



**The Effect of Budget Participation on Managerial Performance
with Organizational Commitment and Organizational Culture as
Moderating Variables
(Empirical Studies at the Economics Faculty, Gorontalo State University)**

ABSTRACT

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The role of budgetary participation in improving managerial performance occurs in the Higher Education environment. If not given the opportunity to determine the contents of the budget, it will cause dysfunctional behavior. The purpose of this study was to determine the effect of budgetary participation on managerial performance with organizational commitment and organizational culture as moderating variables. The type of method used in this study is a quantitative method with data collection techniques using a questionnaire survey. The number of respondents in this study were 62 respondents consisting of work unit leaders, lecturers, education staff and student organizations within the Faculty of Economics, State University of Gorontalo. The data analysis technique used is *simple regression analysis* and *Moderated Regression Analysis (MRA)* using IBM SPSS Version 25 Software. The finding of this study revealed that budgetary participation positively but insignificantly affects managerial performance. Besides, organizational commitment and organizational culture strengthen the influence of budget participation on managerial performance.

Keywords: Budget Participation, Organizational Commitment, Organizational Culture, Managerial Performance

| Received July 2022 | Accepted November 2022 | Available online December 2022 |
| DOI: <http://dx.doi.org/10.18860/mec-j.v6i3.16218>

INTRODUCTION

Today, an organization will run well in accordance with its objectives if the organization has management parties who are responsible and able to present complete historical data which in this case is stated in accounting which will provide benefits in the future. Management accounting is a process of identifying, collecting, measuring, classifying, and evaluating personal performance in an organization in making decisions by using performance measurement to improve organizational performance (Indrayati, 2017). There are many ways that can be done by an organization in improving performance, but the budget is often used as the main driver in an organization so it is widely used to assess the performance of an organization both for-benefit and non-profit.

The Effect of Budget Participation on Managerial Performance.....

According to Mah'd, Al-Khadash, Idris, & Ramadan (2013) argues that the budget is a plan that was prepared beforehand and derived from the organization's strategy. Therefore, the budget in every organization is the main factor in the sustainability of an activity program so that it is also able to have an impact on the behavior that participates in the budgeting process. In the budgeting process, there is the most active and effective form of budgeting, namely the Bottom-Up budget, usually called a participatory budget (budget participation), which means it involves managers from lower to upper levels (Bumulo, Kalangi, & Warongan, 2018). This is in line with what was stated by Bumulo, Kalangi, & Warongan (2018) that in order to achieve the level of success of an organization, every budget preparation process needs an involvement that can allow for cooperation and responsibility and support from both parties. In line with research conducted by Niswatin (2005) that participation in budgeting is a collaboration that is used as a solution to meet the dignity and self-actualization needs of organizational members.

The performance of an organization is an important assessment of human behavior in carrying out their duties in an organization. In higher education, new performance measurement tools for higher education institutions are assessed based on the 8 (eight) Main Performance Indicators of State Higher Education Indicators (IKU PTN) which have been established through the Decree of the Minister of Education and Culture Number 3/M/2021.

Research related to the effect of budgetary participation on managerial performance has experienced many differences, so many researchers are increasingly interested in re-evaluating these elements so that to decide on the contrast in research results, it can be done using a contingency approach. As research directed by Triseptya, Pagalung, & Indrijawati (2017), Sa'adah, (2019), and Ginting, Erlina, & Tarmizi (2021) shows that budgetary participation has a positive and significant effect on managerial performance which means that the higher the the level of participation in budgeting, the higher the managerial performance. It is different with the research conducted by Ermawati (2017) & Asyik (2020) which shows that budgetary participation has a negative effect or in this case directly does not affect managerial performance. This can be interpreted if participation in budgeting is low then the performance of members tends not to increase.

An organization requires a strong commitment and quality organizational culture that can have a strong influence on budgeting and easily improve managerial performance. The budgeting process requires commitment from the individuals involved. In line with research conducted by Mowday et al., 1979 (in Guidini, Zonatto, & Degenhart, 2020) that budgetary participation can increase individual obligations to the organization because it participates and affects the interaction of the budgeting process which will trigger more important recognition of goals and quality. authority, more important work to achieve goals, and a greater desire to remain in the organization. As with organizational culture, one of the roles of organizational culture according to

Greenberg and Baron, 2003 (in Asi, Gani, & Sukmawati, 2021) believes that every organization has a dominant organizational culture and several different subcultures that tend to change over time, if the organizational culture does not get support from members of the organization it will lead to behavior that is not in accordance with organizational goals.

The role of budgetary participation in improving managerial performance occurs in the Higher Education environment. Gorontalo State University is one of the universities in Gorontalo province that has adopted the Public Service Agency (BLU) financial management system. The implementation of BLU-based finance in universities has implications for the finances of an agency. An agency that has implemented BLU is required to prepare a Budget Business Plan (RBA). Then the RBA is prepared based on the proposals from each work unit in the BLU satker. In managing the BLU budget, work units such as faculties are of course given the authority to be able to submit a number of budget needs that are needed and must be within the corridors of programs, activities, and policies that have been outlined in the Strategic Plan. The RBA adheres to a flexible budget pattern with a certain percentage of spending threshold. The initial survey conducted by the author shows that before the submission of budget requirements is given to the BLU leadership, of course a working meeting is held in preparing the budget to achieve the target. To accommodate the targets that have been set by the unit/faculty, the RBA is prepared bottom-up by taking into account the participants, meaning that it is arranged from the bottom to the top level. If not given the opportunity to determine the contents of the budget, it will cause dysfunctional behavior. This is in line with what was found by Yusuf et al. (2021) that in the preparation of a budget at the university level it is commonplace when reaping conflicts that occur and colliding arguments between one another, causing egotism behavior in each work unit.

Based on the results of previous studies which experienced many different results and using indicators that are generally widely used in studies related to budgetary participation on managerial performance, so this study provides different considerations from previous research that measuring managerial performance can be used as a performance measurement tool in universities by using Indikator Kinerja Utama (IKU) which aims to achieve targets and target to be achieved. Based on this description, The purpose of this study was to determine the effect of budgetary participation on managerial performance with organizational commitment and organizational culture as moderating variables using the latest indicators.

LITERATURE REVIEW

Contingency Theory

A theory developed by Aulad, Hidayati, & Junaidi (2018), Contingency theory is a theory used to identify and analyze the design of management accounting systems that provide appropriate information to explain the various variations in organizational

structure. The contingency theory approach identifies the optimal forms of organizational control under different working conditions and attempts to understand the operating techniques of such organizational control.

The relationship between contingency theory and this research is the practice of organizational control which is not always in good condition. There is an inconsistency with research that has been done previously which allows for a link between budget participation and managerial performance so that it requires a contingency approach. In line with this, this study uses contingency theory to provide a reassessment between the relationship between budget participation and supporting factors that can improve managerial performance (Ermawati, 2017). The contingency factors in this research are organizational commitment and organizational culture.

Budget Participation

Budget plays a very important role in improving organizational performance. The budget has 2 forms that are warm in an organization, namely *Top-Down* and *Bottom-Up*, Ginting (2018) argues that the *Bottom-Up* form of budgeting or commonly known as budget participation is an effective form of budgeting because there is participation of lower-level managers in budget preparation and provides an open door for management to influence the expenditure plan before it is completed, so managers must take part that functions and can participate. in review and evaluation to set budget targets (Almasi, Palizdar, & Parsian, 2015). Therefore, every member of the organization who participates in the preparation of the budget can be responsible for the resulting decisions.

The exploratory results described by Govindarajan (1986) show that budgetary participation in particular has a major impact on the operation of the responsibility center when the organization is faced with environmental uncertainty. According to Ermawati (2017) from the participation of subordinates in the preparation of the budget has a positive impact that is the target of the financial plan is achieved, improve managerial performance, adding information about the subordinate environment, reduce subordinate tension, and develop more correspondence between subordinates and superiors.

In addition to the positive impact, budget participation also have weaknesses expressed by Hansen & Mowen, 2006 (in Husain, 2011) that budget participation has the potential to have 3 problems that is Setting the standard too high or too low, creating gaps in the budget, and pseudo participation.

Milani (1975) states that budget participation can be seen from the following indicators that is involvement of managers in budgeting, the authority of the manager in the preparation of the budget and the enactment of the budget, involvement of managers

in overseeing the budgeting process, and involvement of managers in budget execution objectives in the areas led.

Managerial Performance

According to Mahsun (2015) performance is a description of the achievement of the implementation of an action/program/strategy in understanding the goals, objectives, mission and vision of the organization contained in the preparation of strategic planning. Managerial performance can be explained as the level of success when the manager performs his duties with previously set goals. Based on Oluwalope & Sunday (2017) that the measurement of organizational managerial performance is a major concern, giving rise to the need to evaluate the factors that can encourage individual interest in carrying out their sole responsibility in an organization.

Performance measurement using Indikator Kinerja Utama (IKU) aims to achieve the targets and objectives to be achieved. With the policy established through the Decree of the Minister of Education and Culture Number 3/M/2021 concerning Key Performance Indicators, higher education institutions are expected to be able to provide an adaptive transformation of higher education in the digital era.

The following are 8 Main Performance Indicators (IKU) of higher education based on the Decree of the Minister of Education and Culture of the Republic of Indonesia Number 3/M/2021 concerning Main Performance Indicators of State Universities (Ministry of education, culture, research and technology, 2021): Graduates Get Decent Jobs, Students Gain Off-Campus Experience, Lecturer Activities Outside Campus, Practitioner Teaching On-Campus, Lecturer's Work Results Used by the Community, Study Program in Collaboration with World Class Partners, Collaborative and Participatory Classroom, International Standard Study Program.

Organizational Commitment

Organizational commitment is one of the high loyal attitudes of members in an organization to be able to achieve a level of success in accordance with the goals that have been set and prioritize the interests of an organization. The existence of high organizational commitment will indirectly increase high performance as well (Setyaningtyas & Sinarasri, 2018).

In budgetary participation, organizational member loyalty has an effect on managerial performance. In line with Otalor & Oti (2017) argue that budgetary participation can help create a sense of belonging and foster commitment to organizational goals. Allen & Meyer (1990) define three aspects of organizational commitment, among others: affective commitment, continuance commitment, normative commitment.

Organizational culture

Lubis (2017) Organizational culture is the shared norms and values held by members of the organization which are the characteristics of the organization in acting or carrying out activities. Every organization has a different culture. However, the existence of these differences can unite and strengthen the organization if the organizational culture supports the organization's strategy.

According to Tampubolon (2008), there are 6 indicators of organizational culture, namely: Innovative taking into account risk, paying attention to every problem in detail, oriented to the results to be achieved, oriented to all the interests of members of the organization, Aggressive at work Maintain and maintain work stability.

Hypotheses Development

Research conducted by Oluwalope & Sunday (2017) Triseptya et al. (2017), Sa'adah (2019), and Ginting et al. (2021) shows that budgetary participation has a positive and significant effect on managerial performance, which means that the more the high level of participation in budgeting will result in increased managerial performance. The previous research conducted by Triseptya et al. (2017) showed that organizational commitment can strengthen the effect of budget participation on managerial performance. shows that organizational commitment can moderate or strengthen the effect of budget participation on managerial performance. The high organizational commitment in managerial performance will be able to support the success of the organization because it can adapt to all organizational conditions.

Organizational culture can be a superior or competitive instrument in an organization if the organizational culture supports the organization's strategy. Therefore, organizational culture is an important component in improving organizational performance. This is in line with the results of research conducted by Liza Syafriyanti (2019) and Ginting et al. (2021) that organizational culture strengthens the influence of budgetary participation on managerial performance.

Based on the results of previous research, then 3 hypotheses can be arranged as follows:

H1: It is suspected that budgetary participation has a positive effect on managerial performance.

H2: It is suspected that organizational commitment strengthens the influence between budgetary participation on managerial performance.

H3: It is suspected that organizational culture strengthens the influence between budgetary participation on managerial performance.

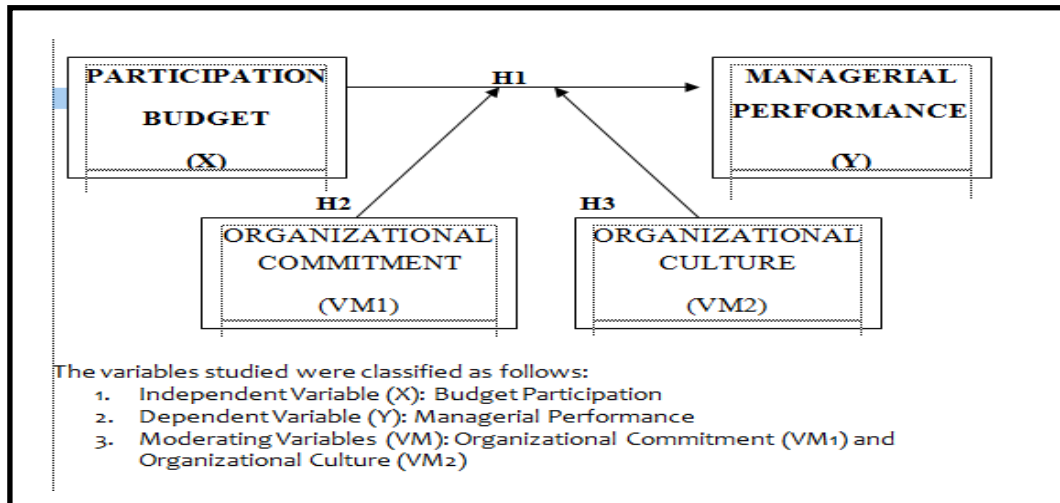


Figure 1. Proposed Conceptual Framework

METHODOLOGY

Research Design

In this quantitative research is done by means of quantitative measurements using research instruments in data collection. The quantitative approach used in this study is the quantitative correlation approach. With this approach it aims to determine whether there are variations in the relationship between one variable related to other variables in this case acting as a moderating variable. The moderating variables in this study are organizational commitment and organizational culture.

Population and Sample

The population in this study is the entire community of the Faculty of Economics, State University of Gorontalo, which consists of work unit leaders, lecturers, educational staff and student organizations within the Faculty of Economics. The sampling technique used in this research is purposive sampling. Purposive Sampling is a sampling technique based on certain considerations. The following are the respondents' criteria that can be taken into consideration in this study: (1) have a minimum working period of 3 years assuming you already have experience in budgeting, (2) has participated in budgeting for 1 year at the UNG Faculty of Economics.

Variable Operational Definition

The variables in this study were divided into independent variables, dependent variables and moderating variables. Which acts as an independent variable is budgetary participation, where this variable is measured to determine how influential it is on managerial performance. Budgetary participation is an effective form of budgeting because it gives subordinates the authority to participate in the budget preparation process. Then what acts as the dependent variable is managerial performance. Managerial performance can be interpreted as an ability to achieve certain goals, and

what acts as a moderating variable is organizational commitment and organizational culture.

Each variable in this study uses indicators that adopted and then modified for further use in the question items in the questionnaire. the following are the indicators used as follows: (1) Budget participation adopted from Milani (1975) are: Involvement of managers in budgeting, the authority of the manager in the preparation of the budget and the enactment of the budget, involvement of managers in overseeing the budgeting process, and involvement of managers in budget execution objectives in the areas led. (2). Managerial performance adopted and modified from are 8 Indikator Kinerja Utama (IKU) of higher education based on the Decree of the Minister of Education and Culture of the Republic of Indonesia Number 3/M/2021 are : graduates get decent jobs, students gain off-campus experience, lecturer activities outside campus, practitioner teaching on-campus, lecturer's work results used by the community, study program in collaboration with world class partners, collaborative and participatory classroom, and international standard study program. (3). Organizational commitment adopted from Allen & Meyer (1990) are: affective commitment, continuance commitment, and normative commitment. (4). Organizational culture adopted from Tampubolon (2008) are: innovative taking into account risk, paying attention to every problem in detail, oriented to the results to be achieved, oriented to all the interests of members of the organization, aggressive at work and maintain and maintain work stability.

Data analysis technique

In this study, data analysis was tested using the help of *software IBM SPSS version 25*. The data analysis techniques used in this study are as follows. Descriptive statistical analysis is the most basic assessment used to provide descriptions of the variables obtained from respondents' answers to questionnaires. Validity test is a technique of testing whether a questionnaire is valid or not. The validity of a questionnaire if the questions in the questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali, 2018). Reliability testing is the process of testing a questionnaire which is an indicator of a variable and is said to be reliable or reliable if the individual's response after some time to a question is consistent or stable (Ghozali, 2018). In classical assumption testing, there are 3 measuring tools used in this study to support further regression test data: Residual Data Normality Test, Multicollinearity Test, Heteroscedasticity Test.

Hypothesis testing

The measuring instrument used in testing this research hypothesis is *simple linear regression analysis* to test the first hypothesis (1) and moderate regression analysis (*Moderated Regression Analysis*) to test the second (2) and third (3) hypotheses. The following is a simple regression equation model and moderated regression:

1. $Y = a + bX$
2. $Y = a + b_1 X + b_2 VM_1 + b_3 X * VM_1$
3. $Y = a + b_1 X + b_2 VM_2 + b_3 X * VM_2$

RESULTS

The data used in this study were obtained from the answers of leaders, lecturers and education staff at the Faculty of Economics who have worked for more than 1 year and have participated in budgeting. The technique of distributing questionnaires in this study used 2 methods, namely distributed directly to the internet UNG Faculty of Economics environment and distributed online using *Google Form* in February 2022. The results of the questionnaire distribution can be shown in the Table 1.

Table 1. Results of Questionnaire Distribution

| Questionnaire Collection | Amount |
|--|--------|
| Number of questionnaires distributed directly | 80 |
| Number of returned questionnaires | 38 |
| Number of questionnaires distributed online | 80 |
| Number of questionnaires returned via <i>Google Form</i> | 26 |
| Number of questionnaires that do not meet the criteria | 2 |
| Number of questionnaires that can be processed | 62 |

Source: Processed Primary Data, 2022

Descriptive statistics

Analysis in relation to the characteristic of information was conducted, with 48.4% or as many as 30 people are female, and 51.6% or as many as 32 people are male. The education level of the respondents is divided into 5 namely SMA/SMK consisting of 13 people, Diploma consisting of 2 people, S1 consisting of 11 people, S2 consisting of 23 people and S3 consisting of 13. This shows that the level of knowledge owned by respondents is very important in the preparation of the budget. Respondents in this study were 100% working in the unit of the Faculty of Economics, State University of Gorontalo, which means that the respondents in this study were in accordance with the research object.

Respondents in this study consisted of several positions, namely the Dean in this case as a leader, then there was a deputy dean consisting of 3 people, the head of the department consisted of 4 people, the secretary of the department consisted of 4 people, the head of the study program consisted of 1 person, the head of the FE institution consists of 4 people, the FE lecturer consists of 18 people, the education staff consists of 16 people and the FE student organization consists of 11 people. In this study, there is no position that dominates, this is because in carrying out their functions, functional officials do not absolutely work alone. 100% or as many as 62 respondents in this study have worked for more than 1 year. This shows that the respondents in this

study already have a high level of experience so that a high work commitment can also be created.

Research Instrument Test Results

Based on the results of the instrument testing in this study indicate that the statement indicators in the questionnaire from the variables of budget participation (X), managerial performance (Y), organizational commitment (VM1) and organizational culture (VM2) are declared valid because $r_{count} > r_{table}$ so it is feasible to used in further research.

Based on the results of reliability testing What has been done shows that the statement indicators in the questionnaire from the variables of budget participation (X), managerial performance (Y), organizational commitment (VM1) and organizational culture (VM2) are declared reliable because the Cronbach alpha value is > 0.6 so it is feasible to be used in research.

Classic assumption test

The residual data normality test aims to test whether in the regression model the dependent variable and the independent variable have a residual value with a normal distribution or not. A feasible regression model is if the residual value is normally distributed or close to normal. The following is a table of Residual Normality test results using the testone-Sample Kolmogorov-Smirnov.

Table 2. Residual Normality Test Results
One-Sample Kolmogorov-Smirnov Test

| | | Unstandardized Residual |
|---------------------------------|--------------------------|-------------------------|
| N | | 62 |
| Normal Parameters, b | Mean | .0000000 |
| | Std. Deviation | 6.50776979 |
| | Most Extreme Differences | |
| | Absolute | .096 |
| | Positive | .086 |
| | Negative | -.096 |
| Test Statistics | | .096 |
| asymp. Sig. (2-tailed) | | .200c.d |
| a. Test distribution is Normal. | | |

Source: Processed Primary Data, 2022

Based on Table 2, it can be seen that the data in this study are normally distributed because the Asymp. Sig. (2 –tailed) value of 0.200 is more than 0.05. This shows that the data is feasible in testing the regression model.

The multicollinearity test aims to test whether there is a relationship between the independent variables in the regression model. A good regression model should not

have a correlation between the independent variables. The values commonly used to indicate the presence of multicollinearity are tolerance values < 0.10 or VIF values > 10 . The following table shows the results of the multicollinearity test.

Table 3. Multicollinearity Test Results

| Model | Coefficients ^a | | | | | Collinearity Statistics | |
|---------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Tolerance | VIF |
| | B | Std. Error | Beta | | | | |
| 1 (Constant) | 19.291 | 7.964 | | 2.422 | .019 | | |
| Budget Participation | -.157 | .117 | -.124 | -1.350 | .182 | .837 | 1.195 |
| Organizational Commitment | .437 | .206 | .263 | 2.127 | .038 | .459 | 2.180 |
| Organizational culture | .782 | .168 | .598 | 4.657 | .000 | .426 | 2.350 |

a. Dependent Variable: Managerial Performance

Source: Processed Primary Data, 2022

Based on Table 3, it can be seen that the VIF value in each variable does not occur multicollinearity because the VIF value in each variable is more than 0.10.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is one with homoscedasticity or no heteroscedasticity. The following table shows the results of heteroscedasticity testing.

Table 4. Heteroscedasticity Test Results

| Model | Coefficients ^a | | | | |
|---------------------------|-----------------------------|------------|---------------------------|--------|------|
| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| 1 (Constant) | 21.197 | 4.835 | | 4.384 | .000 |
| Budget Participation | -.113 | .071 | -.207 | -1.592 | .117 |
| Organizational Commitment | -.159 | .125 | -.224 | -1.273 | .208 |
| Organizational culture | -.052 | .102 | -.093 | -.507 | .614 |

a. Dependent Variable: ABS_RES

Source: Processed Primary Data, 2022

Based on Table 4, it can be seen that the three variables are eligible for regression model testing because the significance level is > 0.05 , so it can be concluded that there is no heteroscedasticity.

The Effect of Budget Participation on Managerial Performance.....

Simple Linear Regression Analysis

The effect of budget participation on managerial performance can be determined by using simple regression testing. The following values are obtained from the results of the tests that have been carried out.

Table 5. The Effect of Budget Participation on Managerial Performance

| Model | | Coefficients ^a | | | t | Sig. |
|-------|----------------------|-----------------------------|---------------------------|------|--------|------|
| | | Unstandardized Coefficients | Standardized Coefficients | | | |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 75.769 | 6.877 | | 11.018 | .000 |
| | Budget Participation | .254 | .161 | .199 | 1.576 | .120 |

a. Dependent Variable: Managerial Performance

Source: Processed Primary Data, 2022

Simple Linear Regression Equation Model

$$Y = a + bX$$

$$Y = 75.769 + 0.254X$$

Based on the test results in Table 5, it can be seen that the significance value is 0.120 > 0.05 and when viewed from the t_{count} value of 1.576 < t_{table} 1.6698. It also shows that budget participation has a positive but not significant effect on managerial performance, so H_0 is accepted and H_1 is rejected.

Moderated Regression Analysis (MRA)

To find out whether organizational commitment can moderate the effect of budget participation on managerial performance, it can be known by using *Moderated Regression Analysis (MRA)*. The following values are obtained from the results of the tests that have been carried out.

Base on the test results in Table 6, the interaction test value shows the R Square value in the first regression of 0.040 after testing the interaction in the second regression the R Square value of 0.441 or 44.1%. This shows that there is an increase and the budget participation variable has the ability to explain the influence of managerial performance variables so that the existence of organizational commitment can strengthen the influence of budget participation on managerial performance. In addition, the significant level of the interaction value shows the result of 0.003 which means it is smaller than 0.05 so that the organizational commitment variable successfully acts as a moderator, which means that H_0 is rejected and H_1 is accepted.

Table 6. The Effect of Budget Participation on Managerial Performance with Organizational Commitment as Moderating Variable

| Model | | R | R Square | Adjusted R Square | Std. Error of the Estimate | |
|--|---------------------------|-----------------------------|------------|---------------------------|----------------------------|------|
| 1 | | .664a | .441 | .422 | 7.756 | |
| a. Predictors: (Constant), Organizational Commitment, Budget Participation | | | | | | |
| Coefficients | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -54.008 | 28.246 | | -1.912 | .061 |
| | Budget Participation | 2.263 | .751 | 1.777 | 3.015 | .004 |
| | Organizational Commitment | 2.724 | .550 | 1.639 | 4.955 | .000 |
| | Interaction | -.044 | .014 | -2.300 | -3.070 | .003 |
| a. Dependent Variable: Managerial Performance | | | | | | |

Source: Processed Primary Data, 2022

To find out whether organizational culture can moderate the effect of budget participation on managerial performance, it can be known by using *Moderated Regression Analysis (MRA)*. The following values are obtained from the results of the tests that have been carried out.

Table 7. The Effect of Budget Participation on Managerial Performance with Organizational Culture as Moderating Variable

| Model | | R | R Square | Adjusted R Square | Std. Error of the Estimate | |
|---|------------------------|-----------------------------|------------|---------------------------|----------------------------|------|
| 1 | | .749a | .562 | .547 | 6870 | |
| a. Predictors: (Constant), Organizational Culture, Budget Participation | | | | | | |
| Coefficients | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -38.689 | 20.876 | | -1.853 | .069 |
| | Budget Participation | 1.762 | .595 | 1.383 | 2.961 | .004 |
| | Organizational Culture | 2.023 | .323 | 1.546 | 6.257 | .000 |
| | Interaction | -.029 | .009 | -1.952 | -3.273 | .002 |
| a. Dependent Variable: Managerial Performance | | | | | | |

Source: Processed Primary Data, 2022

Based on the test results in Table 7, that the value of the interaction test shows that the R Square value in the first regression is 0.040 after the interaction test is carried out in

The Effect of Budget Participation on Managerial Performance.....

the second regression, the R Square value is 0.562 or 56.2%. This shows that R Square has increased so that organizational culture can support the creation of increased managerial performance of an organization. In addition, the significant level shows the result of 0.002 which means it is smaller than 0.05 so that the organizational culture variable succeeds in acting as a moderator, which means that H₀ is rejected and H₁ is accepted.

DISCUSSION

The Effect of Budget Participation on Managerial Performance

Based on the results of testing the hypothesis in this study, it shows that budgetary participation has a positive but not significant effect on managerial performance. The results of this study are in line with the results of research conducted by Ermawati (2017) and Asyik (2020) which show that participation in budgeting has a negative effect or in this case does not directly affect managerial performance. This is because the employee's involvement is only limited to planning because it is an obligation to participate but this involvement is not balanced by using creative ideas owned by employees.

Similar to this research, there is an acknowledgment that indirectly all economic faculty units, including leaders, institutions, lecturers, educational staff, and student organizations, are involved in preparing the budget. However, this involvement only extends to the proposal of work programs at general meetings by each department/study program in order to achieve key performance indicators (IKU) and the costs needed to achieve the work program. The absence of the effect of budgetary participation on managerial performance is also influenced by the involvement of the lower ranks who do not fully reach the budget setting stage so that many different answers emerge from the respondents and tend to show insignificant results.

The Effect of Budget Participation on Managerial Performance with Organizational Commitment as a Moderating Variable

Based on the results of hypothesis testing in this study, it supports the second hypothesis (H₂) which states that organizational commitment can strengthen the effect of budget participation on managerial performance. This shows that budgetary participation can improve managerial performance if it is accompanied by high organizational commitment. According to Setyaningtyas & Sinarasri (2018) with high organizational commitment, it will indirectly increase high performance as well. In budgetary participation, organizational member loyalty has an effect on managerial performance. This study is in line with Triseptya et al. (2017), Liza (2019) and Ginting et al. (2021) that organizational commitment strengthens the effect of budgetary participation on managerial performance. This research is contrary to what was researched by Bumulo, Kalangi, & Warongan (2018) and Setyaningtyas & Sinarasri (2018)

that organizational commitment does not strengthen the effect of budgetary participation on managerial performance.

The Effect of Budget Participation on Managerial Performance with Organizational Culture as Moderating Variable

Based on the results of hypothesis testing in this study supports the third hypothesis (H₃) which states that organizational culture can strengthen the influence of budget participation on managerial performance. Asi et al. (2021) argue that organizational culture must be created and instructed to members of the organization so that it becomes a behavioral guide for individuals in managing problems. Based on the results of previous research conducted by Triseptya et al. (2017), Liza (2019) and Ginting et al. (2021) organizational culture strengthens the effect of budget participation on managerial performance. This research contradicts what was observed by Bumulo, Kalangi, & Warongan (2018) and Setyaningtyas & Sinarasri (2018) that organizational culture does not strengthen the influence of budgetary participation on managerial performance.

Implications

The implication that the writer hopes for through this research is that this research provides input to all faculty leaders at universities that budget participation has a great influence on managerial performance. Moreover, in universities the benchmark in measuring performance is to use Managerial Performance Indicators so that they are more considerate of these things. In addition, there are other factors that influence budget participation, namely organizational commitment and organizational culture, so that it needs to be improved again by providing training and self-development to increase organizational commitment so that the level of loyalty is higher.

CONCLUSIONS

This study aims to examine the effect of budgetary participation on managerial performance with organizational commitment and organizational culture as moderating variables. In this study, a simple regression test was carried out and moderated regression analysis (MRA) using IBM SPSS version 25 programming assistance. Based on the results of the tests that have been carried out, the following conclusions are obtained: The results of data analysis for the first hypothesis show that budget participation has a positive but not significant effect on managerial performance. However, indirectly all leaders and subordinates are involved in the preparation of the budget. This involvement only extends to the proposal of a work program at a general meeting by each department/study program and does not fully reach the stage of determining the budget.

The results of data analysis for the second hypothesis indicate that the existence of organizational commitment can strengthen the effect of budget participation on

managerial performance. This shows that organizational commitment has succeeded in being a moderating variable so that high organizational commitment can indirectly improve managerial performance. And the results of data analysis for the third hypothesis indicate that the existence of organizational culture can strengthen the influence of budget participation on managerial performance. This shows that organizational culture has succeeded in becoming a moderating variable so that the existence of organizational culture can support the creation of increased managerial performance.

Limitations

In This research certainly cannot be separated from various shortcomings so that it has various limitations. The limitations in this study are expected to be able to obtain a solution in further research. These limitations include: This study only uses data collection techniques using questionnaires so that the information obtained is only limited to answers to questionnaires filled out by respondents, another limitation in this study is in the selection of objects.

Recommendations

The object of this research is limited to the level of the faculty of economics which is part of a university, so it is advisable to be able to conduct further research on a larger scope within a university.

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