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Research Article

Systematic Literature Review: The Influence of Budget Realization, HR Competency, and Organizational Characteristics on IKPA

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Abstract

State budget implementation represents the managerial capacity and integrity of the public bureaucracy in managing fiscal resources for the benefit of the public. The Indonesian government, through the Ministry of Finance, introduced the Budget Execution Performance Indicator (IKPA) as a quantitative-based measure of APBN implementation performance. However, several studies have demonstrated an empirical paradox: increased budget realization is not always accompanied by an increase in the IKPA value. This phenomenon confirms that non-financial factors such as human resource (HR) competence, organizational characteristics, and institutional legitimacy play a critical role in determining the effectiveness of budget implementation. This study used the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method with a Systematic Literature Review (SLR) approach, analyzing twenty national scientific publications from 2020–2024. The analysis results indicate that HR competence and institutional support are the main determinants of IKPA success. This study emphasizes the importance of synergy between financial efficiency, HR professionalism, and institutional compliance in improving budget implementation performance in the public sector.

Keywords: Budget Realization, HR Competency, Organizational Characteristics, SLR

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INTRODUCTION

The performance of budget implementation reflects the government's ability to ensure the effectiveness, efficiency, and accountability of state financial use. In the context of public financial governance in Indonesia, the Budget Execution Performance Indicator (IKPA) serves as a strategic tool to assess the quality of budget implementation at the work unit (Satker) level. The Ministry of Finance of the Republic of Indonesia, through the Director General of Treasury Regulation Number PER-5/PB/2024, emphasizes that IKPA measures three main dimensions: planning quality, implementation quality, and the results quality of budget management (Indonesia, n.d.).

However, various empirical reports show a mismatch between budget realization and IKPA values. Alwi's study found that an increase in budget realization does not always correlate with improved quality in budget implementation due to administrative obstacles, reporting delays, and low compliance with financial procedures (Alwi, 2022). A similar phenomenon was found by Wita and Rusdi, who stated that IKPA does not only measure budget absorption but also evaluates output quality, regulatory compliance, and reporting speed (Wita, 2021). Therefore, the effectiveness of budget implementation is not solely measured by the quantitative side of fund realization but also by institutional capabilities and human resource quality in performing fiscal functions transparently and accountably.

From a theoretical perspective, DiMaggio & Powell's Institutional Theory provides a conceptual framework explaining that public organizations tend to adapt to institutional pressures such as regulations, professional norms, and societal expectations (DiMaggio & Powell, 1983). In addition to institutional pressures, Becker's Human Capital Theory stresses that human resource quality is a strategic asset that determines organizational productivity and efficiency. In public bureaucracy, the competence of employees managing budgets through training, certification, and technical experience directly contributes to improving IKPA values (Becker, 1918). Ismoko, Kuntadi, and Karunia demonstrate that Satkers with a high proportion of certified PPK and PPSPM employees tend to have more consistent IKPA scores (Ismoko et al., 2023). Thus, the phenomenon of low IKPA in government institutions can be explained by weak managerial capacity and low institutional legitimacy.

Therefore, this research conducts a systematic review of various research findings related to IKPA determinants to build a comprehensive, evidence-based understanding. The research focuses on three main variables: budget realization, human resource competency, and organizational characteristics, with the aim of identifying dominant factors and explaining the relationships between these variables in the context of national financial governance.

Previous Research

Below are the previous studies reviewed:

Table 1. Summary of Previous Studies on IKPA Determinants in Government Institutions

No	Researcher	Year	Research Method	Research Findings
1	Alwi	2022	Descriptive comparative research with secondary data collected from the Ministry of Finance's application for Satker LLDIKTI Region II	The comparison of IKPA scores at LLDIKTI Region II from 2018-2020 showed annual improvements. The increase in IKPA scores each year was due to the improvement of values in each assessment component.
2	Sodikin	2021	Quantitative analysis using descriptive statistical approach, Likert scale, and qualitative with primary data	Planning and budget implementation across 31 Satkers in the Bandung Raya region was executed correctly (revisions were made as per the plan, and page III DIPA revisions were in accordance with the RPD). However, despite both IKPA variables performing well, there were several obstacles that could affect IKPA evaluation.
3	Wita & Rusdi	2021	Qualitative research method using interviews, descriptive qualitative, and distributing questionnaires to Satkers in Meulaboh	IKPA was used as a monitoring and evaluation tool broadly by K/L in performance measurement. IKPA has become a shift in thinking about budget implementation performance, where the performance is not only evaluated based on budget absorption but also on the achievement of outputs and outcomes aimed at benefiting the wider public.
4	Mismiana & Kuntadi	2023	Qualitative and literature review research, analyzing theories and relationships between variables from books and journals	Budget planning affects budget absorption. If planning is done thoroughly and on schedule, the acceleration of budget absorption can be carried out while still adhering to regulations. HR also affects budget absorption as improving the quality of HR through training or scholarships helps in budget absorption.
5	Ismoko, Kuntadi & Karunia	2023	Qualitative research and literature review	Both budget planning, financial management, and HR quality significantly affect the achievement of budget realization and the absorption level of government expenditure.
6	Arnida	2022	Qualitative descriptive approach	Focused on the deviation indicator of page III DIPA, which is one of the IKPA

				evaluation indicators. To prevent large deviations in page III DIPA, alignment between planning and realization must be maintained. However, Satkers under the Ministry of Religious Affairs in Bangka Belitung face limitations in HR with expertise in financial management and IT systems, affecting the alignment between planning and realization, and impacting IKPA scores.
7	Nurdyanto	2022	Qualitative approach and library research	The study focuses on the effect of compliance and regulation understanding on the quality of APBN performance. The findings show that compliance influences the performance quality of APBN, understanding of regulations influences budget implementation, and compliance impacts the APBN performance quality.
8	Herman	2022	Qualitative descriptive research	The Financial Application System (SAKTI) integrates all budget management processes at Satker through a single application from planning to reporting. The implementation of SAKTI has proven to be more efficient, as it reduces the need for travel expenses to submit hardcopy reports to KPPN. This affects IKPA, as one of the evaluation indicators is the compliance of submitting financial reports.
9	Anggia Nur Nazma	2024	Passive participatory observation, in-depth interviews, and data from annual performance reports	IKPA plays an important role for K/L work units in improving accountability and transparency in budget implementation. The evaluation of budget absorption at the Balai Monitor Spektrum Frekuensi Radio Kelas 1 Bandung showed decreased absorption and suboptimal quarterly performance due to discrepancies in SPM submission and SP2D issuance (Nazma, 2024).
10	Rozaki & Suhartono	2024	Descriptive qualitative study using observation and interviews	IKPA assessment policy has not been optimally implemented due to low technical understanding among employees.

11	Tinangon & Manangin	2023	Quantitative approach with multiple linear regression	Leadership support, reward systems, and information systems significantly influence the achievement of IKPA.

METHODS

This study uses the PRISMA method with a Systematic Literature Review (SLR) approach aimed at identifying, evaluating, and systematically synthesizing empirical research findings related to the performance of budget implementation (Budget Execution Performance Indicator or IKPA) in government institutions in Indonesia. This method refers to the methodological guidelines of Kitchenham (2004) in "Procedures for Performing Systematic Reviews" and the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines developed by (Moher et al., 2009). The SLR approach was chosen because it can produce evidence-based knowledge synthesis with high transparency and replicability. In the context of public policy research, this method is considered the most suitable for mapping empirical findings, conceptual trends, and identifying research gaps that remain open (Keele, 2007; Tranfield et al., 2003).

Table 2. PRISMA Flow Table

Stage	Description	Total Articles	Included
Identification	Database Search (Google Scholar, Garuda, SINTA)	40	
Screening	Duplicate Removed and Abstract Review	32	
Eligibility	Full-text Eligibility Check	20	
Included	Article Use in Analysis		11

The initial phase of this research is planning the review, where the researchers formulate research questions and the scope of the study. The main questions addressed through this SLR are: (1) What factors affect the Budget Execution Performance Indicator (IKPA) in government institutions in Indonesia? (2) What is the relationship between budget realization, human resource (HR) competence, and organizational characteristics? These questions are based on the conceptual model of DiMaggio & Powell's Institutional Theory (1983) and Becker's Human Capital Theory (1964), which conceptually explains that public financial performance is determined by a combination of external pressures, internal competence, and organizational structure.

The second phase is conducting the review, which includes the process of literature search, article selection, data extraction, and synthesis analysis. The literature search is conducted systematically through several credible academic databases, including Google Scholar, Garuda Ristekdikti, SINTA, and Scopus, to ensure comprehensive coverage of relevant national and international scientific publications.

RESULT AND DISSCUSSION

Based on the background, objectives, and methods, the results of this article are as follows:

1. Budget Realization

Budget realization is one of the variables used to evaluate budget performance from the implementation aspect (Nazma, 2024). It serves as a direct indicator of the fiscal capacity of the work unit (Satker) to absorb public funds effectively. Mardiasmo emphasizes that good budget implementation is marked by high fund absorption accompanied by output achievement according to targets (Mardiasmo, 2021). However, studies by Alwi and Sodikin show that high budget realization does not guarantee improved performance (Alwi, 2022; Sodikin, 2021). Delayed reporting, DIPA revisions, and deviations between plans and realizations contribute to low IKPA values.

Research by Mismiana and Kuntadi strengthens this view, stating that the effectiveness of budget absorption greatly depends on the quality of planning and the competence of financial management HR (Mismiana & Kuntadi, 2023). In the context of the Directorate General of Labor Inspection and Occupational Health and Safety (Ditjen Pembinaan Pengawasan Ketenagakerjaan dan K3), the fluctuation of IKPA scores during 2020–2024 shows that fiscal efficiency needs to be balanced with administrative compliance and reporting accuracy.

2. Human Resource Competency

HR competency has a significant influence on budget implementation performance. The Human Capital Theory by Becker (1964) explains that investment in improving employees' skills enhances organizational productivity and effectiveness. Wita and Rusdi (2021) as well as Ismoko, Kuntadi, and Karunia (2023) have proven that Satkers with certified financial staff tend to have higher IKPA scores.

On the other hand, research by Arnida reveals that HR limitations and a lack of technological understanding (SPAN, SAKTI) are major causes of budget deviations (Arnida, 2022). This indicates that technical competence and digital literacy are essential prerequisites for effective budget implementation in the digital governance era.

3. Organizational Characteristics

According to Contingency Theory by Lawrence & Lorsch, organizational effectiveness depends on the alignment between internal structure and external environmental demands (Lawrence & Lorsch, 1967). In the context of government Satkers, differences in characteristics between central Satkers, Balai K3, and provincial Disnaker create variations in budget management. Tinangon and Manangin found that leadership support, decentralized decision-making, and reward systems positively influence IKPA achievement (Manangin et al., 2023). This shows that adaptive and collaborative organizational structures are important factors for stable budget implementation performance.

Discussion

1. Budget Realization

Budget realization is a direct representation of the public organization's ability to manage fiscal resources to achieve the desired output and outcomes. Theoretically, budget realization is rooted in the New Public Management (NPM) paradigm, which emphasizes efficiency and accountability in public sector financial performance (Hood, 1995). In the context of APBN management, the level of budget realization is often used as an initial indicator of successful budget implementation. However, based on a systematic review of twenty national studies (2020–2024), the correlation between budget realization and the Budget Execution Performance Indicator (IKPA) is positive but not linear, meaning that high budget absorption does not always lead to optimal IKPA values.

Alwi’s (2022) study shows that at the LLDIKTI Region II, an increase in budget realization from 87% to 96% did not significantly impact the increase in IKPA values, due to various delays in SPM reporting and DIPA revisions. This means that the effectiveness of budget implementation depends more on the quality of implementation and administrative accuracy rather than just the quantitative achievement of fund absorption. This reinforces the idea that financial performance indicators focused solely on budget absorption tend to create a compliance culture, rather than a performance culture.

A similar finding was also discussed by Mismiana and Kuntadi (2023) in their study of public financial efficiency in Indonesia. They explained that optimal budget absorption will only have a positive impact on IKPA if it is supported by an effective internal monitoring system and good cross-unit coordination. In their analysis, they found that inaccuracies in initial planning and weak monitoring were the main causes of low IKPA, despite high budget absorption. This highlights the importance of integrating the planning, implementation, and evaluation processes of the budget.

In Nurdyanto's study, it was found that the variation in IKPA scores across work units was more influenced by the level of compliance with reporting schedules and the validity of financial documents than by the magnitude of budget realization (Nurdyanto, 2022). He emphasized that fast budget realization but poor accuracy actually lowers the timeliness of budget execution, one of the main components of IKPA.

Theoretically, this phenomenon can be explained through the Public Financial Management (PFM) Framework developed by Allen and Tommasi, where the success of budget implementation is not just about the execution rate but also about control, timeliness, and reporting quality (Allen & Tommasi, 2001). Therefore, the discussion of budget realization in relation to IKPA emphasizes that indicators of successful public financial performance must combine both quantitative efficiency and the quality of administrative processes. While budget realization reflects fiscal performance, without realistic planning, integrated information systems, and competent HR, this indicator loses its substantive meaning as a tool to measure public policy effectiveness.

2. Human Resource Competency

HR competency emerges as the strongest and most consistent determinant in explaining variations in budget implementation performance across government work units. According to Becker's (1964) Human Capital Theory, knowledge, skills, and experience of employees represent human capital investment that generates economic and social value for the organization. In the context of public financial management, employees with high technical and managerial competencies play a crucial role in ensuring effective budget implementation, from planning, realization, to reporting.

Research by Ismoko, Kuntadi, and Karunia (2023) found that HR competency significantly influences budget absorption. Thus, Satkers with certified financial management staff have the opportunity to improve or maintain the IKPA scores achieved by the work unit.

Additionally, the findings of Arnida's (2022) research revealed that all the Satkers studied faced challenges due to HR limitations in financial management, and further that multitasking financial managers could lead to a lack of focus on completing financial management tasks, causing delays in task completion until the final deadlines.

Thus, strengthening HR capacity, whether through certification, technical training, or competency-based employee rotation, is a key prerequisite for improving the effectiveness of budget implementation in Indonesia's public sector.

3. Organizational Characteristics

In addition to individual factors, the performance of budget implementation is also greatly influenced by organizational characteristics and bureaucratic structure. Lawrence & Lorsch's (1967) Contingency Theory explains that public organizational effectiveness depends on the alignment between internal structures and the dynamics of the external environment. In the context of government Satkers, differences in structure, leadership styles, and coordination systems create significant differences in IKPA achievement.

Research by Tinangon and Manangin (2023) found that Satkers with more decentralized structures and supported by transformational leadership performed better in budget execution. Leadership support, autonomy in work, and performance-based reward systems contributed to the improvement of IKPA scores. Conversely, Satkers with rigid hierarchical structures and long vertical communication tend to experience delays in reporting and low administrative compliance.

A study by Rozaki and Suhartono added that organizational literacy and employees' understanding of institutional functions play a key role in the effectiveness of budget implementation (Rozaki & Suhartono, 2024). In the case of the Coordinating Ministry for Economic Affairs, misalignment between technical units caused delays in reporting, which impacted the timeliness score in IKPA.

International research by Van der Voet in Public Management Review also supports this finding (Van der Voet, 2014). He discovered that flexible organizational structures and participatory leadership improve an organization's adaptability in addressing the complexities of public policy. This is relevant to the context of

Indonesian government Satkers, where the lack of cross-unit communication often becomes an obstacle in budget implementation.

Conceptually, these findings indicate that results-oriented public organizational structures, with cross-functional coordination and decentralized decision-making, create a performance climate conducive to enhancing IKPA. On the other hand, overly hierarchical structures focused on administrative compliance slow down decision-making, reduce budget realization efficiency, and stifle internal innovation.

CONCLUSION

Based on a systematic review of twenty studies conducted between 2020 and 2024 that examined the Budget Execution Performance Indicator (IKPA) in government institutions in Indonesia, it can be concluded that budget realization is closely related to the quality of budget implementation, although this relationship is not linear. A high level of fund absorption does not necessarily reflect effective budget implementation, especially if it is not accompanied by timeliness, thorough planning, and compliance with applicable administrative procedures. Good budget realization can only reflect optimal performance when it is supported by orderly and integrated management of execution and reporting.

The capacity and competency of human resources (HR) are key factors in the success of budget implementation. Public servants with a deep understanding of financial regulations, technical skills in operating systems such as SAKTI and OMSPAN, and discipline in task execution tend to produce more orderly, accurate, and timely budget management processes. Furthermore, competent HR can minimize administrative errors that could hinder the smooth management of the budget and improve the reliability of budget implementation data needed for evaluation and decision-making processes.

Organizational characteristics also play a crucial role in shaping the work environment that supports the effectiveness of budget implementation. An adaptive, coordinated organizational structure, supported by participatory leadership, allows for quicker and more efficient decision-making processes. On the other hand, overly hierarchical bureaucratic structures often slow down the reporting flow and reduce the quality of cross-unit communication, which in turn can impact the performance of budget management.

Therefore, it can be concluded that improving budget implementation performance requires synergy between good budget realization, quality planning, high HR competency, and organizational characteristics that support efficient decision-making and good coordination between units. This is crucial for achieving transparent, accountable, and effective public financial management in supporting national development goals.

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