

The Effect of Budget Participation on Managerial Performance with Organizational Commitment and Motivation as Moderating Variables (Empirical Study at the Local Government Work Unit Office of Ende Regency)

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Abstract: This study aims to show whether there is an influence between budgetary participation and managerial performance where organizational commitment and work motivation are moderating variables in the Regional Office of Work Units (SKPD), Ende District, NTT. The existence of differences in the results of previous studies motivated researchers to see whether the findings made by previous researchers gave the same or different results when carried out in different locations. Data was collected by distributing questionnaires to structural officials at the SKPD Office of Endedistrict. The sampling technique used was purposive sampling method. The data analysis technique used moderated regression analysis method. The results showed: 1) budget participation has an effect on managerial performance, 2) organizational commitment does not moderate the effect of budget participation on managerial performance, 3) work motivation does not moderate the effect of budget participation on managerial performance

Keywords: *Budget participation, organizational commitment, work motivation, managerial performance*

I. INTRODUCTION

The success of a government agency lies in the performance of its employees. To improve employee performance in regional performance apparatus units (SKPD) is to involve employees in the budget preparation process. In order for budget participation to be more effective, a contingency approach is needed. Contingent factors in this research are organizational commitment and work motivation. With a high commitment from the manager and his subordinates, it means that the manager and his subordinates have a strong motivation to further advance the organization where they work. One way to be able to improve organizational performance is to compile the company budget as effectively as possible. Motivation is the

degree to which an individual tries to carry out a task or job as best as possible and the willingness to issue a high level of effort towards organizational goals. The higher work motivation possessed by SKPD employees at work, the more motivated to be involved in budgeting which in turn will improve managerial performance [1]. The topic of the effect of composing participation on managerial performance itself is an interesting subject to research. [2] suggesting the reasons for the interestingness of this topic, namely that in general, budgeting participation is considered a managerial approach that can improve the performance of organizational members and the results of research conducted to examine the relationship between the two variables provide inconsistent results between one researcher and another. to test: 1). whether budget participation affects managerial performance, 2). Does budget participation affect managerial performance with organizational commitment as a moderating variable 3). Does budget participation affect managerial performance with motivation as a moderating variable.

II. LITERATURE REVIEW

Agency Theory

Agency theory is a theory that explains agency relations, namely, the existence of control established by the community as the principal which uses the government as an agent to provide the best service for the community in budget management.

Goal Setting Theory

Theory developed by [3], explains the relationship between the goals set and work performance. In its organization, the government strives to achieve optimal

performance goals by involving structural officials in budget preparation, which is believed to be a tool in achieving the stated goals.

Budget Participation

Participation in budgeting is a process of involving structural officials to influence budget preparation and then its performance will be evaluated [2] according to [1] budget participation has benefits, namely the involvement of structural officials in budget preparation can increase commitment and motivation to the budget, so that it can produce quality decisions due to increased information among them.

Organizational commitment

Organizational commitment shows the belief, support and loyalty of structural officials to the values and goals achieved by the organization (Moeday et al, 1979). [4] strong organizational commitment will make structural officials do the best for the organization

Work motivation

Work motivation is the process of giving encouragement to subordinates to work according to organizational goals (Rosidah & Ambar, 2009). [5]

Managerial Performance

Managerial performance is managerial performance related to planning, organizing, investigating, regulating, negotiating, delegating, monitoring and evaluating (Mahoney, et al, 1963). [6]

III. HYPOTHESIS DEVELOPMENT

a. Effect of budget participation on managerial performance

Participation in budgeting is expected to improve managerial performance, namely that employee involvement in the budget process will make them internalize the goals that have been planned and have the responsibility to achieve these goals (Milani, 1975). [7]. This statement is also supported by [2] that budget participation will improve manager performance, this is confirmed by the results of the study [5], [8], [9] proves that budget participation has an effect on managerial performance. Based on the statements and results of previous research, the hypothesis is as follows:

Ha1: There is an effect of budgeting participation on managerial performance

b. Effect of budget participation on managerial performance with organizational commitment as a moderating variable

[10] states that budget participation affects managerial performance through organizational commitment. If a manager is involved in budgeting, he will understand the objectives of the budget, there will be an alignment of goals in a manager so that he will have a high commitment in the organization where he works. This is reinforced by research results [11] which proves

that high budget participation can affect organizational commitment, and organizational commitment has a high effect on managerial performance. Based on the statements and results of previous research, the following hypothesis is proposed:

Ha2: There is an effect of budget participation on managerial performance with organizational commitment as a moderating variable

c. The influence of budget participation on managerial performance with work motivation as a moderating variable

Work motivation is the result of one's interactions and atmosphere (Robbins, 2008) [5] Every activity carried out by someone is driven by the motivation that is in someone who will lead to the achievement of performance goals. This is reinforced by research [12] which proves that budget participation can increase one's work motivation, and someone's work motivation can improve their performance. Based on the statements and results of previous research, the proposed hypothesis:

Ha3: There is an effect of budget participation on managerial performance with work motivation as a moderating variable

IV. RESEARCH METHODS

The population in this study were 53 SKPDs in Ende district, the sampling technique was purposive sampling. The first criterion was structural officials who were involved in the budget process, the second criterion had a minimum working period of 1 year in budgeting. The data collection technique used questionnaires distributed as many as 159 questionnaires and 61 returned and all of them can be processed. Test the quality of the data used, namely validity test and reliability test. The classical assumption test used is normality test, multicollinearity test, heteroscedasticity test, hypothesis test used is simple linear regression analysis and moderated regression model test.

V. RESULTS AND DISCUSSION

Research instrument testing

a. Test the validity of the data

The validity of the data was tested with using the Pearson correlation test. The criteria established to measure whether or not a data is valid is r count (correlation coefficient) is greater than r table (critical value) at the significant level of 5% or 0.05. If the correlation coefficient is greater than the critical value, the measuring instrument is valid. Based on the test results the r count is greater than r table 0.2542

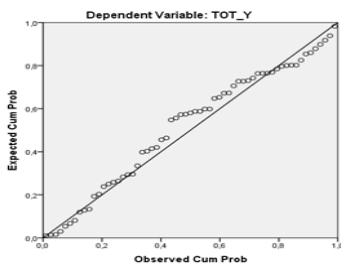
for the managerial performance variable is 0.8040, budgeting participation is 0.8363, organizational commitment is 0.8538, motivation is 0.7810 so it can be concluded that the measuring instrument used is 0.8363. used in this study is valid

b. Reliability Test

The reliability of the data is tested with the Cronbach's alpha statistic. A construct is said to be good if it has a

a. Normality test

Picture 1
P-Plot Normality Test



If the data spreads around the diagonal line, the regression model meets the assumption of normality. Meanwhile, if the data spreads far from the diagonal

c. Scatterplot Heteroscedasticity Test

Figure 2
Scatterplot Heteroscedasticity Test

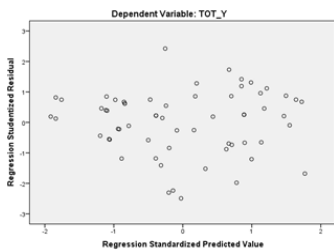


Table 1
Regression test results

Model	Unstd. Coeffs		St. Coeffs	t	Sig.
	B	Std. Error	Beta		
(Constant)	4,114	2,871		1,433	.157
Bdgt. Paricpn	1,162	.125	.772	9,321	.000

n = 61, R2 = 0.596 Adjusted R2, = 0.589 F = 86.888, sig 0.000. <0.005

Based on table 1 above, a simple linear regression equation can be obtained as follows: $Y = 4,114 + 1,162 X_1$, which

Cronbach's alpha value > 0.60, based on the results of the Cronbach's alpha test for managerial performance variables is 0.922 > 0.60, budgeting participation is 0.909 > 0.60, commitment organization of 0.907 > 0.60, motivation of 0.951 > 0.60 so that it can be concluded that the measuring instrument used in this study is reliable because Cronbach's alpha > 0.60.

Classic assumption test

line, the regression model does not meet the normality assumption. From the picture above, it can be seen that the data distribution is around the diagonal line and follows the diagonal line. this fulfills the assumption of normality.

b. Multicollinearity Test

A model is said to be free from multicollinearity if the tolerance value is > 0, 1 or equal to the VIF value < 10 means that there is no multicollinearity between variables in the regression model. The test results show that budgeting participation has a tolerance value of 0.831 and a VIF of 1.203, organizational commitment has a tolerance value of 0.543 and a VIF of 1.843, and motivation has a value of 0.556 and a VIF of 1.799. It can be concluded that the regression model is free from multicollinearity.

To detect the presence or absence of heteroscedasticity, it can be seen from the presence or absence of certain patterns on the scatterplot graph. If it forms a certain pattern, there is heteroscedasticity and if the dots are spread out, there is no heteroscedasticity. From the picture above, it can be seen that the distribution of data spreads without a certain pattern on this scatterplot graph, indicating that the regression model is free from heteroscedasticity.

Hypothesis testing 1

Hypothesis 1 is formulated as follows:

Ha1: there is an effect of budgeting participation on managerial performance

means that the constant 4,114 shows the value of managerial performance at the intercept, that is, when all the independent variables used have a value of 0, $\beta_1 = 1.162$ states that every addition of one unit of budget participation variable will increase the managerial performance value of 1.162

The partial test results t count for each variable, it can be explained that budget participation (X1), obtained t count = 9.321 with a significance t 0.000 < 0.005, this indicates that the budget participation factor has a significant effect on managerial performance.

F of 86.888 with a significance of F of 0.000 < 0.005, this shows that budgetary participation has a significant effect

on managerial performance. The coefficient of determination obtained is 0.596, meaning that managerial performance can be explained by the budget participation factor of 59.6%, while the rest is influenced by other factors outside the independent variables.

Table 2
Moderated Regression Test Results

Variable	Coefficient	Score	Std. Error	t	Sig
$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \epsilon$					
Constant	β_0	-0.593	2,683	-0.207	0.837
Bdgt.Partcptn	β_1	0.664	0.172	3,868	0.000
Organizational commitment	β_2	0.781	0.214	3,834	0.000
R2 = 0.677 n = 61 F = 60,878 sig 0,000 <0.005					
$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_4X_1X_2$					
Constant	β_0	26,024	20,285	1,283	0.205
Bdgt.Particptn	β_1	-0.548	0.931	-0,589	0.558
Organizational commitment	β_2	-0,530	1,010	-0,525	0.601
Moderation 1	β_4	0.059	0.044	1,446	0.190

R2 = 0.687 n = 61, F = 41,700, sig 0,000 <0.005

Based on table 2 above, the test results show that the effect of the interaction between budgetary participation and organizational commitment is significant as indicated by the change in the value of R2, which is 0.010 from before there is interaction = 0.677 and after the interaction becomes 0.687. The statistical value of F = 60,878 before there is an interaction between budgetary participation and

Table 3
Moderated regression test results

Variable	Coefficient	Score	Standar Error	t	Sig
$Y = \beta_0 + \beta_1X_1 + \beta_3X_3 + \epsilon$					
Constant	β_0	-1,242	2,983	-0,416	0.679
Bgtparticipatin	β_1	0.618	0.186	3,325	0.002
Motivatiion	β_3	0.307	0.083	3,668	0,000
R2 = 0.672 n = 61 F = 59.525 sig 0.000 <0.005					
$Y = \beta_0 + \beta_1X_1 + \beta_3X_3 + \beta_5X_1X_3$					
Constant	β_0	-3,842	16,860	-0,228	0.821

Hypothesis testing 2

Hypothesis 2 is formulated as follows:

Ha2: There is an effect of budget participation on managerial performance with organizational commitment as a moderating variable

organizational commitment at a significant level of 0,000 <0.005 and after an interaction the F value becomes 41,700 at a significance level of 0,000 <0.005, this shows the regression linearity and significant regression models.

Organizational commitment obtained t count = -0.525 with a significance of t 0.601 > 0.005, this indicates that the variable organizational commitment has no significant effect on managerial performance. The moderating variable 1 obtained t count = 1.446 with a significance t = 0.190 > 0.005, this indicates that the organizational commitment factor as a moderating variable has no significant effect on managerial performance.

From the above results it can be concluded that budget participation has no significant effect on managerial performance through the organizational commitment factor as a moderating variable. The coefficient of determination obtained is 0.687 which means that managerial performance can be explained by budgetary participation and organizational commitment factors as moderating variables of 68.7%, while 31.3% is influenced by other variables outside the independent variables used.

Hypothesis testing 3

Hypothesis 3 is formulated as follows:

Ha3: There is an effect of budget participation on managerial performance with the motivation variable as the moderating variable

Bgt. partncipn	β_1	0.736	0.771	0.954	0.344
Motivation	β_3	0.353	0.302	1,167	0.248
Moderation 2	β_5	-0.002	0.013	-0.157	0.876

R2 = 0.673 n = 61, F = 39.024, sig 0.000 <0.005

Based on table 3, the statistical value of F = 59,525 before there is an interaction between budget participation and motivation at a significant level of 0,000 <0.005 and after an interaction the F value becomes 39,024 at a significance level of 0,000 <0.005, this shows the regression linearity and the regression model is significant.

motivation obtained t count = 1.167 with a significance t 0.248 > 0.005, this indicates that the motivation variable does not have a significant effect on managerial performance. The moderating variable 2 obtained t count = -0.157 with a significance t = 0.876 > 0.005, this indicates that the motivation factor as a moderating variable has no significant effect on managerial performance.

From the results above, it can be concluded that budget participation has no significant effect on managerial performance through the motivation factor as a moderating variable. The coefficient of determination obtained is 0.673, meaning that managerial performance can be explained by budget participation and motivation factors as a moderating variable of 67.3%, while 32.7% is influenced by other variables outside the independent variables used.

VI. CLOSING

Conclusion: The results of testing the first hypothesis show a positive and significant correlation between the variable budget participation and managerial performance, this shows that the hypothesis is accepted, which means that there is an effect of budget participation on managerial performance. This research is in line with previous research

conducted by [2] Which states that the budgetary participation factor affects managerial performance .

The results of this research do not support the results of previous research conducted by Yenti (2003) in [7] which states that the participation factor budget preparation has no effect on Manajerial performance .The results of testing the second hypothesis indicate that the variable organizational commitment does not moderate the budget participation variable on managerial performance. This research is in line with previous research conducted by [7] shows that organizational commitment does not succeed in moderating the effect of budget participation on managerial performance. However, it is not in line with research conducted by Gunawan&Santioso (2015) in [13] The results showed that organizational commitment moderates the effect of budgetary participation on managerial performance. The results of the third hypothesis indicate that the motivation variable does not moderate the effect of budget participation on managerial performance. This research is in line with the research of Ilmiha (2013) and is not in line with the research of Dina and Halimahtusydiah (2014).

This study has limitations, namely the number of samples taken in this study is limited, only carried out on regional work units in Ende-Flores, NTT so that the results of this study can be different if it is carried out on other types of companies. namely organizational commitment and motivation.

Suggestion: For further research, it is hoped that the scope of this research can be expanded again to the object of research by adding other moderating variables such as job relevant information, organizational culture, decentralization, etc. which may moderate the relationship between budgetary participation variables and managerial performance.

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