EFFECT OF PARTICIPATION OF BUDGET PREPARATION ON PERFORMANCE OF SKPD APPARATUS
(Case Study In Local Government of Manado City)

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ABSTRACT

The performance of an officer will be seen when he is involved in budgeting so that the budget set will be the correct reference in accordance with regional needs rather than on the interests of the authorities. The performance of the apparatus is largely determined by financial management, which includes budgeting. Inadequate budget formation can be demonstrated by the placement of apparatus based solely on proximity and personal relations factors, personnel who only prioritize personal or short-term interests, the occurrence of budget slack, do not involve fully to the financial management official in the preparation of budget and the time of budget preparation done just a few days. This study aims to determine the effect of budgetary participation on apparatus performance in SKPD in Manado City. The population in this study is 7,811 employees/apparatus that exist in 43 SKPD at Manado City Government. The sample chosen using purposive sampling method, that is 84 employees/apparatus having position as secretary, head of section, head of sub section. For the primary data tested came from 78 respondents from 84 respondents who set. The method of analysis used is simple linear regression analysis, before the data to be processed first tested by using the classical assumption test. While for data processing research using computer program SPSS version 15.0. The test results showed the participation of budgeting have an effect on significantly on apparatus performance at SKPD in Manado City Government. This is obtained from the results of the t test which shows a significance level of 0.000 (less than 0.005).
Keywords: Participation of budget preparation, apparatus performance

1.   INTRODUCTION

The performance of an apparatus will contribute to the implementation of the government if it is capable of performing local financial management in accordance with the prevailing regulations. Local financial management should include budgeting, implementation, reporting and supervision mechanisms. Local financial management undertaken by the local apparatus now seems to focus only on budget execution, reporting and oversight without giving more role to the budgeting process. Such financial management practices create self-generated problems because of the synchronization of the budgeting process, the implementation of reporting and monitoring. Issues that occur over the synchronization of local financial management mechanisms can be, such as the procurement of assets that meet the criteria to be recognized as fixed assets but due to lack of participation of officials in the preparation of the budget so that it is budgeted on the expenditure post of service goods when it should be budgeted on capital expenditure. It may indicate that the apparatus is more directed towards the achievement of short-term goals personally or self-

interest regardless of the main purpose of working for the parent institution that is the regional government.

Inadequate budget formation can be demonstrated by the placement of apparatus based solely on proximity and personal relations factors, personnel who only prioritize personal or short-term interests, the occurrence of budget slack, do not involve fully to the financial management official in the preparation of budget and the time of budget preparation done just a few days. Based on the background, it can be formulated issues that will be discussed Is the participation budgeting influence on the performance of apparatus in the unit of work device area (SKPD) in Manado City? The purpose of this study was to determine the effect of budgetary participation on apparatus performance at the regional apparatus work unit (SKPD) in Manado City

2.   LITERATURE REVIEWS
2.1.   Budget Concept

Mohamad Mahsun (2009) A budget is a future financial plan that covers management's expectations of revenue, expenses, and other financial transactions within a year. The budget is actually a detailed description of the programs that have been set in the form of monetary units. The same thing according to Gibson (2000) the definition of the budget as a comprehensive and coordinated plan expressed in financial terms, for operations and organizational resources in a special period in the future. The budget expressed in quantitative form in the organizational scope is a statement of acceptance and expenditure for the period to come.

2.2.   Participation Budget Arrangement

According to Mardiasmo (2009) in budgetary participation in government sector accounting there are four budget cycle which includes four stages as follows:

a. Budget preparation phase
    At this stage, the estimated expenditure on the basis of estimated income already available. Associated with the existence of such interpretation it is necessary to consider before approving the estimate of expenditure, ie by way of making income estimates more accurately. In addition to the assessment there should be a problem that is quite dangerous if the revenue budget is estimated at the same time as the decision on expenditure budget.

b. Ratification Stage
    This stage of ratification involves a complicated and difficult political process. Chief executives are required not only to have managerial skills, but also to have political skills, and adequate coalition building. In this case the integrity and the mental readiness (coalition building) is very important, because in this stage the chief executive must have the ability to answer and provide a rational argumentation of all statements and arguments from the legislature.

c. Implementation / implementation phase of the budget
    This stage is a very important stage and must be considered by the government's finance manager. In this case, public finance managers have accounting systems (information) and management control systems. The public finance manager is responsible for creating an adequate and reliable accounting system for budget planning and control that has been previously agreed upon.

d. Budget reporting and evaluation stage
    The reporting and evaluation phases are related to the aspect of accountability. If the implementation phase has been supported by accounting system and good management control system, it is expected that reporting and evaluation of budget will not find many problems.

2.3. Participation Budgeting and Budget Performance

Aimee and Carol (2004) found the input mechanism of citizen participation has a direct influence on budget decisions. The advantage of using citizen input into city operations can help the board in carrying out its responsibilities to represent constituents and provide long-term vision and policy direction. In the public sector, performance measurement is not limited to budget usage issues, but performance measurement includes various aspects that can provide efficient and effective information in achieving performance. In accordance with the performance approach used in the preparation of the budget, any planned allocation of costs should be linked to the level of service or outcomes expected to be achieved.

3. RESEARCH METHOD

3.1. Data Type

This study uses qualitative data types that are quantized. The data used in connection with the participation of budget formulation and performance of officials in SKPD in Manado City Government is scored by using Likert scale.

3.2. Data Source

The main data source used in this study is primary data. Sources of data obtained is to conduct a survey on SKPD in Manado City Government as well as the object of research. Data obtained from each SKPD in Manado City Government are data on participation of budget preparation, job satisfaction, organizational culture, and performance of apparatus included in the form of questionnaire. In addition to the primary data used as the main data to perform the analysis / testing, used also supporting data sourced from secondary data in the form of state employees / apparatus, the number of SKPD, population, and city government finances.

3.3. Data Collection Technique

In an effort to obtain data and information relating to this research to be used as material or material analysis of the discussion, the data collection is done by field research using several methods, namely:
a. Observation;
b. Interview;
c. Questionnaire.

3.4. Definition and Measurement of Variables

Variables used in this research are:
a. Participation in the preparation of budget (X1)

The participation of budget formulation in this study is the level of how far the involvement and influence of individuals (apparatus) in the process of drafting the existing budget in the division or its part either periodically or yearly. There are 5 (five) question items used to measure participation by using the Likert scale.

b. Performance apparatus (Y)

The performance of the apparatus referred to in this study are managerial activities which include: planning, investigation, coordination, supervision, staff assessment, negotiation, representation, overall performance, evaluation. There are 9 (nine) question items used to measure apparatus performance by using Likert scale.

4.5. Population and Sample

The population of this study is all SKPD officers in Manado City. SKPD in Manado City consists of 18 departments, 14 agencies and local technical institutions, Sekertariat area and secretariat DPRD, 9 kecamtan, and 87 villages. For the kelurahan with the number of 594 apparatus is not made the population because it is still a SKPD with limited budget allocation and will be downgrade status SKPDnya so that the population used amounted to 7,811 apparatus in 43 SKPD.

For sampling in this research use purposive sampling method with judgment sampling technique that is choosing a group of subject based on certain characteristic or characteristic which is considered to have close relation with characteristic or characteristic of population which have been known before. The sample taken is adjusted to the characteristics or characteristics of the population specifically determined and the objectives expected by the researcher in conducting the research. The sample in this study is the official who has the main tasks and functions associated with the budget in 43 SKPD in Manado City. The sample selected for the given questionnaire is the secretary of the department, the secretary of the body, the head of the regional secretariat, the head of the secretariat of the DPRD, the secretary of the office, and the head of sub-division. The total sample of respondents will be 84 apparatus / person.

3.6. Analysis Method

The method of analysis used in this study is a simple linear regression analysis. The general equation of simple linear regression is,

$$Y = a + bX$$

Where: Y = Subject in the predicted dependent variable

X = Subject to independent variable having value

a = Price Y when price X = 0 (constant price)

b = Figures or regression coefficients, which indicate the number increase or decrease depanden variable based on changes in independent variables.

For processing research data using SPSS computer program and manual calculation for simple linear regression equation.

3.7. Analysis Technique

The steps taken by researchers in analyzing the data are as follows.

a. Determine which variable is the independent variable (X) and which is the dependent variable (Y).

b. Testing Symptoms of Classic Classical Diversity.

c. Determining the magnitude of the coefficient of determination (R Square / R2).

d. Hypothesis testing. Furthermore, to test the hypothesis proposed, then used t test statistic as follows.

1) Perform partial statistical test (t test), which is done to know the relationship of independent variables (statistics) to the dependent variable. The steps in doing the t test are as follows.

a) Formulate hypotheses.

H0: $\beta = 0$, meaning that the participation budgeting variable does not affect the performance of SKPD apparatus in the Regional Government of Manado City.

Ha: $\beta \neq 0$, meaning that the budget participation variable influences the performance of the SKPD apparatus in the Regional Government of Manado City.

b) Make decisions with the following steps.

➢ Compare thitung with ttable. If thitung> ttable then H0 is accepted.

➢ Based on the level of significance / probability, if the level of significance / probability <0.05 then Ho is rejected.

2) The result of t test analysis. The conclusion is based on the previous step of decision making. To see the effect between independent variables to the dependent variable that has been determined then performed a simple regression analysis. The simple regression model used to test the hypothesis in this study is as follows:

$$Y = \alpha + \beta PPA$$

Where: Y   = Performance Apparatus

PPA = Participation Budget Arrangement
α = Constants
β = Regression Coefficient

4. RESULTS AND DISCUSSIONS
4.1. Results

Profile of respondents covering gender, highest education, echelon, discipline, and positions on SKPD in Manado City Government. For the sexes, the majority of respondents were men with 41 people (52.56%), and 37 women (47.44%). For the last education, the majority of respondents were DIV / S1 with 62 people (79.49%), then S2 13 people (16.67%), and SLTA, DIII, S3 respectively 1 person (1.28%). For echelonation, the majority of respondents are echelon IV / a with 32 people (41.03%), then echelon III / a 27 people (34.62%), echelon III / b 10 people (12.82%), and echelon IV / b 9 persons (11.54). For office, the majority of respondents are kasubag with 41 people (52,56%), then secretary 35 people (44,87), and kabag 2 people (2,56%). For science, the majority of respondents are IPS with 34 people (43,59%), then others 19 people (24,36%), science 17 people (21,79%), government 7 people (8,97%), and Computer 1 person (1.28%).

Respondent's answer to the budgeting participation variable has a mean value of 19,2051 which implies that the implementation of budget participation is quite high (compared the theoretical median value of 15.00) by the Secretary, Section Head, and Head of Sub Division in SKPD at Manado City Government. The standard deviation for budget participation is 2.68889, much smaller than the mean, indicating no data is available.

The performance of apparatus in SKPD in Manado Municipality has a mean of 35,5897, indicating that there is a tendency of Secretary, Section Head, and Sub Division Head to increase the performance quite high compared to median theoretical value 27,00. The standard deviation for apparatus performance is 3.37075, much smaller than the mean, indicating no data is available.

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	21.564	2.266		9.516	.000
	X1	.730	.117	.583	6.248	.000

a. Dependent Variable: Y

The table gives the numbers to be included in the regression equation obtained are as follows:
Y = a + bX
Y = 21.564 + 0.730X

Determination of simple linear regression equation if done manually calculation by using result of research data which have been processed can be done to determine constant a and coefficient b with calculation using formula as follows:

$$\alpha = \frac{(\sum Y \times \sum X^2) - (\sum X \times \sum XY)}{(\sum R \times \sum XY) - \sum X^2}$$

$$\alpha = \frac{(2.776 \times 29.326) - (1.498 \times 53.720)}{(78 \times 29.326) - 1.498}$$

$$\alpha = \frac{81.408.976 - 80.472.560}{(78 \times 29.326) - (1.498 \times 1.498)}$$

$$\alpha = \frac{936.416}{43.424}$$

$$\alpha = 21,5644805$$

$$\alpha = 21,564$$

$$\beta = \frac{(\sum R \times \sum XY) - (\sum X \times \sum Y)}{(\sum R \times \sum X^2) - (\sum X)^2}$$

$$\beta = \frac{(78 \times 53.720) - (1.498 \times 2.776)}{(78 \times 29.326) - (1.498)^2}$$

$$\beta = \frac{4.190.160 - 4.158.448}{2.287.428 - 2.244.004}$$

$$\beta = \frac{31.712}{43.424}$$

$$\beta = 0.7302874$$

$$\beta = 0.730$$

With the interpretation that an increase in the variable X will increase Y. The value of Constanta a of 21,564 means there is no budgeting participation so no performance apparatus or can be said if the participation of the preparation of budget (X) equal to zero (no change), then the performance apparatus on SKPD (Y) of 21,564.

Value of regression coefficient of apparatus performance (b) of +0.730 means that if there is an increase in the participation of the budgeting of one unit then there will be an increase of apparatus performance of 0.730 or can be said positive regression coefficient (unidirectional) of 0.730 which means if the participation budget preparation (X) increased by 1 unit, the performance SKPD apparatus will increase by 0.730. If the participation of budget preparation increased by 0.730 then the performance of the apparatus will also increase by 0.730.

4.2. Discussions

The significance level of the budgeting participation variables (X) is 0,000 <0.05 this means that the participation of budget drafting has a significant effect on the performance of

the SKPD apparatus in the Manado City Government of 0.000 or below 0.05. Hypothesis (Ha) participation budgeting influence on apparatus performance is acceptable. It also means that the statement in the questionnaire about the variables of budgeting participation; I have been involved in the preparation of the budget in my SKPD, I have influence in determining the final amount of SKPD budget, I always initiate in budget discussion discussion, my suggestion or thoughts affect the final budget (budget defined), my contribution in budget SKPD is very important, have influence to apparatus performance variable in SKPD at Manado city government with statement in questionnaire; planning; I participate in setting objectives, policies, and action plans such as job scheduling, budget budgeting, investigation: I collect and prepare information usually in the form of notes and reports, coordinating: I exchange information in an organization to coordinate and adapt reports, I direct, lead and develop my staff / co-workers in my unit / sub unit, staff assessment: I co-opt and promote my co-workers on unit / sub unit, negotiation: I have a share in the procurement of SKPD goods and services from outsider, representative: I co-promote the organization's vision, mission, and goals by consulting orally, or connecting with others outside the organization, overall performance: how I evaluate my overall performance tailored to performance targets, evaluations : I judge and question me r proposals, observed or reported performance, employee appraisal, result note assessment, financial statement valuation.

The existing apparatus in Manado City Government is more specialized that work in SKPD with main duty and function related to budgeting that is, secretary, head of section, head of sub section have been working and perform duty well so show good performance also as a bureaucrat. Sampling is used as respondents with basic tasks and budgeting functions to determine the performance of the apparatus is very good, this is in accordance with the results of statistical tests and the reality of the field that shows the performance of good local apparatus evidenced by good financial management as well. The influence of budgetary participation on the performance of SKPD apparatus is also supported by the level of competence of apparatuses in SKPD in Manado city government, this is in the form of respondent profile data showing the education level is dominated by S1 with 62 people from 78 or 79,49%, S2 13 people from 78 or 16.67%, and S3 1 person from 78 or 1.28%, while those with high school education and DIII only amounted to 1 person or 1.28% respectively. Other things that contribute to the participation of budget formation affect the performance are the respondents or apparatus that exist in SKPD in Manado City Government has class III and IV as much as 82.42%, echelon III and IV, and structural positions as secretary, , dan kepala sub bagian.

5.   CONCLUSION

The participation of budget preparation has a significant effect on the performance of SKPD apparatus in Manado City Government. Thus this research supports the hypothesis Ha, which means the involvement of secretary, head of section, and head of sub-section in the preparation of budget will improve performance SKPD apparatus at Manado City Government.

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