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DYNAMICS OF EMPLOYEE EXPENDITURE FROM THE PERSPECTIVE OF PERFORMANCE-BASED BUDGET EFFECTIVENESS AND EFFICIENCY ANALYSIS

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Abstract
Employee Expenditure Dynamics and Performance-Based Budget Effectiveness: A Longitudinal Study at the Padangsidimpuan Police Resort. This study examines the asymmetric influence between Performance-Based Budgeting (PBB) implementation and employee expenditure dynamics on budget effectiveness and efficiency in police operational units characterized by extreme mandatory spending. Employing a mixed-data approach that integrates primary data from 24 respondents via questionnaires and longitudinal secondary data (2023–2025) consisting of SP2D realization, K PPN IPA scores, and AKIP evaluations, this research applies multiple linear regression to test causal relationships among variables. The primary scientific findings reveal three fundamental insights: (1) budget effectiveness emerges as a synergistic product of the normative PBB framework and adaptive expenditure dynamics mechanisms, rather than a single-variable outcome; (2) employee expenditure dynamics exert a dominant and significant influence on budget efficiency (coefficient = 1.086; p = 0.025), while PBB implementation remains insignificant in partial analysis; and (3) a paradox exists between technical performance improvement (IPA: 97.61 → 98.29) and managerial accountability stagnation (AKIP: BB category). These findings indicate that in mandatory-spending environments, administrative agility and close supervision become the primary determinants of efficiency, surpassing formal compliance with PBB principles. This study recommends implementing documented quarterly evaluations and optimizing close supervision as strategies to break AKIP stagnation, moving it from the BB to the A category.

Keywords: Performance-Based Budgeting, Employee Expenditure Dynamics, Budget Effectiveness, Budget Efficiency, Mandatory Spending, Police Organization

1. INTRODUCTION

The reform of state financial management in Indonesia has undergone fundamental changes since the enactment of Law Number 17 of 2003 concerning State Finance, which places Performance-Based Budgeting as the primary paradigm in the government budgeting system. This approach shifts the orientation of budget management from merely controlling inputs to achieving measurable outputs and outcomes, ensuring that every budget allocation must be able to generate tangible benefits for both the organization and the community. From the perspective of modern public sector governance, Performance-Based Budgeting is an instrument that functions not only as a resource allocation mechanism but also as a means of increasing accountability, transparency, effectiveness, and efficiency in government administration. The implementation of this system is in line with the principles of New Public Management , which emphasize results -oriented management as the main indicator of the success of public organizations.

Internationally, the implementation of Performance-Based Budgeting has become common practice in various countries as part of public administration reform. An OECD report shows that most of its member countries have integrated performance indicators into the budget preparation and evaluation process as an effort to improve the quality of public services and the efficiency of government resource use. Similarly, the World Bank and the International Monetary Fund (IMF) have positioned strengthening performance-based budgeting systems as a key pillar of Public Financial Management reform , particularly in developing countries facing fiscal constraints and demands for increased public accountability. However, various studies indicate that the success of Performance-Based Budgeting implementation is influenced not only by the quality of budget planning but also by the organization's capacity to monitor, evaluate, and control budget implementation on an ongoing basis. In the Indonesian context, the implementation of Performance-Based Budgeting still faces various challenges. Several studies have shown that the implementation of ABK in many government agencies is still oriented towards fulfilling administrative requirements, thus the budget's function as a strategic management instrument has not been optimal. This condition results in high levels of budget absorption not always being accompanied by improvements in the quality of organizational performance. Therefore, the effectiveness of a budget cannot be measured solely by the amount of realized expenditures, but must be linked to the achievement of performance targets set in planning documents.

This phenomenon becomes even more interesting when examined within the police organization. Unlike most other government agencies, the budget structure of the Indonesian National Police is dominated by mandatory personnel expenditures , which are expenditures that must be fulfilled because they are the financial rights of personnel according to statutory provisions. This characteristic results in relatively limited flexibility in budget management, so that budget efficiency no longer depends on the ability to reallocate funds, but rather is determined more by the organization's ability to manage the dynamics of personnel expenditure administration, such as personnel transfers, promotions, retirements, changes in position composition, and the accuracy of verification of personnel entitlement payments. The Padangsidimpuan Police Department is one of the operational work units within the North Sumatra Regional Police that exhibits these characteristics. During the 2023–2025 fiscal year, personnel expenditures consistently accounted for more than ninety percent of the total budget. SP2D realization data shows that budget absorption rates consistently exceed 99 percent, while output achievement reaches 100 percent annually. Furthermore, the Budget Implementation Indicator (IPA) published by the State Treasury Service Office has consistently increased year after year.

However, this condition is not entirely in line with the results of the Government Agency Performance Accountability (AKIP) evaluation , which remains in the BB category . The evaluation findings indicate that one of the organization's main weaknesses lies in the suboptimal implementation of periodic performance evaluations, particularly quarterly evaluations of target achievement set in planning documents. This phenomenon indicates a gap between the organization's success in the technical aspects of budget implementation and the quality of the organization's overall performance management system. In other words, high budget absorption has not been able to fully produce an increase in organizational accountability. These conditions indicate that budget effectiveness and efficiency in police organizations are not solely determined by the implementation of Performance-Based Budgeting, but are also influenced by the organization's ability to manage the dynamics of personnel expenditures, which are highly dynamic but exist within a relatively rigid fiscal space. Therefore, the dynamics of personnel expenditures are an important variable to study because they are directly related to the organization's response to changing personnel needs, the accuracy of payment administration, the effectiveness of internal oversight, and the organization's ability to maintain the quality of budget execution.

Various previous studies have examined the implementation of Performance-Based Budgeting from various perspectives. Mardiasmo emphasized that the success of ABK is greatly influenced by the quality of the performance measurement system and the integration between the planning, implementation, and evaluation processes of the budget. Mahmudi explained that budget effectiveness is closely related to the organization's ability to achieve predetermined targets, while efficiency focuses more on the ability to produce maximum output with optimal use of resources. Andrews added that institutional reform in the public sector will not produce optimal results if it is not accompanied by strengthening the organization's capacity to implement these changes. Meanwhile, the OECD emphasized that the success of Performance-Based Budgeting is greatly influenced by a continuous monitoring and evaluation system.

However, most previous research still focuses on the implementation of Performance-Based Budgeting as the primary determinant of budget effectiveness or efficiency without considering the characteristics of organizations with a very high proportion of mandatory spending . Research on the influence of employee spending dynamics on budget effectiveness and efficiency in police organizations is also relatively limited. Therefore, there is limited research integrating Performance-Based Budgeting implementation and employee spending dynamics into a comprehensive analytical model using a combination of respondent perception data and longitudinal budget performance data. Based on these conditions, this study offers scientific novelty in three main aspects. First, this study develops an empirical model that integrates the implementation of Performance-Based Budgeting and employee spending dynamics as determinants of budget effectiveness and efficiency in organizations with a very dominant mandatory spending characteristic. Second, this study uses a mixed-data approach , namely combining primary data in the form of respondent perceptions with longitudinal secondary data covering the realization of SP2D, IPA KPPN values, and AKIP evaluation results over three budget years to produce a more comprehensive analysis. Third, this study provides empirical evidence regarding the mechanism of influence of employee spending dynamics on budget efficiency in police organizations, a context that until now has been relatively little discussed in the public sector financial management literature. Based on the description, this research is directed to answer several research questions, namely: (1) does the implementation of Performance-Based Budgeting have an effect on budget effectiveness; (2) does the implementation of Performance-Based Budgeting have an effect on budget efficiency; (3) does the dynamics of employee spending have an effect on budget effectiveness; (4) does the dynamics of employee spending have an effect on budget efficiency; and (5) which variables have the most dominant effect on budget effectiveness and efficiency in police organizations.

The hypothesis proposed in this study states that the implementation of Performance-Based Budgeting and employee spending dynamics have a positive effect on budget effectiveness and efficiency. Furthermore, employee spending dynamics are suspected to have a more dominant influence on budget efficiency than the implementation of Performance-Based Budgeting because the mandatory nature of employee spending demands organizational capabilities in managing administrative processes quickly, accurately, and accountably. This study aims to analyze the impact of the implementation of Performance-Based Budgeting and the dynamics of employee spending on budget effectiveness and efficiency at the Padangsidimpuan Police. In addition to providing empirical contributions to the development of public sector financial management literature, the results of this study are expected to serve as a basis for formulating policies to improve the quality of budget governance, strengthen monitoring and evaluation systems, and optimize employee spending management in police organizations so that the implementation of Performance-Based Budgeting not only results in a high level of budget absorption but also is able to improve accountability and organizational performance in a sustainable manner.

2. THEORETICAL STUDY

2.1. Performance-Based Budgeting Theory

Performance-Based Budgeting (PBB) is a budgeting approach that directly links resource allocation to organizational performance targets. This approach developed as part of public administration reform influenced by the New Public Management (NPM) paradigm , which emphasizes efficiency, effectiveness, accountability, transparency, and results-oriented governance (Hood, 1991). Unlike the traditional input-focused approach (line-item budgeting), Performance-Based Budgeting integrates output and outcome indicators as the basis for budget preparation, implementation, and evaluation. Thus, the success of budget management is no longer measured by the amount of budget absorbed, but rather by the extent to which the budget is able to produce the benefits specified in the planning document.

According to Mardiasmo (2021), Performance-Based Budgeting is a public sector management instrument that connects strategic planning, performance indicators, budget allocation, program implementation, and performance evaluation within a single, integrated financial management cycle. Therefore, the quality of ABK implementation is greatly influenced by an organization's ability to develop measurable performance indicators, conduct regular monitoring, and objectively evaluate target achievement. The OECD (2019) explains that the implementation of Performance-Based Budgeting in various developing countries has shown mixed results. Successful implementation is more influenced by organizational capacity than by changes in administrative systems alone. Organizations with regular evaluation systems, strong leadership, and a culture that supports accountability tend to reap greater benefits than those that only address administrative aspects.

In the Indonesian context, the implementation of Performance-Based Budgeting is mandated by Law Number 17 of 2003 concerning State Finances, which is reinforced through various regulations governing state budget management. This implementation aims to improve the quality of government spending, thereby producing effective, efficient, economical, transparent, and accountable public services. Thus, the implementation of ABK in this study is understood as the level of organizational success in implementing performance-based budgeting principles which include understanding the concept, preparing a budget based on performance indicators, suitability of program priorities, evaluation mechanisms, and accountability for budget implementation.

2.2. Employee Expenditure Theory and Mandatory Spending

Personnel expenditure is the main component of government expenditure which is used to finance the financial rights of state apparatus, including basic salary, allowances, honorariums, and various other forms of compensation in accordance with statutory regulations.

In government organizations, particularly the Indonesian National Police, employee spending falls into the mandatory spending category , meaning it must be met due to legal consequences for employee rights. This characteristic limits budget management flexibility compared to goods and capital expenditures. According to the World Bank (2022), mandatory spending has two main characteristics: a high level of budget rigidity and low management discretion. Therefore, increased efficiency in this type of spending is achieved not through reduced budget allocations, but through improvements in the quality of administrative governance, internal controls, payment accuracy, and oversight of budget implementation. From a state financial management perspective, the dynamics of employee spending are influenced by various administrative factors, such as personnel transfers, promotions, retirements, changes in organizational structure, and regulatory changes regarding employee financial rights. These dynamics require organizations to be able to make rapid administrative adjustments to ensure effective and efficient budget execution. In police organizations, these dynamics are increasingly complex due to continuous changes in personnel numbers and organizational structures to meet operational needs. Therefore, the quality of personnel expenditure administration is a key indicator of successful budget management.

2.3. Budget Effectiveness

Effectiveness is a measure of an organization's success in achieving its stated goals. In the public sector context, budget effectiveness indicates the extent to which budget use produces outputs and outcomes consistent with development targets. According to Mahmudi (2019), budget effectiveness is the relationship between actual performance and planned targets. The higher the level of target achievement, the higher the effectiveness of budget utilization. Mardiasmo (2021) explains that public sector effectiveness is not only measured by the level of budget absorption, but also the quality of public services, public satisfaction, achievement of key performance indicators, and contribution to organizational goals.

In police organizations, budget effectiveness is reflected in the achievement of targets for security services, law enforcement, public protection, and other organizational performance indicators. Therefore, high budget realization does not necessarily indicate effectiveness if it is not accompanied by achievement of organizational goals.

In this study, effectiveness is measured through several indicators, namely:

- achievement of output targets;
- achievement of organizational outcomes;
- conformity of budget use with performance targets;
- benefits of budget to the organization;
- quality of results achieved.

2.4. Budget Efficiency

Efficiency is the ability of an organization to produce maximum output with minimum use of resources. According to Anthony and Govindarajan (2007), efficiency describes the relationship between input and output, while effectiveness shows the relationship between output and organizational goals. Mahmudi (2019) explains that efficiency in the public sector does not always mean budget reduction, but rather the optimal use of resources so that waste can be minimized.

OECD (2019) emphasizes that the efficiency of public financial management is influenced by:

- quality of planning;
- internal control;
- monitoring implementation;
- continuous evaluation;
- transparency.

In the context of Polri employee spending, efficiency is more determined by the accuracy of payment administration, the accuracy of budget revisions, minimal corrections to SPM, optimization of the use of the SAKTI application, and the effectiveness of internal supervision rather than the ability to reduce spending.

Thus, the efficiency indicators in this study include:

- value for money principle;
- no waste;
- accuracy of payment administration;
- optimizing budget use;
- SiLPA control.

2.5. New Public Management Theory

New Public Management (NPM) theory is the primary conceptual foundation of modern public sector reform. Hood (1991) explains that NPM aims to improve the efficiency of government organizations through the application of private sector management principles, performance measurement, decentralization of decision-making, and a results-oriented approach. From an NPM perspective, the budget is viewed as a strategic management instrument, not simply a financial administration tool. Therefore, successful budget management is determined by an organization's ability to link resource use with the achievement of performance indicators. The implementation of Performance-Based Budgeting is a concrete form of the application of NPM principles in the Indonesian public sector.

2.6. State of the Art of Research

Research on the implementation of Performance-Based Budgeting has grown rapidly over the past two decades. Most studies conclude that ABK implementation has a positive impact on improving accountability and the quality of government financial management. However, research also shows that implementation success is heavily influenced by organizational capacity, human resource quality, internal oversight systems, and organizational culture. On the other hand, research on the dynamics of personnel spending is still relatively limited. Most studies only discuss the proportion of personnel spending to the national or regional budgets without linking it to budget effectiveness or efficiency. Research specifically examining the relationship between ABK implementation, personnel spending dynamics, budget effectiveness, and budget efficiency in police organizations is also very limited. This condition indicates a research gap , namely the unavailability of an empirical model that integrates the implementation of Performance-Based Budgeting and the dynamics of employee spending as determinants of budget effectiveness and efficiency in organizations with dominant mandatory spending characteristics.

2.7. Conceptual Framework

This study develops a conceptual model that explains that the implementation of Performance-Based Budgeting (X_1) and the dynamics of employee spending (X_2) are independent variables that influence budget effectiveness (Y_1) and budget efficiency (Y_2). The implementation of ABK is expected to improve the quality of planning, budgeting, monitoring, and evaluation, thereby impacting the achievement of organizational targets. Meanwhile, the dynamics of employee spending reflect the organization's ability to manage changes in personnel administration, internal control, and budget implementation adjustments, thus impacting the effectiveness and efficiency of budget use. This conceptual model is built based on the theory of Performance-Based Budgeting , New Public Management , and the concept of Public Financial Management which emphasizes the importance of integration between planning, implementation, and performance evaluation in public sector financial management.
The interrelationships between variables in this conceptual model are not merely deductive constructs of theory but are also supported by the findings of a number of relevant previous studies. The relationship between ABK implementation and budget effectiveness ($X_1 \rightarrow Y_1$) aligns with Robinson and Last (2009) who assert that public sector budget effectiveness is primarily a product of clear and measurable performance indicators at the planning stage, and is reinforced by Mardiasmo (2018), Bastian (2019), and Pratama and Nugroho (2022) who position ABK implementation as a strategic instrument in promoting accountability and achieving performance targets in public sector organizations. The relationship between ABK implementation and budget efficiency ($X_1 \rightarrow Y_2$) is also supported by Schick (2019) and Andrews (2020), who explain that the principle of performance indicator-based budgeting instills an orientation towards savings and optimizing output-costs from the planning stage.

Meanwhile, the relationship between employee spending dynamics and budget effectiveness and efficiency ($X_2 \rightarrow Y_1$ and $X_2 \rightarrow Y_2$) refers to the concepts of institutional rigidity and organizational agility developed by Schick (2019), Andrews (2020), and Sari and Wulandari (2023), which emphasize that in organizations with dominant mandatory spending characteristics, administrative agility in managing changes in personnel data and inherent oversight is an important determinant of budget performance. The assumption that employee spending dynamics have a more dominant influence than ABK implementation on budget efficiency (H5) also refers to the argument of Sari and Wulandari (2023) regarding the importance of organizational responsiveness and agility as determinants of budget efficiency in organizations with mandatory spending. Thus, the conceptual framework of this study is built deductively from theory and is strengthened by empirical evidence from previous research relevant to the context of police organizations, so that the relationships between the variables hypothesized in the following sub-chapters have adequate conceptual and empirical foundations.

3. RESEARCH METHODS

3.1. Research Design

This study uses a quantitative approach with an associative research approach . The quantitative approach was chosen because the study aims to test the causal relationship between the implementation of Performance-Based Budgeting and the dynamics of employee spending on budget effectiveness and efficiency through statistical hypothesis testing. The associative approach was used because this study explicitly formulates five hypotheses (H1–H5) that connect and test the influence between two independent variables on two dependent variables, so that the purpose of the study is not merely to describe or explain one variable separately, but to prove whether or not there is a causal relationship between variables based on the theoretical model that has been developed in the theoretical study. In addition to using primary data obtained through questionnaires, this study also utilized secondary data as a form of triangulation to strengthen the interpretation of the research results. Secondary data include budget realization reports, Budget Implementation Indicator (IPA) values, results of the Government Agency Performance Accountability Evaluation (AKIP), and budget implementation documents for the Padangsidimpuan Police Department during the 2023–2025 Fiscal Year. The use of a combination of primary and secondary data is expected to improve the internal and external validity of the research.

3.2. Location and Time of Research

The research was conducted at the Padangsidimpuan Police Resort , North Sumatra. The location was selected based on the characteristics of budget management, which is dominated by employee spending, thus aligning with the research objectives regarding the implementation of Performance-Based Budgeting and the dynamics of employee spending. Primary data collection was carried out from May to June 2026 , while the secondary data analyzed included budget implementation documents for the last three years, namely Fiscal Years 2023, 2024, and 2025 .

3.3. Research Population and Sample

The research population consists of all Polri personnel and Polri Civil Servants (PNS) who are involved in the planning, implementation, control, and evaluation of the budget at the Padangsidimpuan Police.
The sampling technique used purposive sampling , which is a sampling technique based on specific considerations in line with the research objectives. Respondents were selected because of their knowledge and experience in budget management.
The number of respondents was 33 people , consisting of:

- Planning Section Personnel (Bagren);
- Finance Section Personnel (Sikeu);
- SAKTI Application Operator;
- Commitment Making Officer (PPK);
- SPM Signing Official (PPSPM);
- Expenditure Treasurer;
- State Property Manager;
- Personnel in other functional units who understand the budget preparation and implementation process.

This number is considered to have fulfilled the requirements of multiple linear regression analysis because it meets the requirements for the minimum number of observations based on the number of independent variables used.
3.4. Data Types and Sources
The research uses two types of data, namely primary data and secondary data.
1. Primary Data
Primary data was obtained by distributing questionnaires to all respondents using a five-level Likert scale, namely:
1 = Strongly Disagree
2 = Disagree
3 = Neutral
4 = Agree
5 = Strongly Agree
The research instrument is compiled based on indicators for each research variable adapted from various literature on public sector budgeting and state financial management.
2. Secondary Data
Secondary data was obtained through documentation studies which included:

- DIPA Document of Padangsidimpuan Police;

- Budget Realization Report for 2023–2025;
- Employee Expenditure SP2D Report;
- Budget Implementation Indicator (IPA) Value of KPPN;
- AKIP Evaluation Results;
- Government Agency Performance Report (LKIP);
- Other supporting documents related to budget management.

Secondary data is used as support in discussing the results of statistical analysis so that the interpretation of research results becomes more comprehensive.

3.5. Operationalization of Variables

The measurement of variables in this study was adapted from public sector budget theory and government agency performance evaluation standards, with the following indicator details:

- X1 (ABK Implementation): Understanding the ABK concept, budget preparation based on output/outcome indicators, evaluation mechanisms, accountability, and priority alignment.
- X2 (Employee Expenditure Dynamics): Responsiveness to needs, flexibility of reallocation, dominance of productive items, changes in expenditure composition, and effectiveness of inherent supervision (waskat).
- Y1 (Budget Effectiveness): Achievement of 100% of output targets, real impact on organizational performance, absence of failed targets due to budget, suitability of quality of results with funds, and benefits for stakeholders .
- Y2 (Budget Efficiency): The principle of economy, absence of waste/duplication, maximum output to minimum input ratio, absence of hidden costs , and reasonableness of the Budget Calculation Surplus (SiLPA).

3.6. Data Analysis Methods

The data analysis method is divided into three systematic stages to answer research problems:

3.6.1. Descriptive and Longitudinal Analysis (Secondary Data)

This stage is used to objectively map budget performance trends. Data on SP2D realization, science scores, and AKIP scores from 2023 to 2025 are analyzed using comparative descriptive statistics. This analysis aims to examine absorption patterns, consistency of output achievement , and improvements in the quality of planning and evaluation from year to year.

3.6.2. Instrument Test and Classical Assumptions (Primary Data)

Before hypothesis testing is carried out, the quality of primary data is tested through:

1. Validity and Reliability Test: Using Corrected Item-Total Correlation (valid condition if $r > 0.30$) and Cronbach's Alpha (reliable condition if α\alpha $\alpha > 0.60$).
2. Classical Assumption Test: Includes normality test (Kolmogorov-Smirnov), multicollinearity test (looking at Variance Inflation Factor / VIF value < 10 to anticipate high correlation between independent variables), and heteroscedasticity test (Glejser).

3.6.3. Inferential Analysis and Hypothesis Testing

The core problem solving was carried out using Multiple Linear Regression techniques with two structural equation models:

- Model 1 (On Effectiveness): Y1=α+β1X1+β2X2+eY_1 = \alpha + \beta_1X_1 + \beta_2X_2 + e $Y1 = \alpha + \beta 1\ X1 + \beta 2\ X2 + e$
- Model 2 (Regarding Efficiency): Y2=α+β1X1+β2X2+eY_2 = \alpha + \beta_1X_1 + \beta_2X_2 + e $Y2 = \alpha + \beta 1\ X1 + \beta 2\ X2 + e$

Description: YY Y = Dependent variable, XX X = Independent variable, α\alpha α = Constant, β\beta β = Regression coefficient, ee e = Error term .

Hypothesis testing is done through:

1. Determination Test (R2R^2 $R2$): To measure the extent to which the model is able to explain the variation in the response of the dependent variable.
2. F Test (Simultaneous): To determine whether variables X1 and X2 together have a significant effect on Y1 and Y2 (significance level α\alpha $\alpha = 0.05$).
3. t-Test (Partial): To isolate the influence of each independent variable on the dependent variable.

3.7. Problem-Solving Framework

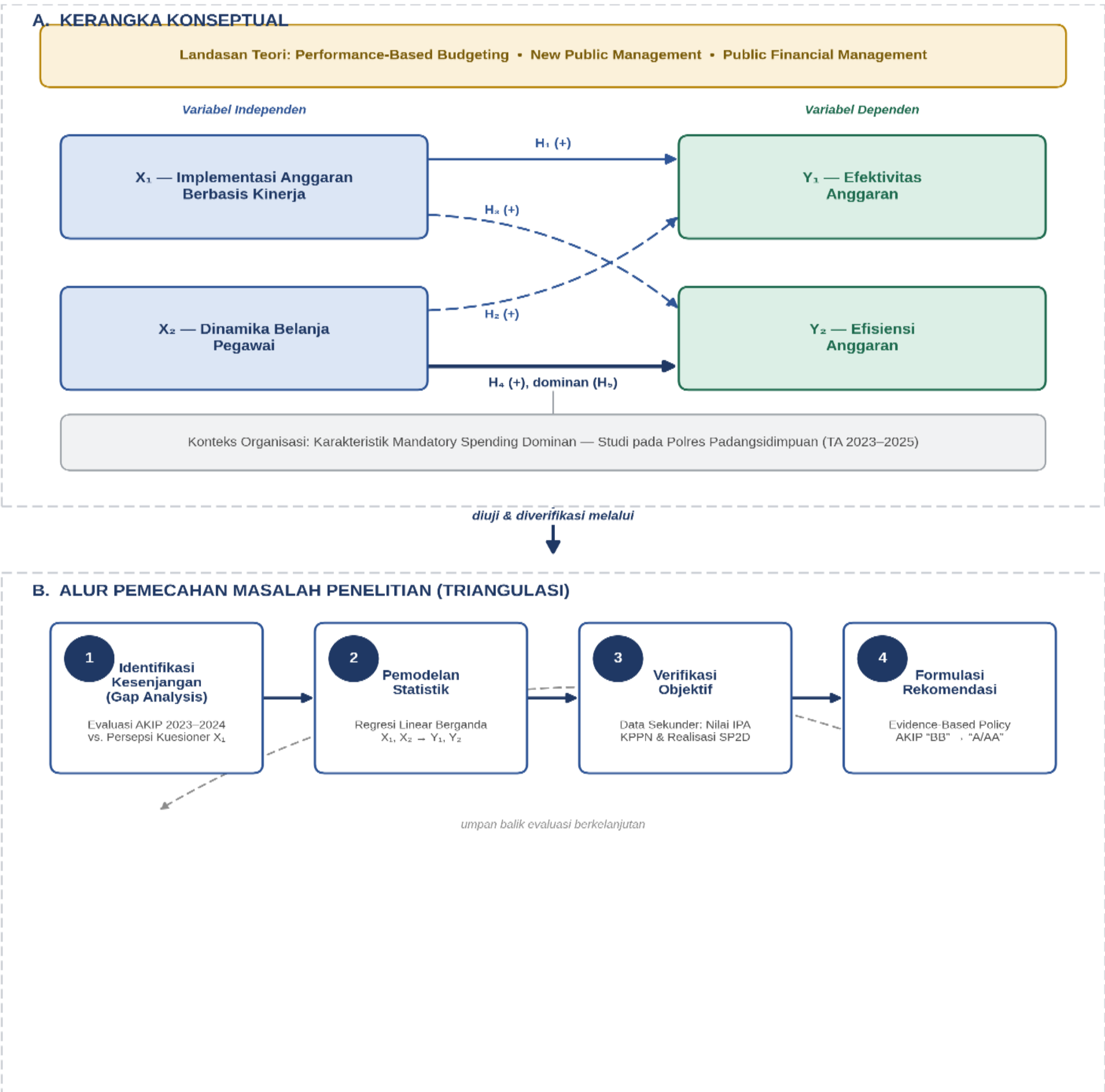
The main problem in this research is how the dynamics of employee spending which tends to be rigid (mandatory spending) can still produce an effective and efficient budget through the implementation of ABK.

The problem solving method is carried out using the following triangulation flow:

1. Gap Analysis : Comparing auditor findings (2023-2024 AKIP Evaluation highlighting weak quarterly evaluations) with internal personnel perceptions (Questionnaire X1).
2. Statistical Modeling: Using multiple linear regression to prove which variable (ABK Implementation or Spending Dynamics) is the main driver for Effectiveness (Y1) and Efficiency (Y2).
3. Objective Verification: Confirm primary statistical results with secondary data (KPPN IPA Values and 2023-2025 SP2D Realization). If the statistical model shows increased efficiency, then secondary data must prove a decrease in hidden costs or the elimination of deduction points (SPM dispensation).
4. Recommendation Formulation: Develop an evidence-based managerial improvement strategy (evidence-based policy) to break through the AKIP category from "BB" to "A" or "AA".

Gambar 1. Kerangka Konseptual dan Alur Pemecahan Masalah Penelitian

Pengaruh Implementasi Anggaran Berbasis Kinerja dan Dinamika Belanja Pegawai terhadap Efektivitas dan Efisiensi Anggaran pada Organisasi Mandatory Spending



4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics and Research Instrument Quality

The data for this study were collected from 33 respondents assigned to the planning, finance, SAKTI operator, budget management officers, and personnel in other functional units directly involved in the budget planning and implementation process within the Padangsidimpuan Police. The demographic characteristics of the respondents showed a fairly diverse composition. In terms of gender, 21 male respondents (63.6%) and 12 female respondents (36.4%). In terms of age group, the largest proportion was in the 30–40 years range (12 people or 36.4%), followed by the age group under 30 years (10 people), the 41–50 years group (8 people), and the group over 50 years (3 people). The educational level of respondents was dominated by Bachelor's/S1 (18 people), followed by High School/MA (9 people) and Master's/S2 (6 people). In terms of work experience, most respondents have 11–20 years of work experience (13 people), while the rest are spread across groups of less than 5 years (7 people), more than 20 years (6 people), and 5–10 years (5 people). Based on position, the majority of respondents have the status of Staff/Executor (24 people or 72.7%), which indicates that the research data comes from technical implementing personnel who interact directly with the planning, implementation, and accountability cycles of employee expenditure, so that the recorded perceptions reflect operational experience in the field, not just normative views from the policy-making level.

Before further data analysis, reliability testing was conducted on the four research constructs using Cronbach's Alpha coefficients to ensure the instrument's internal consistency. The test results are presented in Table 4.1.

Variables	Number of Items	Cronbach's Alpha	Information
Implementation of ABK (X1)	5	0.923	Very Reliable
Employee Spending Dynamics (X2)	5	0.946	Very Reliable
Budget Effectiveness (Y1)	5	0.917	Very Reliable
Budget Efficiency (Y2)	5	0.970	Very Reliable

Source: Primary data processing results, 2026

All Cronbach's Alpha values were well above the 0.70 threshold recommended by Nunnally (1994) as the minimum requirement for reliability of social research instruments. The highest alpha value was obtained for the Budget Efficiency variable (0.970), while the lowest value remained in the highly reliable category, namely the Budget Effectiveness variable (0.917). These findings confirm that the four instruments developed are able to consistently measure the intended constructs, so that the resulting data are suitable for use as a basis for hypothesis testing in the next stage of analysis.

4.2 Descriptive Analysis of Research Variables

Descriptive analysis was conducted to obtain an empirical picture of respondents' perceptions of the implementation of Performance-Based Budgeting, employee spending dynamics, budget effectiveness, and budget efficiency at the Padangsidimpuan Police. The categorization of the average value refers to a five-point Likert scale class interval with a class width of 0.80, so that the range of 4.21–5.00 is categorized as very high, 3.41–4.20 is categorized as high, 2.61–3.40 is categorized as medium, 1.81–2.60 is categorized as low, and 1.00–1.80 is categorized as very low. The results of data processing indicate that the four research variables are in the very high category, with an overall average value of 4.63 for X1, 4.35 for X2, 4.38 for Y1, and 4.45 for Y2. These findings indicate that respondents generally have a positive perception of all research constructs, although there are still variations at the indicator level that provide information on aspects that still need strengthening.

4.2.1 Implementation of Performance-Based Budgeting (X1)

Variable X1 obtained an overall average value of 4.63 (very high category). The indicator of understanding the concept and objectives of ABK obtained the highest average value of 4.73, indicating that the performance-based budgeting reform policy has been well socialized to budget management personnel. The indicator of accountability for the use of employee expenditure funds obtained a value of 4.64, followed by the indicator of budget preparation based on performance indicators and the indicator of planning based on work program priorities, each of which obtained a value of 4.61. Meanwhile, the indicator regarding the evaluation mechanism between expenditure realization and performance target achievement obtained the lowest average value of 4.58. Although it remains in the very high category, the lowest achievement in this indicator indicates that the periodic evaluation mechanism is an aspect that is relatively not running as optimally as the conceptual understanding and budget preparation aspects.

4.2.2 Dynamics of Employee Expenditures (X2)

Variable X2 obtained an overall average value of 4.35 (very high category). The inherent supervision indicator (waskat) obtained the highest average value of 4.45, indicating that the internal control system was considered by respondents to be relatively effective in detecting administrative irregularities in employee spending early. The indicator for the dominance of employee spending in supporting work productivity obtained a value of 4.42, while the indicator for the flexibility of reallocating employee spending items obtained a value of 4.36. The indicator for the responsiveness of spending patterns to urgent needs obtained a value of 4.33. The lowest average value for this variable was obtained by the indicator for changes in the composition of employee spending in the last three years, namely 4.18—the only indicator in the entire instrument that was in the high category, not very high. The low value of this indicator is consistent with the mandatory nature of employee spending.

4.2.3 Budget Effectiveness (Y1)

The Y1 variable obtained an overall average value of 4.38 (very high category). The indicator of the impact of programs/activities funded by employee expenditures on organizational performance obtained the highest value of 4.49, followed by the indicator of the comparability of outcome quality with the amount of funds spent at 4.47, and the indicator of the benefits of employee expenditures directly felt by stakeholders at 4.42. The indicator of achieving output targets of 100% obtained a value of 4.36. The lowest average value was obtained by the indicator regarding the absence of key performance targets that failed to be achieved due to limitations or delays in employee expenditures, namely 4.15 (high category). These findings indicate that although the effectiveness of budget implementation is generally perceived as high, there are still certain operational conditions—such as delays in the realization of personnel financial rights—that have the potential to hinder the full achievement of performance targets.

4.2.4 Budget Efficiency (Y2)

The Y2 variable obtained an overall average value of 4.45 (very high category), making it the variable with the highest average achievement among the four research constructs. The indicator of the application of the principle of economy obtained the highest average value of 4.52, indicating that the principle of value for money has become a primary concern in the management of employee expenditures. The indicator of the absence of waste, leakage, or duplication of expenditures and the indicator of optimizing output with minimal costs each obtained a value of 4.45. The indicator of the reasonableness of the Budget Calculation Surplus (SiLPA) obtained a value of 4.42, while the indicator of the absence of hidden costs in the procurement or disbursement process obtained the lowest value of 4.39. Overall, the high average achievement in the efficiency variable indicates that the aspects of economy and cost control have been internalized relatively well in the practice of managing employee expenditures within the Padangsidimpuan Police.

Variables	Average	Standard Deviation	Category
Implementation of ABK (X1)	4.63	0.459	Very high
Employee Spending Dynamics (X2)	4.35	0.680	Very high
Budget Effectiveness (Y1)	4.38	0.729	Very high
Budget Efficiency (Y2)	4.45	0.678	Very high

Source: Primary data processing results, 2026

4.3 Results of Multiple Linear Regression Analysis

Before conducting the regression test, the assumption of multicollinearity between the independent variables was first tested using the Variance Inflation Factor (VIF) value. The test results showed a VIF value of 1.18 for both X1 and X2, well below the threshold of 10, which is a common reference in econometrics (Gujarati & Porter, 2009). This value is also in line with the correlation coefficient between X1 and X2 of 0.394, which is classified as a moderate correlation and does not indicate problematic information overlap. Thus, the multiple regression model in this study is free from multicollinearity problems and is suitable for simultaneous estimation.

4.3.1 Budget Effectiveness Regression Model (Y1)

The results of multiple regression estimation for the budget effectiveness variable produce the following equation:

$$Y1 = -0.055 + 0.978\ X1 - 0.021\ X2$$

Variables	Coefficient (B)	Standard Beta	t count	Sig. (p)
Constant	-0.055	-	-0.049	0.961
X1 (ABK Implementation)	0.978	0.615	3,903	0,000
X2 (Shopping Dynamics)	-0.021	-0.020	-0.124	0.902

$R = 0.608$ | $R^2 = 0.370$ (37.0%) | Adjusted $R^2 = 0.328$ | F count = 8.797 | Sig. F = 0.001 | n = 33

The coefficient of determination (R^2) value of 0.370 indicates that variations in the implementation of ABK and the dynamics of employee spending together are able to explain 37.0% of the variation in budget effectiveness, while the remaining 63.0% is explained by other factors outside the model. The F test produces a calculated F value of 8.797 with a significance of 0.001 ($p < 0.05$), which indicates that the regression model is simultaneously significant in explaining budget effectiveness. Partially, the t test shows that the implementation of ABK (X1) has a positive and significant effect on budget effectiveness (t = 3.903; p = 0.000; standard beta = 0.615), while the dynamics of employee spending (X2) has no significant effect (t = -0.124; p = 0.902; standard beta = -0.020). This finding indicates that budget effectiveness in this study is predominantly determined by the extent to which the principles of Performance-Based Budgeting are implemented, not by the dynamics of changes in employee spending.

4.3.2 Budget Efficiency Regression Model (Y2)

The results of multiple regression estimation for the budget efficiency variable produce the following equation:

$$Y2 = -0.004 + 0.507\ X1 + 0.484\ X2$$

Variables	Coefficient (B)	Standard Beta	t count	Sig. (p)
Constant	-0.004	-	-0.005	0.996
X1 (ABK Implementation)	0.507	0.343	2,401	0.023
X2 (Shopping Dynamics)	0.484	0.486	3,403	0.002

R = 0.696 | R^2 = 0.484 (48.4%) | Adjusted R^2 = 0.450 | F count = 14.070 | Sig. F = 0.000 | n = 33

The coefficient of determination (R^2) of 0.484 indicates that the implementation of the Budgetary Budget (ABK) and the dynamics of employee spending together are able to explain 48.4% of the variation in budget efficiency—a higher explanatory power than the effectiveness model. The F test produces a calculated F value of 14.070 with a significance of 0.000 ($p < 0.05$), which confirms that the simultaneous regression model is highly significant. In contrast to the first model, the t test in the second model shows that both independent variables have a positive and partially significant effect on budget efficiency: the implementation of the ABK (t = 2.401; p = 0.023; standard beta = 0.343) and the dynamics of employee spending (t = 3.403; p = 0.002; standard beta = 0.486). Although both are significant, the magnitude of the standard beta coefficient indicates that the dynamics of employee spending makes a slightly larger relative contribution than the implementation of the ABK to the achievement of budget efficiency.

As a methodological note, the Shapiro-Wilk normality test for the residuals of both models indicates a deviation from the normality assumption ($p < 0.05$), which is strongly suspected to be caused by a ceiling effect on respondents' answers—given that the majority of scores fall between the 4 and 5 Likert scale—and the relatively small sample size (n = 33). This condition is common in small-scale survey studies with institutionally homogeneous populations. The OLS regression coefficient estimates remain the best linear unbiased estimator (BLUE) given that the non-multicollinearity assumption is met and there are no indications of serious heteroscedasticity in the residual distributions. However, caution is recommended in interpreting the p-values, and further research with larger sample sizes or non-parametric approaches (e.g., PLS-SEM or bootstrap resampling) would strengthen the generalizability of these findings.

4.4 Hypothesis Testing

Based on the results of the regression analysis on both models, testing the research hypothesis produced the conclusions as presented in Table 4.4.

Hypothesis	Statement	Test Results	Decision
H1	Implementation of ABK (X1) has a positive and significant effect on Budget Effectiveness (Y1)	t = 3.903; p = 0.000	Accepted
H2	Implementation of ABK (X1) has a positive and significant effect on Budget Efficiency (Y2)	t = 2.401; p = 0.023	Accepted
H3	Employee Expenditure Dynamics (X2) has a positive and significant effect on Budget Effectiveness (Y1)	t = -0.124; p = 0.902	Rejected
H4	Employee Expenditure Dynamics (X2) has a positive and significant effect on Budget Efficiency (Y2)	t = 3.403; p = 0.002	Accepted
H5	Employee Expenditure Dynamics (X2) has a more dominant influence on Budget Efficiency (Y2) compared to ABK Implementation (X1)	β X2 = 0.486 > β X1 = 0.343	Accepted

The results of the hypothesis testing show a fairly consistent pattern: the implementation of ABK (X1) is proven to have a significant effect on both dimensions of budget performance, both effectiveness and efficiency, so that hypotheses H1 and H2 are accepted. In contrast, the dynamics of employee spending (X2) is only proven to have a significant effect on budget efficiency (H4 is accepted), but not on budget effectiveness (H3 is rejected). In addition, a comparison of the standard beta coefficients in the efficiency model shows that the contribution of employee spending dynamics ($\beta = 0.486$) is relatively greater than the implementation of ABK ($\beta = 0.343$), so that hypothesis H5 regarding the dominant influence of employee spending dynamics on budget efficiency is also accepted. This pattern indicates an asymmetry of influence between independent variables on different performance dimensions, which will be further explained in the discussion sub-chapter.

4.5 Discussion

4.5.1 H1: Implementation of Performance-Based Budgeting Influences Budget Effectiveness

The test results in Model 1 confirm hypothesis H1: the implementation of Performance-Based Budgeting (X1) has a positive and significant effect on budget effectiveness (Y1), with a standardized beta coefficient of 0.615 ($t = 3.903$; $p = 0.000$). This value is the strongest influence coefficient among all the relationships tested in this study, so that the implementation of ABK can be stated as the main determinant of budget effectiveness at the Padangsidimpuan Police. This pattern is conceptually in line with the ontological characteristics of the effectiveness construct itself: budget effectiveness, as operationalized in this study, measures the extent to which spending realization is able to achieve output and outcome targets that have been formulated since the planning stage. Because target achievement is essentially a direct function of the quality of performance indicator-based planning, it is natural that the variable that explicitly measures the quality of such planning—namely the implementation of ABK—appears as the strongest predictor. This explanation is consistent with the performance-based budgeting framework put forward by Robinson and Last (2009), which emphasizes that the effectiveness of public sector budgets is primarily a product of the clarity and measurability of performance indicators at the planning stage, not solely a product of implementation flexibility.

This finding also strengthens the arguments of Mardiasmo (2018) and Bastian (2018) who position the implementation of ABK as a strategic instrument in promoting accountability and performance achievement in public sector organizations, and is in line with Pratama and Nugroho (2022) who show that budget effectiveness in the security sector is highly dependent on the consistency of performance planning-based output achievements. Descriptive data also supports this finding: variable X1 obtained the highest average among the four research constructs (4.63), with the indicator of understanding the concept and objectives of ABK reaching the highest value (4.73), indicating that performance-based budgeting reform has been well socialized to budget management personnel within the Padangsidimpuan Police. However, the indicator regarding the evaluation mechanism between spending realization and performance target achievement was recorded as the indicator with the lowest value in variable X1 (4.58), which although still categorized as very high, indicates that the periodic evaluation aspect is a relatively weak point in the practice of ABK implementation—a note that serves as an important basis for the formulation of suggestions for improvement at the end of this article.

4.5.2 H2: Implementation of Performance-Based Budgeting Influences Budget Efficiency

The test results in Model 2 also confirm hypothesis H2: the implementation of the Budgetary Budgeting System (X1) has a positive and significant effect on budget efficiency (Y2), with a standardized beta coefficient of 0.343 ($t = 2.401$; $p = 0.023$). Although significant, the magnitude of this effect is consistently smaller than the effect of the implementation of the Budgetary Budgeting System on budget effectiveness (0.615 in H1) and the effect of employee spending dynamics on budget efficiency (0.486 in H4), indicating that the role of the Budgetary Budgeting System on efficiency is contributive but not dominant. Conceptually, this finding can be explained through the logic that the principles of performance indicator-based budgeting essentially instill an orientation towards savings and optimizing the output-cost ratio from the planning stage, as reflected in the high average value of the indicator for the application of the savings principle (4.52)—the indicator with the highest achievement in the budget efficiency variable (Y2). In other words, the normative framework of the Budgetary Budgeting System provides a foundation for cost-consciousness that is relevant for achieving efficiency, even though the space for budget reallocation is very limited due to the dominance of mandatory spending. However, the smaller effect of ABK on efficiency compared to effectiveness indicates that budget efficiency, unlike effectiveness, is not solely a result of planning quality. Schick (2019) emphasized that fiscal discipline and public sector budget efficiency are always dependent on operational execution capacity, not just the regulatory planning framework. The findings in H2 thus provide a conceptual bridge to H4 and H5, which indicate that operational factors—in this case, employee spending dynamics—play a relatively larger role in determining budget efficiency in work units characterized by extreme mandatory spending.

4.5.3 H3: Employee Expenditure Dynamics Influence Budget Effectiveness

In contrast to the patterns in H1 and H2, the results of the Model 1 test indicate that hypothesis H3 is rejected: the dynamics of employee spending (X2) do not significantly influence budget effectiveness (Y1), with a t-value of -0.124 and a p-value of 0.902—a significance value far above the 0.05 threshold and the weakest relationship among all the relationships tested in this study. This finding reaffirms the ontological argument put forward in the discussion of H1: budget effectiveness is essentially a measure of the conformity between realization and targets set at the planning stage, so that variables conceptually related to technical and administrative implementation—such as personnel transfers, promotions, retirements, or inherent supervision—do not have a strong logical relationship with whether or not the performance targets formulated in advance are achieved. In other words, no matter how dynamic and responsive the management of employee spending administration is, it does not automatically change whether or not the output targets that have been initially set through planning documents are achieved.

Descriptive data also provide additional context for these findings. The indicator of changes in the composition of employee spending over the past three years was recorded as the only indicator in the entire research instrument that was in the high, but not very high, category (4.18), which is consistent with the characteristics of employee spending as mandatory spending and relatively rigid to change. Meanwhile, in terms of budget effectiveness, the indicator regarding the absence of key performance targets that were failed to be achieved due to limited or delayed employee spending received the lowest score in variable Y1 (4.15). These two descriptive findings indicate that although employee spending dynamics are perceived as creating some friction in achieving certain performance targets, this friction is not systematic or consistent enough to produce a statistically significant effect on overall budget effectiveness. This finding aligns with the view of Halim and Kusufi (2019) that public sector budget effectiveness is primarily a function of the alignment of planning and achievement, not solely a function of administrative agility. Therefore, the rejection of H3 reinforces—rather than contradicts—the acceptance of H1.

4.5.4 H4: Employee Expenditure Dynamics Influence Budget Efficiency

The results of Model 2 confirm hypothesis H4: personnel spending dynamics (X2) have a positive and significant effect on budget efficiency (Y2), with a standardized beta coefficient of 0.486 ($t = 3.403$; $p = 0.002$)—the strongest individual coefficient among the four independent variables tested for their relationship to both dimensions of budget performance. This pattern can be explained through the concept of institutional rigidity in the public financial management literature. Schick (2019) and Andrews (2020) explain that in a spending environment dominated by mandatory spending—as is the case with personnel spending in police agencies, which can account for more than 90% of the total budget—ABK principles have limited room for reallocation maneuver because the allocation amount is determined by personnel financial rights regulations. In such conditions, more budget efficiency is obtained not through shifting budget items, but through administrative agility in responding to changes in personnel data in a timely manner, conducting strict bill verification, and optimizing inherent supervision (waskat) to detect deviations early—namely aspects that conceptually correspond directly to the variables of employee spending dynamics.

Descriptive data further support this explanation. The inherent oversight (waskat) indicator obtained the highest average value for variable X2 (4.45), indicating that respondents considered the internal control system relatively effective in detecting early irregularities in employee spending administration. Similarly, the budget efficiency variable (Y2) was recorded as the variable with the highest average achievement among the four research constructs (4.45), with the implementation of the principle of frugality indicator as the highest achievement (4.52). This alignment between high perceptions of waskat and high efficiency achievements confirms that operational agility in managing the dynamics of daily employee spending—not merely the normative framework of ABK—is the empirically strongest determinant explaining budget efficiency in work units with a spending structure dominated by mandatory spending. This finding aligns with the concept of organizational agility developed by Sari and Wulandari (2023), which emphasizes the importance of organizational responsiveness and agility as determinants of budget efficiency in government agencies.

4.5.5 H5: Employee Spending Dynamics Have a More Dominant Influence on Budget Efficiency Compared to Performance-Based Budget Implementation

A comparison of the standardized beta coefficients between the two independent variables in Model 2 confirms hypothesis H5: personnel spending dynamics (standardized beta = 0.486) have a more dominant influence on budget efficiency than the implementation of ABK (standardized beta = 0.343), even though both are statistically significant. This finding confirms that budget efficiency in this study is best understood as the product of the interaction of two complementary, rather than substitutive, mechanisms: the normative framework provided by the implementation of ABK on the one hand, and the operational agility reflected in the dynamics of day-to-day management of personnel spending on the other. The dominance of personnel spending dynamics can be conceptually understood as a logical consequence of the mandatory spending characteristic that dominates the police spending structure: when the space for budget reallocation based on ABK principles becomes limited, the determinants of efficiency shift toward factors that are within the organization's direct control at the operational level, such as the speed of bill verification and the effectiveness of inherent oversight.

The findings regarding the dominant influence of employee spending dynamics converge with Sari and Wulandari (2023) who emphasized the importance of organizational responsiveness and agility as determinants of budget efficiency in government agencies. However, this study provides a conceptual extension by showing that administrative agility works in a complementary manner—not a substitute—for performance-based planning frameworks, particularly in the context of mandatory spending that dominates police institutions. This finding also provides important nuances to the views of Mardiasmo (2018), Bastian (2018), and Pratama and Nugroho (2022) who tend to position ABK as a central determinant of budget performance in general: this study shows that this centrality applies strongly to the effectiveness dimension (H1), but not the same applies to the efficiency dimension (H5), where employee spending dynamics appear more dominant. Overall, the five hypothesis testing results (H1 to H5) depict a consistent pattern of asymmetry of influence: ABK implementation excels in driving budget effectiveness through planning clarity, while employee spending dynamics excels in driving budget efficiency through operational agility—two complementary pathways of influence that together shape optimal budget performance in organizations characterized by extreme mandatory spending.

4.6 Theoretical and Practical Implications

4.6.1 Theoretical Implications

This study makes three main theoretical contributions. First, it strengthens the empirical basis for performance-based budgeting theory by demonstrating that the implementation of ABK is not merely an administrative instrument but a substantive determinant of budget effectiveness and efficiency, even in a context dominated by mandatory spending. Second, it introduces the concept of personnel spending dynamics as an independent variable that works complementary to ABK implementation, particularly in the efficiency dimension. This enriches the ABK literature, which has so far focused more on planning and reporting aspects without considering the operational dimensions of mandatory spending management. Third, it provides additional empirical evidence for decoupling theory (Hood, 2017; Pollitt, 2018) in the context of police organizations in Indonesia, by demonstrating that improvements in technical performance (IPA) are not automatically followed by improvements in managerial accountability (AKIP).

4.6.2 Practical Implications

Based on the above findings, this study formulates three practical, evidence-based recommendations. First, considering that the implementation of the Budget Implementation Standards (ABK) has been proven to be a major determinant of budget effectiveness, the Padangsidimpuan Police need to strengthen the internalization of the ABK principles not only at the planning document preparation stage, but also in the periodic (quarterly) evaluation mechanism, which has so far been a weak point, as identified both by the findings of the Itwasda auditor and by the X1 indicator with the lowest average value. Second, considering that the dynamics of personnel expenditure—especially inherent supervision—have been proven to be significant for efficiency, optimization of waskat in mandatory expenditure items needs to be continuously improved, including through accelerated bill verification and responsiveness to changes in personnel data to prevent potential overpayments and corrections to SPM. Third, the transformation of the implementation of ABK from merely an administrative formality to a living strategic management instrument needs to be continuously encouraged through the internalization of the organization's performance culture, as a step to break the paradox of AKIP stagnation amidst improvements in technical achievements of budget implementation.

5. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

This study aims to examine the impact of the implementation of Performance-Based Budgeting (ABK) and the dynamics of employee spending on budget effectiveness and efficiency at the Padangsidimpuan Police Department, a work unit characterized by extreme mandatory spending. Based on the results of multiple linear regression analysis of two structural models and the testing of five research hypotheses, the following conclusions can be drawn.

1. Implementation of Performance-Based Budgeting has been proven to have a positive and significant effect on budget effectiveness (H1 is accepted; standard beta = 0.615; p = 0.000), so that the implementation of ABK is the main determinant in achieving the output and outcome targets that have been set since the planning stage.
2. Implementation of Performance-Based Budgeting was also proven to have a positive and significant effect on budget efficiency (H2 accepted; standard beta = 0.343; p = 0.023), although its contribution to efficiency was relatively smaller than its contribution to effectiveness.
3. The dynamics of employee expenditure were not proven to have a significant effect on budget effectiveness (H3 rejected; t = -0.124; p = 0.902), which indicates that the achievement of performance targets is more determined by the quality of ABK-based planning than by the dynamics of employee expenditure administration management.
4. The dynamics of employee spending are proven to have a positive and significant effect on budget efficiency (H4 is accepted; standard beta = 0.486; p = 0.002), which confirms the important role of administrative agility and inherent oversight in driving efficiency in a spending environment dominated by mandatory spending.
5. The dynamics of employee spending have a more dominant influence on budget efficiency compared to the implementation of ABK (H5 is accepted; standard beta X2 = 0.486 > standard beta X1 = 0.343), which proves the existence of an asymmetry of influence: the implementation of ABK is superior in driving effectiveness, while the dynamics of employee spending is superior in driving efficiency.

Overall, these five findings illustrate a consistent asymmetrical pattern of influence between the two independent variables on two different dimensions of budget performance. Budget effectiveness is essentially a product of the clarity of performance-based planning, while budget efficiency is a product of the complementary interaction between the ABK normative framework and operational agility in managing the dynamics of personnel expenditures. These findings enrich the understanding of performance-based budgeting in organizations with spending structures dominated by mandatory expenditures, particularly in the police, by demonstrating that formal adherence to ABK principles alone is insufficient to ensure budget efficiency without accompanied by administrative agility at the operational level.

5.2 Suggestions

Based on the conclusions above, this study formulates several suggestions, both for the management of the Padangsidimpuan Police and for the development of further research.

1. Considering that the implementation of ABK has been proven to be the main determinant of budget effectiveness, but the periodic evaluation mechanism indicator is recorded as the weakest point, the Padangsidimpuan Police are advised to strengthen the implementation of consistently documented quarterly evaluations of the achievement of performance targets, not only stopping at the stage of preparing planning documents.
2. Considering that the dynamics of employee spending—especially inherent supervision (waskat)—have proven to be dominant in driving budget efficiency, optimization of waskat in mandatory spending items needs to be continuously improved, including through accelerating invoice verification and increasing responsiveness to changes in personnel data to prevent potential overpayments and corrections to SPM.
3. Since both variables work in a complementary and not substitutive manner, organizations need to encourage synergy between the ABK normative framework and operational agility simultaneously, instead of only emphasizing one aspect, so that budget effectiveness and efficiency can be achieved in a balanced manner.
4. For further research, considering the limitations of this study on the relatively small sample size (n = 33) and the deviation of some data from the normality assumption, it is recommended to use a larger sample size, expand the scope to several other police work units for comparison, and consider alternative analysis approaches such as PLS-SEM or bootstrap resampling to strengthen the generalizability of the findings.

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