The Perception of Budget Managers on The Budget Absorption Variable in New State Universities (Empirical Studies at University of Pembangunan Nasional “Veteran” Yogyakarta)

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Abstract
Budget and budget absorption are very important in the sustainability of a budgeting system at state universities. Budget absorption is used as an indicator of performance measurement in a university. The opinion of budget managers is an important factor in efforts to optimize the budget. Therefore, research on the perception of budget managers on the determinants of budget acceptance in state university is very important, especially for new state universities (Perguruan Tinggi Negeri Baru/PTNB), including University of Pembangunan Nasional “Veteran” Yogyakarta (UPNVYK). The purpose of this study is to analyze the variables that affect budget absorption at UPNVYK. The variables are budgeting plan, budgeting management, human resource, procurement of goods dan services (Pengadaan Barang dan Jasa, PBJ), bureaucratic environment, monitoring and evaluation systems, and organizational commitment. This research is expected to formulate recommendations about budget policymaking and its implementation in UPNVYK management in particular and new state universities in general. It is hoped the research will become one of the policy making materials for UPNVYK management on budget implementation from the perception aspect and point of view of managers of the procurement of goods/services.

Keywords: budget absorption, budget policymaking

INTRODUCTION

The budget is a periodic quantitative plan (unit of amount) that is prepared based on the approved program (Nafarin, 2007). The budget is also a written plan regarding the activities of an organization which is expressed quantitatively for a certain period of time and expressed in units of money but can also be expressed in units of goods/services. Law no 17 of 2003 about state finance, budget is a tool of account management and economic policy. Budget as an economic policy that has the function to realize economic growth and stability and income distribution in achieving state goals.

Minister of Finance Regulation No. 242/PMK.02/7911, States that budget absorption is one of the indicators of performance evaluation on implementation. Budget absorption is also one of the elements of...
financial accountability in the performance accountability report of government agencies (LAKIP). The slow absorption of the budget in Indonesia is a classic problem that continues to occur every year. This results in the slow realization of the implementation of government programs and activities. An illustration of budget absorption at the UPNVYK for six years from 2015 to 2020 can be shown in figure 1.

![Figure 1. Budget Absorption rate chart University of Pembangunan Nasional "Veteran" Yogyakarta](source)

The graph above shows that from 2015 to 2020, the level of absorption of the total budget for spending has increased, but is still around 80% in the last two years. The percentage of realized revenue also increased in line with the increase in the percentage of budget realization. However, from 2018 to 2019, the percentage of realized total expenditure exceeded the percentage of realized revenue.

The process of planning activities in budgeting is one of the important steps in budget management. When activities are well planned with budget planning for the implementation of these activities, the realization of activities and budgets will be as expected. In addition to budget planning, there are many variables that will be related to budget management. A very important factor in budgeting management is the absorption of budgeting itself, and this cannot be separated from the perception of budget managers. The perception of budget absorption is the sensing carried out by financial managers by taking actions to compose, recognize, and interpret sensory information to provide an overview and understanding of budget absorption. It is necessary to conduct research to find out how budget managers perceive the variables related to budget absorption at the University of Pembangunan Nasional "Veteran" Yogyakarta (UPNVYK).

**LITERATURE REVIEW**

Research on budget absorption factors in Local Government agencies or, in this case, State Universities has been carried out using various concepts, including Performance-Based Budgeting. Performance-Based Budgeting (Anggaran Berbasis Kinerja/ABK) is budgeting based on performance planning consisting of programs and activities to be implemented as well as performance indicators achieved by a budget entity. Several theories related to the implementation of budget absorption are theories related to compensation and the accuracy of giving/dividing work. Human resources with a high level of competence are easier to transform knowledge from outside to be applied in the organization (Vega, 2007), Haryanto (2012) and Mutmainnah and Iqbal (2017).
Participation is a process for making joint decisions, and these decisions will have an impact on the future of the decision-makers themselves. Budgeting participation is the participation of stakeholders in an organization (at UPNVYK) in preparing the budget and the perception or perspective of budget managers. Thus, budgeting participation is a process that describes the individuals at the university (UPNVYK) who are involved in budgeting and have an influence on budget targets and the need for awards for achieving these budget targets. At the same time, the perception of budget managers at state universities is the perspective and understanding of budget managers at state universities on budget absorption (at UPNVYK).

Involvement in budget decision-making is carried out in several ways, starting from only attending in the preparation of the budget to participating in providing opinions about the budget to be prepared. In principle, participation in budgeting is very beneficial for an organization (at UPNV). This is because it will better reflect the real needs of each existing unit. Dharmamogara (2010:22) said that participation could increase morale and encourage greater initiative at all levels of management, increasing a sense of group unity, which in turn tends to increase cooperation among group members in goal setting. With participation, someone can know that the goals set by the organization are reasonable and achievable. The members who participate in budgeting will have a better understanding of the resources allocated in the created budget. Although participation has great benefits in the budgeting process, it also has limitations. Participation gives members the right and power to set their budgets. The power can create the consequence of budget slack if participating members express opinions that are too low or costs are too high.

Warindrani in Armaeni (2012:37) explains about three potential problems that can arise from budget participation, are setting standards or targets that are too high or too low, budget slack, and false participation. For this reason, in order to avoid these problems, the budget that has been prepared in a participatory manner by lower managers (at majors level) still needs to be reviewed by middle-level managers, are commitment making officers/PPK, or Even top-level managers, namely budget users/PA, in this case, the rector represented by the Internal Control Unit/SPI. This needs to be done to avoid the occurrence of inappropriate budget estimates or budgetary slack. If in the budget it is deemed necessary to make changes, then these changes must first be discussed and modified based on an agreement with lowe management.

In participatory budgeting, all levels of the organization need to be involved in budgeting. Involvement of all levels of the organization is required because lower-level managers (majors and faculties) usually know more about the actual situation of the organization than upper-level managers, so that information from lower-level management/employees is needed for the preparation of the organization's budget. With participation in budgeting, it is expected to be a communication tool between superiors and subordinates to align organizational goals (Apriyandi, 2011). Sumarno (2005) in Riansah (2013:69) said several indicators or parameters that can be used to assess budgetary participation. These parameters are participation in budgeting, a large influence on participation in budgeting measurements, the influence of opinions/proposals in budgeting, decisions in a budget, and the importance of contributions or thoughts in budgeting.

From the results of this research, it is very interesting to do research on how the absorption of the budget at UPNVYK as a new university that has experienced a transition period from State-Service University (Perguruan Tinggi Kedinasan/PTK), Private University (Perguruan Tinggi Swasta/PTS) and now a New State University (PTNB) and to be Public Service Agency university (BLU) and State University with Legal
RESEARCH METHOD

This study uses a quantitative descriptive approach. Quantitative descriptive research aims to find out how the perceptions of respondents involved in budget absorption at UPNVYK use quantitative parameters and indicators.

The population in this research were all work units at UPNVYK, which consisted of 15 work units. The research sample is the budget manager and the manager of the procurement of goods or services. The population in this research was 20 positions consisting of budget users, commitment making officers, Paying Order Signing Officer, Assistant expense treasurer, Employee Expenditure Management Expenditure Officer, Financial Management Staff dan Non-Tax State Revenue Official. The employees, in accordance with their main duties and functions, carry out management and administration in the budget, from the 20 types of positions held by officials as many as 41 officials.

This research uses primary data. The primary data on the level of budget absorption and the variables that support budget absorption in the University of Pembangunan Nasional "Veteran" Yogyakarta were obtained through a closed and open questionnaire on the perceptions of financial management employees.

5 scales of respondent's perception:
Score 1 = Strongly Disagree (STS)
Score 2 = Moderately Disagree (TS)
Score 3 = Slightly Disagree (ATS)
Score 4 = Moderately Agree (ST)
Score 5 = Strongly Agree (SS)

From the results of the answers and scoring of all respondents, then do quantitative calculations and descriptive analysis.

FINDINGS AND DISCUSSION

![Figure 2. Respondent Position](image-url)
From the questionnaires distributed, there were 35 people who had represented all nine positions in accordance with the Chancellor’s decision No. 56/UN62/KU.01/KPA/2021UPNVYK with the details as shown in Figure 2.

The characteristics of the respondents

The characteristics of the respondents can be explained by the variables of gender, length of work in UPNVYK, respondent’s age, respondent’s education, and field of expertise/field of work of respondents. The gender of 35 respondents can be divided into 53% female and 48.4% male. This shows that the financial management employees at UPNVYK are dominated by female employees. The respondent’s length of service can be explained that the financial manager at UPNVYK ranges from 0 to 10 years of service. In detail, the length of work of the financial manager at UPNVYK can be seen in Figure 3.

![Figure 3. Length of Work](source)

Figure 3. Length of Work

Respondent’s

Source: primary data processed

The respondent’s age can be explained that financial managers in UPNVYK have a maximum age of 50 years, which has a proportion of 14.3%, and the average financial manager in UPNVYK range’s from 20 to 30 years. This is, in principle, a productive age where capacity and skills can be optimized in managing and working as a financial manager so that it will improve financial performance in UPNVYK. In detail, the age of the financial manager at UPNVYK can be seen in Figure 4.

![Figure 4. Age of Respondent’s](source)

Figure 4. Age of Respondent’s

Source: primary data processed
The education level of financial management officials at UPNVYK can be explained that: financial managers at UPNVYK have an education level of 25% high school graduates, 32.1% undergraduate graduates, 21.4% masters graduates, 21.4% doctoral graduates. It can be explained that: although the majority are employees with Bachelor degree education level, the distribution of this level of education is relatively even. Even if you look at those with Master’s Degree and Doctoral degree education, they are almost equal, which are 21.4% each. As for the education sector, the majority of respondents are based on government accounting, which is as much as 14.3%, followed by an educational background of management expertise. This is the potential in improving the performance of financial management degrees, both from the age aspect as well as from the aspect of education level and educational background of financial managers at UPNVYK. In detail, the level of education of financial managers at UPNVYK can be seen in Figure 5.

Figure 5. Education level Respondent’s
Source: primary data processed

Respondents' Perception on Budget Absorption

Respondents’ perceptions of the budget absorption variable at University of Pembangunan Nasional "Veteran" Yogyakarta:

Budget Absorption Variable

Respondent’s perception of budget absorption at UPNVYK is approached by several indicators, including the proportion of withdrawals, work accumulation, completion of the disbursement process, realization, achievements, and remaining budget absorption.

The results of primary data (respondent’s perceptions) of budget absorption in UPNVY can be found that: the withdrawal of the budget has been quite proportional every quarter, but often there is a buildup of work related to the completion of the disbursement process aimed at the percentage of agreeing on statements from employees of 79%. The opinion of some employees is that the realization of budget absorption related to programs/activities and the ability to achieve total budget absorption (more than 95%) have never reached 95%. So that at the end of the year there is always a balance of the budget.

Budget Planning Variable

Budget planning is approached with the perception of goals/strategy and program preparation/budget from financial managers at UPNVYK. Based on the objectives and strategies of budget absorption in the agency/organization, it is stated that there are documents related to long-term planning that describe the vision and mission of the agency/organization. The planning document contains the performance measurement and funding. The work plan and budget (RKA) have been prepared in
accordance with the planning and ceiling documents, although most of them are not based on the standard unit price of goods and services (SSHBJ) and Cost Analysis (ASB). However, the preparation of work plans and budgets has been made by taking the principles of efficiency, effectiveness, transparency, and accountability as well as in the implementation of the program showing synchronization in executive performance. This shows a necessary commitment to improving financial management performance at UPNVYK.

**Budgeting Administration Variable**

Budgeting administration variables include activity processes, activity documents, administrative facilities, and accessibility of administrative information. Based on the respondent's perception, it can be explained that: the process of agency/organization activities already has a special area of administrative work, and activity documents are recorded very well. Several budget administration facilities have also utilized information systems and archived them in accordance with established regulations. In addition, the budget administration process is quite good in utilizing the existing Standard Operating Procedures (SOP) and quite easy to access information on agency/organization activities.

**Human Resources Variables**

Variables of human resources (HR) include competence, quantity, multiple assignments, certification, and education. Based on the respondent's perception, it can be explained that: the competence and quantity needs of human resources in the agency/organization have worked in accordance with their respective expertise. However, some employees feel that there is a double assignment of employees who handle budgeting administration. Meanwhile, for certification/education, a roadmap for the development and capacity building of employees has been carried out. For this reason, the University of Pembangunan Nasional "Veteran" Yogyakarta management needs to increase the capacity of human resources with a reward and punishment system based on justice.

**Variable Procurement of Goods and Services**

The variables for the procurement of goods and services in this study include a number of officials/committees for procurement of goods, understanding of regulations, the establishment of organizational structure, determination of "HPS", and selection of providers of goods/services. Based on the respondent's perception, it can be explained that: The number of committees for procurement of goods is felt to be lacking due to the lack of interest of employees to become procurement officials. This happens because there is an imbalance between the risk of work and the rewards received. In addition, the lack of ability of employees as committees/officers for the procurement of goods/services is less than optimal in education and training facilities for goods/services. The fear of officials in the implementation procurement of goods/services due to the many reports of arrests of officials on charges of corruption. This is also stated by most respondents as the cause of the lack of interest of employees to become procurement officials. In addition, the implementation of the procurement of goods/services shows that it is not certified. The realization and adjustment in the understanding of regulations were very good, which the majority of respondents answered agreed with. In the preparation of the budget ceiling, it is sufficient in accordance with market prices. Meanwhile, the inspection/signing of the contract documents of the procurement committee/officer partly takes a long time. This requires a system and schedule that is adhered to in every procurement of goods and services at UPNVYK.
Bureaucratic Environment Variables

Bureaucratic environment variables in this research were approached through regulatory clarity, regulation socialization, and Standard Operating Procedures (SOP). The results of the respondent’s answers can be explained that: In the bureaucratic environment related to regulations, it is clear and well socialized, and the regulations applied to organizations/institutions do not overlap. In addition, each program/activity has been prepared in accordance with the SOP. However, in its implementation, there needs to be clarity of each task description and the system of each work process. For that, UPNVYK management needs to implement a bureaucratic system and clarity in every job description of every financial management employee supported by the ability of each employee.

Variables Monitoring and Evaluation System for the Implementation of Budget Absorption

Variables of the monitoring and evaluation system in the implementation of budget absorption include the implementation of an assessment of the results of activities, preparation of SOP in determining/supervising the use of the budget. The results of the survey of respondents’ data are the assessment of the results of activities that have been carried out routinely by institutions/organizations. In addition, the preparation of the determination and supervision of the use of the budget has been adequate based on the SOP made. This also supports the routine implementation of verification and review, and balancing activities in the units in UPNVYK.

Organizational Commitment Variable

Budgeting administration variables in this research include the tendency of commitment, a continuation of commitment, and commitment based on norms. In the statement of the tendency of the respondent’s commitment to state a harmonious condition. A transparent and accountable organization has been implemented. This commitment is supported by employee loyalty in working very well. Meanwhile, in terms of sustainability, commitment is less consistent, and based on data, respondents tend to find it easier to leave the agency/organization.

CONCLUSION AND FUTURE RESEARCH

The budget at the University of UPNVYK has been prepared based on the performance and needs of the organization, but it is still necessary to improve coordination (from the central leadership to the bottom line) in terms of quantity and quality and to disseminate the results of coordination to the unit level. It is hoped that employees can know and understand how performance-based budget management should be. This is important in order to provide the same understanding and perception, both among fellow budget managers, as well as employees at the unit level and at the central/university level. In addition, an integrated information system is needed to support the achievement of good university governance. This needs to be based on spending that is in accordance with the planning. Thus budget planning and the same understanding (perception) become the initial basis for budget absorption at the University of UPNVYK, not only for budget managers but also for all stakeholders both at the unit level and at the central/university level.

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