

THE INFLUENCE OF HUMAN RESOURCE COMPETENCIES, BUDGET PLANNING AND BUDGET IMPLEMENTATION ON BUDGET ABSORPTION OF REGIONAL APPARATUS ORGANIZATIONS (OPD) IN BATAM CITY GOVERNMENT

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Abstract

This study aims to determine and analyze the influence of Human Resource Competence, Budget Planning, and Budget Implementation on Budget Absorption of Regional Apparatus Organizations (OPD) in the Batam City Government. This study was conducted at OPDs of the Batam City Government with a total of 89 respondents. The variables used in this study consist of Human Resource Competence (X1), Budget Planning (X2), Budget Implementation (X3), and Budget Absorption (Y). The data analysis methods used were simple linear regression and multiple linear regression to determine the relationship and influence between the independent variables on the dependent variable. Hypothesis testing was conducted using the t-test (partial), F-test (simultaneous), and coefficient of determination (R^2) test. Data processing was performed using SPSS statistical software.

Keywords: *Human Resources Competence, Budget Planning, Budget Implementation, Budget Absorption.*

INTRODUCTION

Regional financial management is a crucial aspect of transparent, accountable, and results-oriented governance. Effective budget management is a key measure of regional government performance in achieving sustainable development. One indicator of successful regional financial management can be seen from Budget absorption rate. A higher budget absorption rate indicates that planned programs and activities can be implemented optimally and on time. Conversely, low budget absorption indicates problems with the planning process, implementation, or the competence of the human resources involved in managing the budget. The Batam City Government, as one of the autonomous regions in the Riau Islands Province, has a significant responsibility to manage regional finances effectively and efficiently. In the context of implementing regional autonomy, the Batam City Government is required to be able to carry out government and development activities by optimizing its resources, including the ability of its apparatus to manage the regional budget. The regional budget is a public policy instrument that reflects the direction, priorities, and strategies of the regional government in implementing development and public services. Therefore, budget absorption reflects the government's performance in realizing planned programs. However, in reality, the level of budget absorption in several The Regional Apparatus Organizations (OPD) within the Batam City Government are still not optimal. There is still a phenomenon of budget realization piling up at the end of the fiscal year, indicating low program implementation effectiveness throughout the year. This condition not only impacts the efficiency of activity implementation but also has the potential to hinder the achievement of planned development and public service targets. The problem of low budget absorption often stems from several factors, such as low human resource competency, weak budget planning, and obstacles in budget implementation.

LITERATURE REVIEW

Budget Absorption (Y) Budget absorption is a key indicator for measuring the effectiveness of regional financial implementation. This concept reflects the extent to which funds allocated by the regional government are utilized in activities that provide tangible benefits to the community. According to Mahmudi (2021) defines budget absorption

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as the actual budget implementation compared to the budget amount stipulated in the Regional Budget (APBD) document. In other words, budget absorption indicates the percentage of public funds successfully used to support development programs and activities. Meanwhile, Abidin (2022) defines budget absorption as the process of using government funds in the context of implementing activities that have been planned in the current budget year, which is measured based on a comparison between budget realization and the total available budget ceiling. In the context of regional government, budget absorption serves not only as an administrative measure but also reflects the managerial and coordinating capabilities of the various parties involved in regional financial management. A high level of budget absorption indicates that planning, implementation, and oversight have been carried out synergistically and efficiently. Low budget absorption is often an indicator of systemic problems in regional financial management. This can be caused by delays in activity implementation, planning errors, low staff competency, and weak internal oversight systems. Therefore, the level of budget absorption is a key evaluation focus when measuring the performance of regional government agencies (OPDs).

Budget Planning (X₂) Budget planning is the most crucial initial stage in the regional financial management cycle. This stage determines the direction, priorities, and strategies for implementing regional government activities throughout the fiscal year. Good planning ensures that public funds are used effectively, efficiently, and appropriately, according to community needs. According to Mahmudi (2020), budget planning is the process of preparing activity plans and estimating the costs required to achieve organizational goals within a specific timeframe. In the context of local government, budget planning serves as a guideline for financial management and the implementation of development programs outlined in the Regional Government Work Plan (RKPD). Halim (2021) emphasized that budget planning focuses not only on compiling financial figures but also involves analysis, consultation, and coordination across work units. Each budget plan must illustrate the relationship between allocated resources and expected outcomes. Thus, budget planning serves as a managerial tool that bridges strategic policies and operational actions.

Hypothesis

1. There is an influence of Human Resource Competence on Budget Absorption in the Regional Apparatus Organization (OPD) of the Batam City Government.
2. There is an influence of Budget Planning on Budget Absorption in the Regional Apparatus Organizations (OPD) of the Batam City Government.
3. There is an influence of Budget Implementation on Budget Absorption in the Regional Apparatus Organizations (OPD) of the Batam City Government.
4. There is a simultaneous influence of Human Resource Competence, Budget Planning, and Budget Implementation on Budget Absorption in the Regional Apparatus Organizations (OPD) of the Batam City Government.

METHOD

Research Location and Schedule The location of this research was conducted at The place used in this research was at the Regional Apparatus Organization (OPD) of the Batam City Government which is located at Jalan Engku Putri No. 01, Teluk Tering Village, Batam City District, Batam City, Riau Islands.

In this study, the author plans to conduct research for 5 months starting from November 2025 to March 2026. The following is a research schedule plan that has been prepared by the author in order to make the research schedule more efficient and organized.

Research Population and Sample According to Sugiyono (2020: 115), "Population is a conclusion drawn from the determination of researchers in the form of objects or subjects that have certain qualities and characteristics." The population in this study is the employees at Regional Apparatus Organization (OPD) of Batam City Government totaling 89 employees. According to Sugiyono (2020:73), a sample is a portion of the population and its characteristics. Samples taken from that population must be truly representative. Sample size is the number of samples taken from a population. According to Arikunto (2021:104), if the population is less than 100 people, the entire sample is taken. However, if the population is larger than 100 people, 10-15% or 20-25% of the population can be taken. Based on this research, because the population size is not larger than 100 respondents, the author took 100% of the population of the Regional Apparatus Organization (OPD) of the Batam City Government, namely 89 respondents. Thus, using the entire population without having to draw a research sample as an observation unit is

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called a census technique.

Hypothesis testing The t-statistic test basically shows how far the influence of one independent individual variable individually in explaining the dependent variable (Ghozali, 2018:88). If $t_{count} > t_{table}$, then H_0 is rejected and H_1 is accepted, which means the independent variable has a significant influence on the dependent variable using a significance level of 5%, if the $F_{count} > F_{table}$ value then the independent variables individually influence the dependent variable. In addition, it can also be seen by looking at the probability value. If the probability value is smaller than 0.05 (for a significance level = 5%), then the independent variables individually influence the dependent variable. Meanwhile, if the probability value is greater than 0.05 then the independent variables individually do not influence the dependent variable. The meaning of the T Test (T Test) is to compare the average of two samples. To calculate t table = 0.05. α using the provisions According to Jonathan Sarwono (2021:89). The formula used is:

$$t = \frac{b_1}{b_{s1}}$$

Where

b_1 is the coefficient value of the independent variable (variable X)

b_{s1} is the Standard Error of the independent variable (variable X)

The calculated t value will be compared with the t table value, namely: if the calculated $t > t_{table}$ at $\alpha = 5\%$ then H_0 is rejected or H_1 is accepted, if the calculated $t < t_{table}$ at $\alpha = 5\%$ then H_0 is accepted and H_1 is rejected

RESULTS AND DISCUSSION

The research object in this study is the Regional Apparatus Organizations (OPD) within the Batam City Government. The Batam City Government is a regional government that plays a strategic role in regional governance, development implementation, and the provision of public services to the community. As an autonomous region, the Batam City Government has the authority to manage regional finances, including the planning, implementation, and budget control processes outlined in the Regional Revenue and Expenditure Budget (APBD). Proper budget management is a crucial factor in supporting the achievement of regional development goals and improving public welfare. Budget absorption is a key indicator in assessing OPD performance, reflecting the extent to which planned programs and activities are implemented effectively, efficiently, and on time. An optimal budget absorption rate indicates sound budget planning and implementation, while low budget absorption may indicate problems with budget management. In practice, budget absorption in Batam City Government Regional Apparatus Organizations (OPDs) is influenced by various factors, including human resource competency, budget planning, and budget execution. These three factors play a crucial role in ensuring that the allocated budget is optimally utilized to achieve development targets and improve local government performance.

Data Hypothesis Analysis

According to Sugiyono (2020:250) the guidelines for interpreting the correlation coefficient are as follows:

Table
Guidelines for Providing Interpretation of Correlation Coefficients

Coefficient Interval	Level of Closeness
0 - 0.199	Very Low
0.20 - 0.399	Low
0.40 - 0.599	Currently
0.60 - 0.799	Strong
0.80 - 0.999	Very strong

Source: Sugiyono (2020:250)

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Human Resources Competency Determination Test Results (X1)

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.537a	.289	.281	2.66418

a. Predictors: (Constant), Human Resource Competence

b. Dependent Variable: Budget Absorption

Source: SPSS data processing results

Based on the output results above, we can explain the model summary, which consists of the results of the simple correlation value R and the coefficient of determination (R Square).

1. The resulting R value (Pearson correlation) is 0.537, which indicates that the relationship between the Human Resource Competence variable (X1) and Budget Absorption (Y) is at a moderate relationship level, in accordance with the guidelines for interpreting the correlation coefficient according to Sugiyono (2020).
2. The R Square value of 0.289 shows that the percentage contribution of the influence of the Human Resource Competence variable (X1) on Budget Absorption (Y) is 28.9%, while the remaining 71.1% is influenced by other variables not examined in this study.

CONCLUSION AND SUGGESTION

CONCLUSION

1. Based on the results of the t-test, The Human Resources Competence variable (X1) obtained a calculated t value $> t$ table ($5.943 > 1.662$) with a significance value of $0.000 < 0.05$. This indicates that Human Resources Competence has a positive and significant effect on Budget Absorption. This means that the better the competency of the apparatus, which includes knowledge, skills, and work attitudes, the more optimal the budget absorption in the Batam City Government OPD.
2. Based on the results of the t-test, the Budget Planning variable (X2) obtained a calculated t value $> t$ table ($7.836 > 1.662$) with a significance value of $0.000 < 0.05$. This indicates that Budget Planning has a positive and significant effect on Budget Absorption. Thus, good, realistic, and targeted budget planning is the main factor in increasing budget absorption in Batam City Government OPDs.
3. Based on the results of the t-test, The Budget Execution variable (X3) obtained a calculated t value $> t$ table ($5.898 > 1.662$) with a significance value of $0.000 < 0.05$. This indicates that Budget Execution has a positive and significant effect on Budget Absorption. This means that budget implementation that is in accordance with planning, on time, and complies with statutory provisions can increase budget realization optimally.
4. Based on the results of the F test (simultaneous), The calculated F value was obtained $> F$ table ($24.234 > 2.71$) with a significance value of $0.000 < 0.05$. This shows that Human Resource Competence (X1), Budget Planning (X2), and Budget Implementation (X3) together have a significant effect on Budget Absorption (Y) in the Batam City Government OPD.

SUGGESTION

1. In relation to Human Resources Competence, Batam City Government OPDs are advised to continue improving the quality of their apparatus through education and training, technical guidance, and continuous competency development so that their apparatus has adequate capabilities in managing and absorbing the budget optimally.
2. In relation to Budget Planning, Batam City Government OPDs are expected to pay more attention to the budget planning process so that it is prepared carefully, based on real needs, and in line with regional development priorities, considering that this variable is the most dominant factor in influencing budget absorption.
3. In relation to Budget Implementation, Batam City Government OPDs are advised to improve coordination between work units, speed up the administrative process, and ensure that budget implementation runs according to the schedule and applicable provisions to avoid delays in budget realization.
4. For further researchers, it is recommended to add other variables that have the potential to influence budget absorption, such as internal supervision, government internal control systems (SPIP), leadership commitment, or the use of information technology, as well as expanding the research objects so that the research results are more comprehensive

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