

DETERMINANTS OF BUDGET ABSORPTION MODERATED BY WORK PLAN AND ORGANIZATIONAL COMMITMENT

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Submitted: 01-06-2025, Revised: 24-06-2025, Accepted: 18-07-2025

ABSTRACT

This research aims to examine the influence of budget planning and procurement of goods and services on budget absorption, with work plans and organizational commitment as moderators in the Directorate General of Intellectual Property (DGIP) of the Ministry of Law and Human Rights, Republic of Indonesia. By analyzing the data on budget absorption gathered between 2019 and 2022, it can be noted that the absorption rate has consistently decreased over these years and has not achieved full utilization, remaining below 100% annually. This trend in government budget absorption is prevalent across Indonesia, with a slow start at the beginning and acceleration toward the end of the fiscal year (Oktaliza Y., 2020). The decrease in DGIP's budget absorption has led to a reduction in the provision of intellectual property services to stakeholders. Therefore, it is necessary to examine several variables that influence budget absorption, including budget planning, procurement of goods and services, and organizational commitment, as identified in previous studies. This research adds the variable of work plans as a moderating factor, which has not been explored before. The study employed a questionnaire method administered to 30 selected respondents, comprising officials and employees of DGIP. The sample consisted of individuals involved directly in the processes of work and budget planning, procurement of goods and services, and budget absorption. The data were analyzed using quantitative methods and processed using Statistical Package for the Social Sciences (SPSS) version 27. The findings of this research indicate that budget planning and procurement of goods and services have a positive and significant impact on budget absorption within the DGIP of the Ministry of Law and Human Rights. Additionally, work plans moderate the influence of budget planning and procurement of goods and services on budget absorption. However, organizational commitment does not moderate the impact of budget planning and procurement of goods and services on budget absorption in the DGIP of the Ministry of Law and Human Rights.

Keywords: *budget planning, procurement of goods and services, work plans, organizational commitment, budget absorption.*

1. INTRODUCTION

Based on realization data of expenditure (per activity) taken from Online Monitoring SPAN (OM SPAN) application, the Ministry of Finance of the Republic of Indonesia [1] consecutively from 2019 to 2022, the budget absorption at DGIP is 92.23%, 92.77%, 82.63% and 83.05%. By analyzing the data on Directorate General of Intellectual Property (DGIP)'s budget absorption, it can be noted that the absorption rate has consistently decreased over these years and has not achieved full utilization, remaining below 100% annually. DGIP is responsible for managing intellectual property rights and utilize the non-tax state revenue (PNBP) for intellectual property services. Therefore, a reduction in budget utilization would result in a decrease in the provision of intellectual property services to stakeholders, means budget is not effectively allocated for various planned intellectual property programs and projects. Should the budget absorption of DGIP continue to decrease, it will have profound implications for the sustainability of intellectual property management in Indonesia. Moreover, it will impede the establishment of a robust intellectual property ecosystem. In the

long term, the diminishing realization of DGIP's budget may adversely affect economic growth and innovation in Indonesia. Based on previous research, budget absorption is influenced by budget planning and the implementation of goods and services procurement (Gusmartina, Azlina, & Julita, 2021) [2]. Budget planning can moderate the relationship between human resource competencies and budget absorption (Delia, 2021) [3]. Procurement of goods and services has a positive effect on budget absorption however, procurement of goods and services has no effect on the level of absorption of regional budgets (Puluala, 2021) [4]. High commitment to the organization has an impact on improving budget absorption performance (Saragih, 2022) [5]. In addition, there is a significant influence between performance-based budget absorption (ABK) on budget quality. This ABK approach is oriented towards budget utilization in achieving optimal results from activities that have been identified in the work plan (Octariani, 2017) [6]. The primary objective of this study is to address the discrepancies observed in earlier research concerning the impact of goods and services procurement on budget absorption. Additionally, it aims to bridge existing research gaps by investigating the combined influence of budget planning and goods and services procurement in their interaction with budget absorption. This interaction is moderated by organizational commitment, emphasizing its role in promoting budget absorption. Notably, the study explores unexplored territory by examining the relationship between work plans and the impact of budget planning on budget absorption, a topic that has not been previously explored in the academic literature. Certain studies concentrate solely on the broader planning and budgeting procedures that impact budget absorption. In contrast, the development of work plans entails comprehensive planning documents encompassing the organization's vision, mission, strategic objectives, programs, program objectives, specific activities, corresponding objectives, and performance indicators, along with funding allocations planned for the current year and projected estimates. Consequently, the work plan serves as a performance-oriented policy that should exert influence over the budget planning process, serving as a guiding framework for determining budget allocations. Fundamentally, the creation of the work plan document adheres to the Redesign System Planning and Budgeting (RSPP) framework, which incorporates the fundamental principle of Money Follow Program. Consequently, the work plan variable serves as a moderator, aiming to explore its relationship within the context of the association between budget planning and budget absorption. Based on this description, it is interesting to conduct a study entitled *Determinants of Budget Absorption Moderated by Work Plan and Organizational Commitment in DGIP*.

Budget Absorption

Budget absorption is the result of the achievement of an estimate of both the program and the budget to be achieved during a certain period of time which is seen at a certain moment (realization of the budget). Budget absorption is the stage of budget implementation in financial management which is carried out after the budget planning process is completed in an effort to realize budget planning in the current year (Puluala, 2021) [4]. In accordance with the Regulation of the Director General of Budget Number PER-7/AG/2021 [7] on Technical Guidelines for the Implementation of Budget Performance Evaluation, budget absorption is measured by comparing the budget realization with the ceiling in the latest DIPA. In addition, the consistency of budget absorption against planning is measured by calculating the deviation between budget realization and the planned withdrawal of funds each month.

Budget Planning

Budget planning is a process of determining the right future actions in accordance with the sequence of choices, as well as taking into account the resources available in the

organization, which is very important to do before activities are carried out (Puluala, 2021) [4]. The preparation of government budget planning uses unit price standards which have the highest limit that becomes a reference, which must not be exceeded and takes into account the principles of efficiency, effectiveness, appropriateness and fairness which refer to statutory regulations (Amanda, 2022) [8]. In accordance with the Regulation of the Minister of Finance of the Republic of Indonesia concerning Budget Planning, Budget Implementation, and Financial Accounting and Reporting Number 62/ 2023, budget preparation is part of the preparation of the State Budget (APBN). Budgeting as a system regulates the process and mechanism for preparing state revenue and expenditure budget policies. The Ministry/Agency Work and Budget Plan is an annual financial plan document prepared according to the Ministry/Agency budget section [9].

Procurement of Goods and Services

Procurement of goods and services is the activity of procuring goods and services by Ministries or Agencies financed by the State Budget with the stages of the process starting from the identification of needs for goods and services, up to the handover of work results. Procurement of goods and services aims for the accuracy of the budget spent to produce the right goods/services. This accuracy is measured through aspects of quality, quantity, time, cost, location and provider. It is anticipated that through appropriate procurement of goods and services, there will be a boost in the utilization of domestic products and an increase in the involvement of microenterprises, small businesses, cooperatives, national enterprises, and creative industries (Presidential Regulation of the Republic of Indonesia Number: 12 of 2021) [10].

Work Plan

Work Plan document contains performance information ranging from strategic targets with indicators, program targets with indicators, and activity targets with indicators, as well as output performance at the level of Classification of Output Details (KRO) and Output Details (RO) with indicators (Olfah, 2023) [11]. Planning activities involve all implementing elements for determining programs and activities, performance indicators and performance targets that require serious attention in preparing quality work plans and in accordance with the aspirations of the community according to the organization's ability to provide the best public services (Octariani, 2017) [6]. Work plan is a planning document for one year in accordance with its duties and functions. The procedures, timeline, corridors and substance in the preparation of the review and amendment of work plans are regulated in Permen PPN No. 1 of 2021 concerning procedures for preparing, reviewing and amending work plans [12].

Organizational Commitment

Organizational commitment reflects an individual's strong desire to be part of an organization, be fully dedicated and work towards achieving organizational goals. It is based on an individual's belief in the values and goals held by the organization. The high level of commitment from managers and their subordinates shows that they have a strong motivation to develop the organization where they work. One effective strategy to improve company performance is to prepare the company's budget optimally and efficiently (Gunawan & Santioso, 2015) [13]. According to Meyer and Allen (1991) [14], organizational commitment is a psychological state that characterizes the relationship between employees and an organization or its implications, which affects whether or not an employee survives in an organization, this is identified in 3 (three) components, among others: 1) Affective Commitment, relating to employee's emotional attachment to the organization, 2) continuance commitment relates to employee's consideration of the costs and risks of leaving

the organization, and 3) normative commitment relates to responsibilities and obligations to the organization that shelters them, so that employees have a sense of obligation to always work in the organization.

Puluala (2021) [4] analyzed that budget planning affects the level of regional budget absorption. If budget planning is carried out in accordance with predetermined targets, it will affect the actions and consequences of these targets, namely budget absorption. The more mature the budget planning is carried out by the manager, the programs and activities planned in one year will run well, and the absorption target will be achieved. This is reinforced by research from Seftianova (2013) [15] that the quality of the Budget Implementation List (DIPA) affects the quality of budget absorption. If the DIPA prepared in the fiscal year is not in accordance with the budget plan to be used, the result is that the budget cannot be absorbed properly, and the government needs to take time-consuming budget revision steps and can cause budget absorption to be hampered. However, in contrast to research conducted by Husen (2022) [16] which says that planning has no effect on budget absorption, as well as research conducted by Bandiyono (2019) [17] that budgeting quality has no significant effect on budgeting performance.

Ramadhani (2019) [18] analyzed that the procurement of goods and services has a positive effect on budget absorption. The indicators used in the procurement of goods and services variable include efficiency and effectiveness, regulatory compliance, and accountability which have a significant positive effect on budget absorption. This is in line with research conducted by Gusmartina (2021) [19] that procurement of goods and services affects budget absorption. Delia (2021) [3] analyzed that the procurement process of goods and services has no significant effect on budget absorption. This finding argues that after DIPA is released, all activities can be carried out, goods and services procurement officials have also followed the General Procurement Plan (RUP), so the process of procuring goods and services is considered to have less significant impact on budget absorption. Furthermore, Puluala (2021) [4] analyzes that the procurement of goods and services has no effect on the level of regional budget absorption, it is possible that there is an influence of facilities from the implementation of goods and services electronically. This facility has increased the efficiency of the goods and services procurement process and increased transparency and accountability because it supports the need for access to information in real time.

Ramadhani (2019) [18] says that budget target clarity significantly affects managerial performance. Where the clarity of budget targets is a description of the extent to which budget objectives are clearly and specifically set, so that they can be easily understood by individuals who play an important role in achieving their targets. The clarity of this budget target is outlined in the work plan document, so the implication of the clarity of this budget target is the work plan. Saragih (2022) [5] analyzes that good budget planning will produce quality budget execution documents, where budget execution documents are the result of the implementation of work plans and budgets. Good programs and activities will have an influence on the amount of budget absorption.

Delia (2021) [3] analyzes that budget planning cannot moderate the relationship between the procurement of goods and services and budget absorption, because according to him budget planning is part of the guidelines for the procurement process of goods and services. In the course of procuring goods and services in accordance with the work plan, any delays will merely impact the timing of activity implementation, such as the phenomenon of budget absorption accumulation towards the end of the year.

Ramadhani (2019) [28] said that high commitment to the organization has an impact on improving budget absorption performance. This is also in accordance with research conducted by Saragih (2022) [5] where the organizational commitment variable moderates the effect of budget planning on budget absorption. Organizational commitment, especially the commitment of government budget managers, must be grown and internalized so that it becomes a driving force in achieving organizational goals. Adi Wiratno (2016) [20] analyzed that organizational commitment moderates the relationship between budget participation and managerial performance, where high organizational commitment owned by employees in carrying out their activities will improve managerial performance in achieving predetermined budget targets.

Saragih (2022) [5] analyzed that organizational commitment moderates the effect of the procurement of goods and services on budget absorption. When organizational commitment is maximized or increased, the effect of procurement of goods and services on budget absorption will also increase. This is supported by the better the individual's commitment to the organization and supported by good budget implementation, the absorption of the expenditure budget will also be able to be increased, where organizational commitment is an encouragement from the individual to side with an organization and do something for the achievement of organizational goals.

2. RESEARCH METHOD

This framework is prepared as a design for a mindset that describes or explains the relationship between variables that describes the relationship between the variables to be studied consisting of budget planning and procurement of goods and services as independent variables, work plan and organization commitment as moderating variables and budget absorption as dependent variable.

Based on the theoretical description, the hypotheses developed are stated as follows:

H1: Budget planning has a positive effect on budget absorption within the DGIP Ministry of Law and Human Rights.

H2: Procurement of goods and services has a positive effect on budget absorption within the DGIP Ministry of Law and Human Rights

H3: Budget planning has a positive effect on budget absorption with work plans as moderation within the DGIP Ministry of Law and Human Rights.

H4: Procurement of goods and services has a positive effect on budget absorption with work plans as moderation within the DGIP Ministry of Law and Human Rights.

H5: Budget planning has a positive effect on budget absorption with organizational commitment as moderation within the DGIP Ministry of Law and Human Rights.

H6: Procurement of goods and services has a positive effect on budget absorption with organizational commitment as moderation within the DGIP Ministry of Law and Human Rights

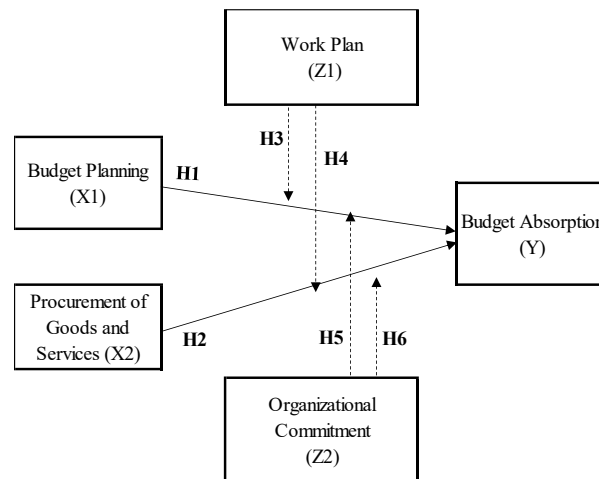


Figure 1. Research Framework

The study focused on individuals working as officials and employees within the Directorate General of Intellectual Property of the Ministry of Law and Human Rights of the Republic of Indonesia. The sampling method employed in this research was nonprobability sampling, specifically purposive sampling. The selection of the sample was based on a purposive approach, taking into account the relevance of the respondents to the phenomena under investigation and their understanding of the planning, budgeting system, and procurement of goods and services within DGIP. To ensure a comprehensive representation, 30 respondents were chosen, comprising officials and employees with specific characteristics.

The research instrument employs a Likert scale as its measurement scale. The Likert scale utilized in the study comprises positive statements, with the highest score denoting "strongly agree" rated as 5, followed by 4, 3, 2, and 1. The Likert scale responses encompass options such as "strongly agree (SS)," "agree (S)," "neutral (N)," "disagree (TS)," and "strongly disagree (STS)." The primary data collection method involves the use of a closed questionnaire, where respondents are presented with multiple-choice questions, limiting their ability to express subjective opinions. The respondents are required to complete the questionnaire electronically through the Google Form application.

Examinations conducted for hypotheses 1 and 2 utilize simple linear regression, while hypotheses 3 to 6 employ moderated regression analysis (MRA). The equation model for each hypothesis under scrutiny is presented as follows:

- 1) $Y = \alpha_1 + \beta_1 X_1$
- 2) $Y = \alpha_2 + \beta_2 X_2$
- 3) $Y = \alpha_3 + \beta_1 X_1 + \beta_3 Z_1 + \beta_5 X_1 Z_1 + e_1$
- 4) $Y = \alpha_4 + \beta_2 X_2 + \beta_3 Z_1 + \beta_6 X_2 Z_1 + e_2$
- 5) $Y = \alpha_5 + \beta_1 X_1 + \beta_4 Z_2 + \beta_7 X_1 Z_2 + e_3$
- 6) $Y = \alpha_6 + \beta_2 X_2 + \beta_4 Z_2 + \beta_8 X_2 Z_2 + e_4$

Description:

- Y = budget absorption;
- X1 = budget planning;
- X2 = procurement of goods and services;
- Z1 = work plan;
- Z2 = organization commitment;
- X1 Z1 = interaction of X1 with Z1;

X2 Z1 = interaction of X2 with Z2;
 X1 Z2 = interaction of X1 with Z2;
 X2 Z2 = interaction of X2 with Z2;
 α = constant;
 β_1 = regression coefficient value for X1;
 β_2 = regression coefficient value for X2;
 β_3 = regression coefficient value for Z1;
 β_4 = regression coefficient value for Z2;
 β_5 = regression coefficient value for X1Z1;
 β_6 = regression coefficient value for X2Z1;
 β_7 = regression coefficient value for X1Z2;
 β_8 = regression coefficient value for X2Z2,
 e = error or confounding variable.

The questionnaire is subjected to validity and reliability testing using 30 trial respondents (not actual participants). In this context, considering a sample size of 30 and a significance level (alpha) of 0.05, the critical correlation coefficient (r table) is determined to be 0.374. To establish validity, the calculated correlation coefficient (r count) must surpass the critical value (r table). Regarding reliability, research instruments are considered reliable if the reliability coefficient (r11) exceeds 0.6. A higher reliability coefficient indicates reduced measurement error, indicating the enhanced reliability of the research instrument utilized in the study. The results of the validity and reliability tests can be seen in the following table:

Table 1. Questionnaire Validity Test Results

Variable	r table	r count	Summary
X1 – Budget Planning			
RA1	0,374	0,557	valid
RA2	0,374	0,787	valid
RA3	0,374	0,590	valid
RA4	0,374	0,753	valid
RA5	0,374	0,652	valid
RA6	0,374	0,737	valid
RA7	0,374	0,855	valid
RA8	0,374	0,686	valid
RA9	0,374	0,587	valid
RA10	0,374	0,479	valid
X2 – Procurement of Goods and Services			
PBJ1	0,374	0,681	valid
PBJ2	0,374	0,675	valid
PBJ3	0,374	0,817	valid
PBJ4	0,374	0,848	valid
PBJ5	0,374	0,905	valid
PBJ6	0,374	0,884	valid
PBJ7	0,374	0,855	valid
PBJ8	0,374	0,703	valid
PBJ9	0,374	0,772	valid
Z1 – Work Plan			
RK1	0,374	0,726	valid
RK2	0,374	0,850	valid
RK3	0,374	0,842	valid
RK4	0,374	0,754	valid
RK5	0,374	0,815	valid
RK6	0,374	0,766	valid

Variable	r table	r count	Summary
Z2 – Organization Commitment			
KO1	0,374	0,895	valid
KO2	0,374	0,751	valid
KO3	0,374	0,746	valid
KO4	0,374	0,639	valid
KO5	0,374	0,761	valid
KO6	0,374	0,803	valid
KO7	0,374	0,803	valid
Y – Budget Absorption			
PA1	0,374	0,799	valid
PA2	0,374	0,903	valid
PA3	0,374	0,494	valid
PA4	0,374	0,724	valid
PA5	0,374	0,753	valid
PA6	0,374	0,819	valid
PA7	0,374	0,458	valid
PA8	0,374	0,845	valid

Table 2. Questionnaire Realibility Test Results

Variable	Cronbach's Alpha	N of Item	Summary
X1	0,847	10	reliable
X2	0,925	9	reliable
Z1	0,871	6	reliable
Z2	0,880	7	reliable
Y	0,876	8	reliable

Normality Test. The method used to test normality in this study is Kolmogorov Smirnov. The value of Asymp. Sig value or standardized residuals are said to be normally distributed if the sig value. > alpha (0.05).

Table 3. Normality Test

		Unstandardized Residual
N		30
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.87248316
Most Extreme Differences	Absolute	.127
	Positive	.080
	Negative	-.127
Test Statistic		.127
Asymp. Sig. (2-tailed) ^c		.200 ^d

in the Table 3. the value of Asymp. Sig. (2-tailed) 0.200 > 0.05, indicating that the data demonstrates normal distribution.

Conducted to test whether there is a correlation between independent variables in linear regression.

Table 4. Multicollinearity Test

Model	Collinearity Tolerance	VIF
1 (Constant)		
Budget Planning	0.659	1.518
Procurement of Goods and Services	0.659	1.518

In the Table 4, it can be seen that the tolerance value of the budget planning variable is 0.659 and the tolerance value of the goods and services procurement variable is 0.659, where both tolerance values are greater than 0.1 while the VIF value of the budget planning variable is 1.518 and the VIF value of the goods and services procurement variable is 1.518 where the VIF value of the two variables is less than 10. This means that the budget planning variable and the goods and services procurement variable do not show any multicollinearity symptoms in the regression model.

The Glejser test is carried out to determine whether or not there are deviations from the classical assumption requirements before entering the next analysis with the Glejser test.

Table 5. Heteroscedasticity Test

Model	Coefficients ^a				
	Unstandardized Coefficients		Std. Coef.	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.749	2.454		4.380	.000
Budget Planning	-.125	.066	-.356	-1.902	.068
Procurement of Goods and Services	-.081	.045	-.333	-1.778	.087

a. Dependent Variable: abs_res

Referring to Table 6 above, it is evident that the obtained significance value for the budget planning variable is 0.068, which is greater than 0.05, and for the procurement of goods and services (PBJ) variable, it is 0.087, which is less than 0.05. Since the significance values for all variables meet the criterion of being greater than 0.05, it can be concluded that no heteroscedasticity is present, and the data is suitable for further analysis.

Hypothesis Testing 1. To test the effect of budget planning on budget habsorption within the DGIP, a simple linear regression test was used with the following results:

Table 6. Simple Linear Regression Test Results for H1

No	Description	Value
1	Model Summary	
	R Value	0,808
	R Square Value	0,653
2	ANOVA	
	F Value	52,747
	Sig.	<0.001
3	Coefficients	
	Constant Value	-8,144
	β1 Value	0,926
	t Value (X1)	7,263
	Sig. (X1)	<0,001

based on the results of hypothesis 1 test, the regression equation formulated as follows: $Y = -8,144 + 0,926 X1 + e$.

Table 6. states that there is an influence between budget planning on budget absorption, which is indicated by the R value of 0.808 which shows a positive correlation direction, this indicates that the ability to run the budget planning variable on the budget absorption variable that can be explained by this equation model is 0.808 which implies that the level of budget planning is very strongly correlated with budget absorption. The R Square value on the budget planning variable is 0.653 where budget planning explains 65.3% of the variability in budget absorption. The calculated t value of 7.263 is greater than the t table of 2.048 with a

sig value. $0.001 < 0.05$ indicates a positive influence between budget planning on budget absorption. The higher the level of participation in budget planning will lead to an increase in budget absorption. Therefore, hypothesis 1 is accepted.

Hypothesis Testing 2. To test the effect of procurement of goods and services on budget absorption within the DGIP, a simple linear regression test was used with the following results:

Table 7. Simple Linear Regression Test Results for H2

No	Description	Value
1	Model Summary	
	R Value	0,716
	R Square Value	0,513
2	ANOVA	
	F Value	29,460
	Sig.	<0.001
3	Coefficients	
	Constant Value	14,376
	β_2 Value	0,566
	t Value (X2)	5,428
	Sig. (X2)	<0,001

based on the results of hypothesis 2 test, the regression equation formulated as follows: $Y = 14,376 + 0,566 X_2 + e$

Table 7. states that there is an influence between the procurement of goods and services on budget absorption, which is indicated by the R value of 0.716 which shows a positive correlation direction, this indicates that the ability to run the procurement of goods and services variable on the budget absorption variable that can be explained by this equation model is 0.716 which implies that the level of procurement of goods and services is strongly correlated with budget absorption. The R Square value on the budget planning variable is 0.513 where budget planning explains 51.3% of the variability in budget absorption. The calculated t value of 5.428 is greater than the t table of 2.048 with a sig value. $0.001 < 0.05$ indicates a positive influence between the procurement of goods and services on budget absorption. The higher the level of participation in the procurement of goods and services will lead to an increase in budget absorption within the DGIP. Therefore, hypothesis 2 is accepted.

Hypothesis Testing 3. To test the interaction of work plan variables as moderation on the effect of budget planning on budget absorption within DGIP, multiple linear regression tests were used with the following results:

Table 8. Multiple Linear Regression Test Results for H3

No	Description	Value
1	Model Summary	
	R Value	0,949
	R Square Value	0,900
2	ANOVA	
	F Value	77,980
	Sig.	<0.001
3	Coefficients	
	Constant Value	-46,693
	β_1 Value	1,023
	β_3 Value	3,269

β_5 Value	-0,042
Nilai t (X1Z1)	-2,406
Sig. (X1Z1)	0,024

based on the results of hypothesis 3 test, the regression equation formulated as follows: $Y = -46,493 + 1,023 X_1 + 3,269 Z_1 - 0,042 X_1 * Z_1 + e$.

Table 8. states that there is an interaction (work plan as a moderating variable) with an R value of 0.949 which shows a positive correlation direction and implies that the level of interaction between budget planning and work plans is very strongly correlated with budget absorption. The R Square value before the moderating variable is 65.3% and after the work plan variable as moderation is 0.900 or 90% which shows an increase. This means that 90% of the variability in budget absorption can be explained by budget planning variables, work plans and the interaction of work plans and budget planning. The calculated t value of (-2.406) is greater than the t table of 2.048 with a sig value. $0.024 < 0.05$ indicates a positive effect of the interaction of work plans and budget planning on budget absorption. Budget planning participation has a positive effect on budget absorption when work plan participation within the DGIP is high. Therefore, hypothesis 3 is accepted.

Hypothesis Testing 4. To test the interaction of work plan variables as moderation on the effect of goods and services procurement on budget absorption within the DGIP multiple linear regression tests were used with the following results:

Table 9. Multiple Linear Regression Test Results for H4

No	Description	Value
1	Model Summary	
	R Value	0,942
	R Square Value	0,888
2	ANOVA	
	F Value	68,722
	Sig.	<0.001
3	Coefficients	
	Constanta Value	-33,475
	β_2 Value	0,977
	β_3 Value	2,584
	β_6 Value	-0,36
	t Value (X2Z1)	-2,070
	Sig. (X2Z1)	0,049

based on the results of hypothesis 4 test, the regression equation formulated as follows: $Y = -33,475 + 0,977 X_2 + 2,584 Z_1 - 0,36 X_2 * Z_1 + e$.

Table 9. states that there is an interaction (work plan as a moderating variable) with an R value of 0.942 which shows a positive correlation direction and implies that the level of interaction between the procurement of goods and services and work plans is very strongly correlated with budget absorption. The R Square value before the moderating variable is 51.3% and after the work plan variable as moderation is 0.888 or 88.8% which shows an increase. This means that 88.8% of the variability in budget absorption can be explained by the variable procurement of goods and services, work plans and the interaction of work plans and procurement of goods and services. The calculated t value of (-2.070) is greater than the t table of 2.048 with a sig value. $0.049 < 0.05$ indicates a positive effect of the interaction of work plans and procurement of goods and services on budget absorption. Participation in the

procurement of goods and services has a positive effect on budget absorption when the participation of work plans within the DGIP is high. Therefore, hypothesis 4 is accepted.

Hypothesis Testing 5. To test the interaction of organizational commitment variables as moderation on the effect of budget planning on budget absorption within the DGIP, multiple linear regression tests were used with the following results:

Table 10. Multiple Linear Regression Test Results for H5

No	Description	Value
1	Model Summary	
	R Value	0,897
	R Square Value	0,805
2	ANOVA	
	F Value	35,686
	Sig.	<0.001
3	Coefficients	
	Constanta Value	9,372
	β_1 Value	0,055
	β_4 Value	0,073
	β_7 Value	0,014
	t Value (X1Z2)	1,149
	Sig. (X1Z2)	0,261

based on the results of hypothesis 5 test, the regression equation formulated as follows: $Y = 9,372 + 0,005 X_1 + 0,073 Z_2 + 0,014 X_1 * Z_2 + e$.

Table 10. states that there is an interaction (organizational commitment as a moderating variable) with an R value of 0.897 which indicates a positive correlation direction and implies that the level of interaction between budget planning and organizational commitment is very strongly correlated with budget absorption. The R Square value before the moderating variable is 65.3% and after the work plan variable as moderation is 0.805 or 80.5% which shows an increase. This means that 80.5% of the variability in budget absorption can be explained by budget planning variables, organizational commitment and the interaction of organizational commitment and budget planning. The calculated t value of 1.149 is smaller than the t table of 2.048 with a sig value. $0.261 > 0.05$ indicates that organizational commitment has a positive but insignificant influence on the relationship between budget planning and budget absorption. Therefore, hypothesis 5 is rejected.

Hypothesis Testing 6. To test the interaction of organizational commitment variables as moderation on the effect of goods and services procurement on budget absorption within the DGIP, multiple linear regression tests were used with the following results:

Table 11. Multiple Linear Regression Test Results for H6

No	Description	Value
1	Model Summary	
	R Value	0,922
	R Square Value	0,851
2	ANOVA	
	F Value	49,490
	Sig.	<0.001

3	Coefficients	
	Constanta Value	0,635
	β_2 Value	0,314
	β_4 Value	0,717
	β_8 Value	0,000
	t Value (X2Z2)	0,016
	Sig. (X2Z2)	0,988

based on the results of hypothesis 6 test, the regression equation formulated as follows: $Y = 0,635 + 0,314 X_2 + 0,717 Z_2 + 0,000 X_2 * Z_2 + e$.

Table 11. states that there is an interaction (organizational commitment as a moderating variable) with an R value of 0.922 which shows a positive correlation direction and implies that the level of interaction between the procurement of goods and services and organizational commitment is very strongly correlated with budget absorption. The R Square value before the moderating variable is 51.3% and after the work plan variable as moderation is 0.851 or 85.1% which shows an increase. This means that 85.1% of the variability in budget absorption can be explained by the variable procurement of goods and services, organizational commitment and the interaction of organizational commitment and procurement of goods and services. The calculated t value of 0.016 is smaller than the t table of 2.048 with a sig value. $0.988 > 0.05$ indicates that organizational commitment has a positive but insignificant influence on the relationship between the procurement of goods and services on budget absorption. Therefore, hypothesis 6 is rejected.

4. CONCLUSION AND SUGGESTIONS

Based on the results of data analysis that has been carried out regarding the effect of budget planning and procurement of goods and services on budget absorption with work plans and organizational commitment as moderation in the DGIP's environment, the following conclusions can be drawn:

- 1) Budget planning has a significant effect on budget absorption within the DGIP. There are important indicators in DGIP budget planning in relation to budget absorption, namely budget planning prepared with a performance-based system, sourced from the formulation of the DGIP Strategic Plan and its derivatives, in accordance with budgeting planning rules (Standard Cost Input (SBM), suitability of types of expenditure and accounts, and others), relevant to the conditions of community needs and government policy developments and considering the previous year's performance evaluation.
- 2) Procurement of goods and services has a significant effect on budget absorption variables within the DGIP. There are several important indicators in the procurement of goods and services of DGIP in relation to budget absorption, including in accordance with the needs of the organization, having used domestic products or meeting the requirements of the Domestic Component Level (TKDN) value, based on the principles of efficiency, effectiveness, transparency, openness, competition, fairness and accountability, considering the results of monitoring and evaluation in the previous year.
- 3) The work plan moderates the effect of budget planning on budget absorption within the DGIP. There are several important indicators in the DGIP's work plan in relation to budget absorption, namely reflecting the "real work" of the organization with clear results and impacts, containing vision, mission, strategic goals, programs, activities prepared by considering DGIP's performance achievements per year, paying attention to value for money and money follow programs, formulating indicators with SMART-C principles,

namely specific, measurable, agreeable, realistic, time-bounded and continuously improved.

- 4) The work plan moderates the effect of procurement of goods and services on budget absorption within the DGIP. There are several important indicators in the DGIP's work plan in relation to budget absorption, namely reflecting the "*real work*" of the organization with clear results and impacts, containing vision, mission, strategic goals, programs, activities prepared by considering DGIP's performance achievements per year, paying attention to value for money and money follow programs, formulating indicators with SMART-C principles, namely specific, measurable, agreeable, realistic, time-bounded and continuously improved.
- 5) Organizational commitment does not moderate the effect of budget planning on budget absorption within the DGIP. There are several important indicators in the DGIP work plan in relation to budget absorption, namely a strong commitment to optimizing budget absorption, actively participating in decision making on organizational planning and budgeting, having a clear mechanism or policy in terms of budget planning and absorption, being proactive in monitoring and evaluation, and performing optimally.
- 6) Organizational commitment does not moderate the effect of goods and services procurement variables on budget absorption variables within the DGIP. There are several important indicators in the DGIP's work plan in relation to budget absorption, namely a strong commitment to optimizing budget absorption, actively participating in decision making on organizational planning and budgeting, having a clear mechanism or policy in terms of budget planning and absorption, being proactive in monitoring and evaluation, and performing optimally.

Based on the results of research on the effect of budget planning and procurement of goods and services on budget absorption with work plans and organizational commitment as moderation in the DGIP's environment, suggestions that can be given are as follows:

- 1) Of the two independent variables tested, namely the budget planning variable and the variable procurement of goods and services, the lower coefficient value is the budget planning variable, so the sensitivity of the variable to budget absorption is low. Efforts that can be made to improve budget planning in accordance with the results of the research conducted are as follows:
 - a. DGIP must involve the entire team of Officials and Employees in the preparation of budget planning documents. And consider strategic proposals from both internal and external as stated in the DGIP's Strategic Plan 2020-2024;
 - b. Budget planning documents must be prepared in accordance with: 1) budgeting rules, suitability of types of expenditure and expenditure accounts where the description of the activities is set out in detail in the term of reference (TOR) document and detailed cost budget (RAB) and other supporting data that can be accounted for; 2) organizational needs in carrying out activities supported by a plan to withdraw funds within 1 year, to anticipate the buildup of activities and budget absorption at the end of the year, as well as to reduce deviations between budget planning and budget realization which have an impact on the value of the budget implementation performance indicator (IKPA) of the DGIP; 3) Dynamic conditions of intellectual property service needs by stakeholders; 4) Priority activities and outputs to be achieved by DGIP, thus minimizing budget changes that result in the need for budget revisions in the current year.
- 2) the lowest coefficient value is the interaction of the moderating variable of organizational commitment on the influence of the variable procurement of goods and services on the budget absorption of DGIP, so that the sensitivity of the variable to budget absorption is

low. Efforts that can be made to increase the recommended organizational commitment variable are an increase in positive organizational culture. Where for the Ministry of Law and Human Rights RI to further encourage the organization to always carry the PASTI value system which means professional, accountable, synergy, transparent, and innovative. In an effort to develop a positive organizational culture, to encourage organizational commitment, DGIP is also advised to provide rewards and recognition for performance that has a positive impact on organizational performance. Increasing organizational commitment requires a holistic and sustainable approach, which is adjusted to the Strategic Plan that has been owned by the DGIP.

- 3) for other researchers it is recommended to look for other independent variables that are thought to affect budget absorption besides budget planning and procurement of goods and services, because the percentage of R Square in Table 4.16 is 74.4% so that the remaining 25.6% is influenced by other variables that are not included in the research model.

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