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 budget 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 the 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 tar (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

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

Based on table 1 above, a simple linear regression equation 
can be obtained as follows: 

\[ Y = 4,114 + 1,162 X1 \]

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, B1 = 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                  | \( \beta_0 \) | 0.593 | 2.683      | -0.207| 0.8  |
| Bdgt.Partcptn             | \( \beta_1 \) | 0.664 | 0.172      | 3.868 | 0.0  |
| Organizational commitment  | \( \beta_2 \) | 0.781 | 0.214      | 3.834 | 0.0  |
| R2 = 0.677 n = 61 F = 60.878 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 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

Table 3
Moderated regression test results

| Variable                  | Coefficient | Score | Std. Error | t     | Sig  |
|---------------------------|-------------|-------|------------|-------|------|
| Y = \( \beta_0 + \beta_1X_1 + \beta_3X_3 + \epsilon \) |             |       |            |       |      |
| Constant                  | \( \beta_0 \) | -3.842| 16.860     | -0.228| 0.82 |

Hypothesis 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.
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.

The 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 managerial 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] which 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 Halimatusyidiah (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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