

The Impact of Budget Planning and Procurement of Goods and Services on the Absorption of Local Budget Expenditure

Dhea Adelia^{1*}, Samukri²

Faculty Economics and Business, Universitas Teknologi Muhammadiyah
Jakarta

Corresponding Author: Dhea Adelia dheadeliaharun@gmail.com

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ABSTRACT

Efficient budget absorption is a critical component of public financial management, aiming to ensure that government funds are utilized optimally and effectively. This study investigates the influence of budget planning and the procurement of goods and services on budget absorption within government agencies. A quantitative research method was employed, using questionnaires as the primary data collection tool. The researcher applied a saturated sampling technique, targeting a relatively small population of 107 civil servants at the DKI Jakarta PPKUKM Office. The findings reveal that well-prepared and structured budget planning has a significant positive impact on budget absorption. This study contributes to public sector financial management by emphasizing the importance of comprehensive planning and efficient procurement processes in achieving better budget realization outcomes.

INTRODUCTION

According to Sulistyowati et al. (2020), a budget is a comprehensive plan that is formulated and explained quantitatively within a specific period. One of the major challenges in government budgeting is the low rate of budget absorption at the beginning of the fiscal year, which tends to accumulate toward the end, resulting in uneven spending patterns (Weni, 2020). This issue is often rooted in underdeveloped budget planning, which leads to programs not being implemented as intended. Sari, Maria, and Indriasari (2023) describe budget planning as a crucial activity that aligns finalized policies and plans with implementation. Involving lower-level managers in the budgeting process fosters accountability and acts as a non-monetary motivator, thereby enhancing organizational performance (Annisa et al., 2022). Performance, in turn, is a vital metric for evaluating institutional success (Rozinovianti & Alfian, 2023).

The Provincial Government of DKI Jakarta is equipped with a sizable budget to implement various regional development initiatives. In 2023, its total expenditure was set at IDR 83.7 trillion. The Regional Revenue and Expenditure Budget (APBD) for the Department of Industry, Trade, Cooperatives, and SMEs (PPKUKM) was regulated by Regional Regulation No. 5 of 2022 and further detailed in Governor Regulation No. 70 of 2022. Amendments were later made via Regional Regulation No. 3 of 2023 and Governor Regulation No. 35 of 2023.

Procurement of goods and services involves acquiring items or services through a structured process, from identifying needs to delivering outcomes, financed by national (APBN) or regional (APBD) budgets. As an integral part of financial governance, this process demands transparency and accountability (Agus, 2018). Zulaikah and Burhany (2019) argue that procurement is a routine and essential government activity for supporting various programs. Procurement activities directly influence budget absorption: the more procurement is executed, the higher the absorption tends to be (Santika et al., 2023).

In realizing the expenditure budget in the Regional Apparatus Work Unit (UKPD) it is very important to pay attention to budget planning and procurement of goods / services in accordance with statutory regulations, according to LKPP Regulation Number 9 of 2018 concerning Guidelines for Procurement of Goods / Services Through Suppliers, the lowest price assessment method, especially price, is the basis for determining the winning company Wiradinata, Gaos, and Annisa (2019). The existing phenomenon shows that the procurement of goods and services factor has a significant influence on the absorption of the work unit budget Ramadhani & Setiawan (2019). Poor work unit procurement factors in the implementation of activities have a tendency to slow down the absorption of the work unit budget Ramadhani & Setiawan (2019). These steps are taken, among others, by encouraging the priority of APBN / APBD spending to be carried out by consolidation and electronic catalogs. Therefore, the Government Procurement Policy Agency (LKPP) asks especially the Regional Government to prioritize the APBD for PDN as a step to support the economy, strengthen the industrial sector, and create jobs. LKPP often

receives complaints that each region's APBD money is still widely enjoyed by non-regional entrepreneurs.

Effective budget absorption contributes positively to development outcomes, while poor absorption may hinder program execution and delay target achievement. According to the BPKD Jakarta (2024), DKI Jakarta's regional expenditure in 2023 reached 92.54% or IDR 66.7 trillion of the total IDR 72.1 trillion budget – an increase from 84.27% in 2022. This also corresponded with a reduction in SILPA (unspent budget) by IDR 2 trillion, showing improved budget utilization.

Based on the above background that occurs in the Department of Industry, Trade, Cooperatives, Small and Medium Enterprises of DKI Jakarta Province (Dinas PPKUKM Provinsi DKI Jakarta), with the target realization of the procurement of goods and services to realize the expenditure budget in accordance with the technical details of the goods so that there may be obstacles in achieving the target realization of regional expenditure, therefore researchers will conduct research or research entitled “The Effect of Budget Planning and Procurement on Budget Absorption”. Based on the background of the research, therefore the problem formulations in this study are Does Budget Planning affect the Absorption of Regional Expenditure Budgets? and Does Procurement of Goods and Services affect the Absorption of Regional Expenditure Budgets?

LITERATURE REVIEW

Agency Theory

Agency theory serves as a foundational concept in management studies, particularly in explaining the relationship between company owners (principals) and managers (agents) who are delegated to act on behalf of the owners (Soemarso S.R., 2018). This theory highlights the presence of information asymmetry, as agents typically possess more information than principals. Two major issues may arise in this dynamic: (1) agency problems, where agents' goals may conflict with those of the principals, making it difficult to assess the agent's performance, and (2) risk-sharing issues, due to differing levels of risk tolerance between principals and agents. These problems often stem from agents prioritizing personal interests over organizational objectives. To mitigate this, principals must incur monitoring costs, referred to as agency costs, to ensure agents act in alignment with organizational goals (Putri, 2019).

A derivative of agency theory is stewardship theory, which presents an alternative perspective by assuming that managers act not out of self-interest but rather out of a commitment to organizational objectives and stakeholder welfare. In this context, managers prioritize trust, integrity, and the public interest. This theory is particularly relevant to public sector organizations, such as local governments. The current study adopts stewardship theory as a lens to explore how commitment in budget planning and procurement processes affects the absorption of public expenditure budgets.

Expenditure Budget Absorption

According to Sulistyowati, Farihah, and Hartadinata (2020) budget is a plan that is compiled in an integrated manner and explained quantitatively over a certain period or in accordance with a predetermined period of time. The budget is prepared to assist management in minimizing the risk of uncertainty in the future. The budget is also the key to success in achieving goals comprehensively, Furthermore, expenditures are all expenditures from the State General Cash Account (RKUN) in the current fiscal year period that reduce the Excess Budget Balance (SAL) and the government will not get it back. State expenditure is one of the strategic points of government administration Syamsuddin et al., (2022). According to Halim (2019) that budget absorption is the achievement of an estimate to be achieved during a certain period of time which is seen at a certain moment (realization of the budget). Likewise, in the context of local government, budget absorption is a description of the local government's capability when carrying out and providing accountability for each activity which is an accumulation of budget absorption that has been carried out by the regional apparatus work unit Rahmawati (2020).

Budget Planning

According to Sari, Maria, and Indriasari (2023) budget planning is an activity carried out to implement policies and plans that have been prepared and finalized. Participation in the budget allows lower-level managers to participate in the budget, and the increased responsibility and challenges in the process provide non-monetary incentives, leading to high levels of performance Annisa et al., (2022). Performance is a very important thing to measure the success of an institution Rozinovianti and Alfian (2023).

Procurement of Goods and Services

Procurement refers to the process of acquiring goods and services in the public sector, governed by multiple legal frameworks such as civil law, economic principles, accounting systems, and financial regulations. Bastian (2010) emphasizes that procurement is essential in meeting public needs and is a key function of government agencies. Presidential Decree No. 80 of 2003 defines procurement as activities funded through national or regional budgets, designed to promote competition, accountability, and efficiency. This regulatory framework was developed to clarify procurement procedures and ensure the optimal use of public funds. Effective procurement practices are vital for maximizing budget absorption and achieving development targets.

Impact of Budget Planning on Expenditure Budget Absorption

According to Arif and Halim (2013) in Iqbal (2018) that the more mature the budget manager in planning, the work program or activities in one fiscal year will run well, so that the budget absorption target can be achieved. On the other hand, if the planning of activities is less mature, it will have implications for the implementation of activities that are not in accordance with the planning. Poor budget planning often causes obstacles in its implementation, so that it must be revised or even cannot be realized at all. Budget planning also contributes to the

absorption of local government budgets. Agency relationships in government in the context of governance, the executive branch (the government) acts as the agent, while the legislative branch (parliamentary representatives of the people) functions as the principal. Prior to drafting the Regional Revenue and Expenditure Budget (APBD), both branches must reach a consensus on the overall direction, policies, and spending priorities, which then serve as the foundation for budget formulation. The executive prepares the draft APBD and submits it to the legislature for joint review and deliberation before it is formally enacted into regional regulation. From an agency theory perspective, this relationship represents an incomplete contractual arrangement, allowing the legislature to supervise the executive's budget implementation. Well-structured budget planning facilitates smoother execution during the fiscal year and enhances budget absorption. Previous studies – by Anfujatin (2016), Mutmainna (2017), Widianingrum (2017), Iqbal (2018), and Ramadhani & Setiawan (2019) – have consistently shown that planning plays a critical role in influencing budget absorption levels.

H1: Budget planning has a positive effect on budget absorption.

The Impact of Procurement on Budget Absorption

Various factors influence budget absorption, one of which is the procurement of goods and services – a core function of public sector institutions aimed at fulfilling public needs (Bastian, 2010). At the PPKUKM Office of DKI Jakarta Province, the efficiency of procurement activities significantly determines the extent to which the allocated budget is realized. According to Ramadhani & Setiawan (2019) and Alimuddin (2018), procurement-related issues are among the key contributors to low budget absorption. On the other hand, studies by Nugroho (2017) and Sanjaya et al. (2018) offer contrasting perspectives, indicating that procurement positively impacts budget absorption. This view is also supported by Lestari & Yuliani (2022).

H2: Procurement has a positive effect on the absorption of the expenditure budget.

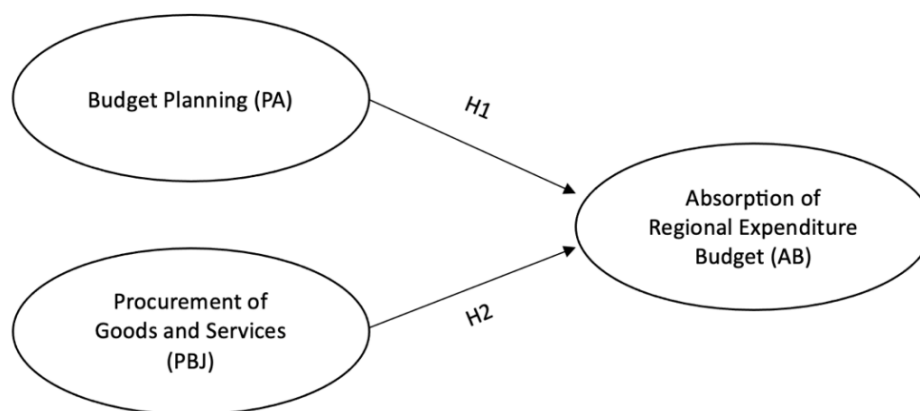


Figure 1. Conceptual Framework

METHODOLOGY

This research adopts a quantitative survey method, where the researcher gathers data by asking respondents about their views, experiences, characteristics, and behaviors, either past or present. The design used is causal research, intended to examine cause-and-effect relationships between variables, specifically how one variable influences another.

The study's population consists of civil servants (State Civil Apparatus) working within the Department of Industry, Trade, Cooperatives, and Small and Medium Enterprises (PPKUKM) of the DKI Jakarta Provincial Government, as outlined in the 2024 official decree. Based on this scope, a total of 107 employees were included as the population. Since the number is relatively small, the researcher applied a saturated sampling technique, meaning the entire population was used as the sample.

The primary data for this study were obtained through questionnaires distributed via Google Forms. Respondents were asked to complete a structured set of questions aligned with the study variables. A Likert scale was utilized to capture participants' attitudes, opinions, and perceptions. As noted by Sanusi (2017), this scale enables respondents to express their degree of agreement with each item, allowing for meaningful analysis of the related indicators.

Once the responses were collected, data analysis was conducted using Smart PLS (Partial Least Squares) version 4.0. This analytical tool is employed to evaluate research hypotheses and to examine both the measurement model (outer model) and the structural model (inner model). The analysis included several stages, as outlined below:

Descriptive Analysis According to Sugiyono (2017:147), descriptive analysis is a statistical method used to describe collected data without aiming to draw broader conclusions or generalizations. In this study, descriptive analysis was applied to illustrate the current state of budget planning and execution in relation to budget absorption. Each item was analyzed by tallying the frequency of responses for every answer category.

According to Ghozali (2018), a validity test is conducted to assess whether the indicators used in a questionnaire effectively measure the intended constructs. The validity of a questionnaire depends on the relevance and clarity of the questions presented. An indicator is considered valid if the correlation (r -calculated) exceeds the critical value (r -table), indicating a statistically significant relationship at a 5% significance level (0.05). If the r -calculated is lower than the r -table, the indicator is deemed invalid.

The validity testing process involves several stages:

a. **Convergent Validity**

This test evaluates how well each indicator correlates with its respective construct. An indicator is considered to have good convergent validity if its outer loading exceeds 0.7. However, in exploratory research, loading values between 0.5 and 0.6 may still be acceptable (Ghozali, 2016).

b. **Discriminant Validity**

Discriminant validity is assessed by comparing an indicator's loading on its associated construct to its loadings on other constructs. Adequate

discriminant validity is indicated when each indicator loads higher on its assigned construct than on any other.

c. Average Variance Extracted (AVE)

This metric evaluates how much variance of the observed variables is captured by the latent construct. An AVE value greater than 0.5 suggests that the construct explains more than half of the variance in its indicators, supporting validity.

A model that defines the relationships between latent variables—commonly referred to as the inner model—illustrates the connections among these variables based on substantive theory. The evaluation of the inner model is conducted using several key criteria, which include:

a. R-square

R² is used for endogenous (dependent) constructs and reflects the extent to which specific exogenous (independent) variables explain the variance in the endogenous variables. The interpretation is similar to that used in regression analysis. R² values of 0.67, 0.33, and 0.19 are generally interpreted as indicating strong, moderate, and weak levels of explanatory power, respectively.

b. Path Coefficient (Path Coefficient)

The path coefficient represents the strength and direction of relationships between constructs in the structural model. These coefficients are estimated through a bootstrapping procedure and must be statistically significant to confirm the validity of the hypothesized paths.

c. Predictive Relevance (Q²)

A Q² value greater than zero indicates that the model possesses predictive relevance, meaning it can reliably predict the observed outcomes. Conversely, if the Q² value is below zero, it suggests that the model lacks predictive relevance.

Hypothesis testing is evaluated by examining the T-statistic and the associated probability (p-value). At a 5% significance level ($\alpha = 0.05$), the critical threshold for the T-statistic is 1.96. Therefore, the decision rule is to accept the alternative hypothesis (H_a) and reject the null hypothesis (H₀) if the T-statistic exceeds 1.96. Alternatively, when using the p-value approach, H_a is accepted if the p-value is less than 0.05.

RESEARCH RESULT

Descriptive Analysis of Variables

Descriptive statistics explain the processed results of questionnaire data consisting of mean, median, min, max, and standard deviation values. The results of data processing from respondents' answers show that each variable is rated on a Likert scale of 1 to 5. From the table above, it can be seen that there are 107 respondents, described as follows:

Budget Planning (X₁ / PA)

The budget planning variable consists of 11 indicators, the minimum value of the Budget Planning variable is 1 and the maximum value is 5, while the mean or average value is 4.509.

Procurement of Goofs and Services (X2 / PBJ)

The variable procurement of goods and services consists of 7 indicators, the minimum value of the Budget Planning variable is 1 and the maximum value is 5, while for the mean or average value is 4.381.

Regional Expenditure Budget Absorption (Y/AB)

The regional expenditure budget absorption variable consists of 4 indicators, the minimum value of the Budget Planning variable is 1 and the maximum value is 5, while the mean or average value is 4.615.

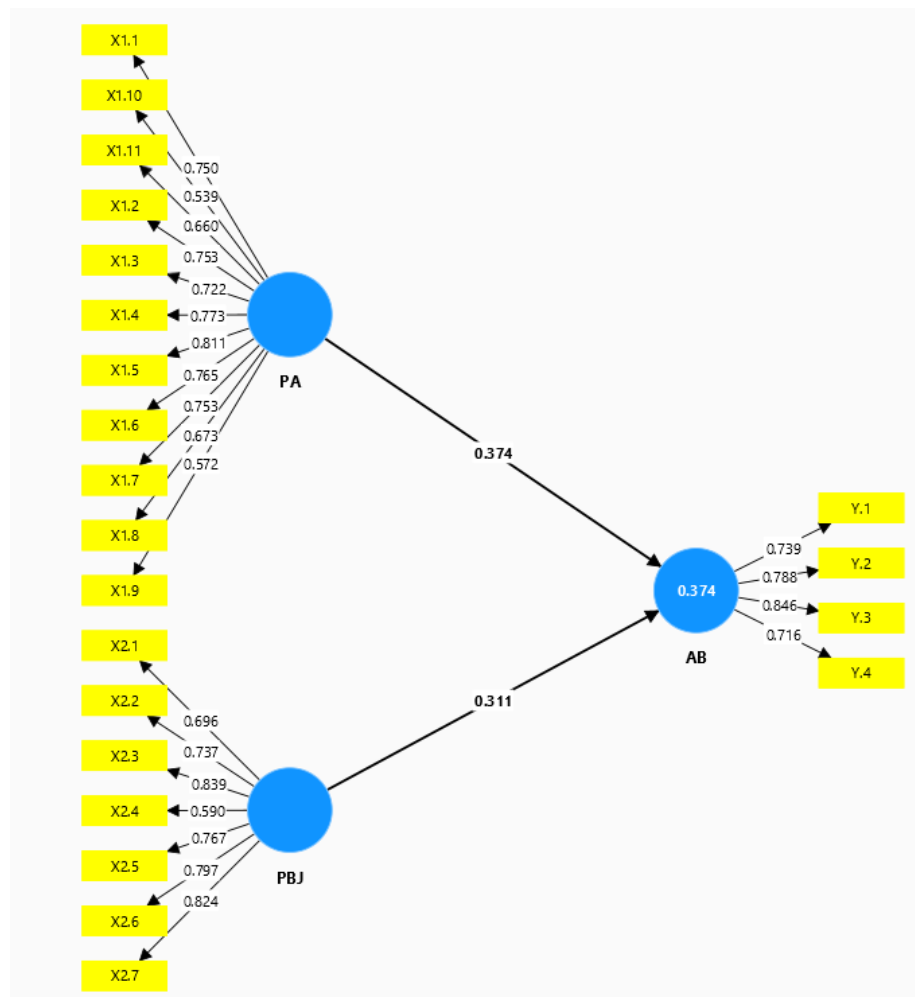


Figure 2. Outer Model

Table 1. Outer Loading Processing Result

	Budget Planning (X1/PA)	Procurement of Goods and Services (X2/PBJ)	Regional Expenditure Budget Absorption (Y/AB)
PA.1	0.750		
PA.2	0.753		
PA.3	0.722		
PA.4	0.773		
PA.5	0.811		
		X2.1	
		X2.2	
		X2.3	
		X2.4	
		X2.5	
		X2.6	
		X2.7	
			Y.1
			Y.2
			Y.3
			Y.4

PA.6	0.765		
PA.7	0.753		
PA.8	0.673		
PA.9	0.572		
PA.10	0.539		
PA.11	0.660		
PBJ.1		0.696	
PBJ.2		0.737	
PBJ.3		0.839	
PBJ.4		0.590	
PBJ.5		0.767	
PBJ.6		0.797	
PBJ.7		0.824	
AB.1			0.739
AB.2			0.788
AB.3			0.846
AB.4			0.716

Validity Test

The correlation results between each indicator and its associated construct demonstrate outer loading values exceeding 0.7, indicating that all indicators used in this study have achieved convergent validity (Ni Kadek Wirastuti, 2024). Nevertheless, in exploratory or scale-up research, loading values between 0.5 and 0.6 are still deemed acceptable. Convergent validity is also considered sufficient if the Average Variance Extracted (AVE) for each construct is above 0.5 (Ghozali, 2021: 68).

Based on the data presented in Table 1, most indicators show outer loading values higher than 0.7. However, this study also accepts values as low as 0.5, given the context of exploratory research. Therefore, the indicators are deemed valid and appropriate for inclusion in subsequent analyses.

Discriminant Validity

The Heterotrait-Monotrait Ratio (HTMT) is an alternative method for assessing discriminant validity, supplementing the Fornell-Larcker criterion, as suggested by Hair et al. (2021). A recommended threshold for HTMT is a value below 0.9. HTMT represents the ratio between heterotrait correlations (correlations between items measuring different constructs) and the geometric mean of monotrait correlations (correlations between items measuring the same construct). As shown in Table 2, all HTMT values are below the 0.9 threshold, indicating that the constructs in this study exhibit acceptable discriminant validity and can be considered both valid and reliable.

Table 2. Validity Test Results based on HTMT

	Regional Expenditure Budget Absorption (Y/AB)	Budget Planning (X1/PA)	Procurement of Goods and Services (X2/PBJ)
AB			

PA	0.612	
PBJ	0.597	0.659

Reability Test

To evaluate the reliability of each construct, this study employs two main indicators: composite reliability and Cronbach's alpha. Based on Ghazali (2021:70), a composite reliability value ranging from 0.6 to 0.7 indicates acceptable internal consistency. Additionally, Cronbach's alpha should exceed 0.7 to demonstrate that the indicators reliably measure the intended construct (Ghozali & Latan, 2015:130). In addition, convergent validity can be evaluated using the Average Variance Extracted (AVE), which measures how well a latent construct explains the variance of its associated indicators. As stated by Hair et al. (2021), an AVE score of 0.5 or above indicates that the construct sufficiently represents the variance of its observed variables.

Table 3. Construct Reability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Avarage Variance Extracted (AVE)
AB	0.782	0.839	0.856	0.599
PA	0.901	0.910	0.917	0.506
PBJ	0.872	0.887	0.901	0.569

As shown in Table 3, the Average Variance Extracted (AVE) values for all constructs exceed 0.5, indicating that the criteria for convergent validity have been satisfied. Reliability was assessed using both Cronbach's alpha and composite reliability, with all values exceeding the threshold of 0.7. These results confirm that the measurement instruments used in the study are reliable, and that all construct indicators consistently measure their respective variables.

Inner Model

According to Ghazali (2021), the inner or structural model is designed to evaluate the relationships between independent and dependent variables. It is also utilized to predict causal relationships in studies that involve latent variables.

R-Square Value Test Results (R²)

In this study, the R-square (R²) statistic was used to measure the influence of independent variables on the dependent variable. Based on Ghazali (2021:75), an R² value of 0.67 indicates a strong model, 0.33 indicates a moderate model, and 0.19 indicates a weak model. With an R² value of 0.374 for the Expenditure Budget variable, the model in this study is categorized as having a moderate level of explanatory power.

Test Results of Predictive Relevance Value (Q²)

In addition to evaluating the R-square value, the structural model can also be assessed through the Q² (predictive relevance) metric. A Q² value greater than zero suggests that the model possesses predictive relevance, whereas a value below zero indicates that the model lacks predictive capability (Ghozali, 2021:74). The formula used is as follows:

$$Q^2 = 1 - (1 - R_1^2)$$

The results of the calculation of the Q-Square value are as follows:

$$Q^2 = 1 - (1 - R_1^2)$$

$$Q^2 = 1 - (1 - 0,374^2)$$

$$Q^2 = 1 - (0,8601)$$

$$Q^2 = 0,1399$$

The calculation results show a Predictive Relevance value of 0.1399 or the relevant predictive value is 13.99.

F-Square Value Test Results

The F-square statistic serves to evaluate the influence of each independent variable in the structural model. It measures how much a particular independent variable contributes to explaining the variance in the dependent variable, compared to other variables in the model. An F-square value less than 0.02 signifies a small effect; values between 0.02 and 0.15 indicate a medium effect; and values greater than 0.15 reflect a large effect. A higher F-square value suggests that the independent variable plays a significant role in influencing the dependent variable. On the other hand, a lower value may point to minimal impact, indicating the need for further assessment of the variable's relevance in the model.

Hypothesis Testing

Hypothesis testing can be seen by calculating the path coefficient in testing the inner model using bootstrapping techniques in Smart PLS 4.0. Hypothesis testing parameters use a comparison of the t table value using 2-tailed hypothesis testing (two tailed) with a rule of thumb, namely if the statistical t value is > t table (1.96) or the significance value of the p value < 0.05, it can be declared accepted or proven and significant. The following are the results of the path coefficient test shown in the table below.

Table 4. Construct Reability and Validity

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
PA ->AB	0.374	0.354	0.127	2.942	0.003
PBJ -> AB	0.311	0.345	0.121	2.562	0.010

Based on the bootstrapping results presented in Table 4, the following conclusions can be drawn:

H1 is supported, indicating that Budget Planning has a positive and statistically significant impact on Regional Budget Absorption. This is evidenced by a positive path coefficient of 0.374, a t-statistic of 2.942 (greater than 1.96), and a p-value of 0.003 (less than 0.05).

H2 is also supported, demonstrating that the Procurement of Goods and Services positively and significantly affects Regional Budget Absorption. This is shown by a positive path coefficient of 0.311, a t-statistic of 2.562 (greater than 1.96), and a p-value of 0.010 (less than 0.05).

DISCUSSION

The analysis conducted in this study addresses the research hypotheses and responds to the first research question: *Does Budget Planning influence the Absorption of Regional Expenditure Budgets?* The findings indicate a positive and significant relationship, thus supporting H1. From a theoretical standpoint, effective budget planning contributes to higher levels of budget absorption. This is because the success of budget utilization is largely determined by the quality and precision of the planning conducted at the beginning of the fiscal process – well-structured plans lead to smoother and more efficient implementation. Similarly, the results also confirm H2, showing that the Procurement of Goods and Services has a positive and significant effect on budget absorption. This suggests that a well-executed procurement process enhances the ability of institutions to absorb their allocated budgets. This is particularly relevant for the roles of the Commitment-Making Official (CMO), Technical Activity Implementation Official (TAIO), and Procurement Officers, as they are responsible for translating budget plans into actual expenditures through effective procurement execution.

Based on the results of the path coefficient test using SEM-PLS, a t-statistic value of 4.218 and a p-value of 0.003 ($p < 0.05$) were obtained, indicating that budget planning has a positive and significant impact on the absorption of regional expenditure budgets. These results indicate that the better and more mature the budget planning process, the higher the level of budget absorption that can be realized by SKPDs, particularly the DKI Jakarta Provincial PPKUKM Office. Budget planning that is realistic, measurable, timely, and in line with real field needs has proven to be able to encourage budget realization efficiency and minimize revisions and budget returns.

This finding aligns with agency theory, where the role of the local government as an “agent” responsible for managing public budgets must be able to formulate budget plans that can be accounted for to the “principal” (the public and supervisory institutions). According to Mardiasmo (2020), good planning is a crucial foundation for achieving budget efficiency and the effective implementation of programs.

The analysis results show that the procurement of goods and services also has a positive and significant effect on budget absorption, with a t-statistic value of 3.578 and a p-value of 0.010 ($p < 0.05$). This indicates that procurement that is carried out effectively, on time, in accordance with regulations, and supported

by competent human resources can accelerate the spending realization process, thereby encouraging increased budget absorption.

Theoretically, this aligns with the principles of procurement theory, which emphasize that public managers are responsible for implementing programs efficiently and optimally for the welfare of the community. The procurement process is one form of implementing this responsibility

CONCLUSIONS AND RECOMMENDATIONS

Based on the data collected through questionnaires from 107 respondents, and analyzed using SmartPLS 4.0 under the research title "*The Effect of Budget Planning and Procurement of Goods and Services on the Absorption of Regional Expenditure Budgets*" (Case Study at the DKI Jakarta PPKUKM Office), the following conclusions can be drawn:

1. Budget planning has a positive and statistically significant impact on the absorption of regional expenditure budgets at the DKI Jakarta PPKUKM Office.
2. Procurement of goods and services also demonstrates a positive and significant influence on regional budget absorption at the same institution.

These findings confirm that both independent variables – budget planning and procurement – positively affect the dependent variable, which is budget absorption. This implies that achieving optimal expenditure realization requires careful attention to how budgets are planned, ensuring they align with institutional needs and can be executed effectively. Furthermore, procurement activities play a vital role, as they serve as the operational mechanism for converting planned budgets into actual expenditures. Therefore, efficient procurement is essential in achieving effective budget absorption.

ADVANCED RESEARCH

Future researchers can add other variables such as the quality of human resources, regulations, budget politics, organizational performance, and understanding of financial management processes. Future researchers can expand the scope of research objects such as being examined in several agencies and devices, and can also develop it to agencies between city/province/central regions. Future researchers can add other data collection methods such as direct interviews to several respondent samples.

From the research results obtained, it is hoped that the DKI Jakarta PPKUKM Office will maintain or further maximize the absorption of its expenditure budget, one of which focuses on optimizing budget planning according to needs and the effectiveness of the procurement of goods and services according to the predetermined budget. Each study has limitations; thus, you can describe it here and briefly provide suggestions for further research.

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