Budgeting Participation and Managerial Performance of Government Apparatus

Nora Susanti¹, Vivina Eprillison², & Jolianis³

¹STKIP PGRI Sumatera Barat, Padang, Indonesia, bundafyra@yahoo.co.id,
²STKIP PGRI Sumatera Barat, Padang, Indonesia, vivina.eprillison@gmail.com,
³Andalas University, Padang, Indonesia, jolianiskoto80@gmail.com

Abstract
This research was conducted aiming to see the effect of budgetary participation on the performance of government officials in the city of Padang. Research respondents are budget makers or leaders in the SKPD of Padang as many as 50 SKPD. This type of research is a causality research that is useful for analyzing the relationships between one variable and other variables. Data analysis techniques used are simple regression analysis with the help of SPSS program, analysis descriptive with Levels of Respondents' Achievement (Tingkat Capaian Responden), and classic assumption test. The results showed that there was a significant effect between budgetary participation on managerial performance of government officials with a coefficient of 0.335. And the magnitude of the effect of this variable on managerial performance is 45.9% while the rest is influenced by other variables outside this model.

Keywords: budgeting participation, managerial performance

Introduction
The Regional Government as a state institution extending the hands of the central government has been given the mandate in running the government in the region. Therefore, the regional government through the Regional Work Unit (SKPD) as the government organizing institution must be able to show good performance to the community through services that are directly felt by the community more effectively and efficiently. The government as a state institution that is obliged to run the wheels of government provides maximum service to the community so that it will bring the community to prosper.

The success of the local government will be seen from the performance of the officials or managers. Good performance can be seen from the success of the local government in carrying out the activities contained in the realization of the established budget. Proper budgeting that suits the real needs of the community will provide maximum development direction. This can be seen by the realization of the budget that has been set. Therefore, it can be said that budgeting influences managerial performance in regional government. Nazarudin I & Setyawan (2012: 199) states that with the participation of individual organizations in preparing the budget, it will improve managerial performance because it is hoped that with the involvement of these individuals, the target set will be achieved. While Aulad et al. (2018: 112) stated that budgeting participation has a strong connection with the achievement of managerial performance of local governments as stakeholders.

Padang is one of the cities in the country of Indonesia which has an area of 694,64 km² with geographical conditions bordering the sea and surrounded by hills. Based on data from the Central Statistics Agency (BPS), the population of Padang is 902,413 people. (Wikipedia). Such conditions require local government organizations to be more able to provide services needed by the community. With such a large area, it is expected that the local government will be able to improve the welfare of the community and provide maximum service. This research was carried out by the author considering that there were no previous studies discussing the managerial performance of government officials in the city of Padang. This is due to the fact that the population of Padang consists of various ethnic groups, races and religions. This diversity if not responded wisely will lead to various conflicts of interest. With this condition, it is hoped that the regional government as the government administrator will be able to be fair so as to create conditions that will provide comfort
and increase welfare for all people. Therefore, the sincerity of the Padang municipal government apparatus is needed which is shown by the managerial performance of the regional government apparatus in providing services so that it will produce good managerial performance and ultimately will bring the city of Padang to a better level in the economic, cultural, social and security sectors.

In the process to improve the welfare and development of the country, especially the region, the central government provides an extension to the local government of Padang city to run the government in the regions so that all aspects that will be needed by the community can be better facilitated. In the process of implementing development and improving the welfare of the community from the economic, cultural, social and security sectors, the seriousness of the regional government is needed in handling it. For this reason, public services provided by local governments must be supported by the availability of government funds. The regional government as an extension of the central government must create a work program that will support all public services that will be provided to the community. To complete these activities, the local government of Padang city through the SKPD will prepare activities and be accompanied by a budget that will support all activities. Programs that have been programmed and followed by an adequate budget are expected to achieve government goals in the welfare of society. Therefore, it is expected that each SKPD can compile an appropriate budget so that the intended goals will be achieved. In the preparation of the budget, so that each activity can reach the expected target, of course the participation of various parties is needed in providing input on what program activities will have a good impact on the community and thus it will be known how much budget will be prepared so that the program can be implemented. The importance of participation from various parties is expected to improve the welfare of the community directly.

Mardiasmo (2009: 73) states that managerial performance is the ability of managers or leaders of an organization in carrying out managerial activities between planning, investigating, coordinating, supervising, staffing, negotiating and representing to realize the goals, objectives, mission and vision of an organization.

However, the reality in the field shows that the still low managerial performance of local governments in running the government is shown by the ability to increase income and the ability to absorb the budget that is still far from what is expected. This phenomenon reinforces the notion that the managerial performance of the local government of Padang City is still relatively low. Where is proven that those who have the power to manage the budget in each SKPD are less able to absorb the budget that has been provided so that at the end of the year it becomes SILPA.

The phenomenon that occurs in the government of Padang can see from the performance of the Padang city government from the achievement of the implementation of development activities and slowing economic growth that can be seen from the realization of Padang’s original regional income (PAD) until August 2011, only reaching 67.50 percent. The revenue targeted to the City Government in 2011 amounted to IDR1.1 trillion, but was only able to be realized as of August 25, 2011 amounting to IDR797 billion. This is due to the limited resources of the apparatus in the Pemko environment in the management of regional finances. (Padang Ekspres / Red / Editor of ILS).

According to Dedi (2007: 80) managerial performance in government agencies will be determined by the level of participation of managers in the preparation of the budget. In order for a budget to be on target and in accordance with its objectives, good cooperation is needed between subordinates and superiors in preparing the budget. Because of budget preparation process is an important and complex activity, the possibility of having a functional and dysfunctional impact on the attitudes and behavior of members of the organization. Budgetary participation in the public sector occurs when between the executive, namely the regional government, the legislature, the DPRD, and the community working together in budgeting. The existence of active participation from the executive in the budget allocation will support the improvement of the managerial performance of the government apparatus itself. One of the tools used by management in conducting short-term planning and control in the organization is the budget. Kewo (2014: 82), In the preparation of the
budget must be set targets to be achieved so that it can be used as a benchmark as a basis for ensuring that what has been achieved and when to be achieved.

In order for a budget to be on target and in accordance with its objectives, good cooperation is needed between subordinates and superiors in preparing the budget. Because of budget preparation process is an important and complex activity, the possibility of having a functional and dysfunctional impact on the attitudes and behavior of members of the organization. To prevent the impact of the dysfunctional budget, the biggest contribution from budgeting activities occurs if all parties are allowed to participate in the preparation of the budget. Participation is a joint decision-making process by two or more parts where the decision will have a future impact. Budgetary participation in the public sector occurs when between the executive, namely the regional government, the legislature, the DPRD, and the community working together in the making of the budget (Dedi, 2007: 72). But in this study, the author focuses more on the participation made by the local government and its influence on the managerial performance of the government apparatus itself. Therefore, it is necessary to examine whether the existence of budget participation has a significant effect on managerial performance.

**Method**

This research design is a causality design that is useful for analyzing the relationships between one variable and another. The nature of the relationships that may occur between the variables studied is symmetrical, asymmetrical and reciprocal. The type of data needed in this study is primary data, namely data obtained from all SKPD in Padang City. Research respondents are budget makers or leaders in the Padang City SKPD. Number of respondents are 50 SKPD in Padang.

Data collection techniques used is closed questionnaire method. According to Bungin (2010: 66) the direct closed questionnaire method is a questionnaire designed to record data about the situation experienced by the respondent himself, then all alternative answers that must be answered by the respondent are listed in the questionnaire. Data analysis techniques used are simple regression analysis with the help of SPSS program, analysis descriptive with Levels of Respondents’ Achievement (Tingkat Capaian Responden), and classic assumption test. To measure the variables in this study used Likert scale. According to Riduwan (2007: 56) that Likert scale is used to measure attitudes, opinions and perceptions of a person or group about social events or symptoms. The Likert scale in this study is with intervals of 1 to 5 with criteria, namely: 1) Strongly Disagree, given a score of 1, 2) Disagree with a score of 2, 3) Neutral, given a score of 3, 4) Agree, given a score of 4, 5) Strongly Agree, given a score of 5.

**Research variable**

**Managerial Performance (Y)**

Managerial performance is the ability of a manager that takes place continuously in carrying out his responsibilities and the achievement of the implementation of a program or activity that includes, with indicator use in variable measurement as planning, investigating, coordinating, supervising, staffing, negotiating, evaluating, and representing to achieve a goal, goal, mission and vision organization.

**Budgeting Participation (X)**

Budgeting participation is the participation and responsibility in decision making both middle-level managers and lower-level managers, to compile a budget to achieve operational goals and performance targets in the future. Indicator use in variable measurement as involvement in budget preparation, trust from leaders to subordinates, open communication in accepting suggestions from subordinates and compatibility between individual goals and institutional objectives.
Results

The characteristics of respondents in this study are as follows:

Table 1. Characteristics of Respondents

| Characteristics | Category | Number (people) | Percentage (%) |
|-----------------|----------|-----------------|----------------|
| Group           | II       | 2               | 4              |
|                 | III      | 39              | 78             |
|                 | IV       | 9               | 18             |
| Age             | 30 – 40 years | 24 | 48           |
|                 | 41 – 50 years | 14 | 28           |
|                 | 51 – 60 years | 12 | 24           |
| Gender          | Male     | 26              | 52             |
|                 | Female   | 24              | 48             |
| Last Education  | DIII     | 5               | 10             |
|                 | S1       | 24              | 48             |
|                 | S2       | 21              | 42             |
|                 | S3       | 0               | 0              |
| Working Period  | < 5 years | 19              | 38             |
|                 | 5 – 10 years | 12 | 24           |
|                 | 11 – 15 years | 7  | 14           |
|                 | 16 – 20 years | 1  | 2            |
|                 | > 20 years | 11              | 22             |

Source: Processed Primary Data, 2016

The characteristics of the first respondent were seen by class. This group, where the majority of respondents are grouping III is 39 people. The characteristics of the second respondent were seen based on age, where the majority of respondents ranged in age between 30 to 40 years. Then on the characteristics of the third respondent seen from gender. In this characteristic respondents are dominated by female respondents. Furthermore, the third characteristic was seen in the last education, where the majority of respondents received education at the S1 level. Then in the fourth characteristic seen in the working period of the respondent, where the majority of respondents have a working period of less than 5 years. The results of descriptive analysis of managerial performance are presented in Table 2 below:

Table 2 Descriptive Results of Managerial Performance (Y)

| Variable         | Indicator | Item number | Average Score | TCR | Category     |
|------------------|-----------|-------------|---------------|-----|--------------|
| Manage            | Planing   | 1           | 4.76          | 95.2 | Well         |
|                   | Investigation | 2       | 4.18          | 83.6 | Well         |
|                   | Coordination | 3        | 4.16          | 83.2 | Well         |
|                   | Evaluation | 4          | 4.16          | 83.2 | Well         |
|                   | Supervise | 5          | 4.22          | 84.4 | Well         |
|                   | Staffing  | 6          | 4.06          | 81.2 | Well         |
|                   | Negotiation | 7        | 3.44          | 68.8 | EnoughWell   |
|                   | Representative | 8       | 3.68          | 73.6 | EnoughWell   |
| Average Variable  |           |             | 4.08          | 81.65 | Well        |

Source: Processed Primary Data, 2016

Based on Table 2 obtained information that the average score of managerial performance variables is 4.08 with the level of achievement of respondents (TCR) of 81.65. This shows that managerial performance variables are in good category. Thus it can be said that the managerial performance of
government officials in Padang City is already good. This means that planning, investigating, coordinating, evaluating, supervising, staffing (maintaining and maintaining subordinates), negotiations and representation by the government apparatus in Padang City in managing the budget is maximized. Even though the indicators related to negotiation and representation are in a pretty good category. While for descriptive managerial performance variables can be seen in the following table:

Table 3 Descriptive Results of Budgeting Participation (X)

| Variable                        | Indicator                                      | Number of Item | Average Skor | TCR  | Category |
|---------------------------------|------------------------------------------------|----------------|--------------|------|----------|
| Engagement in budget preparation|                                                | 1              | 4,30         | 86,00| Well     |
| Confidence attitude from the leader towards subordinates | 2 | 3,96 | 79,20 | Enough | Well |
| Open communication to accept proposals or suggestions from subordinates | 3 | 4,16 | 83,2 | Well |

Conformity between individual goals and agency goals

| Variable                        | Indicator                                      | Number of Item | Average Skor | TCR  | Category |
|---------------------------------|------------------------------------------------|----------------|--------------|------|----------|
| Average Variable                |                                                | 4              | 3,68         | 73,6 | Enough   |

Based on Table 3 it is known that the average score of budgeting participation variable is 4.08 with the level of achievement of respondents (TCR) of 81.65%. This shows that the budgeting participation variable is in the good category. Thus it can be interpreted that the government apparatus in the city of Padang has been involved by the legislature in preparing the budget for each SKPD in Padang City.

Table 4 Results of Regression Analysis The Effect of Participation in Budget Preparation on Managerial Performance

| Dependent Variable            | Independent Variable                  | Coefisien Regresion | Sign |
|-------------------------------|---------------------------------------|---------------------|------|
| Manajerial Performance (Y)    | Konstanta (a)                          | 10,051              |      |
|                               | Participisation in Budget Preparation (X) | 0,355               | 0,000|
|                               | F                                      | 40,676              | 0,000|
|                               | R²                                     | 0,459               |      |

Source : Processed Primary Data, 2016

The results of data analysis can be entered into the regression equation as follows:

\[ Y = a + \beta X + e \]

\[ Y = 10,051 + 0,355 X \]

In accordance with the results of testing the first hypothesis by using variables Participation in budgeting obtained sig value of 0.000. In the testing phase, an error rate of 0.05 is used. The results obtained show that the sig value is 0,000 < alpha 0,05, so the decision is Ho rejected and Ha is accepted so it can be concluded that the participation in budgeting has a significant effect on the managerial performance of the government apparatus in Padang City is 45.9%, while the rest is 54, 1% is influenced by other variables that are not included in this research model.
The Effect of Participation in Budget Preparation on Managerial Performance

Based on the results of testing the first hypothesis it is known that budgeting participation has a significant positive effect on the managerial performance of government officials in the city of Padang. The higher level of participation of Budget User Authorities (KPA) in the preparation of budgets in each SKPD will certainly encourage an increase in managerial performance of government officials in the City of Padang.

Based on the findings of this study it is known that the managerial performance of the government apparatus will be influenced by the participation of the budgeting of heads of departments and heads of sectors as the power of budget users in the SKPD in the local government. If the power of the budget user (KPA) involved in the budget preparation process will certainly make the managerial performance of SKPD in the Regional Government become higher.

Budgeting participation is the involvement of all managers (both Head of Sub-division to Head of District) in an agency to carry out activities in achieving the targets set in the budget. With this involvement, it will encourage the regents / subordinates to be responsible for each task they carry out so that the regencies will improve their performance so that they can achieve the targets / targets set in the budget. This indicates a positive relationship between budgetary participation and apparatus performance.

Participation in the budgeting process will motivate individuals to share information involved in making the decision to give the best for the organization that have an impact on their performance in carrying out the task (Kong, 2005)

The findings of this study are supported by the opinion of Dedi (2007: 80) which states that managerial performance in government agencies will be determined by the level of participation of managers in budget preparation. In order for a budget to be on target and in accordance with its objectives, good cooperation is needed between subordinates and superiors in preparing the budget. Because the budget preparation process is an important and complex activity, the possibility of having a functional and dysfunctional impact on the attitudes and behavior of members of the organization. Budgetary participation in the public sector occurs when between the executive, namely the regional government, the legislature, the DPRD, and the community working together in budgeting. The existence of active participation from the executive in the budget allocation will support the improvement of the managerial performance of the government apparatus itself.

Conclusions

This study aims to examine the effect of budgetary participation on managerial performance. The testing of this study uses simple regression analysis using SPSS programming assistance. Based on the results of testing and analysis of data, it can be concluded that accepting the hypothesis that budget participation has a significant effect on managerial performance. Thus it can be concluded that the regional government should always ask for the participation of each manager both the sub-district head to the regency before preparing the budget for each activity program so that it will have a direct impact on improving the welfare of the community. The participation given in the preparation of a maximum budget will bring success to the performance of the local government so that the goal of prospering the community will be realized.

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