Participation, goal clarity budget to performance apparatus with environmental uncertainty and individual culture as a moderating variables

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Keywords
Participation, goal clarity budget, environmental uncertainty, individual culture

Abstract
The performance of apparatus is judged by how much success has been achieved in relation to the prescribed budget. This study aims to examine direct influence of budget participation and budget goal clarity on the performance of the apparatus and test the effect of uncertainty of the environment and individual culture as a variable that strengthens the relationship between participation and budget goal clarity to performance apparatus in the Pangkep Regency. This research uses quantitative approach. The object studies were the structural officials involved in OPD of budget preparation. The data were collected using the survey and research instrument was in from questionnaires. The total sample size was 105 people chosen purposively. Data were analyzed using of the Moderated Regression Analysis (MRA) method which was processed using Statistical Package for the Social Sciences (SPSS v.21). The results showed that budgetary participation had positive and significant effect on the performance of apparatus, budget goal clarity had positive and significant effect on the performance of apparatus, the environmental uncertainty moderates the effect of budget participation on the performance of apparatus, the environmental uncertainty moderates the effect of budget goal clarity on the performance of apparatus, individual culture moderates the effect of budget participation on the performance of apparatus, individual culture moderates the effect of budget goal clarity on the performance of the apparatus.

Introduction
Since the era of reform, the idea of regional autonomy has continued to roll, causing a paradigm shift. Development paradigm is centralized or top-down, just focusing on economic growth changed the development paradigm based on the basic principles of democracy, equality, and justice in the form of regional autonomy. A change of paradigm of governance and good governance has led to the change in the role, functions and activities of government's role in meeting the needs of society. The Government is the executive responsible for achieving good governance, one of the efforts in order to realize good governance is to improve performance, accountability and transparency in public financial management (Hehanusa, 2010).

The performance of local government apparatus is a set of outcomes achieved by local government apparatus aimed at assessing one strategy through financial and nonfinancial instruments (Gian, 2014). According Mahsung (2013), the performance is an overview of the level of achievement of the implementation of an activity or program in realizing the goals, mission and vision of the organization as stated in the strategic planning of an organization. The performance of the government apparatus can be judged by how members of the government sector strive to provide the best service by utilizing the resources available in the organization to give satisfaction to the community for it then it is necessary to formulate the vision and mission of the organization that contains a number of policies and strategies in achieving the development goals more broadly in accordance with the Medium Term Regional Development Plan (Astari, 2012). The attitude and behavior of members of the organization in preparation of the budget need to involve management at lower levels so that the participation of the budget can be considered as an approach that can improve performance.

Goal setting theory Locke (1968), found that goal-setting within the organization influence on the performance of employees in public organizations. One of the real forms of the implementation of this goal-setting theory is the budget. A budget not only contains the plans to be achieved and the nominal
amount required to perform the activities, but also contains specific goals that the organization wants to achieve. When objectives are designed then the people involved in goal setting will internalize the goals set and will have a sense of responsibility to achieve them (Shelly, 2014).

Increased government performance can be achieved if the process of budget preparation is done by participation (Milani, 1975). Brownel & McInnes (1986) argues that budgetary participation is the participation of individuals in the form of behavior and activity by the managerial during the budgeting process takes place. Budgeting participation shows how the local government officials in understanding the budget proposed by the unit works and the influence of their budget responsibility center. (Astari, 2012).

The budgeting system has characteristics; one of the characteristics of the budget is the clarity of the budget target. The clarity of the budget goal is how the budget objectives are clearly defined and specific with the aim that the budget to be achieved can be understood by the person responsible for achieving the budget objective. According to Bangun (2009), budget planning should be able to clearly depict performance goals. The clarity of the budget targets will have implications for the apparatus to formulate budgets in accordance with the goals and objectives to be achieved by government agencies. Clarity of budget objectives will make it easier to account for the success or failure of execution of the organization's tasks in order to achieve predetermined goals and objectives (Son, 2013). In Fajriani's (2016) study, it was found that participation and clarity of budget targets influenced the apparatus performance. Unlike Yusri Research (2012), and Gian (2014), stated that there is no influence between budgetary participation and budget clarity on apparatus performance.

Differences in the results of these studies are thought to be due to other contingent factors. The use of contingency theory on budgetary participation has long been a concern of researchers. Shield & Young (1993) explains that a contingency approach provides an idea of the nature of the relationships that exist in the participation of budgeting with performance, perhaps differing from one situation to another. The contingency approach allows for other variables acting as moderating which have a relationship between budgeting and performance participation.

Situational factors that can affect the performance of the apparatus are the uncertainty of the environment. According to Kartika (2010), environmental uncertainty is one of the factors that become obstacles in budget preparation. Environmental uncertainty is defined as the inability of the individual to predict what is happening in his environment. The ability to predict future circumstances under conditions of low environmental uncertainty can occur to individuals in making decisions. The results of Gul & Chia (1994), Mediaty (2009) show that performance will increase if environmental uncertainty is high, because managers will try to find relevant and sufficient information for the company's interest. Budiharja Research (2009), Adek (2012), found that budgetary participation and budget clarity significantly affected environmental uncertainty as a moderating variable. Unlike Nurmalasari (2014), however, found that environmental uncertainty did not affect the performance of the apparatus.

Other situational factors that can affect the performance of the apparatus that is the culture of the individual. Individual culture is a value that is rooted in the belief that someone has poured in the form of behavioral norms. Regional culture is defined as regional values that become the guidance for the members of the community in life to become a reference of attitudes and behavior both in private and group life (Cahyadi, 2015).

The purpose of this study is to determine the effect of participation and clarity of budget targets on the performance of government officials Pangkep regency.

**Research Methods**

**Research model**

This research uses quantitative approach, and based on the purpose of explanative research is to get an explanation of the relationship (causality) between variables; by testing the hypothesis (*hypothesis testing*).

**Population and Sample**

The population in this study is structural officials who are directly related to the preparation of budgets in all the DPD scope of Pangkep District Government. The sample for this study was 105 people
which are the head of the field in OPD. The sampling technique used *purposive sampling*, the sampling technique based on the criteria desired by the researcher. The criteria of sample selection in this study are as follows: (1) Civil Servant (PNS) in this case the head of field working in the scope of Local Government of Pangkep Regency and (2) have participated or participated in the preparation of the budget in the place of work at least once.

**Method of collecting data**

The research data was collected using a questionnaire *survey* method with a technique that is by distributing questionnaires directly to the respondents related to the scope of government throughout the PD O Pangkep. The scale of measurement used is a *Likert* scale, which used to measure the results of the answers or opinions of respondents with five possible answers that have tiers different scores.

**Data analysis**

Validity test is used to measure the validity or validity of a questionnaire. Testing the validity with Pearson, the instrument is valid if the correlation values > 0.3. Reliability test is used to measure whether or not reliable questionnaire used to measure research variables. I.e. reliability test with *Cronbach alpha* values. According see Nunnally in Ghozali (2013), if the value of *Cronbach alpha* greater than 0.70 then the grains has a question or a statement on each of the study variables declared unreliable or reliable. To test the effect of each independent variable used in this study is used *Moderated Regression Analysis (MRA)* using SPSS program for windows version 21.

**Research Result**

**Test Validity and Reliability Instruments**

The result of the correlation value of all question items on the questionnaire for all indicators and items worth above 0.3 (> 0.3). Thus it can be concluded that all items have qualified validity. Results *Cronbach value alpha* the five research variables are valued above 0.7. Thus it can be concluded that the instrument has met the valid and reliable requirements.

**Classic assumption test**

Test the normality of the data, the result of the VIF value is entirely below 10 so that all independent variables are not containing multicollinearity (non multicollinearity). Furthermore, the tested variable does not contain heteroscedasticity, since the whole value of Sig > 0.05.

**Moderate Regression Analysis**

Table 1 is a result of calculation of multiple linear regression models the effect of budget participation (X1), budget goal clarity (X2), and the performance of the apparatus (Y).

Table 1 Test Results Regression Analysis Model 1

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Coefficient</th>
<th>Beta</th>
<th>T</th>
<th>Sig t</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constants</td>
<td>1.042</td>
<td></td>
<td>3.403</td>
<td>0.001</td>
<td>Significant*</td>
</tr>
<tr>
<td>Participation of Budgeting (X1)</td>
<td>0.449</td>
<td>0.571</td>
<td>7905</td>
<td>0.000</td>
<td>Significant*</td>
</tr>
<tr>
<td>Budget Objective Clarity (X2)</td>
<td>0.257</td>
<td>0.307</td>
<td>4.252</td>
<td>0.000</td>
<td>Significant*</td>
</tr>
</tbody>
</table>

α = 5% = 0.05

Table 2 is the results of calculation of linear regression test model pengaruh budget participation (X1), budget goal clarity (X2), the uncertainty of the environment (MO1), and the performance of the apparatus (Y).

Table 2 Test Results Regression Analysis Model 2

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Coefficient</th>
<th>Beta</th>
<th>T</th>
<th>Sig t</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Budget Objective Clarity (X2)</td>
<td>0.257</td>
<td>0.307</td>
<td>4.252</td>
<td>0.000</td>
<td>Significant*</td>
</tr>
</tbody>
</table>

Source: data processed, 2017

The model of multiple linear regression equation obtained is as follows:

\[ Y = 0.0499 \times X_1 + X_2 + e \]

Table 2 is the results of calculation of linear regression test model pengaruh budget participation (X1), budget goal clarity (X2), the uncertainty of the environment (MO1), and the performance of the apparatus (Y)
Table 2 Test Results Moderate Regression Analysis Model 2

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Coefficient</th>
<th>Beta</th>
<th>T</th>
<th>Sig t</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constants</td>
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<td>-0.904</td>
<td>0.368</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation of Budgeting (X1)</td>
<td>0.370</td>
<td>0.470</td>
<td>6.835</td>
<td>0.000</td>
<td>Significant*</td>
</tr>
<tr>
<td>Budget Objective Clarity (X2)</td>
<td>0.207</td>
<td>0.247</td>
<td>3.703</td>
<td>0.000</td>
<td>Significant*</td>
</tr>
<tr>
<td>Environmental Uncertainty (MO1)</td>
<td>0.114</td>
<td>0.157</td>
<td>2.398</td>
<td>0.018</td>
<td>Significant</td>
</tr>
<tr>
<td>Participation Budgeting (X1) * Uncertainty Environment (MO1)</td>
<td>0.172</td>
<td>0.173</td>
<td>2.527</td>
<td>0.013</td>
<td>Significant*</td>
</tr>
<tr>
<td>Goal clarity Budget (X2) * Uncertainty Environment (MO1)</td>
<td>0.211</td>
<td>0.197</td>
<td>2.930</td>
<td>0.004</td>
<td>Significant*</td>
</tr>
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</table>

α = 5% = 0.05

$t_{table} = 1.984$

$R^2 = 0.594$

$F_{count} = 28993$

$F_{table} = 2.306$

Source: processed data, 2017

Model multiple linear regression equation obtained are as follows:

$Y = 0.370 \times X_1 + 0.207 \times X_2 + 0.114 \times MO_1 + 0.211 \times X_1 \times X_2 \times MO_1 + e$

Table 3 is the result of the calculation of multiple linear regression model model of influence of budgeting participation (X1), clarity of budget target (X2), individual culture (MO2) and performance of apparatus (Y).

Table 3 Test Results Moderate Regression Analysis Model 3

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Coefficient</th>
<th>Beta</th>
<th>T</th>
<th>Sig t</th>
<th>Information</th>
</tr>
</thead>
<tbody>
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<td>0.090</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation of Budgeting (X1)</td>
<td>0.295</td>
<td>0.376</td>
<td>0.511</td>
<td>0.000</td>
<td>Significant*</td>
</tr>
<tr>
<td>Budget Objective Clarity (X2)</td>
<td>0.149</td>
<td>0.177</td>
<td>2.635</td>
<td>0.010</td>
<td>Significant*</td>
</tr>
<tr>
<td>Individual Culture (MO2)</td>
<td>0.277</td>
<td>0.252</td>
<td>3.323</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Participation Budget Arrangement (X1) * Individual Culture (MO2)</td>
<td>0.201</td>
<td>0.174</td>
<td>2.605</td>
<td>0.011</td>
<td>Significant*</td>
</tr>
<tr>
<td>Clarity Target Budget (X2) * Individual Culture (MO2)</td>
<td>0.213</td>
<td>0.190</td>
<td>2.794</td>
<td>0.006</td>
<td>Significant*</td>
</tr>
</tbody>
</table>

α = 5% = 0.05

$t_{table} = 1.984$

$R^2 = 0.624$

$F_{count} = 32.826$

$F_{table} = 2.306$

Source: processed data, 2017

Model multiple linear regression equation obtained are as follows:

$Y = 0.295 \times X_1 + 0.149 + 0.201 + 0.277 \times MO_2 + 0.213 \times X_1 \times X_2 \times MO_2 + e$

Hypothesis testing

In the budgeting participation variable significance value of t equal to 0.000 (Sig t ≤ 0.05), then in partial budgeting participation significantly influence the performance variables apparatus. Based on the
regression coefficient (0.449) is positive, indicating a positive effect. This means that the higher the budget participation, the higher the performance of the apparatus. Conversely, the lower the budget participation, the lower the performance of the apparatus.

In the budget goal clarity variable significance value of t equal to 0.000 (Sig t ≤ 0.05), then in partial budget goal clarity significantly influence the performance variables apparatus. Based on the regression coefficient (0.257) is positive, indicating a positive effect. This means that the higher the clarity of the budget target, the higher the performance of the apparatus. Conversely, the lower the budget participation, the lower the performance of the apparatus.

In the variable of environmental uncertainty moderate the participation of budget preparation obtained value of significance of t equal to 0.013 (Sig t ≤ 0.05), then partially variable of environment uncertainty variable moderate participation budget compilation have significant effect to apparatus performance variable. Based on the value of regression coefficient (0.172) marked positive, indicating positive influence. This means that the higher the environmental uncertainty moderate the participation of budget preparation will be higher the performance of the apparatus. Conversely, the lower the environmental uncertainty moderating the participation of budget formation, the lower the performance of the apparatus.

In the variable of environmental uncertainty moderate the clarity of budget target to apparatus performance obtained value of significance of t equal to 0.004 (Sig t ≤ 0.05), then partially variable of environmental uncertainty moderate clarity of budget target have significant effect to apparatus performance variable. Based on the value of regression coefficient (0.211) marked positive, indicating positive influence. This means that the higher the environmental uncertainty moderate the clarity of the budget target will be the higher the performance of the apparatus. Conversely, the lower the environmental uncertainty moderates the clarity of budget goals, the lower the performance of the apparatus.

In the individual culture variables moderate the participation of budget formulation obtained t significance value equal to 0.011 (Sig t ≤ 0.05), then the partial individual cultural variables moderate the participation of budgeting has a significant effect on the performance variables of the apparatus. Based on the value of regression coefficient (0.201) marked positive, indicating positive influence. This means that the higher the individual culture to moderate the participation of budget preparation will be the higher the performance of the apparatus. Conversely, the lower the individual culture moderates the participation of budgeting, the lower the performance of the apparatus.

In the variable of individual culture moderate the clarity of budget target is obtained t significance value equal to 0.006 (Sig t ≤ 0.05), then partially individual culture variable moderate clarity of budget target have significant effect to apparatus performance variable. Based on the value of regression coefficient (0.213) marked positive, indicating positive influence. This means that the higher the individual culture to moderate the clarity of the budget target will be the higher the performance of the apparatus. Conversely, the lower the individual culture moderates the clarity of budget goals, the lower the performance of the apparatus.

Discussion

This study shows that budgetary participation and clarity of budget targets have an effect on the performance of the apparatus. With employees participating in budgeting can affect their responsibilities thus increasing the organization's achievement of objectives. Theory of goal setting (goal setting theory) finds that setting goals in the organization affect the performance of employees in public organizations. One of the real forms of the implementation of this goal-setting theory is the budget. When the destination is designed so people who are involved in goal setting will internalize the goals set and will have a sense of responsibility to achieve it (Shelly, 2014).

Goal setting theory (Goal Setting Theory) assumes that there is a direct relationship between a clear and measurable goal with performance. In order for a goal to be more effective than the required summary of feedback that reveals the progress of employees in achieving organizational goals (Locke & Latham, 2002). If they do not know how to progress it will be difficult for them to adjust the level and direction of the effort in adjusting the performance strategy to match what is needed to achieve the goal. The results of this study prove that employees who participate in budgeting can affect their
responsibilities to improve the achievement of the goals of the organization. This study is in line with Fajriani’s (2016) study, which found that participation and clarity of budget targets affect the performance of the apparatus. However, this study is inconsistent with Yusri’s research (2012) and Gian (2014), which found that budgetary participation and clarity of budget targets did not affect the performance of the apparatus.

This study shows that environmental uncertainties moderate the participation of budgeting and clarity of budget targets on the performance of the apparatus. When the environmental uncertainty is high then the authorities will try to find relevant information to overcome the uncertainty of the environment. Environmental uncertainty is defined as a sense of one's inability to predict things accurately. Research study of the influence of environmental uncertainty with various dimensions has been carried out. Among them is Duncan (1972), Govindarajan (1986). Results of research Gul & Chia (1994) showed that performance would improve if environmental uncertainty is high, because the manager will seek relevant and sufficient information for the benefit of the company. Budiharja (2009), Madiaty (2009), Adek (2012) found that budgetary participation influence significantly the uncertainty of the environment as a moderating variable. Research Nurmalasari (2014) found that environmental uncertainty does not affect the performance of the apparatus.

Culture is the shared values and beliefs that characterize as well as the identity of a person (Benny, 2013). Culture is very important role in supporting the creation of an effective organization. This study shows that individual cultures motivate budgetary participation and clarity of budget targets on apparatus performance. More specifically, the individual culture can play a role in representing an identity, develop a personal attachment to the organization (Lindawati, 2011). Budaya have an influence on behavior, way of working and motivated leaders and subordinates to achieve organizational performance. With their strong individual culture created increased productivity. Increased productivity can be realized through budgetary participation in which each member is involved in providing opinions and considerations in budget preparation. In addition, increased productivity can be reflected through the formulation of budget objectives clearly and specifically so that organizational goals can be realized quickly. The research result Cahyadi (2015), who found that culture may moderate the relationship between budget goal clarity on the performance of the apparatus, as well as research Madiaty (2009), Nirvana (2015) found the influence of culture in improving the performance of the apparatus.

Conclusions and recommendations

The relationship between participation and clarity of budget targets on the performance of the apparatus. The participation of budget preparation and clarity of budget targets have a positive effect on the performance of the apparatus. The existence of a positive influence between the participation and clarity of budget targets on the performance of local government apparatus shows that the higher the participation and clarity of the budget targets in the preparation of the budget, it will further improve the performance of local government apparatus. Environmental uncertainties moderate the effect of budget participation variables on the performance of the apparatus. That is, the higher the value of environmental uncertainty moderate the participation of budget preparation will be the higher the performance of the apparatus. Environmental uncertainties moderate the effect of clarity variables on budget targets on apparatus performance. That is, the higher the value of environmental uncertainty moderate the clarity of budget targets will be the higher the performance of the apparatus. Individual culture moderates the influence of budgetary participation variables on the performance of the apparatus. That is, the higher the value of individual culture to moderate the participation of budget preparation will be the higher the performance of the apparatus. Individual culture moderates the influence of variable clarity of budget targets on apparatus performance. That is, the higher the value of individual culture moderate the clarity of budget targets will be the higher the performance of the apparatus.

References


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