**The Factor Affecting The Capital Expenditure Achievement In West Sumatra Provincial**

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**Abstract**

The purpose of this study is to determine the effect of leadership factors, applicable regulations and competence of human resources on achievement level of capital expenditure budget at West Sumatera Provincial Government. Population in this study is the Organization of Regional Devices (OPD) at West Sumatera Provincial Government as many as 48 OPD. The sampling technique used is Total Sampling so that all members of the population as a sample in this study. The research instrument used was questionnaire. Data analysis in this research using Multiple Linear Regression Analysis by using program SPSS 22. The results of this study indicate that the leadership have a significant effect on the level of budget achievement, that the applicable regulations have a significant effect on the level of budget achievement, that the competence of human resources have a significant effect on the level of budget achievement.

**Keywords**:Capital Expenditure Achievement, Leaderships, Applicable Regulations,And The Competence of Human Resources

**Introduction**

Along with the development of the reform era, there are demands to improve the performance of public sector organizations to be more oriented towards the realization of services for people who need goods or public services. In the public sector, the budget is a political document as a form of commitment between the executive and the legislature over the use of public funds for a particular interest. Public sector budget is an activity plan presented in the form of revenue and expenditure in monetary units (Mardiasmo, 2009). Budget as the blue print of the existence of a state is created to help improve the services of interests and public needs, improve the welfare of the community, implement development and facilities reflected in capital expenditures.

In the budgeting system there are Performance-BasedBudgeting (PBB) which is a mechanism aimed at improving the efficiency of allocation and productivity of public sector financing by strengthening the relationship between available budgets with outcomes or outputs through the use of information or performance measurement in resource allocation decision making (Bastian, 2006). The problem in this study is the implementation of the budget that is not necessarily successful so that it is not optimal the level of budget achievement caused by the budget indiscipline, limited budget time where the work has not finished until the end of the budget year, the implementer does not have adequate capability related to the factor leadership and competence of human resources, as well as weaknessesadministration and accountability relating to prevailing policies or regulations that may affect the level of capital expenditure outcomes (Fitri, Ludigdo, & Djamhuri, 2013).

According to (Bastian, 2010), public budgets can be interpreted as a package of statements concerning expected revenues and expenditures that are expected to occur in one or more future periods. Performance-based budgeting is a method of budgeting for management to link any funding outlined in activities with expected outputs and outputs, including efficiency in achieving the outcomes of those outputs (Kurniawan, 2009).

According to George in (Gouzali, 2005) "leadership is the whole activity or activity to influence the willingness of others to achieve goals". In another sense, leadership is more of a person's ability (whether in the organization or not) to influence the people in their environment, so that they are willing to work toward the goal the leader wants. In relation to prevailing regulations, the management of State finances is based on the budget implementation module issued by the Ministry of Finance of the Republic of Indonesia which states that with the enactment of the provisions of the law on state finance, namely Law No. 17/2003; Law Number 1 of 2004; and Law No. 15 of 2004. According to (Ruky, 2014) competence are the basic (and hidden) characteristics of a person who has a causal relationship with superior or excellent performance on the basis of predetermined criteria in a particular job or situation. Human Resource Development (HR) is an activity that must be implemented by the organization or company so that the knowledge, skills and skills of employees in accordance with the demands of work they do (Gouzali, 2005). Hypothesis in this research is as follows:

**H1:** Leadership has significant effect on capital expenditure capability level.

**H2:** The prevailing regulations have a significant effect on the level of capital expenditure capability.

**H3:** The competence of human resources has a significant effect on the level of capital expenditure capability.

**Method**

This type of research is causative research (causative). The population in this study is the Organization of Regional Devices (OPD) as the West Sumatera Provincial Government as much as 48 OPD. Sampling technique used is Total Sampling so that all members of the population as a sample in this study. The type of data used in this study is subject data (self-report data). Subject data is a type of research data in the form of opinions and perceptions, attitudes, experiences or characteristics of a person or group of people who become the subject of research (respondents). Data source in this research is primary data, that is data obtained directly from data source.

Research techniques of data collection in this study is in the form of questionnaires or questionnaires, where the questionnaire that has been prepared directly distributed to the respondent. In this research, questionnaire distribution was conducted to find out data related to the influence of leadership factor, applicable regulation and human resource competency on the level of capital expenditure achievement in West Sumatera Province. Then the interview was conducted between the researcher and the respondent as the resource person as the interviewee. Furthermore, the validity test for questionnaire that has been prepared using Corrected Item-Total Colleration with the help of SPSS version 22.0. Once the validity level is determined, proceed with the reliability test using the Cronbach's Alpha coefficients

Normality test is done by using Kolmogorov-Smirnov which aims to test whether in a regression model, the intruder or residual variable has a normal distribution. Multicollinearity test using VIF (Variance Inflantion Factor) method. Common cut off values ​​used to indicate the presence of multicolinearity are tolerance values ​​<0.10 or equal to VIF> 10. The heteroscedasticity test aims to test whether in a regression model there is a variance inequality of the residual over one observation to another. To detect the presence or absence of heterokedastisitas in this study using Glejser test.

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**Results and Discussion**

**Result**

Testing of validity in this research based on result of data processing, it is found that Corrected Item-Total Colleration value for each item of leadership variable (X1), applicable regulations (X2), human resource competence (X3) and level of budget achievement (Y) all at over rtabel. So it can be said that all items of variable statement X1, X2, X3 and Y are valid. The results of reliability testing of leadership variables, applicable regulations, human resource competencies and budget performance levels, show that Cronbach's Alpha values ​​are in the range above 0.60 (0.913; 0.810; 0.832; 0.764> 0.60). Normality test results in this study can be seen in the table below:

| **One-Sample Kolmogorov-Smirnov Test** | | | | | |
| --- | --- | --- | --- | --- | --- |
|  |  | Y | X1 | X2 | X3 |
| N | | 70 | 70 | 70 | 70 |
| Normal Parametersa | Mean | 37.91 | 35.56 | 48.46 | 30.30 |
| Std. Deviation | 9.544 | 8.091 | 4.889 | 2.628 |
| Most Extreme Differences | Absolute | 0.102 | 0.101 | 0.080 | 0.105 |
| Positive | 0.068 | 0.095 | 0.080 | 0.095 |
| Negative | -0.102 | -0.101 | -0.051 | -0.105 |
| Kolmogorov-Smirnov Z | | 0.102 | 0.101 | 0.080 | 0.105 |
| Asymp. Sig. (2-tailed) | |  |  |  |  |

The table above shows the results of normality test which states that the value Kolmogorov-Smirnov Test for the level of budget achievement of 0.071, leadership of 0.072, the applicable rules of 0.200 and the competence of human resources of 0.054. All variables in this study have Kolmogorov-Smirnov Test> significant level of 0.05, so it can be concluded that the data used in this study has been normally distributed.

The multicollinearity test in this study is seen through the Variance Inflantion Factor (VIF) and tolerance value values ​​for each independent variable. The results of the multicolinearity test show that the VIF value for each independent or independent variable in the regression model is not correlated. The VIF value for leadership variable (X1) is 1.071 and tolerance value is 0.934. For the applicable regulatory variables (X2) we get the VIF value of 1.058 and the tolerance value of 0.946. While for the last independent variable that is the competence of human resources (X3) obtained VIF value of 1.013 and tolerance value of 0.987. Overall for each independent variable in this study obtained VIF value <10.00 and tolerance value> 0.10. It shows that there is no correlation between the independent variables in the regression model and it is concluded that there is no multicollinearity problem among the independent variables in the regression model formed (there is no multicolinearity).

Heterocedasticity test in this study using Glejser test. The basis of decision making in the Glesjer test is if the Sig. <Significance level is 0.05 or 5%, then the model is exposed to symptoms of heterocedasticity. Whereas if the value of Sig>> significance level of 0.05 or 5%, then the model can be said not to be affected by symptoms of heterocedasticity. The results of heterocedasticity testing can be seen in the table below:Top of FormBottom of Form

| **Coefficientsa** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 17.333 | 8.081 |  | 2.145 | 0.036 |
| X1 | -0.076 | 0.063 | -0.149 | -1.200 | .0.234 |
| X2 | -0.014 | 0.104 | -0.017 | -0.135 | 0.893 |
| X3 | -0.216 | 0.189 | -0.138 | -1.142 | 0.258 |

Based on the above table, it can be seen that the calculation results for each independent variable has a Sig value. > significance level of 0.05 or 5%. Where for leadership (X1) has a Sig value of 0.234, the applicable rule (X2) has a Sig value of 0.893 and human resource competence (X3) has a Sig value of 0.258. So it can be concluded that the model is not exposed to symptoms of heterocedasticity because the value of Sig for each independent variable> 0.05 or 5% The results of calculations using the computer statistical program SPSS version 22.0 obtained the results of multiple regression analysis can be seen in the following table:

| **Coefficientsa** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
| B | Std. Error | Beta |
| 1 | (Constant) | -23.770 | 17.124 |  | -1.388 | 0.170 | |
| X1 | 0.409 | 0.134 | 0.347 | 3.049 | 0.003 | |
| X2 | 0.469 | 0.220 | 0.240 | 2.128 | 0.037 | |
| X3 | 0.806 | 0.401 | 0.222 | 2.008 | 0.049 | |

The table above shows the results of multiple linear regression analysis which can be written as follows:

From the above linear regression equation can be explained as follows: The constant value of -23,770 indicates that if the independent variables of leadership, applicable regulations and human resource competencies are absent or zero, then the level of budget achievement is equal to the constant-23,770. Leadership coefficient of 0.409 indicates that any increase in leadership of one unit will result in an increase in the level of budget achievement of 0.409 units with the assumption that other variables are constant. The applicable regulatory coefficient of 0.469 indicates that any increase in regulatory increases in force of one unit will result in an increase in the level of budget achievement of 0.469 units with the assumption that other variables are constant.

The regression coefficient of determination (R2), obtained Adjusted R Square value of 0.168 or 16.8%. It indicates that the contribution of independent variable consisting of leadership, prevailing regulations, and human resource competence on the dependent variable is the level of budget achievement is 16.8%, while 83.2% is determined by other variables. The result of calculation using SPSS computer statistic program version 22 is obtained simultaneous statistical test result for leadership variable (X1), applicable regulations (X2), human resource competence (X3) and budget achievement level (Y) as follows:

| **ANOVAb** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 1282.820 | 3 | 427.607 | 5.641 | 0.002b |
| Residual | 5002.666 | 66 | 75.798 |  |  |
| Total | 6285.486 | 69 |  |  |  |

Based on the above table, it can be seen that it is true that the problem of the level of budget achievement simultaneously or simultaneously influenced by leadership variables, applicable regulations and human resource competencies. It can be seen from F arithmetic 5,641> F table 2,74 or Sig 0,002 <0,05. So it can be concluded that the model in this study is feasible to be used and studied. Based on the results of data analysis, it is known that leadership (X1) has a significant effect on capital expenditure capability level. Based on the tables of multiple regression analysis it is known that the influence of leadership on the level of budget achievement has a t value of 3.049> t table 1.99656 and Sig 0.003 <0.05. This shows that leadership has a significant effect on the level of capital expenditure capability, so it can be concluded that the first hypothesis is accepted.

The applicable regulations (X2) have a significant effect on the level of capital expenditure capability. Based on the tables of multiple regression analysis it is known that the effect of regulations that apply to the level of capital expenditure achievement has a value of t arithmetic 2.128 <t table 1.99656 and Sig 0.037 <0.05. This shows that the prevailing regulations have a significant effect on the level of capital expenditure capability, so it can be concluded that the second hypothesis is accepted. Human Resources Competency (X3) has a significant effect on the level of budget achievement. Based on the tables of multiple linear regression analysis it is known that the influence of human resource competence on the level of budget achievement has a value of -t arithmetic 2,008> t table -1,99656 and the value of Sig 0.049 <0.05. This shows that the competence of human resources have a significant effect on the level of capital expenditure capability, so it can be concluded that the third hypothesis accepted.

**Discussion**

1. The Influence of Leadership on the Level of Budget Achievement

Based on statistical tests that have been done, the results obtained that leadership has a significant influence on the level of capital expenditure outcomes. The effect indicates that the better the leadership is, the better the level of achievement of the budget. This is likely to happen if all members of the organization are able to receive good leadership, so that they will carry out what their leader directs so that a predetermined budget can be achieved in accordance with what has been determined.Conversely, the worse the leadership will be the worse the level of achievement of the budget. The results of this study are in line with research conducted by (Fitri et al., 2013) which states that simultaneously leadership variables have a significant influence on the level of budget achievement. Where this influence proves that leadership brings a considerable share of the level of budget achievement (budget imple- mentation) if in the process goes well.

1. Effect of Current Regulations on the Level of Budget Achievement

Based on the statistical tests that have been done, the results obtained that the prevailing regulations have a significant influence on the level of capital expenditure capita achievement. It shows that in order to increase the achievement of capital expenditure realization, every Regional Device Organization (OPD) must comply with the prevailing regulations related to the preparation and execution of the budget, so that the level of budget achievement can be achieved in accordance with predetermined. The results of this study are in line with research conducted by (Juliani & Sholihin, 2014) which states that the knowledge of the applicable regulations have a positive effect on the budget absorption related to the procurement of goods / services. Regulatory knowledge affects budget absorption related to procurement of goods / services because all activities carried out must comply with applicable regulations. Activities undertaken without following the applicable rules will be the findings and become a problem for the OPD. Employees who are involved in the procurement process must have a procurement certificate of goods / services as they are in accordance with applicable regulations.

1. Effect of Human Resources Competence on Budget Achievement Level

Based on statistical tests that have been done, the results obtained that the competence of human resources have a significant influence on the level of capital expenditure capita achievement. It shows that in order to increase the achievement of capital expenditure realization, employees as human resources must be competent such as mastering various regulations, laws and working procedures system and responsiveness to the timeliness of budget implementation.The results of this study are in line with research conducted by (Nalarreason, Kadek Marlina, Anantawikrama Tungga Atmadja, 2014) which states that the variable competence of human resources positively and significantly affect the implementation of the budget because in realizing the demands of the community will dissatisfaction with the implementation of the budget, competent. Competent not only in terms of intellectual, but there are several aspects contained in terms of these competencies. These include knowledge, skills, self-concept and values, personal characteristics, and motives. The existence of competence of human resources is able to support the achievement of budget implementation.

**Conclusions**

Based on the results of testing and analysis of data that have been described before, the conclusion is as follows: Leadership has a significant effect on the level of achievement of OPD budget in the environment of West Sumatera Provincial Government; the prevailing regulations have significant effect on the level of achievement of OPD budget in the environment of West Sumatera Provincial Government; human Resource competence has significant influence to the level of achievement of OPD budget in the environment of West Sumatera Provincial Government.

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