

The influence of budget preparation, budget implementation and regulation on budget absorption with organizational commitment as a moderation variable in the government of southeast sulawesi province

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Abstract:

This study aims to examine and analyze the effect of participation in budget preparation, budget execution and regulation on budget absorption, and how the influence of participation in budget preparation, budget implementation and regulation on budget absorption is moderated by organizational commitment to the Provincial Government of Southeast Sulawesi. This type of research is quantitative research. The sample in this study was taken by 3 people in each regional apparatus organization (OPD), consisting of the head of service or secretary, the head of the sub-section of finance and the head of the sub-division of planning so that a total of 75 respondents

were obtained. The research instrument used was a questionnaire, where the data collected from the questionnaire would be analyzed using multiple linear regression analysis and moderation regression analysis. The results of this study indicate that participation in budget preparation, budget implementation and regulation has an effect on budget absorption. This means that with participation in budget preparation, budget implementation and regulations can increase budget absorption. The results of the data analysis show that organizational commitment is able to strengthen the influence of participation in budget preparation, budget execution and regulation on budget absorption.

Keywords: Participation in Budgeting, Budget Execution, Regulation, Budget Absorption.

INTRODUCTION

Every organization needs a budget to translate the overall strategy into short- and long-term plans and goals (Hansen and Mowen, 1997). The budget is a plan that is arranged systematically covering all company activities in a certain period expressed in quantitative units. The public sector budget is an instrument of accountability for the management of public funds and the implementation of programs financed with public money (Mardiasmo, 2009:61). The process of preparing the budget in regional agencies starts from the preparation stage, namely the stage for compiling the necessary budget by first ensuring the availability of sufficient revenue. The next stage is the ratification stage, which is a stage that involves the political process in it.

The budget is an important component in local government planning. The current economic conditions facing the government require local governments to be able to survive and develop, this ability depends on how local governments make the right decisions. Based on Permendagri Number 13 of 2006, the regional budget revenues (ABPD) in the era of regional autonomy were prepared using a performance approach, meaning a budget system that prioritizes the achievement of performance results or outputs from predetermined budget allocation plans. It is hoped that the preparation and allocation of the budget can be more adapted to the scale of priorities and preferences of the region concerned.

Budget performance is assessed based on whether or not the budget target is achieved. Low budget absorption by local governments is a classic problem that continues to occur every year. Low budget absorption at the beginning to the middle of the year but soaring at the end of the year has an impact on the quality of performance. Failure to target budget absorption indicates inefficiency and ineffectiveness of budget allocation (Rerung, et al 2017). Many factors influence delays in budget absorption, some of which are the planning process, the implementation process, and internal factors from budget users. This problem can hinder the fulfillment of budget realization and ultimately hamper the vision and mission of the organization.

The Provincial Government of Southeast Sulawesi is a government institution that has benchmarks for budget performance as seen from budget absorption in driving its organization. Based on the results of an evaluation of budget absorption carried out nationally, Southeast

Sulawesi Province is in 23rd place with a percentage of 30.28 percent for the category of realization of provincial APBD revenues throughout Indonesia and for expenditure realization is in 18th place with a percentage of 21.89 percent. The latest data recapitulation shows that the realization of the Southeast Sulawesi Province APBD reached 28.13 percent. The Office of Communication and Informatics had the highest realization of 75.04 percent, the Liaison Agency of 52.88 percent, the Office of National Unity and Politics of 51.20 percent, and for the lowest realization, namely the Health Service of 13.34 percent, the Office of Maritime Affairs and Fisheries by 15.10 percent, and the Human Resources Development Agency by 17.23 percent (<https://sultra.victorynews.id>). Budget absorption in Southeast Sulawesi Province is still slow and considered not optimal so that the budget absorption is still low and will have a negative impact on the economy.

Participation is the process of making decisions jointly by the parties concerned or where the decisions will have an impact on the future for those who make them. When applied to planning, participation refers to the involvement of middle and lower level managers in decision making which leads to setting operational goals and setting performance targets (Mamuaya & Kewo, 2019). Participatory budgeting is a budgeting process that involves all employees (managers at all levels) in the organization (Rahayu & Andry , 2013) . Company leaders usually lack knowledge of daily operating activities so they need more detailed and clear budget information from their subordinates, so that a participatory approach this will greatly assist in channeling information from subordinates to superiors and make the final budget more accurate. Better participation in preparing the budget will maximize absorption of the budget where management levels from the bottom up can work together and be directly involved in preparing the budget.

Budget execution is a stage in financial management after the budget planning process, namely the activity of realizing all plans that have been prepared and determined, Ministry of Finance (2014). Delays in the implementation of activities result in delays in the realization of the expenditure budget (Sudarwati et al, 2017). Budget implementation is carried out after the budget planning process is complete or more precisely, budget implementation begins with the approval of the budget implementation document by the Minister of Finance. At this stage, resources are used to implement budget policies. In implementing the budget, problems that occur within the work unit include delays in issuing financial management staff decisions, the

habit of financial managers delaying work, and the absence of a reward and *punishment* mechanism *for* the success or failure of financial management in work units also causes slow absorption of the budget. Malahayati, 2015).

Regulatory factors become important in the budget absorption process. Regulations related to rules that are deliberately made to be used as guidelines in carrying out an activity and have legal force. The factors causing the uneven absorption of the budget are related to regulatory factors. Regulations stipulated by the central government actually make the absorption of APBD in regional government experience inequality. Therefore, one of the strategies that can be given regarding problems with these regulations is the existence of a budget absorption policy, so that with this policy the absorption of the obtained budget can be maximized (Salamah, 2018).

Organizational commitment in general can be interpreted as an employee's attachment to the organization where the employee works. Commitment is needed by the organization so that competent human resources within the organization can be maintained and well maintained (McNesee Smith, 1996). Strong organizational commitment will encourage employees to achieve organizational goals, have positive perceptions and do their best for the benefit of the organization. Conversely, employees with low organizational commitment will have low attention to achieving organizational goals, and even tend to try to fulfill personal interests (Sirin et al, 2020).

This research is a development of several previous studies which form the basis of this research, such as the research of Sirait, et al (2022) which have similarities in the independent variable, namely budgeting participation, the dependent variable, namely budget absorption and the moderating variable, namely organizational commitment. The difference lies in the independent variable clarity of budget targets, which researchers change into budget implementation variables, and researchers add regulation as an independent variable. The reason is because in accordance with the research phenomenon where the main cause of the slow absorption of the budget in Southeast Sulawesi Province is due to the late implementation of the budget so that budget absorption is not optimal. The next difference lies in the location and object of research, where Sirait, et al (2022) conducted research at the Election Supervisory

Board for North Sumatra Province, while this research was conducted at the OPD of the Southeast Sulawesi Provincial Government.

THEORETICAL REVIEW

Goal Setting Theory (*Goal Setting Theory*)

Motivation is one form of goal setting theory. This theory is the main theory (grand theory) put forward by Locke (1968) which emphasizes the need for a relationship between the goals that have been set and the output of performance. Goal Setting Theory states that thoughts and intentions are the drivers of each individual's behavior. The behavior of individual performance is influenced by their understanding of the goals of the organization. The level of performance or goals to be achieved can be seen from the individual goals. To realize optimal performance, strong motivation is needed, which is based on positive intentions from individuals.

Goal setting theory says that the goals of individuals that are realized are the main factors that determine behavior. Individual behavior will continue until the behavior reaches a higher level of performance. This theory states that performance will depend on the level of difficulty of the goal, the detail of the goal and the organization's commitment to the goal. *Goal setting theory* also says that individual behavior is governed by one's thoughts and intentions. If the individual is committed to the goals to be achieved, then this will affect the actions and consequences of their performance.

Budget Absorption

Indra (2010) based on *the National Committee on Governmental Accounting Standards Board (GASB)*, the definition of a budget is "a financial operating plan that includes estimated proposed expenses and expected sources of income to finance them within a certain period of time. Planning is foresight to see what actions should be taken in order to realize certain goals, while control is looking back, deciding what actually happened and comparing with previously planned results. In a democratic country, the government represents the interests of the people, the money owned by the government is the people's money and the budget show the government's plan to spend the people's money

Budgeting Participation

Budget participation is the stage of management participation in preparing the budget and the influence of the budget on the center of responsibility. Participation is participation in perceiving about development, which includes an explanation of the annual budget or other periods in the department. Broad participation is basically an organizational process, where individuals are involved and have influence in making decisions that have a direct influence on the role of the individual (Saraswati, 2016: 27). Budget participation means the participation of managers in deciding together with the budget committee regarding a series of future activities to be undertaken by the operating managers in achieving budget targets (Mulyadi, 2014).

Budget Execution

Budget execution is a stage of financial management that must be implemented after the budget planning process is completed (Gagola et al, 2017). According to Salwah (2019: 170), "Implementation of the budget is a very important stage of activity in the framework of implementing activities, so implementing it means that programs and annual operational plans that can be budgeted will begin to be implemented in accordance with the rules and correct." Based on the above understanding, it can be concluded that budget execution is the next process that will be carried out after establishing a budget plan with predetermined rules and an activity program will be implemented.

Regulation

Regulations are rules that are made to regulate instructions that are used to make things more organized and contain provisions that must be obeyed. Public regulations are provisions that must be implemented and complied with in the process of managing public organizations, both in central government organizations, local governments, political parties, foundations, NGOs, religious organizations, and other social organizations (Bastian, 2010). In public sector organizations, regulation is used to realize policies and as a tool to deal with existing problems. Employees must comply with regulations in carrying out various activities so that in this case regulations have an influence on budgeting. A dilemma when, on the one hand, employees must comply with all existing rules, while the rules that appear sometimes change rapidly which results in the implementation of each activity being hampered. One of the obstacles relates to the influence of regulations on budget absorption.

Organizational Commitment

Commitment is often associated with a situation where an employee sided with a particular organization and its goals and desire to maintain membership in the organization. According to Darmawan (2013: 169) defining organizational commitment is a concept that has three dimensions, namely affective, sustainable and normative commitment. Then according to Robbins and Judge (2016: 367) said that organizational commitment is defined as the relative strength of an individual in identifying his involvement in the organization which is characterized by acceptance of organizational values and goals, a willingness to work for the organization and a desire to maintain membership in the organization. Based on some of the opinions of the experts above, it can be said that organizational commitment is a sense of trust in organizational values, as well as loyalty to the organization to work and have a strong desire to stay in the organization.

Hypothesis

1. The Effect of Participation in Budgeting on Budget Absorption

Budget participation is the stage of management participation in preparing the budget and the influence of the budget on the center of responsibility. Participation is participation in perceiving about development, which includes an explanation of the annual budget or other periods in the department. Broad participation is basically an organizational process, where individuals are involved and have influence in making decisions that have a direct influence on the role of the individual (Saraswati, 2016: 27). Goal Setting theory explains that ideas about the desired future or circumstances play an important role in acting. In connection with participation in budgeting, more and more ideas will be obtained so that a person feels important and is also responsible for what he is doing. Apart from that, participation in preparing the budget is also a means to be able to participate so that they can better understand what they are doing and can assist in achieving the target of budget absorption.

Participation in budgeting allows for better communication and teamwork to achieve organizational goals. In short, it can be explained that the higher the level of participation in budgeting, the level of budget uptake will increase. This is in line with the research of Jumarny

(2019) and Jatmiko (2020) which shows that participation in budgeting has an effect on budget absorption. So, in this study the hypothesis is formulated as follows:

H 1: Participation in budgeting has a significant effect on budget absorption

2. Effect of Budget Execution on Budget Absorption

Implementation of the budget is an activity or efforts carried out to realize all the plans and policies that have been formulated and determined. The implementation process includes setting up the use of the necessary tools, who is implementing it, how to carry it out, when to implement it and where to implement it (Ferdinan , et al 2020). Goal Setting Theory explains that there needs to be a relationship between the goals that have been set and the output of performance. Goal setting theory states that thoughts and intentions are the drivers of each individual's behavior. The behavior of individual performance is influenced by their understanding of the goals of the organization. The most important factor in budget execution is the budget execution process itself. The process of implementing the budget includes issues that occur within the internal work unit, the process of procuring goods and services, as well as the process of payment mechanisms (budget disbursement). These three things affect the level of budget absorption.

Budget execution plays an important role, especially in how to implement it, when to implement it, where to implement it and who implements it so that the budget absorption target can be achieved. The better the implementation of the budget, the absorption of the budget will be better. This will affect work units in carrying out their duties and functions in line with organizational goals. The results of Elim's research, et al (2018) found a significant positive relationship between budget execution and budget absorption. In line with the results of research by Lestari & Yuliani (2022). So, in this study the hypothesis is formulated as follows:

H 2: Budget execution has a significant effect on budget absorption

3. Effect of Regulation on Budget Absorption

Ramadhani and Setiawan (2019) explain that public regulations are provisions that must be implemented and complied with in the process of managing public organizations, both at the central government, regional governments, political parties, foundations, NGOs, religious organizations, and other social organizations. Regulations are interpreted as rules that are made to regulate instructions that are used to make things more organized and contain provisions that

must be obeyed (Bastian, 2010). Regulations are used by public organizations to realize organizational policies in dealing with existing issues and problems. However, due to the large number of regulations that change quickly while the time available is not too much, so that in the implementation of the budget there are obstacles in the implementation of an activity which causes slow absorption of the budget in government agencies (Ramadhani and Setiawan, 2019).

The mechanism of the budgeting process will run well if employees comply with the regulations set and can understand them well. Research conducted by Ramadhani and Setiawan (2019) explains that regulations have a significant effect on the budget absorption process. This is in line with Oktaliza's research (2020) which states that regulation has a significant effect on budget absorption. So, in this study the hypothesis is formulated as follows:

H 3: Regulation has a significant effect on budget absorption

4. The Effect of Moderating Organizational Commitment on the Relationship Between Budgetary Participation and Budget Absorption

Goal setting theory explains that the goals of individuals that are realized are the main factors that determine behavior. Individual behavior will continue until the behavior reaches a higher level of performance. This theory states that performance will depend on the level of difficulty of the goal, the detail of the goal and the organization's commitment to the goal. Strong organizational commitment will encourage employees to achieve organizational goals, have positive perceptions and do their best for the benefit of the organization. Conversely, employees with low organizational commitment will have low attention to achieving organizational goals, and even tend to try to fulfill personal interests.

With a strong commitment, participation in budgeting makes it possible for leaders and staff to negotiate with their leaders regarding possible budget targets that can be achieved. Leaders who allow their subordinates to be involved in making decisions regarding their work will generally increase the job satisfaction of their subordinates so that budget absorption will increase (Noor, 2013). Research conducted by Sukarningsih (2021) states that organizational commitment strengthens the influence of participation in budget preparation on budget absorption. So, in this study the hypothesis is formulated as follows:

H 4: Organizational Commitment moderates the influence of budgetary participation on budget absorption

5. The Effect of Moderating Organizational Commitment on the Relationship Between Budgetary Participation and Budget Absorption

Budget execution is the stage where resources are used to implement budget policies. *Goal setting theory* states that goals have a broad influence on employee behavior and performance in organizations. Every organization that has set targets that are formulated into a budget plan finds it easier to achieve performance targets that are in accordance with the vision and mission of the organization itself. To achieve organizational goals, management must take proactive steps in carrying out comprehensive planning and implementation so that goals and objectives can be achieved,

Planning and implementation can be said to be going well if the stages can be implemented in accordance with the goals and objectives with a minimum level of deviation and maximum final results. High organizational commitment from the leadership of the head of the work unit is needed in implementing the budget related to the procurement of goods/services so that the available budget can be maximally absorbed. The results of research by Patiran & Bonsapia (2021), state that organizational commitment moderates the effect of budget execution on budget absorption. So in this study the hypothesis is formulated as follows:

H 5: Organizational commitment moderates the influence of budget execution on budget absorption

6. The Effect of Moderating Organizational Commitment on the Relationship Between Budgetary Participation and Budget Absorption

The regional financial regulation system is a system created to control the implementation of the regional financial cycle so that all actions on such control can be summarized in certain regulations (Yunita & Putra, 2018). The government needs its role to regulate the provisions of public policy. Provisions are needed so that all parties, both the government and the public, receive equal and balanced information. Regulatory factors that influence budget absorption are seen from how each regional employee understands and complies with existing regulations. Regulations related to central government regulations and regional regulations, where problems occur regarding the change of regulations, ASN understanding and compliance, causing budget absorption to be disrupted.

Goal Setting Theory explains that employees who are supported by a high commitment to local government organizations will prioritize the interests of the organization rather than

personal interests. To achieve organizational goals, employees with high commitment will comply with every existing regulation so that it will have implications for achieving absorption of the regional revenue and expenditure budget. The higher the sense of commitment, the higher the compliance and understanding of regulations so as to increase the absorption of the budget. The results of Wirastuti's research (2023) state that organizational commitment is able to strengthen the relationship between organizational commitment and regulation.

H 6: Organizational commitment moderates the effect of regulation on budget absorption

RESEARCH METHODS

Research design

The purpose of this research is *hypothesis testing*. *Hypothesis testing* is to test the hypothesis that explains the effect of the independent variable on the dependent in the presence of a moderating variable that is developed based on theory and previous research related to the research topic and is tested based on the analytical technique used. This type of research is causative research, which is to find out how much influence budget participation has (X_1), budget execution (X_2) and regulation (X_3) on budget absorption (Y) with organizational commitment (Z) as a moderating variable.

Location and Time of Research

The research location is a place or area where the research will be carried out. This research will be carried out within the scope of the Southeast Sulawesi Provincial government. The time of implementation of this research for 1 -2 months.

Population and Sample

Population

According to (Sugiyono, 2018) states that, "Population is a generalized area consisting of, objects or subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions". The population in this study were all civil servants in 37 regional apparatus organizations (OPD) in the province of Southeast Sulawesi, totaling 12,458 people.

Sample

According to (Sugiyono, 2018) the sample is part of the number and characteristics of the population. If the population is large, and it is not possible for the researcher to study everything

in the population, for example due to limited funds, manpower and time, the researcher can use samples taken from that population. As for determining the number/size of the sample in this study using a purposive sampling method with the criteria in it, namely the leaders at various levels of the organization who are the right subjects to provide information based on consideration of the knowledge and experience they have. The sampling criteria based on the criteria are 3 people for each regional apparatus organization (OPD) consisting of the head of the service or secretary, the head of the finance sub-section and the head of the planning sub-section so that a total of 111 respondents are obtained.

Data Types and Sources

The types of data in this study are:

- a. The qualitative data in this study are in the form of explanatory descriptions of the variables and statements in the questionnaire which will be classified into categories using a Likert scale.
- b. Quantitative data in this study are respondents' answers to questionnaire questions that are measured using scores from the Likert scale.

Sources of data in this study are:

- c. The primary data used in this research is the results of the questionnaire.
- d. Secondary data used in this study is data sourced from reference books and journals.

Method of collecting data

The data collection method used is a questionnaire or questionnaire. Questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to answer (Sugiyono, 2017: 142). Data collection was carried out by distributing questionnaires to local government officials. The results of the questionnaire will provide an explanation from the respondents regarding this research.

RESULTS AND DISCUSSION

Data Quality Test

Validity test

Validity test is used to see how far the precision and accuracy of a measuring instrument

performs its measuring function. The validity test was carried out using the *Pearson product moment method*. If the test results are greater than 0.30 ($r \geq 0.30$), the instrument is said to be valid. The test was carried out using the *IBM SPSS Statistics 25 program*. After the test is carried out, the result is that all instruments meet the requirements (valid).

Reliability Test

Reliability test is used to measure the extent to which a measuring instrument can be trusted or relied upon. The reliability of the instrument will be tested with the *cronbach alpha coefficient*. If the results of testing the instrument obtained a coefficient value of > 0.60 then the instrument used is considered reliable. After the test is carried out, the result is that all instruments meet the requirements (reliable).

Classic assumption test

Autocorrelation Test

Based on *the output summary*, as per the *Durbin-Watson* (DW) number in table 5.9, it is 1,774, where the number is between -2 to +2, which means that there is no autocorrelation.

Table 1. Results Test Autocorrelation

| Model | R | R Square | Adjusted R Square | std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .720 ^a | .619 | .591 | .12161 | 1,774 |

Source : Data primary processed year 2023

Normality test

To test this normality, it can be seen from the display of the *normal probability plot graph* (PP Plot Test) and the histogram graph.

If the data spreads around the diagonal and follows the direction of the diagonal line, then the regression model meets the normality assumption. If the data spreads away from the diagonal line and/or does not follow the direction of the diagonal line, then the regression model does not meet the normality assumption. Then on the histogram it appears that the residuals are

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normally distributed as indicated by a symmetrical pattern that does not deviate to the right or to the left.

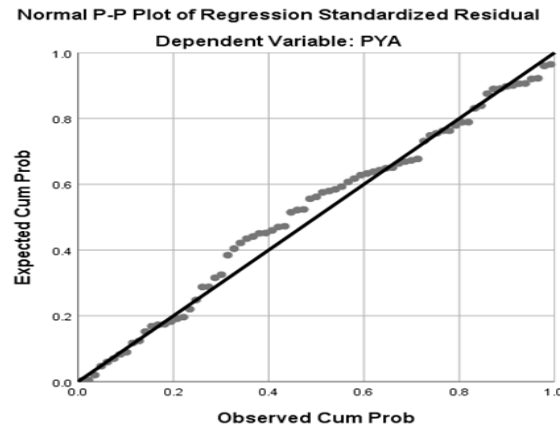


Figure 1. Normal Probability Pots

Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. To detect the existence of multicollinearity in the regression model, it can be seen from the relationship between the independent variables indicated by the *tolerance number* and *the variance inflation factor (VIF)*. If the *tolerance number* is > 0.10 and $VIF < 10$, it indicates that there is no multicollinearity in the regression model as shown in the following table:

| Table 2. Multicollinearity Test Results | | | |
|--|---------------------------|-------------------------|-------|
| Model | | Collinearity Statistics | |
| | | tolerance | VIF |
| 1 | (Constant) | | |
| | Budgeting Participation | .746 | 1,341 |
| | Budget Execution | .700 | 1,429 |
| | Regulation | .824 | 1,213 |
| | Organizational Commitment | .968 | 1,033 |

Heteroscedasticity Test

The heteroscedasticity test was carried out using *a scatter plot* (scatter diagram). The homoscedasticity of the independent variable to the dependent variable is fulfilled if the residual value and predictive value do not form a certain pattern and stay away from the scale number 0. The results of the data analysis show that the resulting scatter diagram is as follows:

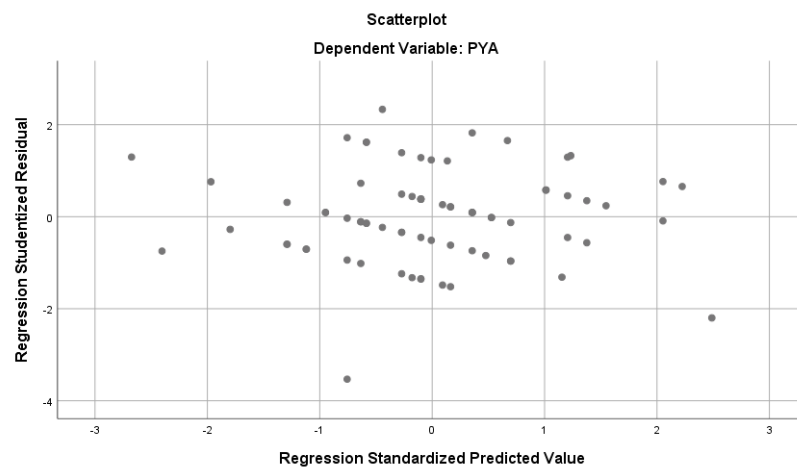


Figure 2. Heteroscedasticity Test Results

Hypothesis testing

1. Multiple Regression Analysis

| Table 3. Multiple Linear Regression Test Results | | | | | | |
|---|---------------------------------------|----------------|------------|--------------|-------|------|
| Model | | Unstandardized | | Standardized | t | Sig. |
| | | Coefficients | | Coefficients | | |
| | | B | std. Error | Betas | | |
| 1 | (Constant) | .772 | .546 | | 1,414 | .162 |
| | Participation in preparing the budget | .243 | .092 | .253 | 2,633 | .010 |
| | Budget execution | .351 | .075 | .466 | 4,697 | .000 |
| | Regulation | .320 | .090 | .323 | 3,539 | .001 |
| | Organizational Commitment | .374 | .092 | .342 | 4,059 | .000 |

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$$Y = 0.772 + 0.243X_1 + 0.351X_2 + 0.320X_3 + e$$

Based on the equation obtained, an interpretation can be made as follows:

- 1) The constant value of 0.772 represents that if the constant value is equal to 0, then the dependent variable (budget absorption) will increase by 0.772.
- 2) The coefficient value X_1 0.243 represents that if the variable participation in budgeting value of 0, it will increase budget absorption by 24.3%.
- 3) X_2 coefficient value of 0.351 represents that if the budget implementation variable value of 0, it will increase budget absorption by 35.1%
- 4) The coefficient value X_3 0.320 represents that if the regulatory variable is 0, it will increase budget absorption by 32.0%.

The coefficient of determination (R^2) for H_1 , H_2 and H_3

Table 3.

| Coefficient Determination | | | | |
|----------------------------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | std. Error of the Estimate |
| 1 | .720 ^a | .619 | .591 | .12161 |

Source : Data primary processed year 2023

Obtained mark *R Square* is 0.619, matter This can presented that the three independent variables in this study (budgeting participation, budget execution and regulation) able to influence the dependent variable (absorption of the budget) of 61.9%, while 38.1% is influenced by variables Which No researched in study This.

Partial Test (T Test)

| Table 4, Partial Test Results (T) | | | | | | |
|--|------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | std. Error | Betas | | |
| 1 | (Constant) | .772 | .546 | | 1,414 | .162 |

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| | | | | | |
|---------------------------------------|------|------|------|-------|------|
| Participation in preparing the budget | .243 | 092 | .253 | 2,633 | 010 |
| Budget execution | .351 | 075 | .466 | 4,697 | .000 |
| Regulation | .320 | .090 | .323 | 3,539 | 001 |
| Organizational Commitment | .374 | 092 | .342 | 4,059 | .000 |

- 1) **First Hypothesis Testing (X1).** The effect of budgeting participation on budget absorption shows that the budgeting participation variable has a significance level of 0.010, less than 0.05. While the calculated t value is 2.633 greater than the t table of 1.667 indicating that there is an influence on the dependent variable, this means that H1 is accepted. So it can be concluded that participation in budgeting has a significant and positive effect on budget absorption.

- 2) **Second Hypothesis Testing (X2).** The effect of budget execution on budget absorption shows that the budget execution variable has a significance level below 0.000 or less than 0.05 where this value is smaller than the significance level of 0.05. While the calculated t value is 4.697 greater than the t table value of 1.667 indicating that there is an influence on the dependent variable, this shows that H2 is accepted. So it can be concluded that budget execution has a significant and positive effect on budget absorption.

- 3) **Third Hypothesis Testing (X3).** The effect of regulation on budget absorption shows that the regulatory variable has a significance level of 0.000, less than 0.05. Meanwhile, the calculated t value of 3.539 is greater than the t table, which is 1.667, indicating that there is an influence on the dependent variable. This shows that H3 is accepted. So it can be concluded that regulation has a significant and positive effect on budget absorption

2. Moderated Regression Analysis

Test the Coefficient of Determination (R^2) for H₄, H₅ and H₆

Table 6, The coefficient of determination

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| Model | R | R Square | Adjusted R Square | std. Error of the Estimate |
|--|-------------------|----------|-------------------|----------------------------|
| 1 | .717 ^a | .614 | .593 | .12137 |
| a. Predictors: (Constant), X3MOD, X1MOD, X2MOD | | | | |

Table 6 shows that the *R Square value* is 0.614, this can represent that there is an organizational commitment variable as a moderating variable, the influence of participation in budgeting, the influence of budget execution, and the influence of regulation on budget absorption has increased by 61.4%.

Partial Test (T)

| Table 7 | | | | | | |
|---------------------------|---------------------------|-----------------------------|------------|---------------------------|--------|------|
| MRA T Test Results | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | std. Error | Betas | | |
| 1 | (Constant) | - .607 | .415 | | -1.065 | .000 |
| | Budgeting Participation | -.895 | .273 | -.932 | -1,282 | .002 |
| | Budget Execution | 3,934 | .237 | 5.218 | 16,631 | .000 |
| | Regulation | 1625 | .251 | 1,643 | 6,480 | .000 |
| | Organizational Commitment | 4,508 | .049 | 4,124 | 92,282 | .000 |
| | X1M | .149 | .063 | .917 | 2,366 | .021 |
| | X2M | .228 | .054 | 1,065 | 5,211 | .000 |
| | X3M | .305 | .058 | 1935 | 5,260 | .000 |

Source : Data primary processed year 2023

From table 7, the following equation can be obtained:

$$Y = -.607 - 0.895 + 3.934 + 1.625 + 0.149 + 0.228 + 0.305 + e$$

The results of the interpretation of the proposed research hypothesis can be explained as follows:

1) Organizational Commitment Able to Moderate the Effect of Participation in Budgeting on Budget Absorption

Based on the table above, it can be seen that X1M has a t-count value of -2.366 which is greater than the t-table of 1.667 with a significance level of $0.021 < 0.05$, so it can be concluded that organizational commitment is able to moderate the effect of budgetary participation on budget absorption, hypothesis accepted.

2) Organizational Commitment Able to Moderate the Effect of Budget Execution on Budget Absorption

Based on the table above, it can be seen that X2M has a t-count value of 5.211 which is greater than the t-table of 1.667 with a significance level of $0.000 < 0.05$, so it can be concluded that organizational commitment is able to moderate the effect of budget execution on budget absorption, the hypothesis is accepted.

3) Organizational Commitment Able to Moderate the Effect of Regulation on Budget Absorption

Based on the table above, it can be seen that X3M has a t-count value of 3,290 which is greater than the t-table of 1.667 with a significance level of $0.00 < 0.05$, so it can be concluded that organizational commitment is able to moderate the effect of regulation on budget absorption , the hypothesis is accepted.

CLOSING

Conclusion

Based on the results of data analysis and discussion that has been carried out, the following conclusions can be drawn: 1) budget participation has a significant and positive effect on budget absorption ; 2) budget implementation has a significant and positive effect on budget absorption ; 3) regulations have a significant and positive effect on budget absorption ; 4) organizational commitment is able to moderate the influence of budgetary participation on budget absorption ; 5) organizational commitment is able to moderate budget execution on budget absorption ; 6) organizational commitment is able to moderate the effect of regulation on budget absorption

Suggestion

Based on the findings in this study, several suggestions are outlined for consideration and recommendations for related parties. As for the suggestions intended for the government, especially work units in the OPD of Southeast Sulawesi Province to always maximize the implementation of the budget being carried out and strive to improve the competence of budget managers by referring to the principles of public sector budgeting, so that the target of budget absorption can be achieved, then, it is suggested to the government to foster a commitment for budget managers towards the goals of government organizations in accordance with the characteristics of public sector budgets which demand commitment in managing public finances. In this study, only tested 3 independent variables, namely participation in budgeting, budget execution and regulation and one moderating variable, namely organizational commitment, so it is suggested for future researchers to test other variables.

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