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The Influence of Budget Planning, Budget Implementation, and Budget Preparation Participation on Budget Absorption with Organizational Commitment as a Moderating Variable at Jambi University

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Abstract

This research aims to determine the effect of budget planning, budget implementation, and budget preparation participation on budget absorption, with organizational commitment as a moderating variable at Jambi University. The sample in this study consisted of 114 individuals, selected using the census sampling technique. This research is a quantitative study and uses primary data as the data source. The data collection method employed in this study was a questionnaire. A total of 108 questionnaires were returned and could be processed for the research. The data analysis method used in this study is the Partial Least Squares - Structural Equation Modeling (PLS-SEM) test, using the SmartPLS version 4.0 software to test the proposed hypotheses. The results of the study indicate that budget planning, budget implementation, and budget preparation participation have a significant effect on budget absorption at Jambi University. Furthermore, organizational commitment is only able to moderate the effect of budget preparation participation on budget absorption, whereas it is not able to moderate the effect of budget planning and budget implementation on budget absorption at Jambi University.

Keywords: Budget Planning, Budget Implementation, Budget Preparation Participation, Budget Absorption, Organizational Commitment.

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INTRODUCTION

The public sector budget is an accountability instrument for the management of public funds and the implementation of programs funded by public money. (Mardiasmo M.B.A, 2021) Public sector financial management, including higher education institutions, is one of the crucial aspects in maintaining the effectiveness and efficiency of resource use. Good budget management helps organizations achieve their goals optimally and ensures that public funds are used accountably and transparently.

Organizational commitment can be one of the factors that influences the relationship between planning, implementation, and participation in budget preparation and budget absorption. Budget absorption is a comparison of the work unit budget that has been disbursed or realized in one budget year. (Reza, H. K. & Susanti, 2022) The phenomenon of low budget absorption rates in Indonesia occurs almost every year, both at the ministry/institution (K/L) level and the regional level. In addition to low budget absorption, another problem in the management of government or public sector organization budgets is that budget absorption tends to be low at the beginning of the year and accumulates at the end of the year, causing uneven budget absorption.

Jambi University (UNJA) is one of the state universities with the status of Public Service Agency (PTN-BLU) in Jambi province since November 2017, based on the Decree of the Minister of Finance Number 782/KMK.05/2017 dated November 1, 2017. Through this change in status, Jambi University has the flexibility of financial management and has the opportunity to develop a business that is used to increase operational support funds for the institution in line with the services it has, and ultimately it is expected to improve performance and quality of service.

Table 1: Realization of Absorption of Jambi University Budget ExpenditureYears 2021-2023

Year	Report	% Absorption	% Accumulation
2021	Quarter I	6.49	6.49
	Quarter II	15.82	22.32
	Quarter III	16.51	38.83
	Quarter IV	45.41	84.24
2022	Quarter I	4.56	4.56
	Quarter II	10.21	14.78
	Quarter III	27.06	41.83
	Quarter IV	45.98	87.81
2023	Quarter I	8.74	8.74

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	Quarter II	15.66	24.40
	Quarter III	20.15	44.55
	Quarter IV	33.86	78.41

Source: OMSPAN

Based on Table 1, the percentage of budget absorption in each first quarter in the last four years shows a very low percentage of absorption, which is below 10%. This fact shows that there are problems in the budget management process, especially in terms of poor budget planning, implementation, and supervision. Budget absorption concentrated at the end of the budget year indicates that budget planning is not mature enough, implementation is delayed, and participation is lacking in budget preparation.

Based on data on the realization of budget absorption for 2021-2023 sourced from PTN-BLU, it states that the University of Jambi (UNJA) has not been able to achieve an optimal level of budget absorption. In the 2021-2023 period, the realization of UNJA's budget absorption was always below 90%, with a significant decrease in 2023 to 78%. Meanwhile, Makassar State University (UNM) has consistently succeeded in achieving budget absorption above 90%, showing effectiveness in budget management. The University of Bengkulu (UNIB) has an absorption pattern that is almost similar to UNJA, with a figure that is also below 90%, especially in 2023, only reaching 69%. Mulawarman University (UNMUL) in 2021 and 2022, the realization of budget absorption was below 90%, then experienced a significant increase in 2023 with absorption reaching 95%, indicating improvements in budget planning and implementation.

Research gaps in research variables can be seen from the results of several empirical studies where research by Harahap, S. A. S., Taufik, T., & Azlina, (2020) stated that budget planning had a positive effect on budget absorption, while research by Salwah, (2019) stated that budget planning had no effect on budget absorption. Then there's the budget implementation variable, where research by Nilasari, A., Arisetyawan, K., & Septa Monica Ambar Susanto, (2024) stated that it had a significant effect on budget absorption. However, the results are different from the research by Ferdinan, F., Isnurhadi, I., Widiyanti, M., & Adam, (2020), which stated that budget implementation had no effect on budget absorption. Furthermore, for the budget preparation participation variable, the results of research by Wanudya, (2019) stated that it had no effect, while research by Sirait, R. J., Sari. Eka Nurmala, & Astuty, (2022) stated that budget preparation participation had a positive effect on budget absorption.

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LITERATURE REVIEW

Goal-Setting Theory

Goal-setting theory was first introduced by Edwin A. Locke in 1968. Through his article entitled "Toward A Theory Of Task Motivation And Incentives," Locke showed the relationship between goals and a person's performance in the tasks or jobs given.

With the goal-setting theory approach, good and maximum performance is assumed to be the company's goal, and teamwork variables, work ethics, and work loyalty are determining factors. If these factors are properly applied in the agency, then the company's goals that have been set will be achieved. (Sa'diyah El Adawiyah, 2019)

Budget

The budget in public policy statements, targets, and government budget control tools is a formal document resulting from an agreement between the executive and legislative branches regarding spending set to carry out government activities and income that is expected to cover the needs of the spending or financing needed if a deficit or surplus is estimated.

Budget Preparation

A budget is a systematically prepared plan, which is a written statement that reflects the policies, targets, and goals that have been outlined by the company's management in general and for each part of the company, which is made within a certain time period and stated in monetary units and is valid for the future.

Budget Absorption

The budget preparation process has four objectives, namely (Pramana, A. A., & Yuliantoro, 2018) :

1. Helping the government achieve fiscal goals and improving coordination between government departments.
2. Helping create efficiency and fairness in providing public goods and services through a priority system process.\
3. Allowing the government to meet spending priorities.
4. Increasing government transparency and accountability to the government and the wider community.

Budget absorption/realization is a comparison of the work unit budget that has been disbursed or realized in one budget year. (Reza, H. K. & Susanti, 2022) The ability

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to absorb the budget is considered successful if the budget realization is in accordance with the physical work that can be completed simultaneously, which means that the physical target of the work is completed simultaneously with the planned work completion time.

Budget Planning

Budget planning is the process of preparing a spending plan for one budget year (Bastian, 2015). One year before the budget year begins, the budget planning process has begun. Each work unit or agency that will submit an activity must prepare a Term of Reference (TOR) and Budget Plan (RAB) along with supporting data according to the type of activity. Poor budget planning often causes obstacles in its implementation so that budget revisions must be made.

Budget Implementation

Budget implementation is an effort to realize the budget planning that has been made, including procurement of goods and services, payment mechanisms, and problems that occur within the work unit (Herriyanto, 2018). Budget implementation is an important stage in the budget cycle that aims to realize the use of financial resources in accordance with the established plan. Budget implementation involves spending funds for various activities, projects, or programs in accordance with the approved allocation. Effective implementation requires strict supervision and compliance with applicable regulations and provisions.

Budgeting Participation

Budgeting participation is considered as the level of involvement and influence of an individual in the budgeting process (Anggraini, I., & Setiawan, 2021). In other words, workers and lower-level managers have a voice in the management process. Broad participation is basically an organizational process where individuals are involved and have influence in making decisions that have a direct impact on those individuals.

Organizational Commitment

Organizational commitment is a form of strong belief and support for the values and goals that the organization wants to achieve (Purwati Indah, Arisyahidin, 2021). According to Sumarno, (2019), strong organizational commitment will encourage individuals to strive hard to achieve organizational goals.

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Organizational commitment is classified into three components, namely (Sumarno, 2019):

1. Affective Commitment
2. Continuing Commitment
3. Normative Commitment

RESEARCH METHODS

This research is quantitative causal research. The object of research that is the focus of this research is the Jambi University Work Unit, and the research subjects in this research are the Jambi University Work Unit employees. The type of data used in this research is quantitative data obtained through primary data from the results of distributing questionnaires with a Likert scale of 1-5. The sample in this research uses a census sample with a total of 114 samples tested with the Partial Least Square-Structural Equation Model (PLS-SEM) test using SmartPls Version 4.0 software. The variables in this research consist of 3 X variables, namely Budget Planning Variable (X1), Budget Implementation (X2), and Budget Preparation Participation (X3). Variable Y is Budget Absorption (Y), and Variable Z is Organizational Commitment (Z).

RESULTS

Measurement Model Test Results (Outer Model)

Validity Test

Convergent Validity

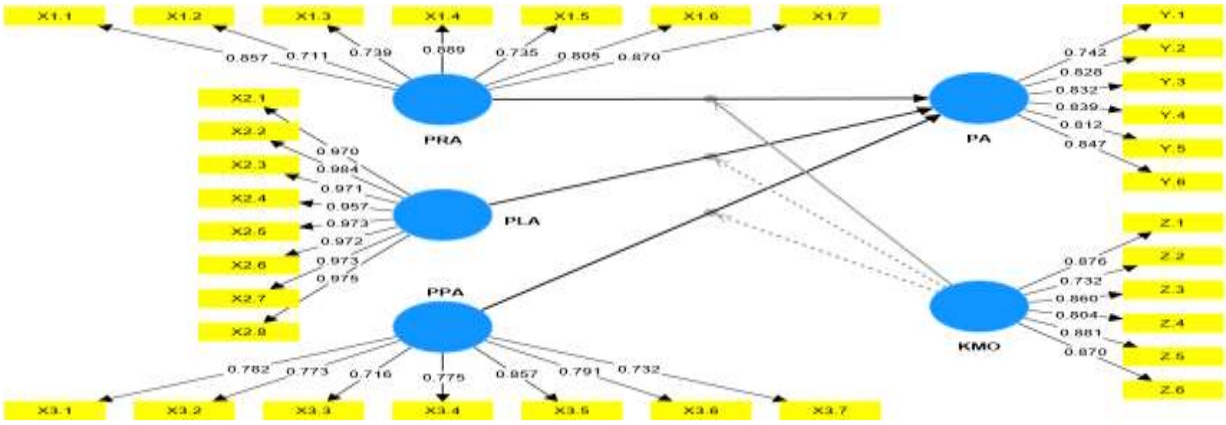


Figure 1: Convergent Validity

Source: PLS Output

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The results of the convergent validity test involve the variable indicators of Budget Planning (X1), Budget Implementation (X2), Budget Preparation Participation (X3), Budget Absorption (Y), and Organizational Commitment (Z).

Discriminant Validity

Table 2: Cross-Loading Value

	PRA	PLA	PPA	PA	KMO
X1.1	**0,857**	0,457	0,047	0,415	0,157
X1.2	**0,711**	0,332	0,235	0,483	0,142
X1.3	**0,739**	0,505	0,143	0,453	0,226
X1.4	**0,889**	0,460	0,023	0,443	0,185
X1.5	**0,735**	0,367	0,263	0,484	0,196
X1.6	**0,805**	0,550	0,230	0,508	0,202
X1.7	**0,870**	0,472	0,021	0,436	0,166
X2.1	0,562	**0,970**	0,258	0,615	0,239
X2.2	0,537	**0,984**	0,283	0,643	0,211
X2.3	0,521	**0,971**	0,291	0,641	0,217
X2.4	0,545	**0,957**	0,242	0,594	0,213
X2.5	0,531	**0,973**	0,285	0,624	0,215
X2.6	0,555	**0,972**	0,266	0,613	0,204
X2.7	0,544	**0,973**	0,285	0,638	0,209
X2.8	0,576	**0,975**	0,252	0,597	0,193
X3.1	0,209	0,271	**0,782**	0,397	0,100
X3.2	0,153	0,349	**0,773**	0,425	0,101
X3.3	0,059	0,049	**0,716**	0,270	0,042
X3.4	0,165	0,115	**0,775**	0,363	0,078
X3.5	0,153	0,231	**0,857**	0,497	0,206
X3.6	0,151	0,216	**0,791**	0,384	0,243
X3.7	0,036	0,221	**0,732**	0,287	0,098
Y.1	0,492	0,533	0,371	**0,742**	0,168
Y.2	0,469	0,616	0,435	**0,828**	0,255
Y.3	0,429	0,492	0,368	**0,832**	0,198
Y.4	0,397	0,491	0,377	**0,839**	0,176
Y.5	0,568	0,533	0,401	**0,812**	0,293
Y.6	0,465	0,451	0,471	**0,847**	0,305
Z.1	0,202	0,224	0,195	0,278	**0,876**
Z.2	0,098	0,092	0,090	0,115	**0,732**
Z.3	0,208	0,202	0,155	0,291	**0,860**
Z.4	0,209	0,216	0,086	0,229	**0,804**
Z.5	0,159	0,154	0,156	0,197	**0,881**

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Z.6	0,224	0,163	0,137	0,262	**0,870**

Source: processed data, 2025

The cross-loading value of each statement item for each variable is > 0.70, so it can be concluded that all statement items for each variable—Budget Planning (PRA), Budget Implementation (PLA), Budget Preparation Participation (PPA), Budget Absorption (PA), and Organizational Commitment (KMO)—are declared valid, or discriminant validity has been met.Based on the table above, it can also be seen that the correlation (cross-loading value) between indicators (statement items) and their constructs (variables) is higher than the correlation of indicators (statement items) with other constructs (other variables), so it can be concluded that all statement items for each variable—Budget Planning (PRA), Budget Implementation (PLA), Budget Preparation Participation (PPA), Budget Absorption (PA), and Organizational Commitment (KMO)—are declared valid, or discriminant validity has been met.In addition to using the cross-loading value, discriminant validity testing was also tested using the Fornell-Larcker method. The test results with the Fornell-Larcker method are as follows.

Table 3: Fornell-Larcker Value

	PRA	PLA	PPA	PA	KMO
PRA	**0,804**				
PLA	0,562	**0,972**			
PPA	0,179	0,279	**0,776**		
PA	0,579	0,639	0,497	**0,817**	
KMO	0,229	0,219	0,169	0,288	**0,839**

Source: processed data, 2025

The AVE root value of each variable is higher than the correlation between the construct and other constructs, so it can be concluded that all statement items of each variable—budget planning (PRA), budget implementation (PLA), budget preparation participation (PPA), budget absorption (PA), and organizational commitment (KMO)—are declared valid, or discriminant validity has been met.4.3.2 Reliability TestReliability testing is carried out to measure a questionnaire, which is an indicator of a variable or construct. Reliability testing in PLS can use two methods, namely composite reliability and Cronbach's alpha. The composite reliability value is > 0.7, and the Cronbach's alpha value is > 0.6

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.Table 4:Reliability Test

	Cronbach's alpha	Composite reliability (rho_c)
Budget Planning (PRA)	0,907	0,927
Budget Execution (PLA)	0,992	0,993
Budget Preparation Participation (PPA)	0,915	0,932
Budget Absorption (PA)	0,900	0,924
Organizational Commitment (KMO)	0,913	0,933

Source: PLS Output

The values of the variables Budget Planning (PRA), Budget Implementation (PLA), Budget Preparation Participation (PPA), Budget Absorption (PA), and Organizational Commitment (KMO) have a Cronbach's alpha value > 0.60 and a composite reliability value > 0.70, so it can be concluded that all variables are stated to be reliable or the construct reliability has been met.4.4 Structural Model Test Results (Inner Model)

Determination Coefficient (R^2)

Table 5: R-squared

	R-square	R-square adjusted
Budget Absorption (PA)	0,660	0,636

Source: PLS Output

The coefficient of determination of the Budget Absorption (PA) variable is 0.636, which indicates that the Budget Planning (PRA), Budget Implementation (PLA), Budget Preparation Participation (PPA), interaction of Budget Planning with Organizational Commitment (KMO x PRA), interaction of Budget Implementation with Organizational Commitment (KMO x PLA), and interaction of Budget Preparation Participation with Organizational Commitment (KMO x PPA) are able to explain the Budget Absorption (PA) variable by 63.6%, which indicates that the model is in the moderate or medium model category, and then the rest is explained by other factors outside the research Effect Size Test (f^2)

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Table 6: f-Square

	f-square
PRA -> PA	0,132
PLA -> PA	0,096
PPA -> PA	0,408
KMO x PRA -> PA	0,046
KMO x PLA -> PA	0,015
KMO x PPA -> PA	0,067

Source: PLS Output

The explanation is as follows:

1. The f-square value of the Budget Planning (PRA) -> Budget Absorption (PA) path is 0.132> 0.02, which indicates that the contribution of the Budget Planning (PRA) variable in changing the R-square value or in increasing the R-square value of the Budget Absorption (PA) variable is in the small influence category.
2. The f-square value of the Budget Implementation (PLA) -> Budget Absorption (PA) path is 0.096> 0.02, which indicates that the contribution of the Budget Implementation (PLA) variable in changing the R-square value or in increasing the R-square value of the Budget Absorption (PA) variable is in the small influence category.
3. The f-square value of the Budget Participation (PPA) -> Budget Absorption (PA) path is 0.408 > 0.35, indicating that the contribution of the Budget Participation (PPA) variable in changing the R-square value or in increasing the R-square value of the Budget Absorption (PA) variable is in the category of large influence.
4. The f-square value of the interaction path of Budget Planning with Organizational Commitment (KMO x PRA) -> Budget Absorption (PA) is 0.046 > 0.025, indicating that the contribution of the interaction variable of Budget Planning with Organizational Commitment (KMO x PRA) in changing the R-square value or in increasing the R-square value of the Budget Absorption (PA) variable is in the category of large influence.
5. The f-square value of the interaction path of Budget Implementation with Organizational Commitment (KMO x PLA) -> Budget Absorption (PA) is 0.015> 0.01, which indicates that the contribution of the interaction variable of Budget Implementation with Organizational Commitment (KMO x PLA) in changing the R-square value or in increasing the R-square value of the Budget Absorption (PA) variable is in the moderate influence category.

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6. The f-square value of the interaction path of Budget Preparation Participation with Organizational Commitment (KMO x PPA) -> Budget Absorption (PA) is 0.067> 0.025, which indicates that the contribution of the interaction variable of Budget Preparation Participation with Organizational Commitment (KMO x PPA) in changing the R-square value or in increasing the R-square value of the Budget Absorption (PA) variable is in the large influence category.

Results of Path Coefficient and Hypothesis Tests

Table 7: Path Coefficient

Exogeneous Variable	Endogenous Variables	*Path Coefficient*
Budget Planning (PRA)	Budget Absorption (PA)	0,261
Budget Execution (PLA)		0,244
Budget Preparation Participation (PPA)		0,419
Organizational Commitment (OMC) x PRA		-0,164
Organizational Commitment (OMC) x PLA		-0,095
Organizational Commitment (OMC) x PPA		0,197

Source: Processed data, 2025

The path coefficient value can be interpreted as follows:

1. The path coefficient value of Budget Planning (PRA) -> Budget Absorption (PA) is positive, which is 0.261. This indicates that the budget planning (PRA) variable has a positive relationship with the budget absorption (PA) variable. If the Budget Planning (PRA) variable increases, the Budget Absorption (PA) variable also increases.
2. The path coefficient value of Budget Execution (PLA) -> Budget Absorption (PA) is positive, which is 0.244, which indicates that the Budget Execution (PLA) variable has a positive relationship with the Budget Absorption (PA) variable. If the Budget Execution (PLA) variable increases, the Budget Absorption (PA) variable also increases.

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3. The path coefficient value of Budget Preparation Participation (PPA) -> Budget Absorption (PA) is positive, which is 0.419, indicating that the Budget Preparation Participation (PPA) variable has a positive relationship with the Budget Absorption (PA) variable. If the Budget Preparation Participation (PPA) variable increases, the Budget Absorption (PA) variable will also increase.
4. The path coefficient value of the interaction between Budget Planning and Organizational Commitment (KMO x PRA) -> Budget Absorption (PA) is negative, which is -0.164, indicating that the Budget Planning (PRA) variable has a negative relationship with the Budget Absorption (PA) variable when moderated by the Organizational Commitment (KMO) variable. If the interaction between budget planning and organizational commitment increases, then budget absorption will decrease, assuming other variables are equal to zero.
5. The path coefficient value of the interaction between Budget Implementation and Organizational Commitment (KMO x PLA) -> Budget Absorption (PA) is negative, which is -0.095, indicating that the Budget Implementation (PLA) variable has a negative relationship with the Budget Absorption (PA) variable when moderated by the Organizational Commitment (KMO) variable. If the interaction between budget implementation and organizational commitment increases, then budget absorption will decrease, assuming that other variables are equal to zero.
6. The path coefficient value of the interaction between Budget Preparation Participation and Organizational Commitment (KMO x PPA) -> Budget Absorption (PA) is positive, which is 0.197, indicating that the Budget Preparation Participation (PPA) variable has a positive relationship with the Budget Absorption (PA) variable when moderated by the Organizational Commitment (KMO) variable. If the interaction between budget preparation participation and organizational commitment increases, then budget absorption will increase, assuming that other variables are zero.

Table 8: Hypothesis Testing

Hypotesis	Exogenous Variables	Endogenous Variables	t-stat	P-value	Inform
H1	Budget Planning (PRA)	Budget Absorption (PA)	3,534	0,000	H1 accepted
H2	Budget Execution (PLA)		2,772	0,006	H2 accepted
H3	Budget Preparation Participation (PPA)		5,632	0,000	H3 accepted

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H4	Organizational Commitment (OMC) x PRA	1,824	0,068	H4 rejected
H5	Organizational Commitment (OMC) x PLA	0,972	0,331	H5 rejected
H6	Organizational Commitment (OMC) x PPA	2,187	0,029	H6 accepted

Source: Processed data, 2025

Interpretation of the results of the hypothesis testing is as follows:

1. The Effect of Budget Planning on Budget Absorption (H1)
   The H1 test produces a t-statistic value of 3.534> 1.96 or a P-value of 0.000 <0.05, so H1 is accepted. This means that budget planning has an effect on budget absorption at the University of Jambi.
2. The Effect of Budget Implementation on Budget Absorption (H2)
   The H2 test produces a t-statistic value of 2.772> 1.96 or a P-value of 0.006 <0.05, so H2 is accepted. This means that budget implementation has an effect on budget absorption at the University of Jambi.
3. The Effect of Budget Preparation Participation on Budget Absorption (H3)
   The H3 test produced a t-statistics value of 5.632 > 1.96 or a P-value of 0.000 < 0.05, so H3 is accepted. This means that budget preparation participation has an effect on budget absorption at Jambi University.
4. Organizational Commitment Moderates the Effect of Budget Planning on Budget Absorption (H4)
   The H4 test produced a t-statistic value of 1.824 < 1.96 or a P-value of 0.068 > 0.05, so H4 is rejected. This means that organizational commitment does not moderate the effect of budget planning on budget absorption at Jambi University.
5. Organizational Commitment Moderates the Effect of Budget Implementation on Budget Absorption (H5)
   The H5 test produces a t-statistic value of 0.972 <1.96 or a P-value of 0.331> 0.05, so H5 is rejected. This means that organizational commitment does not moderate the effect of budget implementation on budget absorption at the University of Jambi.

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6. Organizational Commitment Moderates the Effect of Budget Participation on Budget Absorption (H6)
   The H6 test produces a t-statistic value of 2.187> 1.96 or a P-value of 0.029 <0.05, so H6 is accepted. This means that organizational commitment moderates the effect of budget participation on budget absorption at the University of Jambi.

DISCUSSION

The Effect of Budget Planning on Budget Absorption

The results of the hypothesis test show that budget planning has a significant effect on budget absorption. This shows that good and comprehensive budget planning is very important in the financial management process, especially in the context of budget absorption. Effective budget planning allows for the allocation of appropriate resources according to the priorities and needs of the organization. When budget planning is done carefully, each unit or department has clear guidelines regarding the allocation of available funds and how to use them. This reduces the risk of misallocation and allows for better control over spending.The phenomenon of the low level of budget realization at Jambi University indicates a weakness in the planning stage. As a result, many budgets cannot be utilized optimally in the current budget period.Thus, the results of this study strengthen the Goal Setting Theory, where the success of budget absorption depends not only on the availability of funds but also on the extent to which budget objectives are well set in the planning stage. Specific, challenging but achievable budget objectives, as well as active participation from all work units, will increase effectiveness in budget realization.

This study is in line with the results of research by Nilasari, A., Arisetyawan, K., & Septa Monica Ambar Susanto, (2024), which stated that budget planning has a significant effect on budget absorption. This is different from the research obtained by Salwah, (2019), which stated that budget planning has no effect on budget absorption.

The Influence of Budget Implementation on Budget Absorption

The results of the hypothesis test show that budget implementation has a significant effect on budget absorption. The better the budget implementation, the better the budget absorption.The phenomenon of low budget realization that occurred at Jambi University can be explained through the results of this study, which confirms that budget implementation has an influence on budget absorption. Low budget realization is not solely caused by weak planning but also because of suboptimal budget implementation, such as delays in implementing activities, weak monitoring and evaluation, and lack of

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understanding of budget management mechanisms.These findings can be further analyzed using the Goal Setting Theory developed by Locke and Latham. This theory states that specific and challenging goals, accompanied by clear feedback, will result in better performance. If each work unit at Jambi University has clear, measurable budget absorption goals and is accompanied by specific responsibilities, then it is likely that budget implementation will be more focused and efficient. This study is in line with the results of Nilasari et al. (2024), who stated that budget implementation has a significant effect on budget absorption. This is different from the research obtained by Ferdinan, F., Isnurhadi, I., Widiyanti, M., & Adam, (2020), which stated that budget implementation had no effect on budget absorption.

The Effect of Budget Participation on Budget Absorption

The results of the hypothesis test show that budget participation has a significant effect on budget absorption. This means that changes in budget participation have an effect on budget absorption. The results of this study indicate that participation in budget preparation has an important role in increasing the effectiveness of budget implementation. When employees or work units are involved in the planning process, they tend to have a better understanding of the details of the budget being prepared. This makes the implementation of the work program more focused and in accordance with the needs in the field, thus minimizing potential obstacles in budget absorption.

Participation in budget preparation is considered the level of involvement and influence of a person in the budget preparation process (Anggraini, I., & Setiawan, 2021). Participation is a process of joint decision-making by two or more parties where the decision will have a future impact on those who make it (Arfan & Muhammad, 2018). Participation is a process in which individuals are directly involved and have an influence on the preparation of budget targets whose performance will be evaluated and possibly rewarded based on the achievement of their budget targets. This study is in line with the results of Wanudya, (2019) study, which states that budget participation has no effect on budget absorption. This is different from the research of Sirait, R. J., Sari. Eka Nurmala, & Astuty, (2022) which states that budget participation has a positive effect on budget absorption.

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The Effect of Budget Planning on Budget Absorption Moderated by Organizational Commitment

The results of the hypothesis test indicate that organizational commitment is unable to moderate the effect of budget planning on budget absorption. This means that the existence of organizational commitment cannot weaken or strengthen budget planning on budget absorption.These results indicate that even though employees or leaders have a high commitment to the organization, this does not always have a direct impact on strengthening the implementation of the budget plan that has been prepared. Structural and technical factors such as budgeting systems, government regulations, implementing capacity, and bureaucratic constraints are likely to be more dominant in influencing budget realization.

In this case, the goal-setting theory developed by Locke and Latham provides an interesting perspective. This theory states that specific and challenging goals, if accompanied by commitment and appropriate feedback, can improve individual and organizational performance. In the context of this study, budget planning can be likened to the process of setting goals that are expressed in the form of clear program plans and budget allocations. However, the finding that organizational commitment is unable to moderate this relationship indicates that setting budget goals alone is not enough.

This finding strengthens the view that within the framework of Goal Setting Theory, the success of achieving goals is not only determined by commitment alone, but also by the existence of a support system that is able to ensure that the goals set in the planning stage can be implemented in real terms. This shows that organizations need to conduct a comprehensive evaluation of existing systems and processes to ensure that every element, from planning to implementation, can run harmoniously. This study is in line with the results of research by Patiran, A., & Bonsapia, (2021), where organizational commitment does not strengthen the influence of budget planning on budget absorption. On the other hand, this study differs from the results of research by Silalahi, M. H. F., Maksum, A., & Kholis, (2021). The results of research by Silalahi, M. H. F., Maksum, A., & Kholis, (2021) stated that organizational commitment is able to moderate the influence of budget planning on budget absorption.

The Effect of Budget Implementation on Budget Absorption Moderated by Organizational Commitment

The results of the hypothesis test indicate that organizational commitment is unable to moderate the effect of budget implementation on budget absorption. This

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means that the existence of budget absorption cannot weaken or strengthen budget implementation on organizational commitment. The goal-setting theory developed by Locke and Latham emphasizes the importance of specific and challenging goals to improve performance. In this study, budget implementation and budget absorption can be viewed as part of the organizational goal achievement system. However, if the budget goals are not clearly defined, not measurable, or not considered challenging by the budget implementer, then the motivation to achieve them becomes low. The low effectiveness of organizational commitment as a moderator can also be associated with the absence of clear goals that are integrated with the performance evaluation system.

This study is in line with the research of Ferdinan, F., Isnurhadi, I., Widiyanti, M., & Adam, (2020), where organizational commitment is unable to moderate the effect of budget implementation on budget absorption. The results of this study differ from the results of research by Silalahi, M. H. F., Maksum, A., & Kholis, (2021) who stated that organizational commitment is able to moderate the influence of budget implementation on budget absorption.

The Effect of Budget Preparation Participation on Budget Absorption Moderated by Organizational Commitment

The results of the hypothesis test indicate that organizational commitment is able to moderate the effect of budget implementation on budget absorption. This means that the relationship between budget preparation participation and budget absorption will be strengthened by organizational commitment. The phenomenon of low budget realization at Jambi University can be explained through participation in budget preparation and organizational commitment as moderating variables, where a low level of participation can cause a mismatch between the planned budget and real needs in the field, thus impacting the low implementation of programs and activities. High commitment from leaders and staff encourages enthusiasm to realize the budget optimally in accordance with the work plan that has been prepared. The results of this study are in line with the goal-setting theory put forward by Locke and Latham. When budget objectives are prepared in a participatory manner, individuals in the organization will have a greater understanding and attachment to these objectives. However, the goals that have been set will not be achieved without a high commitment from all parties. Organizational commitment serves as an internal driver so that all elements of the organization remain focused and responsible in realizing the budget in accordance with the agreed goals. Thus, Goal Setting Theory strengthens the finding that participation in goal setting (budget

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preparation), which is supported by organizational commitment, will increase the likelihood of achieving optimal results (budget absorption). This study is in line with the results of research by Sidik, N. S., Niswatin, N., & Yusuf, (2022), where organizational commitment strengthens the influence of budget participation on managerial performance. In contrast to the results of research by Sirait, R. J., Sari. Eka Nurmala, & Astuty, (2022), which states that organizational commitment does not moderate budget participation on budget absorption.

CONCLUSIONS

Based on the results of the research and discussion that has been done, several things can be concluded as follows:

Budget planning affects budget absorption. This shows that the better the quality of the budget prepared, the higher the level of budget absorption. Effective planning is a strong foundation for managing the budget efficiently and on target. Budget implementation affects budget absorption. Budget preparation participation affects budget absorption. Organizational commitment is unable to moderate the relationship between budget planning and budget absorption. There is a dominance of structural and technical factors such as the budgeting system, implementing capacity, and bureaucracy in influencing budget absorption. Organizational commitment is unable to moderate the relationship between budget implementation and budget absorption. Inaccuracy of goal setting, poor evaluation system, and lack of integration between budget implementation mechanisms and commitment. Organizational commitment is able to moderate the relationship between budget preparation participation and budget absorption. Budget absorption is more effective if participation in budget preparation is carried out actively and comprehensively and is supported by high organizational commitment. Active involvement of the entire organization in setting budget goals increases a sense of ownership and responsibility.

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