

## Influence of Budget Planning, Implementation, and HR Competence on Absorption with Organizational Commitment as Moderator

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### Abstract

*This study investigates the influence of budget planning, budget implementation, and human resource (HR) competence on budget absorption at BPJS Kesehatan branch offices in West Sumatra Province, Indonesia. It also explores the moderating role of organizational commitment in these relationships. Utilizing a quantitative approach, data were collected from 59 selected respondents through structured questionnaires and analyzed using Structural Equation Modeling (SEM) with SmartPLS 4.0. The findings reveal that budget planning ( $\beta = 0.311$ ;  $p = 0.004$ ), budget implementation ( $\beta = 0.133$ ;  $p < 0.001$ ), and HR competence ( $\beta = 0.549$ ;  $p = 0.006$ ) each have a significant positive effect on budget absorption. HR competence emerged as the most influential predictor. Organizational commitment positively moderates the effects of budget planning ( $\beta = 0.301$ ;  $p = 0.016$ ) and HR competence ( $\beta = 0.526$ ;  $p < 0.001$ ) on budget absorption. However, it negatively moderates the effect of budget implementation ( $\beta = -0.142$ ;  $p = 0.001$ ), suggesting that higher commitment may introduce procedural rigidity. The structural model demonstrated high explanatory power, with an  $R^2$  of 0.911 for budget absorption, indicating that the model accounted for 91.1% of its variance. These results underscore the strategic importance of HR development and participatory planning processes, while also highlighting the complex role of organizational commitment in budget execution. This research offers practical implications for improving financial performance and policy execution in public service organizations.*

**Keywords: Budget Absorption, Budget Planning, Budget Implementation, Human Resource Competence, Organizational Commitment**

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## INTRODUCTION

Public financial management encompasses planning, budgeting, implementation, and oversight of public funds to achieve development goals. Effective management ensures efficient and effective resource use, enabling government funding for key sectors like economic growth, poverty reduction, education, health, and infrastructure, which are essential for sustainable development (UNDP, 2015). Additionally, transparent and accountable financial management fosters public trust in government, as proper use of budgets and visible results encourage public support and engagement. Any interaction activity in a given context requires communication to occur because it is only through communication that it appears to have the ability to affect an individual's behavior (Rhamadona et al., 2023). Thus, it supports both development objectives and the legitimacy of government institutions (Mardiasmo, 2018).

One of the main indicators in public financial management is budget absorption, which reflects how effectively allocated funds can be used to implement planned programmes and activities. Optimal budget absorption not only contributes to the achievement of development targets but also reflects accountability and transparency in the management of public resources (Mardiasmo, 2018). According to Mardiasmo (2019), a budget is a collection of plans made in the form of quantitative data in a budget for a single period. A budget is an activity concerning what is expected, planned or estimated to occur during a specific period of time in the future (Brownell & Hirst, 1986). Managers can use budgets to direct, coordinate, communicate, evaluate and encourage their subordinate managers (Dae et al., 2024).

Budgeting in companies must consider economic, efficient, and effective factors so that the budget funds allocated do not result in budget failures. Optimal budget absorption should also

be accompanied by good budget planning. Low budget absorption in Indonesia across various government agencies and institutions is a common occurrence. This indicates that although budgets have been allocated, their implementation often does not align with plans, which can lead to waste of resources and hinder the achievement of development goals. Low budget absorption is a recurring problem that requires serious attention from the government to improve the effectiveness of budget use, thereby maximising benefits for the community (Ulandari et al., 2021).

In line with the research by Pradila et al. (2024), optimal budget absorption without proper budget planning is considered impossible to achieve. Darma et al. (2015) revealed that local governments must play a more active role in improving budget absorption by improving the quality of planning and human resources.

BPJS Kesehatan, formerly PT Askes (Persero), is an institution established by the Indonesian government to implement the national health insurance programme under the National Social Security System (SJSN), aiming to provide health protection and ensure access to basic health services for all Indonesian citizens (Undang-Undang R.I, 2011). Operating on the principles of social insurance and sustainability, BPJS Health ensures participants receive health maintenance benefits and protection to meet their essential health needs.

BPJS Health is a transformation of PT Askes (Persero). The main function of BPJS Health is to provide health insurance for all Indonesian citizens based on the principles of social insurance and sustainability, with the aim of ensuring that participants receive health care benefits and protection in meeting their basic health needs. Like other public service organisations, one of the performance indicators for BPJS Health is budget management. Budget implementation is one of the tools used to assess the implementation of policies and the operationalisation of financial management within an organisation in its efforts to provide optimal public services and promote regional economic development (Cris & Didiet, 2023).

The performance measurement indicators for BPJS Kesehatan in each regional branch are specified in the Annual Performance Contract (APC), with one of the key indicators being the Realisation of Operational Costs, which is targeted at 95% achievement (BPJS Kesehatan Regional Deputy II Performance Contract). In the province of West Sumatra, four BPJS Kesehatan branch offices operate within designated jurisdictions. The Padang Branch Office oversees services in Padang City, Pesisir Selatan Regency, Mentawai Regency, Pariaman City, and Padang Pariaman Regency. The Bukittinggi Branch Office manages operations in Bukittinggi City, Padang Panjang City, Agam Regency, Pasaman Regency, and Pasaman Barat Regency. The Solok Branch Office is responsible for Solok City, Sawahlunto City, Solok Regency, South Solok Regency, Sijunjung Regency, and Damasraya Regency. Meanwhile, the Payakumbuh Branch Office covers Payakumbuh City, Tanah Datar Regency, and Lima Puluh Kota Regency.

Salamah (2018) mentions that budget absorption problems faced by government organisations/agencies can include factors such as poor planning and weak organisational commitment to implementation. In addition, a lack of human resource capacity in budget management can also contribute to low absorption rates, especially in areas with weak administrative infrastructure. Mismatches between planned budgets and actual needs in the field often result in unabsorbed budget surpluses at the end of the year.

Stewardship theory is pertinent to budget absorption, emphasizing the relationship between managers (stewards) and stakeholders (principals), where managers are entrusted to manage resources for collective benefit. At BPJS Kesehatan, this implies that managers should optimise budget use to enhance public health services. A key element of the theory is that managers are intrinsically motivated to act in the organisation's best interest. As Ainun highlights, stewardship theory expects managers to be trustworthy, honest, and responsible in fulfilling their roles (Wiansyah & Mulyani, 2021).

Based on the 2020 RKA Pedia BPJS Kesehatan, which sets guidelines for budget planning and implementation, in determining the BPJS Kesehatan budget, it must refer to the previous period's Budget Work Plan and Budget Realisation Report. These measures aim to ensure that budget allocations are realised in accordance with pre-established standards. Budget realisation is used to fund the implementation of all activities directly and is realised in accordance with the previously established budget, as outlined in the budget planning. Budget planning is formulated to ensure coherence and consistency between planning, budgeting, implementation and monitoring. Planning includes activities necessary to fully achieve development performance targets in the form of a regulatory framework and a budget framework referred to as a work plan (Kemenkeu RI, 2023).

Lestari and Yuliani (2022) assert that effective budget planning must meet several essential criteria. First, it should demonstrate a high degree of alignment with actual needs, ensuring that the proposed budget accurately reflects the real requirements in the field, aligns with the organization's objectives, and is proportional to the scope of its activities. Second, the budget formulation process must adhere strictly to existing laws, regulations, technical guidelines, and relevant policy frameworks. Third, the budget documentation must be written in a clear, systematic, and transparent manner to facilitate comprehension by all stakeholders, including those without specialized knowledge in budgeting. Fourth, the planning process must be free from administrative errors; all procedures must be executed meticulously and in accordance with established protocols to maintain the validity and smooth implementation of the budget. Fifth, budget planning should incorporate careful consideration of timing, ensuring that each component is scheduled appropriately to support efficient execution. Finally, the process must adopt a participatory approach, involving not only the primary users of the budget but also all organizational stakeholders affected by its implementation.

From observations and phenomena in the field, there are several problems in budget absorption, such as a lack of clear communication and coordination between departments, which often causes delays and inefficiencies in the implementation of activities. This aligns with Suyono (2020), who explains that the absence of appropriate monitoring and evaluation mechanisms hinders the ability to track progress and make necessary adjustments in a timely manner. Additionally, the lack of comprehensive forecasting methods can result in unrealistic budget allocations and hinder the overall financial health of the organisation. Research further suggests that strong leader–member exchange (LMX) relationships and knowledge sharing are essential for organizational coordination and innovation (Krisprimandoyo et al., 2025).

Budget implementation is a stage in financial management after the budget planning process, namely the realisation of all plans that have been prepared and determined, Santoso (2021), delays in the implementation of activities result in obstacles to the realisation of the expenditure budget. Research by Suyono (2020) and Huda & Pandaya (2019) proves that budget implementation has an effect on budget absorption.

The 2021 assessment of budget implementation, as guided by the Budget Implementation Performance Indicators (IKPA), relies on several weighted indicators as stipulated in the Regulation of the Director General of Treasury Number PER-4/PB/2021. This evaluation framework encompasses key aspects, including adherence to legal and regulatory provisions governing budget execution, alignment between planned and actual implementation, efficiency in utilizing allocated resources, and the effectiveness of the budget in achieving intended outputs and outcomes.

Human resource competence is the ability and characteristics in the form of knowledge, skills, attitudes, and behaviour in carrying out tasks professionally, effectively, and efficiently (Patonengan & Setiawan, 2021). Human resources as budget implementers in work units that have the task of being the Goods/Services Procurement Committee must understand the technical procedures for Goods/Services Procurement. Civil servants (ASN) as financial managers also

play a role in budget absorption. This aligns with the research by Trisna et al. (2020), which found that human resources partially have a positive but insignificant impact on budget absorption delays.

Kennedy et al. (2020) define the quality of human resources as encompassing several key components. Knowledge refers to an employee's intellectual capacity and cognitive abilities, including their breadth of understanding across various domains. Skills denote the technical and operational expertise that individuals possess within their specific areas of work. Meanwhile, ability represents the overall capacity derived from the accumulation of competencies held by an employee, encompassing attributes such as loyalty, discipline, teamwork, and a strong sense of responsibility.

Organisational commitment is a strong belief and support from individuals towards the values and goals to be achieved by the organisation. Organisational commitment is a psychological driver for individuals in running an organisation to achieve expected performance. Employees with high organisational commitment will comply with regulations and strive to perform their duties and responsibilities well, demonstrating strong dedication and support in achieving the organisation's vision and mission. Conversely, employees with low organisational commitment will prioritise their personal interests, which will have a negative impact on performance (Arthana, 2015).

Wirastuti (2023) identifies three fundamental indicators that reflect the degree of organizational commitment. The first indicator is a strong intention on the part of individuals to maintain their membership within the organization. The second involves a high level of willingness to exert substantial effort in support of the organization's objectives. The third pertains to a deep sense of trust in and acceptance of the organization's core values and goals, demonstrating alignment between personal and institutional aspirations.

Researchers are interested in studying this issue to identify the factors contributing to the failure to absorb the budget at BPJS Kesehatan. Drawing from the aforementioned research background, this study seeks to address the following inquiries. First, it examines whether budget planning significantly influences budget absorption at BPJS Health Branch Offices across West Sumatra Province. Second, it investigates the extent to which budget implementation affects budget absorption in the same institutional context. Third, it explores the influence of human resource competence on the absorption of the budget. Furthermore, the study evaluates whether organizational commitment moderates the relationship between budget planning and budget absorption. It also assesses whether organizational commitment serves to strengthen or weaken the influence of budget implementation on budget absorption. Lastly, the research aims to determine whether organizational commitment moderates the effect of human resource competence on budget absorption at BPJS Health Branch Offices throughout West Sumatra Province.

This study seeks to examine key factors influencing budget absorption at BPJS Health Branch Offices across West Sumatra Province. Specifically, it analyses the relationships between budget planning, budget implementation, and human resource competence with budget absorption. Additionally, it investigates the moderating role of organisational commitment in each of these relationships namely, how it affects the impact of budget planning, budget implementation, and human resource competence on budget absorption.

Proper budget planning at BPJS Kesehatan can be understood through stewardship theory, which emphasises the importance of the relationship between managers and the resources they manage. Stewardship theory argues that individuals in management positions (stewards) will act in the interests of the organisation and stakeholders, not solely based on economic incentives (Ramadhan, 2022). Based on the above statement, H1 can be proposed as follows:

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

Ineffective budget implementation can hinder overall budget absorption. Delays in project implementation and lack of coordination between departments can lead to inefficient use of funds, reflecting a failure to apply stewardship principles. The results of research by Oktaliza et al. (2020) show a significant positive relationship between budget implementation and budget absorption. Based on the above statement, H2 can be proposed as follows:

**H2: Budget implementation has a positive effect on budget absorption.**

Human resource capacity has a positive effect on budget absorption, both partially and simultaneously (Hartaty & Dianawati, 2024). Thus, improving human resource capacity is very important because it will affect the implementation of programmes and activities that have an impact on budget absorption. Based on the above statement, H3 can be proposed as follows:

**H3: Human resource competence has a positive effect on budget absorption.**

Organisational commitment moderates the influence of budget planning, human resource quality, administration, and procurement documents on budget absorption delays, in line with the research by Sari et al. (2019), which found that organisational commitment can strengthen the influence of budget planning on budget absorption. Based on the above statement, H4 can be proposed as follows:

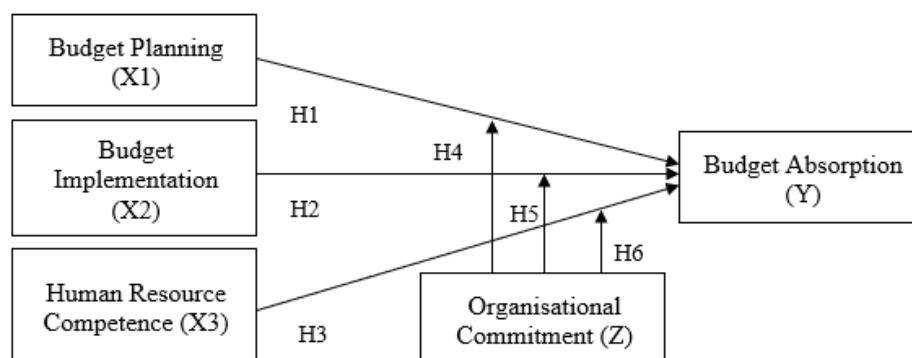
**H4: Organisational commitment can strengthen the influence of budget planning on budget absorption.**

Research by Alimuddin (2018) concluded that organisational commitment is positively related and significantly influences budget absorption. Based on the above statement, H5 can be proposed as follows:

**H5: Organisational commitment strengthens the influence of budget implementation on budget absorption.**

Research by Dewi (2022) found a commitment to strengthening human resource competencies in budget absorption. They proved that the higher the alignment between employee competencies and organisational commitment, the higher the budget absorption performance. Based on the above statement, H6 can be proposed as follows:

**H6: Organisational commitment strengthens the influence of human resource competencies on budget absorption.**



**Figure 1. Research Conceptual Framework**

## RESEARCH METHODS

This quantitative study applied a non-experimental, cross-sectional design to examine the influence of budget planning, budget implementation, and human resource (HR) competence on budget absorption at BPJS Kesehatan branch offices in West Sumatra Province. It also assessed the moderating role of organizational commitment within these relationships. Data were collected using structured questionnaires, developed based on prior validated instruments and

measured using a five-point Likert scale. A total of 59 respondents, selected through non-purposive stratified sampling, participated in the study. The research adhered to the positivist paradigm and utilized SmartPLS 4.0 for data analysis, which is suited for analyzing complex models with latent variables and small sample sizes (J. Hair et al., 2019; J. F. Hair et al., 2019). The research procedure involved instrument validation, data collection, and structural equation modeling (SEM) analysis to evaluate the measurement and structural models.

SmartPLS 4.0 was used to assess indicator reliability, internal consistency (Cronbach's Alpha, Composite Reliability), convergent validity (Average Variance Extracted/AVE), and discriminant validity (Fornell & Larcker, 1981a). Structural analysis included hypothesis testing through path coefficients,  $R^2$  values,  $f^2$  effect sizes, and bootstrapping (5000 subsamples) for statistical significance. The results were presented using path diagrams and statistical tables to visualize the direct and moderating effects among the variables. Findings indicated significant positive effects of budget planning ( $\beta = 0.311$ ,  $p = 0.004$ ), budget implementation ( $\beta = 0.133$ ,  $p < 0.001$ ), and HR competence ( $\beta = 0.549$ ,  $p = 0.006$ ) on budget absorption, with organizational commitment moderating these effects in varying directions.

## RESULT AND DISCUSSION

The distribution across branches appears to be relatively balanced, based on the demographic data of the 59 respondents. Solok has the highest representation (27.1%), while Payakumbuh has the lowest (22%). The gender composition of the sample is slightly female-dominant, with 55.9% of respondents identifying as female and 44.1% as male. This gender distribution may have implications for studies involving gender-based perceptions or behaviors. The majority of participants fall within the 30–50 age range, with the highest proportion comprising individuals between the ages of 41 and 45 (27.1%). A mere fraction of the population is below the age of 30 (6.8%) or above 50 (5.1%), suggesting that the workforce is predominantly composed of individuals in their prime working years.

**Tabel 1. Demographic Profile of Respondents**

Variable	Category	Frequency	(%)
<b>Branch</b>	Bukittinggi	15	25
	Padang	15	25
	Payakumbuh	13	22
	Solok	16	27
<b>Gender</b>	Male	26	44
	Female	33	56
<b>Length of Work</b>	< 5 years	4	6.8
	5 - 10 years	8	14
	11 - 15 years	23	39
	> 15 years	24	41
<b>Age</b>	< 30 years	4	6.8
	30 - 35 years	13	22
	36 - 40 years	12	20
	41 - 45 years	16	27
	46 - 50 years	11	19
	> 50 years	3	5.1

**Total**  
**Respondents** **59** **100**

With respect to work experience, the majority of respondents (79.7%) have accumulated more than 11 years of tenure, indicating a population of individuals who are highly experienced in their respective fields. Specifically, 39% of respondents have worked for 11–15 years, while 40.7% have accumulated more than 15 years of experience. This suggests that the group is composed of individuals who are both stable and experienced, and therefore likely to offer reliable insights into organizational dynamics and long-term trends. The sample is characterized as mature, experienced, and gender-diverse, which renders it well-suited for studies involving organizational behavior, leadership, or strategic decision-making.

### Measurement Models

The measurement model results demonstrate strong evidence of reliability and validity across all constructs examined: Budget Planning, Budget Implementation, HR Competency, Organizational Commitment, and Budget Absorption. All indicator loadings exceed the recommended threshold of 0.70 Hair et al. (2019), ranging from 0.706 to 0.916, indicating good indicator reliability. The indicators contribute significantly to their respective latent constructs. For instance, Budget Planning shows high indicator loadings between 0.708 and 0.916, while Organizational Commitment ranges from 0.768 to 0.898. This confirms that each item adequately measures the intended construct and no indicators fall below the acceptable range.

**Table 2. Measurement Models**

Variables - Indicators	loadings	$\alpha$	$\rho_A$	CR	AVE
Budget Planning		0.95	0.96	0.96	0.69
X1.1	0.708				
X1.2	0.765				
X1.3	0.863				
X1.4	0.812				
X1.5	0.838				
X1.6	0.874				
X1.7	0.916				
X1.8	0.836				
X1.9	0.85				
X1.10	0.792				
X1.11	0.854				
Budget Implementation		0.87	0.88	0.91	0.61
X2.1	0.826				
X2.2	0.782				
X2.3	0.818				
X2.5	0.706				
X2.6	0.755				
X2.7	0.81				
HR Competency		0.88	0.88	0.91	0.62
X3.1	0.784				
X3.2	0.714				
X3.3	0.761				
X3.4	0.751				
X3.5	0.833				
X3.6	0.876				

Organizational Commitment		0.9	0.9	0.92	0.71
Z.1	0.834				
Z.2	0.891				
Z.3	0.768				
Z.4	0.898				
Z.5	0.807				
Budget Absorption		0.84	0.85	0.89	0.61
Y.1	0.774				
Y.3	0.808				
Y.4	0.805				
Y.5	0.763				
Y.6	0.755				

Internal consistency reliability is confirmed with Cronbach's Alpha ( $\alpha$ ) values ranging from 0.84 to 0.95, and Composite Reliability (CR) ranging from 0.887 to 0.96, all exceeding the commonly accepted minimum of 0.70 (Fornell & Larcker, 1981b; Nunnally & Bernstein, 1994). Furthermore, convergent validity is supported by the Average Variance Extracted (AVE), with values ranging from 0.61 to 0.71, surpassing the 0.50 benchmark suggested by Hair et al. (2019). These results indicate that the constructs explain a substantial proportion of the variance in their indicators. Overall, the measurement model exhibits high levels of reliability and convergent validity, making it robust for further analysis within the structural model.

The table below displays the cross loadings for each indicator across all latent constructs in the model: Organizational Commitment, HR Competencies, Implementation Budget, Absorption Budget, and Planning Budget. Discriminant validity refers to the extent to which a construct is truly distinct from other constructs both conceptually and statistically. According to Hair et al. (2019), an indicator should load higher on its associated construct than on any other construct to demonstrate adequate discriminant validity. This criterion ensures that the measured variable is more strongly associated with its latent variable than with others in the model.

**Table 3. Discriminant Validity – Cross Loadings**

	Organizational Commitment	HR Competencies	Implementation Budget	Absorption Budget	Planning Budget
OC1	<b>0.834</b>	0.587	0.664	0.651	0.587
OC2	<b>0.891</b>	0.497	0.663	0.54	0.642
OC3	<b>0.768</b>	0.602	0.76	0.561	0.645
OC4	<b>0.898</b>	0.692	0.798	0.719	0.679
OC5	<b>0.807</b>	0.715	0.673	0.699	0.523
HRC1	0.77	<b>0.784</b>	0.694	0.702	0.508
HRC2	0.44	<b>0.714</b>	0.698	0.643	0.541
HRC3	0.487	<b>0.761</b>	0.654	0.76	0.55
HRC4	0.547	<b>0.751</b>	0.65	0.653	0.648
HRC5	0.647	<b>0.833</b>	0.738	0.797	0.733
HRC6	0.625	<b>0.876</b>	0.733	0.79	0.637
IB1	0.334	0.478	0.514	0.646	<b>0.708</b>
IB2	0.402	0.594	0.609	0.701	<b>0.765</b>
IB3	0.489	0.564	0.677	0.718	<b>0.863</b>
IB4	0.538	0.544	0.622	0.632	<b>0.812</b>
IB5	0.512	0.524	0.615	0.661	<b>0.838</b>
IB6	0.724	0.687	0.763	0.729	<b>0.874</b>

IB7	0.773	0.779	0.846	0.842	<b>0.916</b>
IB8	0.745	0.677	0.755	0.732	<b>0.836</b>
IB9	0.722	0.661	0.768	0.679	<b>0.85</b>
IB10	0.629	0.679	0.779	0.662	<b>0.792</b>
IB11	0.722	0.751	0.863	0.792	<b>0.854</b>
AB1	0.558	0.731	0.683	<b>0.774</b>	0.591
AB2	0.763	0.778	0.757	<b>0.808</b>	0.707
AB3	0.727	0.808	0.751	<b>0.805</b>	0.623
AB4	0.373	0.671	0.639	<b>0.763</b>	0.626
AB5	0.506	0.6	0.66	<b>0.755</b>	0.811
PB1	0.679	0.784	<b>0.826</b>	0.767	0.707
PB2	0.485	0.651	<b>0.782</b>	0.74	0.67
PB3	0.524	0.733	<b>0.818</b>	0.787	0.708
PB4	0.879	0.601	<b>0.706</b>	0.6	0.667
PB5	0.707	0.636	<b>0.755</b>	0.579	0.645
PB6	0.794	0.719	<b>0.81</b>	0.707	0.661

As observed, all indicators load highest on their respective constructs compared to others. For instance, indicator OC2 has a loading of 0.891 on *Organizational Commitment*, which is higher than its loading on HR Competencies (0.497), Implementation Budget (0.663), Absorption Budget (0.540), and Planning Budget (0.642). Similarly, HRC6 loads highest on *HR Competencies* (0.876), and IB11 shows a strong loading on *Implementation Budget* (0.863), both exceeding cross-loadings with other constructs. These patterns are consistently observed across all constructs, including *Budget Absorption* and *Planning Budget*, where indicators like AB2 (0.808 on Absorption) and IB7 (0.916 on Planning) demonstrate clear differentiation from other latent variables. These results support the presence of discriminant validity across the measurement model.

### Structural Models

The structural model output shows that the R<sup>2</sup> value for Budget Absorption is 0.911, with an adjusted R<sup>2</sup> of 0.899. This indicates that 91.1% of the variance in Budget Absorption can be explained by the exogenous (independent) variables included in the model, such as Budget Planning, Budget Implementation, HR Competency, and Organizational Commitment. The adjusted R<sup>2</sup> accounts for the number of predictors in the model, slightly reducing the value to 89.9%, which still reflects a strong explanatory power.

**Table 4. Coefficient Determination – (R<sup>2</sup>)**

	R <sup>2</sup>	R <sup>2</sup> adjusted
Budget Absorption	0.911	0.899

According to Hair et al. (2019), an R<sup>2</sup> value above 0.75 is considered substantial, between 0.50 and 0.75 is moderate, and between 0.25 and 0.50 is weak. Given that the R<sup>2</sup> value in this model exceeds 0.90, it demonstrates a very high level of predictive accuracy, suggesting that the structural model is highly reliable in explaining the endogenous construct of Budget Absorption. This level of R<sup>2</sup> implies a well-specified model and validates the theoretical relationships posited between the predictor constructs and the dependent variable.

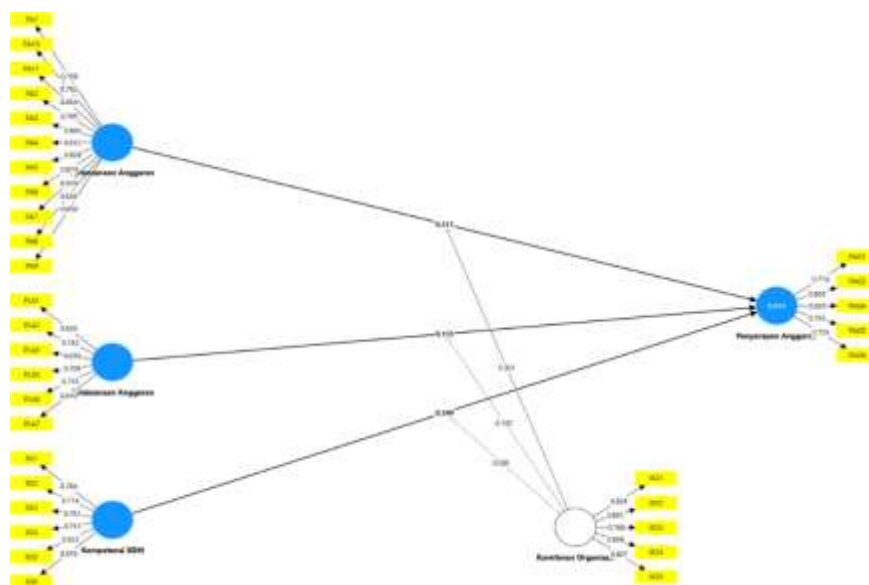
The structural model analysis reveals that all proposed hypotheses are statistically supported, as indicated by significant t-values (all > 1.96) and p-values (all < 0.05), aligning with the thresholds recommended by Hair et al. (2019). Budget Planning ( $\beta = 0.311$ ,  $p = 0.004$ ), Budget Implementation ( $\beta = 0.133$ ,  $p = 0.000$ ), and HR Competencies ( $\beta = 0.549$ ,  $p = 0.006$ ) all

have significant positive effects on Budget Absorption. Among these, HR Competencies exhibit the strongest influence, emphasizing the critical role of human resource quality in enhancing absorption performance. These results affirm the importance of well-structured planning, efficient execution, and capable personnel in achieving optimal budget utilization.

**Table 5. Structural Models and Hypotheses Testing**

	$\beta$	(M)	STDEV	T Values	P values
Budget Planning -> Budget Absorption	0.311	0.332	0.119	2.613	0.004
Budget Implementation -> Budget Absorption	0.133	0.081	0.045	2.956	0
HR Competencies -> Budget Absorption	0.549	0.608	0.2	2.747	0.006
Organizational Commitment x Budget Planning -> Budget Absorption	0.301	0.009	0.12	2.508	0.016
Organizational Commitment x Budget Implementation -> Budget Absorption	-0.142	-0.169	0.013	2.679	0.001
Organizational Commitment x HR Competencies -> Budget Absorption	0.526	0.151	1.343	3.678	0

The interaction effects involving Organizational Commitment also demonstrate notable moderating roles. The interaction with Budget Planning ( $\beta = 0.301, p = 0.016$ ) and HR Competencies ( $\beta = 0.526, p = 0.000$ ) positively moderates their respective effects on Budget Absorption, suggesting that stronger organizational commitment amplifies the impact of both variables. Interestingly, the interaction between Organizational Commitment and Budget Implementation yields a negative coefficient ( $\beta = -0.142, p = 0.001$ ), implying that higher commitment may weaken the effect of implementation on absorption possibly due to structural rigidity or procedural constraints. Overall, the results underscore the dynamic interplay between commitment and core budgeting components, providing a nuanced understanding of budget absorption drivers.



**Figure 2. Outer Model and Inner Model Test Results**

**Discussion**

This study demonstrates that budget planning, budget implementation, and human resource (HR) competence each have a positive and significant influence on budget absorption. Effective planning enhances program execution and supports higher budget utilisation Mahmudi (2016), aligning with stewardship theory, which highlights the ethical and strategic roles of public servants (Alimuddin, 2018; Dewi, 2022; Sappali et al., 2023). Similarly, budget implementation directly contributes to absorption effectiveness, although its impact may be hindered by practical challenges such as delays, administrative bottlenecks, or shifting policies (Jauhari, 2024; Malahayati & Islahuddin, 2015; Mardiasmo, 2009). In addition, HR competence plays a crucial role, as staff experience and training directly influence their ability to manage and execute budget-related responsibilities (Oktaliza et al., 2020; Sudarmanto, 2015).

Moreover, the findings show that organisational commitment significantly moderates the relationship between budget planning and HR competence with budget absorption. A strong sense of commitment enhances the quality of planning and encourages accountability toward institutional goals (Deliana et al., 2024; Robbins & Judge, 2020). From a stewardship perspective, this reflects a collective responsibility and intrinsic motivation to deliver outcomes that align with public interest (Dewi, 2022). Organisational commitment in this case fosters a culture of discipline, ownership, and dedication, which amplifies the positive influence of competent human resources on budget execution and ultimately improves absorption rates.

However, the moderation effect of organisational commitment on budget implementation presents a different dynamic. The study finds that high organisational commitment may reduce the positive effect of budget implementation on budget absorption, likely due to increased bureaucratic rigidity or overly cautious procedural compliance (Mahmudi, 2016; Mardiasmo, 2009). While commitment brings ethical strength, it may also introduce inflexibility that limits quick decision-making or adaptive execution in the field (Hughes, 2003). This paradox is supported by Saragih & Lubis (2024) and Sososutiksno (2023), and it reflects a potential disconnect between the moral ideals of stewardship and the pragmatic demands of operational efficiency, especially when frontline actors are bound by rigid structures despite their dedication to public service.

**CONCLUSION**

The research findings conclude that budget planning has a positive and significant impact on budget absorption at BPJS Health branch offices in West Sumatra Province improved planning leads to higher absorption levels. Budget implementation also positively and significantly affects budget absorption, indicating that better execution results in greater absorption. Human resource competence significantly contributes to budget absorption, where greater competence correlates with higher absorption rates.

Organisational commitment strengthens the effect of budget planning on budget absorption, meaning effective planning supported by strong commitment enhances absorption outcomes. However, organisational commitment weakens the effect of budget implementation on budget absorption, suggesting that higher commitment can reduce the positive impact of implementation. Conversely, organisational commitment strengthens the effect of human resource competence on budget absorption, indicating that competence paired with strong commitment leads to improved absorption performance.

Based on the research findings, several recommendations are proposed for BPJS Health Branch Offices in West Sumatra Province, it is advised to regularly evaluate the progress of planned activities and finances to accelerate budget absorption on a monthly or quarterly basis. Budget planning should prioritise key programmes and activities. Work units must address

internal issues hindering budget implementation, while enhancing the competence of budget managers through targeted training. Planning should align with current regulations, and organisational commitment among budget managers should be strengthened in accordance with the public sector's responsibility in managing public funds to ensure effective implementation of programmes.

For future researchers, it is recommended to enrich research instruments beyond questionnaires to gain more detailed insights into budgeting phenomena and to broaden the study's scope to include other government agencies. Variable selection should be refined through theoretical and empirical review to ensure their relevance to budget absorption. Additional independent variables such as supervision, use of information technology, leadership, and budget optimization could be incorporated to improve explanatory power of the model

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