

A Measurement of Budget Performance Which Is Influenced by Budget Participation, Work Motivation and Work Environment

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Abstract.

The aim of this research is to determine and analyze the factors that influence the dependent variable (Y), work motivation (X1) work environment (X2) and budget participation (X3) on budget performance (Y) at the DKI Jakarta Regional Revenue Service. The analytical method used was quantitative descriptive analysis with multiple linear regression. The results of the analysis using SPSS (Statistical Program and Services Solution) version 21 showed that from the results of the regression coefficient $Y = 1,216 + 0.259X_1 + 0.525X_2 + 0.154X_3$, it showed that each independent variable provided influence on improving budget performance. The R Square value (Coefficient of Determination) is 0.464. Test results simultaneous (F test) shows that together the independent variables have a significant effect on budget performance in the DKI Jakarta Regional Revenue Service. The results of the partial test (T test) show that the independent variables, namely work motivation, work environment and budget participation have a significant effect on budget performance. .

Keywords: Work Motivation, Work Environment, Budget Participation, Budget Performance.

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1. Introduction

A budget is defined as a financial operating plan, which includes estimates of proposed expenditures, and the sources of income expected to finance them within a certain time period (Bastian 2001, 164). A budget is a formal report of financial resources set aside to carry out activities during a specified time period (Handoko 2009, 377).

The budget is a guideline for all actions to be implemented and in the budget the plans for revenues and expenditures in rupiah units are presented systematically according to classification. The amount of revenue and expenditure that is expected to be achieved in a particular budget year, essentially describes the activities carried out by government officials together with the people (Sabeni and Imam 2008, 39).

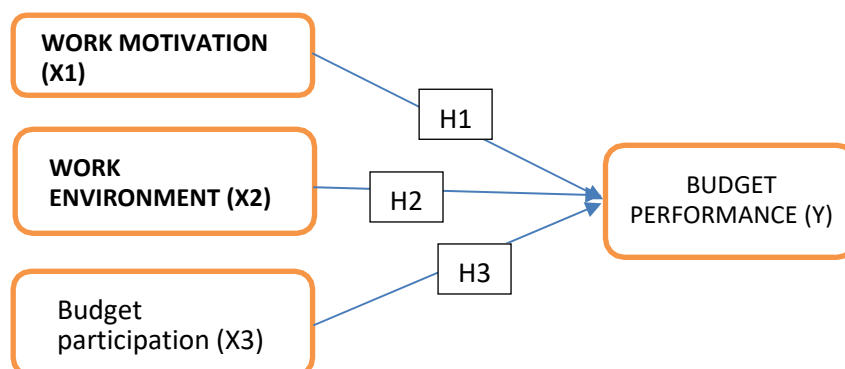
Referring to contingency theory where employee participation in budget preparation influences the effectiveness of budget performance (Brownell 1982, Murray 1990, Shield and Young 1990). The process of setting goals can influence the performance of the people who are required to achieve these goals. When a goal is designed, the people involved in setting the goal will internalize the goal set and will have a sense of responsibility to achieve it.

In carrying out business activities, employees have attitudes, understanding and motivation which guide employee behavior in order to complete work targets and responsibilities given to them by management. Work motivation directs each individual to increase enthusiasm and enthusiasm in achieving goals. Motivation acts as an encouragement to increase efforts in achieving organizational goals. (Mangkunegara, 2017).

Budget preparation in government agencies is carried out based on work targets and a dynamic business environment that produces services. The business environment has a strong influence on employee performance. Intense competition requires precise and specific business strategies to achieve company targets. The leadership policy must be able to accommodate changes that occur in the business environment. (Barlett, Ghoshall : 1999)

Nor's (2007) research concluded that budget participation increases managerial performance will also increase because employee participation in the budget preparation process will foster higher responsibility within the employee. Milani (1975) stated that a participatory budget will internalize goals with a high sense of responsibility because it is involved in the budget preparation process. The problems facing the Regional Revenue Service (Dispenda DKI Jakarta) in managing business are very complex. top management's ability to position the business organization in the company's internal environment and the influence of the company's external environment. This ability and understanding will encourage the birth of strategies that can be the best solution in exploiting opportunities and covering weaknesses.

Research framework



References : 2023

Based on previous concepts and research, the author formulates research problems that will be carried out including: (1) How big is the influence of work motivation on budget

performance at the DKI Jakarta Regional Revenue Service; (2) 2. How much influence does the business environment have on budget performance at the DKI Jakarta Regional Revenue Service; and (3) How big is the influence of budget participation on budget performance at the DKI Jakarta Regional Revenue Service.

Law of the Republic of Indonesia Number 32 of 2004 which has been amended to become Law of the Republic of Indonesia Number 23 of 2014 concerning regional government, has undergone changes to the procedures for preparing the APBD (Regional Revenue and Expenditure Budget). Following changes to the preparation of the Regional Revenue and Expenditure Budget (APBD), OPD, regional leaders and the budget team were directly involved. This change resulted in the involvement of many parties in the preparation of regional budgets.

A budget is a written detailed plan containing a program of activities for an organization expressed in quantitative form for a certain period of time. In the budget planning process, all members involved play a very important role in determining the direction and goals of the organization, so that they can give rise to behaviors that have a positive or negative impact. This positive impact is reflected in job satisfaction, organizational commitment, trust in the organization, satisfaction with the budget, perceived fairness of the budgeting process, budget performance and job performance. Meanwhile, negative impacts can be shown by the existence of budgetary slack or what is often referred to as budgetary slack (Yuhertiana, 2011)

Participation in budget preparation has a very important role in determining the direction and goals of the organization. According to (Mardiana & Handayani, 2018), budget participation is the participation of managers and their subordinates in processing budget planning. In this case, subordinates can provide actual information to managers to produce appropriate policies in the budget for the benefit of the organization.

Research conducted by Shahuddin (2017) The work environment is an important factor in creating employee performance. Because the work environment has a direct influence on employees in completing work which will ultimately improve organizational performance. Research conducted by Heny (2015) shows that the work environment is an important factor in creating employee performance. Because the work environment has a direct influence on employees in completing work which will ultimately improve organizational performance.

Motivation is part of the work culture that is formed in the workplace. Lack of motivation makes employees less loyal to their work, this is the initial formation of a poor organizational culture from employees towards the company. Motivation is a mental condition that encourages action and provides strength that leads to achieving needs, providing satisfaction or reducing discontinuity. The manager's ability to motivate, influence, direct and communicate with his subordinates will determine the manager's effectiveness.

Diani and Ria (2007) define motivation as a process that explains the intensity, direction and persistence of an individual to achieve their goals. Devotion to the profession is a commitment that is formed within a professional, without any coercion from anyone, and is consciously responsible for his profession (Diani and Ria, 2007)

The work environment is also an important thing that can have implications for improving performance (Olson and Borman, 1989). A conducive work environment, both physical and non-physical conditions, will encourage you to carry out your duties well so that your performance increases. This statement is in line with research by Suryantari (2012),

Dharmawan (2011), Stillo (2011), and Suarya (2010). Budget managers who have high motivation will try to achieve organizational goals and be responsible for completing each job so that they can improve performance. Research on the influence of motivation on performance includes.

The budget could be one of the most important tools for decision-making in organisations (Edwards et al., 2000; Covalski et al., 2006). In HE, some subjects or schools are closed because they are not able to operate within budgetary limits (Moll, 2003). Some studies have emphasised that links between budget allocation and strategy have to be adequate (Horngren et al., 2009). Thus, when changes are made to either budget or strategy, assessment for the related system is necessary in order for those changes to have their intended effect (Moll, 2003).

In their research, Ho et al. (2006) find that 83% of previous studies originated in the U.S.A due to the large proportion of income in American universities which is based on private funding. Budgeting decisions are therefore very important to these universities (Ho et al., 2006).

According to several authors, the budget is a product of negotiation. Thus, budget setting through negotiation has been investigated (e.g. Hopwood, 1972; Kenis, 1979; Fisher et al., 2000; and Chong et al, 2006). Fisher et al. (2000) express that there has been little research in budget-based negotiation examining how the budget-setting process differs when budgets are set through negotiation rather than being set unilaterally. Participative budgeting has been defined as a means of communicating and influencing managers in the budgetary process, and as the extent of subordinate influence over setting budgetary targets (Brownell, 1982; Lau & Lim, 2002;)

2. Research Method

This research method uses quantitative methods. According to Sugiyono (2012:7) quantitative methods can be interpreted as research methods used to examine certain populations or samples. Sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the aim of testing established hypotheses.

The population in this study were 180 employees of the DKI Jakarta Regional Revenue Service. The sampling technique was carried out using purposive sampling with certain conditions so that the sample used was 80 people. The data analysis method used in this research is multiple regression analysis with computer assistance using the SPSS Version 21 program.

The data collection is done directly by using a questionnaire containing 20 questions and interviews as the reinforcement of the results of quantitative research. To determine the relationship simultaneously / synchronously between independent variables on the dependent variable multiple linear regression analysis. Multiple linear regression equation used in this study are:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Y = Budget Performance

X₁= motivation

a = Numbers constants

X₂ =work environment

b = regression coefficient

X₃ = Budget Participation

e = error

3. Results and Discussion

The Regional Revenue Service of DKI Jakarta Province, in accordance with its duties and responsibilities, was established on September 11, 1952, at that time called the Tax Affairs Office. In accordance with developments it has changed several times the name and organizational structure were adapted to the conditions at that time. Until 1966, the work unit that handled income in DKI Jakarta named Revenue and Tax Affairs as one part of DKI Jakarta Finance Directorate.

In accordance with the provisions of article 49 of law number 5 of 1974 concerning the principles of regional government, which stipulates that the formation, organizational structure and formation of Regional Services are determined by Regional Regulations

In accordance with the guidelines set by the Minister of Home Affairs, Regional Regulation number 5 of 1983 dated 6 October 1983 was issued concerning the formation, organizational structure and work procedures of the DKI Jakarta Regional Revenue Service which as well as changing the status and designation of the DKI Jakarta Tax and Revenue Service became the DKI Jakarta Regional Revenue Service. Based on Ministerial Decree Domestic Affairs number 84 of 1995 concerning organizational guidelines and work procedures for the Department DKI Jakarta Regional Revenue, then Regional Regulation number 5 of 1983 is replaced with Regional Regulation number 9 of 1995 concerning the organization and work procedures of the Service DKI Jakarta Regional Income.

To follow up on Regional Regulation number 9 of 1995, the Governor of DKI Jakarta Province has issued Decree Number 1926 of 1996 concerning details of the duties, authority and responsibilities of sections and sub-sections within the DKI Jakarta Regional Revenue Service. The enactment of Law Number 34 of 2000 concerning Regional Taxes and Regional Levies as a result of the increasingly extensive scope of collecting Regional Taxes and Regional Levies has automatically changed the organizational conditions of regional apparatus including the Regional Revenue Service. Regional regulations in force in DKI Jakarta have also undergone changes.

The Regional Government formed a new Regional Regulation regarding regional organizations, namely Regional Regulation Number 3 of 2001 concerning the Form of Organizational Structure and Work Procedures of Regional Apparatus and the Secretariat of the DKI Jakarta Provincial DPRD. Then, in 2008, the DKI Jakarta Provincial Government issued Regional Regulation number 10 of 2008 concerning Regional Apparatus Organizations which changed the name of the DKI Jakarta Regional Revenue Service to the DKI Jakarta Provincial Tax Services Service. To follow up on Regional Regulation number 10 of 2008, the Governor as Regional Head of DKI Jakarta Province issued Governor Regulation number 34 of 2009 concerning the Organization and Work Procedures of the DKI Jakarta Provincial Tax Services Service.

Coefficient ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statis	
	B	Std. Error	Beta			Toleranc	VIF
1 (Constant)	1.216	.938		1.296	.206		
motivasi	.259	.160	.240	2.615	.118	.937	1.067
lingkungan	.525	.138	.562	3.796	.001	.941	1.063
Partisipasi-angga	.154	.144	.155	1.970	.294	.985	1.015

a. Dependent Variable: Kinerja_anggaran

The constant value (α) is 1.216, meaning that if the work motivation, work environment and budget participation variables are assumed to be zero, then the budget performance variable will have a positive value of 1.216. The regression coefficient value of the work motivation variable (β_1) has a positive value of 0.259, meaning that every increase of one unit of motivation will increase budget performance by 0.259 assuming the other variables have a fixed value.

The regression coefficient value for the work environment variable (β_2) has a positive value of 0.525, meaning that every increase in one unit of work environment will increase budget performance by 0.525, assuming the other variables are constant.

The regression coefficient value of the budget participation variable (β_3) has a positive value of 0.154, meaning that every increase of one unit of participation will increase budget performance by 0.154 assuming the other variables are constant.

Goodness of fit is a test of suitability or suitability between results. research is in line with (theoretical) expectations. The goodness of fit test uses the coefficient of determination, F test and t test. The model feasibility test (F test) is intended to determine whether or not the model used in this research is suitable for use as an analytical tool to test the influence of the independent variable on the dependent variable. The test results are presented in the following table;

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5.937	3	1.979	7.496	.001 ^a
Residual	6.863	76	.264		
Total	12.800	79			

a. Predictors: (Constant), motivasi, lingkungan, partisipasi_anggaran

b. Dependent Variable: Kinerja_anggaran

Based on Table 3, it can be seen that the model has a p value of 0.001 is smaller than the value of $\alpha=0.05$, indicating that this research model is suitable for use as an analytical tool to test the influence of independent variables on the independent variables. It can be said that the variables of work motivation, work environment and budget participation jointly influence the dependent variable, namely budget performance.

Analysis of the coefficient of determination is carried out to measure how big it is The independent variable is able to explain changes in the dependent variable. In this research, the coefficient of determination is seen through the R2 value seen in

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.681 ^a	.464	.402	.51379	1.885

a. Predictors: (Constant), motivasi, lingkungn, partisipasi_anggaran_

b. Dependent Variable: Kinerja_anggaran

Based on Table 4, it can be seen that the Adjusted R2 value in the model is 0.464. The R2 value in

the model means that 46,4 percent of changes in budget performance can be explained by the variables work motivation, work environment and budget participation.

4. Conclusions

Based on the research results, it can be concluded that first; The work motivation variable has a significant positive influence on budget performance. This provides an explanation that good employee motivation will have an impact on employee work results in completing their duties and responsibilities according to the predetermined budget planning. Second; work environment has a significant positive effect on budget performance. A work environment that is equipped with adequate infrastructure and a healthy environment is able to have an impact on employee performance in carrying out all activities in accordance with what has been determined in the budget line item. Third, budget participation has a significant positive effect on budget performance. Employee cooperation in compiling, planning and evaluating all budget items will have an impact on employee achievement in completing all activities at the institution in accordance with the planned budget.

For the development of regional government organizations, it is recommended to continue to provide motivation and a better work environment so that budget quality and achievement can be better, and employee participation in proposing activities and budget planning needs to continue to be improved.

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