Indrawati assess the Police as having extraordinary reform efforts. An extraordinary thing, the POLRI leadership already knows that times are changing, we must change and then manifest it in behavior and attitudes that result in an achievement that is maintained and maintained independently for six years, the ranks of the bureaucracy that are

serving the public with a professional, accountable, and competent character [2].

LITERATURE REVIEW

Review Research Results

Several studies have been conducted by previous researchers and academics regarding budgetary slack, norganizational commitment, compensation, human capital, governance, and financial performance of the Police Headquarters Logistics Facilities and Construction Bureau. [3] concluded that budgetary slack has a positive effect on the financial performance of public organizations due to organizational political perceptions. [4] concluded that budgetary slack has a positive effect if the value of human capital is low, where human capital is a measure of financial performance in an organization. [5] showed that budgetary slack influential negative and significant to the performance of the organization due to the disclosure of information relating to budgeting in the province of Sulawesi to the south. [6] concluded that it is different from previous researchers that budgetary slack has a negative effect if the incentive value recorded in the income statement is high, where high incentive values also encourage high financial performance.

[7] stated that the organizational commitment variable has a positive influence every 100% of changes in the organizational commitment variable will relatively increase the performance of regional financial management by 26.1% . [8] stated that the commitment of organisasi berpengaruh positif and significantly to the quality of financial statements, in which the quality of financial reports describe a transparent and accountable financial performance is high. [9] states that organizational commitment has a significant positive effect on hospital financial performance. This implies that the empowerment that employees feel by the hospital is likely to have a positive impact on their commitment to the hospital . This implies that the empowerment that employees feel by the hospital is likely to have a positive impact on their commitment to the hospital . [10] concluded that organizational commitment has a positive effect on performance as moderated by human capital. [11] stated different things from previous researchers that employee competence (human capital) and organizational commitment together affect the quality of financial statements by 25.9% and the remaining 74.1% are influenced by other factors. This figure shows the small contribution of two independent variables simultaneously to the dependent variable .

Foundation Theory

The theory underlying the concept of budgetary slack is agency theory, this theory was first put

forward by [12]. [13] budgetary slack is a budgeting process where there are deliberate distortions by reducing budgeted income and increasing budgeted costs so that budget targets can be easily achieved. This budgetary slack can occur for several reasons . Three main reasons for executives to do budgetary slack, namely (1) budgetary slack will make performance look better in the eyes of superiors if they can achieve budget targets, (2) budgetary slack is often used to overcome uncertainty in predicting the future, (3) the allocation of resources will be based on the projected cost budget, so that gaps make it flexible. Indications of a budgetary slack can only be assessed when the budget is realized. Slack occurs when the revenue realization tends to exceed the target set from the budget and the expenditure realization tends to be below the target set from the budget.

RESEARCH METHOD

Research Approach

This research is kuantitatif causality yes it's aimed to test the influence budgetary slack, compensation, organizational commitment, human capital, and governance on the performance of the National Police . This research begins by examining existing theories and knowledge so that the causes of problems arise. These problems are tested to determine whether they accept or reject them based on data obtained from the field. The data obtained from the field were in the form of a questionnaire from 50 respondents who were staff of the National Police Headquarters Logistics Facilities and Construction Bureau regarding the influence of budgetary slack on the financial performance of the Police Headquarters Logistics Facilities and Construction Bureau, the influence of organizational commitment on the financial performance of the Police Headquarters Logistics Facilities and Construction Bureau, the effect of compensation on the financial performance of the Police Headquarters Logistics Facilities and Construction Bureau , the effect of human capital on the financial performance of the Police Headquarters Logistics Facilities and Construction Bureau, and the influence of governance on the financial performance of the Polri Headquarters Logistics Facilities and Construction Bureau in the form of quantitative figures.

Primary data collection in this study by distributing questionnaires with parties related to the research carried out, namely the Head of the Facilities and Construction Bureau, 3 Heads of Divisions, 1 Associate Policy Analyst, 6 Heads of Subdivisions, 1 Head of Administrative Affairs, 3 Heads Administrative Affairs, 8 Affairs Officers, 8 Sub Division Administration Officers, 6 Division Affairs Officers, and 8 General Officers at the Bureau

of Logistics Facilities and Construction at the Police Headquarters. The data obtained is a questionnaire about the influence of budgetary slack, organizational commitment, compensation, human capital, and governance on the financial performance of the Indonesian National Police using the Likert scale as the measurement scale.

Analysis of Data

In the process of data analysis, researchers used the validity test which is a test of accuracy of measurement. A valid measuring instrument, is not only able to reveal the data accurately but also must provide an accurate picture of the data. Reliability test is used to measure a questionnaire which is an indicator of variable.

a. Normality test

This normality test aims to determine whether the sample taken comes from a normally distributed population or not. If the research data is normally distributed, the test can use parametric analysis techniques, but if the data is not normal then it uses non-parametric statistical techniques.

This study is to test whether the sample is normal or not, calculated by the One Sample Kolmogorov-Smirnov test using a significance level of 0.05. The data is declared to be normally distributed if the significance is more than 0.05.

b. Regression Prerequisite Test

Based on the hypothesis proposed in this study, to see the effect of the relationship between variables, the data analysis used multiple linear regression analysis. Before the data is analyzed by multiple linear regression, it must be tested for linearity first. In addition, the data must also be free from classical assumptions including multicollinearity, heteroscedasticity and autocorrelation.

RESULTS AND DISCUSSION

The total number of questionnaires distributed to 50 respondents, and of these total respondents who returned the questionnaire were 50 respondents. Questionnaires from 2 respondents cannot be processed. Based on this, the total number of questionnaires originating from respondents and can be processed is 48 and further analyzed for this research is as many as 48 questionnaires.

Based on the answers to questionnaires from respondents regarding budget bias that occurred in the Bureau of Logistics Facilities and Construction at the Police Headquarters, it can be concluded that the indicators of making financial accountability at the end of the fiscal year obtained a strongly agree value of 27.1% of respondents and an agree value of 72.9%

of respondents, and the value agree is the highest value of 72.9% of respondents. Indicators withdrawal deadline at the end of the fiscal year budget that the value could not agree by 24, 5 % of respondents and the value agreed by 75.5% of respondents. Policy indicators for reporting the percentage of physical progress of construction projects at the end of the fiscal year obtained a strongly agree value of 26.5% of respondents and an agree value of 69.4% of respondents, and the value of agree is the highest value of 69.4% of respondents. The policy indicator for the completion of a construction project up to the end of the fiscal year obtained a strongly agree value of 24.5% of respondents and an agree value of 75.5% of respondents, and the value of agree is the highest value of 75.5% of respondents. The policy indicator for making job completion guarantees is a strongly agree value of 26.5% of respondents and an agree value of 71.4% of respondents, a disagree value of 2% of respondents, and the agree value is the highest value of 71.4% of respondents, it can be concluded Budget gaps (Budgetary Slack) that may occur in the fiscal year can be anticipated by following the year-end steps stipulated by the Directorate General of State Treasury in terms of making financial accountability, policies that must be taken by the Committing Officer at the end of the fiscal year so that the facility construction and construction project can be completed even though the contract period has expired and the goods/services provider can be responsible for the completion of the facility construction and construction project in that fiscal year by making a guarantee for the completion of the work by the goods/services provider in accordance with Per Regulation of the Director General of Treasury Number: PER-13/PB/2019 concerning Guidelines for Implementing State Revenue and Expenditure at the End of the 2019 Fiscal Year

CONCLUSION

This study aims to find empirical evidence of the effect of Budgetary Slack, Organizational Commitment, Compensation, Human Capital and Governance on the financial performance of the Bureau of Facility and Logistics Construction of the Police Headquarters. The sample in this study was the Bureau of Logistics Facilities and Construction at the Police Headquarters. Based on the results of the tests that have been carried out, the following conclusions can be obtained:

1. Budgetary slack affects the financial performance of the Bureau of Logistics Facilities and Construction of the Police Headquarters at the Bureau of Logistics Facilities and Construction of the Police Headquarters in Jakarta, this indicates that large or small the value of Budgetary Slack can affect

the increase or decrease in the financial performance of the National Police. This occurs due to the Director General of Treasury Regulation Number: PER-13 / PB / 2019 concerning Guidelines for Implementation of State Revenue and Expenditure at the End of the 2019 Fiscal Year which regulates policies for making job completion guarantees by goods / service providers at the end of the fiscal year.

2. Organizational commitment has no effect on the financial performance of the Facilities and Logistics Construction Bureau of the Police Headquarters at the Bureau of Logistics Facilities and Construction at the Police Headquarters in Jakarta, this indicates that large or small the value of organizational commitment cannot affect the increase or decrease in the financial performance of the Facilities and Construction Bureau. Police Headquarters Logistics. This happened due to the lack of attention of the Head of the Logistics Facilities and Construction Bureau (Faskon) of the National Police Headquarters in providing promotions or giving rewards in the form of promotions one level higher.
3. Compensation has no effect on the financial performance of the Bureau of Logistics Facilities and Construction of the Police Headquarters at the Bureau of Logistics Facilities and Construction at the Police Headquarters in Jakarta. This indicates that large or small compensation received cannot affect the increase or decrease in the financial performance of the Bureau of Logistics Facilities and Construction of the Police Headquarters. This is due to an imbalance in the amount of performance allowances with the large amount of job demands and moral responsibility for work between echelon IV and III officials.
4. Human Capital has an effect on the financial performance of the Facilities and Logistics Construction Bureau of the Police Headquarters at the Bureau of Logistics Facilities and Construction of the Police Headquarters in Jakarta, this indicates that large or small the value of Human Capital can affect the increase or decrease in the financial performance of the Logistics Facilities and Construction Bureau Headquarters Police. This is due to the lack of attention from the Head of the Logistics Facilities and Construction Bureau (Faskon) of the National Police Headquarters in providing scholarships for general education and official education who have high competence.
5. Governance has no effect on the financial performance of the Facilities and Logistics

Construction Bureau of the Police Headquarters at the Bureau of Logistics Facilities and Construction at the Police Headquarters in Jakarta, this indicates that large or small the value of governance cannot affect the

Suggestions

1. Eliminate the intervention of Commitment Making Officials in preparing reports on the realization of the budget for the Bureau of Logistics Facilities and Construction at the Police Headquarters at the end of the fiscal year.
2. There is a new Director General of Treasury Regulation on Implementation Guidelines for State Revenue and Expenditure at the End of this 2020 Fiscal Year.
3. The provision of scholarships for general education and service education for members of the National Police and Civil Servants of the Police at the Logistics Facilities and Construction Bureau (Faskon) of the National Police Headquarters which has high competence.
4. There is an increase in the performance allowance for echelon IV officials who hold labor-intensive jobs or echelon III officials.

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