



The Participation and Budget Clarity Effect on Government Agencies Accountability Performance with Culture and Work Commitment as Moderating Variables

Mugiya Wardhany^(✉)

Hasanuddin University, Makassar, Indonesia
awcollage72@gmail.com

Abstract. The performance of public service is under constant scrutiny with the purpose of accountability. This study was conducted to examine whether participation and budget clarity affect the local government agencies' performance accountability moderated by culture and work commitment. This study uses a survey method by distributing questionnaires to level III and level IV echelon officials from the local government agencies (Perangkat Daerah – PD) in the Tangerang City Government. The collected data are further analyzed using moderated regression analysis. This research showed that participation and budget clarity significantly affected the local government agencies' performance accountability. Meanwhile, culture and work commitment do not moderate participation, and budget clarity affect local government agencies' performance accountability. Furthermore, organization commitment cannot moderate the effect of the participation variable in the local government agencies' accountability performance. It can be said that budget clarity is already sufficient to encourage officials to work as well as possible and realize accountability for the performance of local government agencies.

Keywords: Budgetary Participation · Clarity Budget · Accountability · Commitment · Organizational Culture

1 First Section

Performance is one of the main measurements for a public sector organization, specifically for governmental entities since performance defines the achievement of an activity being implemented within the organization. Locke in Goal Setting Theory (1968) underlines a significant relationship between the goals that have been established and the performance results. A clear understanding of the organization's goals that a member organization has, will have an impact on his work behavior. A measurement of managerial performance is required in evaluating the organization's achievements. Managerial performance is one of the factors that can enhance organizational performance effectiveness. As proposed by Mahoney et al. (1963), managerial performance is the individual performance of organizational members in managerial activities areas, which involves

planning, investigating, coordinating, evaluating, supervising, staffing, negotiating, and representing.

Accountability is a form of management responsibility through the media regularly in implementing organizational missions while achieving the established goals and targets (Yulianto and Muthaher, 2019). Local government activities are tied related to local government budget allocation (Anisa and Haryanto, 2022). The accountability form of governmental agencies is through preparing, compiling, and presenting performance information (Fuadah et al., 2020).

The implementation of budget allocation for each work unit will directly interact with each work unit member. The individual performance of work unit members will have an impact on the overall government performance. The budget allocation process is a significant activity that involves various parties, both within and outside the organization. To achieve effective implementation of the process, the organization's members contribute to budget planning, to the extent of participating in and contributing to budget preparation. Brownell & McInnes (1986) stated that budgetary participation is individual participation which includes behavior, work action, and activities that are carried out by government officials during the budgeting process.

There is still a research gap concerning the relationship between budgetary participation and performance since. The research results of the relationship between these two variables show inconsistency thus lead arising subject of debate. The research results conducted by Schuler & Kim (1976), Brownell (1982b), Brownell & McInnes (1986), Bangun (2009), Solina (2014) and Cahyadi (2015), showed there was a positive and significant relationship between budgetary participation and performance. whereas the research findings conducted by Cherrington & Cherrington (1973), Kenis (1979), and Milani (1975), indicated there was an insignificant relationship between budgetary participation and performance.

Referring to Kenis (1979), the budget characteristic besides participation is the budget target clarity. The relationship tests between budget target clarity and performance show results that are not consistent. The research results conducted by Kenis (1979), Syafril (2009) & Solina (2014), generated the findings that there is a significant relationship between budget target clarity and performance. Meanwhile, research conducted by Bangun (2009), Nurhalimah (2013), and Cahyadi (2015), showed that budget target clarity did not have any significant effect on performance.

Hence there is a research gap associated with the relationship between these variables, further studies are needed regarding the participation and budget clarity effect on performance accountability in government agencies, specifically in Tangerang City government agencies. Furthermore, this study uses organizational culture and organizational commitment as moderating variables.

According to Hofstede et al., (1990), apparatus performance can be affected by organizational culture as one of the situational factors. organizational culture can be defined as belief values held by members of an organization which is expressed in the form of behavior norms of individual or organizational groups where that individual works.

The existence of cultural differences owned by individuals in government organizations became the main attention in this study since there is a possibility of differences that

is felt between the leaders or individuals who work in The Tangerang City Government in relation to the participatory budgeting process, budget targets clarity, and performance accountability of government agencies. The culture within government organizations can create good governance both at the central and local government levels.

Allen & Meyer (1991) defines organizational commitment as a psychological condition that reflects the relationship between the members of an organization with the organization itself and has an impact on individual decisions on whether to continue membership or not in the organization. Subordinates who have a high level of organizational commitment will have a positive viewpoint and willingly do their best for the organization's benefit (Porter et al., 1974). Strong organizational commitment will affect government apparatus to work hard in achieving the specified goals, in particular this research studies the achievement of government agencies' performance accountability.

Building upon this phenomenon, the research objectives are aimed to verify and analyze the participation and budget clarity effect on government agencies' performance accountability and examine the influence of culture and organizational commitment as moderating variables whether strengthen or weaken the effect of budgetary participation and clarity of budget targets on performance accountability of government agencies.

1.1 Goal Setting Theory

The goal setting theory that was initially presented by Locke (1968) focused on the relationship importance between goal setting and performance achievement. The basic concept in this theory is that an individual's comprehension of the expected goals of the organization, - will influence his working behavior.

The goal setting theory suggests that an individual is dedicated to achieving a certain goal (Robbins, 2008). An individual's commitment to attaining certain goals will influence his actions and furthermore will be affecting his performance results. Specified goals (targets) achievement can be considered as individual-level goals/ performance that has to be achieved. Overall, the related intentions with the process of setting goals, are a strong motivation for an individual in achieving his performance. Individuals must be equipped with a set of skills, have goals, and receive feedback for performance assessment. Locke and Latham (1979) suggest that goals (objectives) being achieved have an impact on employees' behavior and performance within the organization.

1.2 Performance Accountability of Government Agencies

Accountability can be interpreted as something that is necessary for agents or representatives in presenting, reporting and disclosing, and being accountable for all activities that are mandated by the principal or authorizer, while the principal has the authority and the right to accept accountability (Putra, 2013).

According to Mahoney et al. (1963), performance has resulted in the completion of tasks that can be attained by an individual or a group of people within an organization corresponding to their every authority and responsibility while achieving organizational goals. Managerial performance is one of the increasing factors for organizational performance effectiveness. Mahoney et al. (1963) further stated that managerial performance is the individual members' performance within the organization in managerial activities

which consist of planning, investigating, coordinating, evaluating, supervising, assessing staff, negotiating, and representing.

1.3 Budget Participant

Brownell (1928b) stated that participation is a process of involving individuals directly and has an effect on forming budget goals whose achievements will be evaluated and possibly rewarded given their budget goals achievements.

Milani (1975) states a more detailed definition of participation in budgeting that is how far the budget is affected by managers' involvement, the premises used by the superiors at the budget revision process, the number of frequencies in delivering initiatives, providing ideas and points about the budget to superiors prior being asked, perceived influence level on the managers that they can have an impact on the final budget, the interest of manager in contributing to the budget, number of discussions held by superiors during drafting the budget.

Milani (1975) defines that in budget participation several indicators must be taken into account, which are involvement, influence over the budget, and commitment. Milani concludes that the main factors that differentiate budgetary participation and non participation are the subordinates' involvement and influence level in the process of budget decision-making. Therefore, the budget participation essence is laid on collaboration amongst all levels of the organization in the budgeting process.

1.4 Clarity of Budget Targets

As proposed by Kenis (1979) target budget clarity is the extent to which objectives of the budget are defined clearly and specifically for the budget can be comprehended by the individual who is responsible for budget target achievements.

Locke (1968) states that budget target clarity is intended to manage employee behavior. The fuzziness of budget targets will lead budget implementers to become perplexed, and uneasy, arising work dissatisfaction. The consequence will rise as the budget implementers do not have any motivation in achieving targeted performance. Kenis (1979) also proposed that the budget implementers present positive and relatively strong realization for increasing budget target clarity.

1.5 Organizational Culture

Hofstede (1990) stated that organizational culture is values of beliefs that are owned by organization members and expressed in the form of behavioral norms of individuals or organizational groups in which the individual works.

Research conducted by Hofstede, Geert, Michael Harris Bond, and Chung-Leung Luk (1993) generates dimensional variables of organizational culture that are used for basic measurement that is derived from 6 (six) organizational culture dimensions, consisting of professionalism, management distance, trust in coworkers, orderliness, competition, and integration.

1.6 Work Commitment

Allen and Meyer (1991) define commitment to an organization as a psychological construct that is the relationship characteristic between organizational members and their organization and has an impact on individual decisions on whether to continue their organization membership or not. By this definition, apparatus that commits to its organization will have more ability to survive as part of the organization than apparatus that does not have any commitment. Allen and Meyer (1990) furthermore suggest that organizational commitment consists of three organizational components, that is affective commitment, continuance commitment, and normative commitment.

2 Method

The population in this study was 34 PD consisting of 15 work units and 19 agencies within the Tangerang City Government. Purposive sampling is used as a sampling method with the sample criteria of PD were 15 work units and 19 agencies within the Tangerang City Government as the representation of cost center, revenue center, public service center, and administration center. The main respondent of this study were structural officials at PD, consisting of the head of PD as the budget user and officials at level III and Level IV echelons (one level and two levels under the PD's Head) as the representative of the budget user within each SKPD in the Tangerang City Government.

Data was collected through a survey by distributing questionnaires. The questionnaire contained a set of questions that were given to the respondents attached with a request letter for the questionnaire to be filled in. This questionnaire consists of a structured questions list addressed to respondents with the aim to obtain written-based information related to budget participation, budget target clarity, organizational commitment, and organizational culture on the government officials' performance.

Moderated regression analysis is used as a technique to analyze collected data and information. This regression analysis is used to determine whether budgetary participation and budget target clarity as independent variables can affect government agency performance accountability as dependent variables. Furthermore whether work commitment and culture act as moderating variables to the influence level of budgetary participation and budget clarity of government agencies (Fig. 1).

3 Results and Discussion

Sample Characteristics

In total 86 respondents from 34 PDs submitted feedback to the questionnaire distributed and the data from all 86 respondents or the sample as a whole was stated to be feasible to be processed.

The respondents can be described into 4 characteristics, the first is based on gender, from 84 respondents there are 59.35% is male respondents and exceeds female respondent (40,7%). The gender differences are significant enough that male officers dominate budget management in Tangerang City Government.

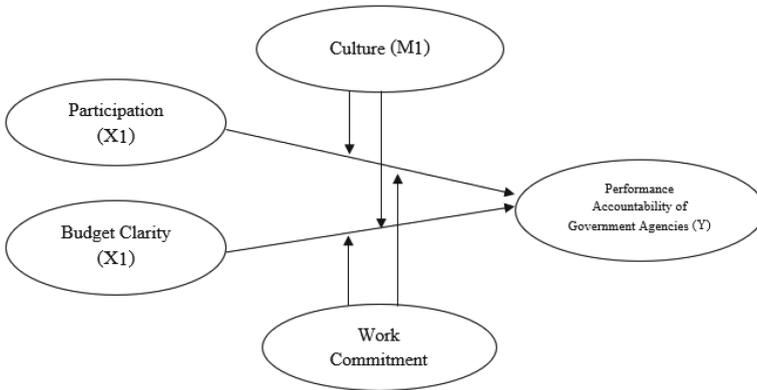


Fig. 1. Research Mode

The second characteristic is based on age, consisting of 4 groups of age ranges. The first group is aged between 41–51 years old with 32 respondents (37.21%) and this group has the most numbers. The second group is ranged between 31–40 years old with 27 respondents (31.40%), the third group is above 50 years old consisting of 14 respondents (16.28%), and the last group is ranged between 21–30 years old consisting of 13 respondents (15.12%). This characteristic exhibits that the apparatus age who is involved in managing the budget is dominated by the first group age which is 41–51 years old.

The third characteristic is based on education level, from the information presented by respondents there is three level of education, the first is a bachelor’s degree consisting of 51 respondents (59.30%), a master’s degree with 31 respondents (36.05%), dan the last is a diploma’s degree with 4 respondents (4.65%). The spread of education level of apparatus presented that the bachelor’s degree is dominantly involved in the budget management process.

Finally, the last characteristic is based on the length of service, from the data collected this characteristic can be categorized into 5 groups, the first group with 11–20 years of service consisting of 40 respondents (46.51%), the second group with 1–10 years of service consisting of 29 respondents (33.72%), the third group with 21–30 years of service with 15 respondents (17.44%), and the last group with the least members is respondents who have above 30 years of service consisting of 2 respondents (2.33%).

The test of validity on the question items of the questionnaires shows that the r-count is greater than the r-table, - and with $df = 84 (86-2)$, meaning that the r-table is 0.2146, which can be drawn as a conclusion that all the questions items for measuring variables’ research can be stated as valid (Table 1).

Based on data reliability testing results indicates that Cronbach’s alpha value for each variable studied is above 0.70, these results indicate that every variable is reliable for conducting the study (Table 2).

The classical assumption test was performed before moderating regression analysis was conducted. The classical assumption test consists of a normality test, heteroscedasticity test, and multicollinearity test, and the results are shown in Table 3.

Table 1. Data Validity Test Result

No	Variable	Instrument Items	r-count	Information
1.	Local Government Agencies' Performance Accountability (Y)	Y.1	0.433	Valid
		Y.2	0.527	Valid
		Y.3	0.396	Valid
		Y.4	0.633	Valid
		Y.5	0.688	Valid
		Y.6	0.563	Valid
		Y.7	0.579	Valid
		Y.8	0.582	Valid
		Y.9	0.611	Valid
2.	Participation (X1)	X1.1	0.780	Valid
		X1.2	0.817	Valid
		X1.3	0.843	Valid
		X1.4	0.848	Valid
		X1.5	0.707	Valid
		X1.6	0.667	Valid
3.	Budget Clarity (X2)	X2.1	0.671	Valid
		X2.2	0.797	Valid
		X2.3	0.715	Valid
		X2.4	0.800	Valid
		X2.5	0.763	Valid
		X2.6	0.827	Valid
		X2.7	0.808	Valid
4	Culture (M1)	M1.1	0.677	Valid
		M1.2	0.697	Valid
		M1.3	0.713	Valid
		M1.4	0.611	Valid
		M1.5	0.574	Valid
		M1.6	0.583	Valid
		M1.7	0.675	Valid
		M1.8	0.660	Valid
		M1.9	0.554	Valid
		M1.10	0.558	Valid
		M1.11	0.590	Valid
		M1.12	0.404	Valid
5	Work Commitment (M2)	M2.1	0.821	Valid
		M2.2	0.827	Valid
		M2.3	0.884	Valid
		M2.4	0.862	Valid
		M2.5	0.714	Valid
		M2.6	0.738	Valid
		M2.7	0.878	Valid
		M2.8	0.880	Valid
		M2.9	0.839	Valid
		M2.10	0.847	Valid
		M2.11	0.775	Valid
		M2.12	0.802	Valid
		M2.13	0.848	Valid
		M2.14	0.875	Valid
		M2.15	0.868	Valid
		M2.16	0.895	Valid

Source: processed data, 2022

Table 2. Reliability of Data Test

Variable	Cronbach's Alpha	Reliability Limit	Information
Local Government Agencies' Performance Accountability (Y)	0.721	0.70	Reliable
Participation (X1)	0.861	0.70	Reliable
Budget Clarity (X2)	0.882	0.70	Reliable
Culture (M2)	0.799	0.70	Reliable
Work Commitment (M2)	0.970	0.70	Reliable

Source: processed data, 2022

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandard-ized Residual
N		86
Normal Parameters ^{a,b}	mean	.0000000
	Std. Devia- tion	.47101326
Most Extreme Differ- ences	Absolute	.066
	Positive	.029
	negative	-.066
Test Statistics		.066
asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

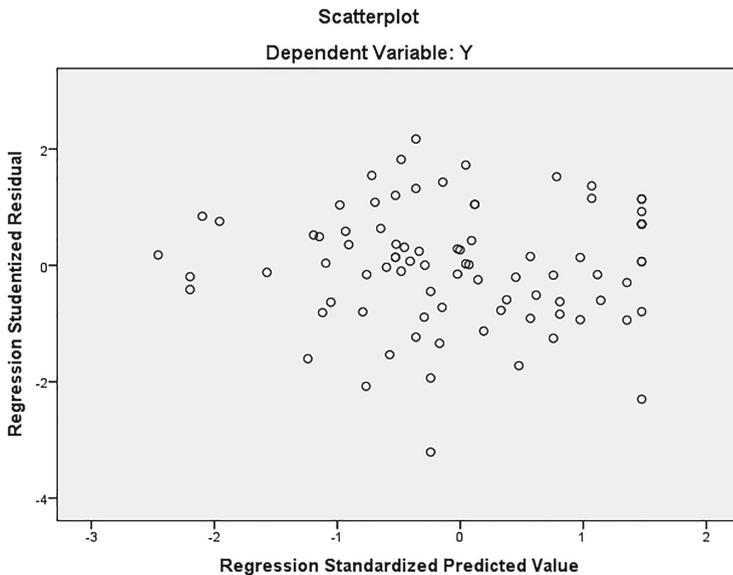
c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: processed data, 2022

The normality test resulted in the Kolmogorov-Smirnov value with Asymp. Sig. (2-tailed) is above $\alpha = 0.05$ thus the conclusion about the data is normally distributed. Figure 2 showed the heteroscedasticity test result.

The heteroscedasticity test's result as in Fig. 2 displays that the points are being randomly scattered, - do not shape in any specific pattern, and are being dispersed over the upper and under the area of zero points on the Y axis, that scattered pattern showed

**Fig. 2.** Heteroscedasticity Test**Table 4.** Regression Test Results

Independent Variable	Coefficient	t	Sig.	Information
Constant	1,685			
Participation (X1)	0.296	3.069	0.003	Significant
Budget Clarity (X2)	0.249	2.053	0.043	Significant

$\alpha = 5\% = 0,05$
R square = 0,246
F = 13,521 sig. 0,000.

Source: processed data, 2022.

that heteroscedasticity does not take place. Finally, the multicollinearity test's result shows that the VIF is no more than 10 and the tolerance value is no less than 0.1, which indicates multicollinearity does not occur (Tables 4, 5 and 6).

The hypothesis is tested with the three-stage test of the moderate regression analysis, and the results are as follows.

Table 5. Regression Test Results with Cultural Moderation Interaction

Independent Variable	Coefficient	t	Sig.	Information
Constant	5,870			
Participation (X1)	-0.888	- 0.682	0.497	Not Significant
Budget Clarity (X2)	-0.301	- 0.193	0.848	Not Significant
Culture (M1)	-0.721	- 0.747	0.457	Not Significant
X1.M1	0.234	0.808	0.421	Not Significant
X2.M1	0.099	0.284	0.777	Not Significant

$\alpha = 5\% = 0,05$

R square = 0,395

F = 10,442 sig. 0,000.

Source: processed data, 2022.

Table 6. Regression Test Results with Moderation Interaction of Work Commitment

Independent Variable	Coefficient	t	Sig.	Information
Constant	2,623			
Participation (X1)	-0.151	- 0.254	0.800	Not Significant
Budget Clarity (X2)	0.267	0.329	0.743	Not Significant
Work Commitment (M2)	-0.036	- 0.050	0.961	Not Significant
X1.M2	-,091	0.556	0.580	Not Significant
X2.M2	-0.031	- 0.131	0.896	Not Significant

$\alpha = 5\% = 0,05$

R square = 0,290

F = 6,544 sig. 0,000.

Source: processed data, 2022.

3.1 Ana the Participation's Effect on the Local Government Agencies' Accountability Performance

The results of the direct influence test obtained a participation coefficient of 0.296 with a significance of 0.003 (<0.05), so it can be concluded that participation affects the accountability of government agency performance. The higher the participation of the apparatus during preparing the budget, the greater the accountability of the performance of the apparatus of government agencies. Brownell & McInnes (1986) stated that budgetary participation is individual participation in the form of behavior, work, and activities by government officials during the budgeting process.

3.2 The Budget Clarity's Effect on the Local Government Agencies' Accountability Performance

The result of performing a direct influence test on budget clarity's effect obtained a value coefficient of 0.249 with 0.043 significance (0.05), and it can be concluded that budget clarity affects the local government agencies' accountability performance. It is can be stated that budget clarity can encourage officials to become responsible for each task given to attain target/targets on the budget that had been determined. Target achievement and budget performance in budget execution can be influenced by the budget implementation process (Anisa and Haryanto, 2022).

3.3 The Participation's Effect on the Local Government Agencies' Accountability Performance with Culture as a Moderating Variable

The test on the interaction variable between participation and culture resulted in a 0.234 coefficient value with a significance of 0.421 (sig 0.05) which can be drawn as a conclusion that cultural variables could not act as a variable on the participation variable's effect on the local government agencies' accountability performance. Thus, a strong organizational culture does not have a significant effect on individual behavior in budget participation.

3.4 The Budget Clarity's Effect on the Local Government Agencies' Accountability Performance with Culture as a Moderating Variable

The interaction variable between budget clarity and organizational culture generates a 0.099 coefficient value with a 0.777 (sig 0.05) significance, thus it can be stated that the organizational cultural variable could not act as a moderator variable on the budget clarity's effect on the local government agencies' accountability performance.

3.5 The Participation's Effect on the Local Government Agencies' Accountability Performance with Commitment as a Moderating Variable

The interaction variable between participation and work commitment produces a 0.091 coefficient value with a 0.580 (sig 0.05) significance, thus the conclusion that can be drawn is that the organizational commitment variable cannot moderate the effect of the participation variable in the local government agencies' accountability performance.

3.6 The Budget Clarity's Effect on the Local Government Agencies' Accountability Performance with Work Commitment as a Moderating Variable

The interaction variable between budget clarity and Work commitment produces a -0.030 coefficient value with 0.896 (sig 0.05) significance, which can conclude that the work commitment variable cannot moderate the budget clarity variable on the local government agencies' accountability performance. Work commitments have not been able to encourage officers who perceived that their budget targets are clearly defined to be more responsible. It can be said that budget clarity is already sufficient to encourage officials to work as well as possible and realize accountability for the performance of local government agencies.

4 Conclusion

Build upon the findings in this study, participation and budget clarity can significantly affect the local government agencies' accountability performance. Meanwhile, work culture and commitment have not shown any moderating influence on the effect of participation and budget clarity on the local government agencies' accountability performance. Thus, for further research, other factors can be considered in assessing in finding variables that can affect the government agencies' accountability performance.

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