

# The effect of budgetary participation on the performance of officials with locus of control, job satisfaction, and relevant job information as mediating variables: An empirical study at regional work unit (SKPD) in Palu

Chaeranti Muldayani Dewi<sup>1</sup>, Gugus Irianto<sup>2</sup>, Rosidi<sup>3</sup>

<sup>1, 2, 3</sup> Brawijaya University, Mayjen Haryono Street 165, Malang, 65145, East Java, Indonesia

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## ABSTRACT

The objective of this study is to analyze the effect of budgetary participation on the performance of the officials of Regional Work Units (SKPD) with locus of control, job satisfaction, and relevant job information as mediating variables. The study was done on SKPD in Palu by survey using questionnaires. The sample consists of 40 people selected by using purposive sampling technique. Data were analyzed using multiple regressions and moderating regression analysis (MRA). The results show that budgetary participation significantly affects the performance of the SKPD in Palu. Locus of control (LoC) as a moderating variable does not strengthen the effect of budgetary participation on the performance of officials. Job satisfaction can moderate the effect of budgetary participation on the performance of officials. The results also reveal that relevant job information can moderate the performance of SKPD in Palu. Thus, this study proves that budgetary participation supported by job satisfaction and relevant job information can build the performance of SKPD in Palu.

## ABSTRAK

Tujuan dari penelitian ini adalah untuk menganalisis pengaruh partisipasi anggaran terhadap kinerja para pejabat Satuan Kerja Perangkat Daerah (SKPD) dengan locus of control, kepuasan kerja, dan informasi pekerjaan yang relevan sebagai mediasi variabel. Penelitian ini dilakukan pada SKPD di Palu melalui survei menggunakan kuesioner. Sampel terdiri dari 40 orang yang dipilih dengan menggunakan teknik purposive sampling. Data dianalisis dengan menggunakan regresi berganda dan moderating regression analysis (MRA). Hasil penelitian menunjukkan bahwa partisipasi anggaran secara signifikan mempengaruhi kinerja SKPD di Palu. Locus of control (LoC) sebagai variabel moderasi tidak memperkuat efek dari partisipasi anggaran terhadap kinerja pejabat. Kepuasan kerja dapat memoderasi pengaruh partisipasi anggaran terhadap kinerja pejabat. Hasil ini juga mengungkapkan bahwa informasi pekerjaan yang relevan dapat memoderasi kinerja SKPD di Palu. Dengan demikian, penelitian ini membuktikan bahwa partisipasi anggaran didukung oleh kepuasan kerja dan informasi pekerjaan yang relevan dapat membangun kinerja SKPD di Palu.

## 1. INTRODUCTION

Regional autonomy can be interpreted as an obligation authorized to local governments for setting up and managing their own affairs and public interests in the implementation of development in accordance with the legislation set out in the local governments. In the regional autonomy implementation, the local governments are also required of

having ability to draw up their own budget in order to create an efficient budget in accordance with Government Regulations No. 54 of 2010 on the procedures for preparation, control and evaluation of the implementation of regional development plans. Under the Local Regulation No 23 of 2007 on the procedures of the supervision of budget implementation, the Local Government of Palu issued Regu-

\* Corresponding author, email address: <sup>1</sup> rantidirgantara@gmail.com, <sup>2</sup> gugusir@gmail.com, <sup>3</sup> rosidi@gmail.com.

lation No. 6 of 2009 on regional financial management, in which the Local Government of Palu is demanded to draw up, plan and implement the regional budget (APBD). The budgeting process is based on the Government Regulation No. 39 of 2013 on budget plans. Judging from the budget of Palu of 2011, the budget revenues of the government of Palu decreased, in which the realization exceeded the revenues.

In order to draw up the regional budget well, the local government starts from the preparation of Budget Work Plan (RKA) at each work unit of the Regional Work Units (SKPD), and this requires a clear goal. In the goal setting theory, it is explained that the goal can affect the performance of an organization (Eres et al. 1985). This is in line with the views expressed by Loneriburg (2011) that the goal setting can be a motivation for each individual when the goals becomes specific and challenge to increase and evaluate the performance. The goal must be clearly measurable, and unambiguous, in addition to the time limits for its completion.

Budget has a crucial role in the development. Other than as a planning tool, budget also serves a performance assessment unit (Mardiasmo 2009). Therefore, good budget is a budget that is prepared transparently on the respective local government. Rosidi (2000) argues that budgetary participation may lead to a greater organizational commitment, so as to cause the intensity of individual to be responsible for achieving the goal to be achieved. Budgetary participation may create opportunities for subordinates to engage and influence the budgeting process. The involvement of the subordinates will increase the commitment to the budget targets due to the negotiations between leaders and subordinates. This certainly would encourage the leaders of an organization to take responsibility in achieving the budget effectively so that the performance will improve.

Leach-López et al. (2008) in his study introduced a new model of budgetary participation called Budgetary Participation Conflict (BPC) which may affect performance. This BPC incorporates job performance, job satisfaction, and relevant job information as moderating variables to strengthen the variable of budgetary participation.

Fahrianta and Ghozali (2002) in Yanida (2011) said that the lack of unity of research results regarding the budget and its implications is caused by certain factor, called contingency factor. This contingency factor provides the idea that the characteristics of the existing relationship between budgetary participation and employee perfor-

mance vary from one situation to another. Contingency factor is divided into two: individual psychological factor, consisting of locus of control of attitude towards work and motivation, and organizational contextual factor, consisting of job satisfaction, provision of information, and organizational structure (Brownel et al. 1986). Based on the description on the above background, this study will examines the effect of budgetary participation on the employee performance, as well as whether locus of control, job satisfaction, relevant job information can moderate between the budgetary participation and the performance of officials of the Government of the City of Palu. This study is expected to give practical contribution to the Regional Work Unit of the City of Palu. In addition, this study is also expected to become information and material consideration for the leaders in decision-making.

## 2. THEORETICAL FRAMEWORK AND HYPOTHESES

### Goal Setting Theory

Goal setting has four mechanisms in motivating individual to improve performance. First, goal setting can direct individual's attention to focus more on achieving goals. Second, goal setting may help individual to arrange his efforts in achieving the goal. Third, goal setting can improve individual's perseverance in achieving the goal. Fourth, goal setting can assist individual to establish a strategy and take action as planned (Locke & Latham 2006). Thus, goal setting can improve individual performance. Luthans (2010) stated that there is a big possibility that the goal setting can influence employee performance when he has commitment to achieve the approved goals. Participation can achieve goals and make leaders committed to achieve the approved goals. It is in accordance with the theory of Locke and Latham (2006) stating that the performance improvement will be getting greater through a participatory goal than without participatory goal.

### Budget Participation

Mulyasari (2004) said that budget becomes the final part of the overall business planning process. Thus, when error occurs in the formulation, it will lead the company to have wrong benchmark as the basis for conducting operation. Participation in budgeting process is aimed at shaping attitudes and behaviors. In addition, the leaders will have sense of belonging and foster a motivational effect on the budget goals.

### **Budgetary Participation and the Performance of Officials**

Budgetary participation aims to shape the attitudes and behaviors of officials and the leaders in order to have sense of belonging and grow motivational influence on budget goals. Through participation, it is expected to boost the leaders to identify the goals, to take them with a big commitment, and work on them in order to achieve the goals (Chong and Chong 2002). The goal setting theory by Locke and Latham (2006) can be used effectively by an individual or group because it has control over the results to be achieved for a given task, and the task is the budget. Loneriburg (2011) stated that goal setting theory could turn out to be the motivation of each individual as a goal becomes specific and challenging to raise the performance and evaluate the performance so it can create job satisfaction of each individual.

### **Locus of Control**

Locus of Control is the belief that an individual can or cannot control the events that could affect him. The concept of locus of control was developed by Rotter and since then it has become an important aspect in the study. Locus of control, according to Robbins (2009), is the rate at which an individual believes that he is the determiner of his own fate. Internal factor is an individual who believes that he is in control over whatever happens to him, while external factor is an individual who believes that whatever happens to him is controlled by outside forces such as luck and chance.

### **Job Satisfaction**

Job satisfaction is an effective or emotional response to various aspects (Luthans 2010). According to Leach-Lopez (2007), job satisfaction is defined as the degree of benefits of a job that is owned by someone in meeting his needs. In addition, job satisfaction tends to be judged as an attitude, not a behavior. Luthans (2010) suggests that there are five dominant job models and classifies their causes and can be used as a measure of job satisfaction, among others: (1) Fulfillment of the need, explaining that job satisfaction is determined by the characteristics of a job which allows an individual to meet his needs; (2) Incompatibility, explaining that job satisfaction is the result of fulfilled expectation. Fulfilled expectation represents the difference between what is expected by an individual and a job. When the expectation is larger than what he accepts, the individual will not be satisfied. (3) Value achievement, explaining that satisfaction comes

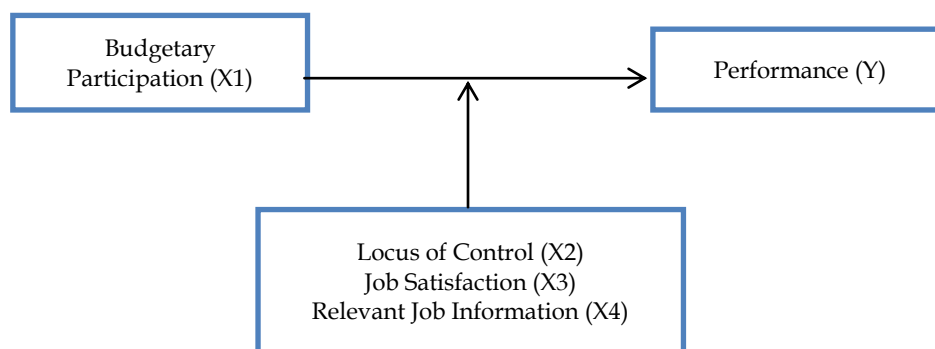
from the perception that a job makes it possible to fulfill the important work value of an individual. (4) Equation, explaining that satisfaction is a function of an individual required fairly in the workplace. (5) Components of character/genetics, explaining that, specifically, this model is based on that job satisfaction is a personal function and characteristics as well as genetic factors.

### **Relevant Job Information (RJI)**

Kren (1992), stated that Relevant Job Information (RJI) is information that facilitates decision-making related to the task. Kren (1992) added that RJI helps subordinates/budget executors improve their options through information on the efforts that are managed well. This condition provides a better understanding of the subordinates of the alternative decisions and the actions that need to be done in achieving the goal. Relevant Job Information (JRI) can improve performance because it provides more accurate predictions about the environmental conditions that allow for the selection of a series of effective action (Campbell and Gingrich 1986 in Kren 1992).

### **Conceptual Framework and Hypothesis**

Participation is one of very important elements that emphasize the process of cooperation of various parties, both subordinates and top-level managers. In other words, the budget, which has been set, is determined not only by the employers, but also by the involvement or participation of the subordinates, because subordinates and lower-level managers are part of the organization who have voting rights to choose the correct action in the management process. French et al. (1960) in Krisler Bornadi Omposunggu and Icuk Bawono Ranga (2006) suggested that budgetary participation is a process of cooperation in making decisions that involve two or more groups that are influential on decision-making in the future. Some researches on the relationship between budgetary participation and employee performance show inconsistent results. Indriantoro (2009) found a positive and significant relationship between budgetary participation and the performance of government officials. This happened because the relationship between budgetary participation and performance of government officials depends on situational factors, commonly known as contingency variables. Chong et al (2003) argued that the nature of budgetary participation on the performance will be in different situation when using moderating contingency approach, such as relevant job information obtained from job



**Figure 1**  
**Conceptual Framework**

satisfaction. The relevant job information obtained from the job can affect the strength of the budgetary participation between superiors and subordinates, so as to increase or decrease performance.

External Locus of Control (LoC) is also defined as a factor in the relationship between budgetary participation and the performance of local governments. Budgetary participation allows the superiors to affect the setting of performance goals, and that ultimately creates External Locus of Control. According to Howell and Avolio (1993), external locus of control significantly and positively affects the performance. It is possible that one of the ways the managers improve managerial performance is by emphasizing creative strategies and includes managerial performance and risk. Maria Leach-López et al (2008) introduced a new model of budgetary participation, namely Budgetary Participation Conflict (BPC) that may affect the performance. This BPC model incorporates job performance, job satisfaction, and relevant job information as moderating variable to strengthen the variable of budgetary participation. Referring to some of the theories and researches that have been done before, this research tries to use locus of control, job satisfaction, and relevant job information as moderating variables. The conceptual framework can be seen in Figure 1.

Based on theories and empirical evidences described above, the formulations of hypothesis are as follows:

H1: Budgetary Participation has positive effect on the performance of officials.

H2: Locus of Control (LoC) strengthens the effect of budgetary participation on the performance of officials.

H3: Job Satisfaction strengthens the effect of budgetary participation on the performance of officials.

H4: Relevant job information strengthens the effect of budgetary participation on the performance of officials.

### 3. RESEARCH METHOD

#### Type of Research

This research is quantitative descriptive, which emphasizes on the theory test through the measurement of research variables with numbers, and the data analysis was done using statistical procedures.

#### Analysis Unit

The analysis unit is the officials involved in the budgeting process at Regional Work Unit (SKPD) of Palu, consisting of the Heads of department, sub-department of finance and assets, sub-department of personnel and general, sub-department of planning and general, sub-department of evaluation and reporting, and sub-department of administration.

#### Research Site

This research was conducted at the Regional Work Units (SKPD) of the City of Palu, Central Sulawesi Province

#### Population and Sample

The population is all officials from the heads of department, sub-department of Finance and Asset, Sub-department of personnel and general, sub-department of Planning and general, sub-department of evaluation and reporting, and sub-department of administration involved in the preparation of Budget Work Plan of Regional Work Unit (RKA-SKPD) of Palu City totaling 192 officials. The determination of the number of samples in this study is using the method, in which according to Arikunto (2013), when the subject is less than 100, based on the provisions of the study, they should be taken as a whole (Census), so that the research is a population research. When the subject is big can be taken between 10-15% or 20-25 % or more of the population or the subject. Based on this, the mini-

imum sample in this study is  $20\% \times 192 = 38.4$  and completed to 40 people

This study used purposive sampling. Purposive sampling that is a technique in determining the specific considerations (Sugiyono 2010). The certain consideration in this study includes: 1) the officials involved in the budgetary process. They are officials comprising the Heads of department, sub-department of finance and asset, sub-department of personnel and general, sub-department of planning and general, sub-department of evaluation and reporting, and sub-department of administration; 2) the work period of these government officials is at least one year. The reason for the selection of the time period is because it shows how big the influence of budgetary participation on the performance of officials of the Regional Work Unit of Palu City.

### **Variable Measurement**

Budgetary participation is defined as the involvement of subordinates in granting considerations and proposals in decision-making. To measure the budgetary participation, the researchers followed the suggestions of questionnaire drafting by Milani (1975), consisting of indicators such as: 1) Involvement. It is the involvement of respondents in budgeting process; 2) Ideas. These are the ideas, coming from respondents, about budgeting process; 3) Proposals. These are important proposals from respondents in budgeting process, 4) Contributions. They are inputs from respondents in budgeting process and contributions in revising the budget, 5) Budget revision. It is the involvement of the respondents in revising the budget. This variable is measured using a 5-point.

Locus of control is defined as a character that explains individual differences in a belief that is generalized in the strength of internal control versus external control (Rotter 1966). To measure the variable of locus of control, the researchers use questionnaires from Rotter (1986) in which the locus of control uses the instrument consisting of eleven indicators, divided into two, namely Internality and externality. The indicators of locos of control are, 1) the work produced, 2) the process of completing the work, 3) the desire to complete the work, 4) the ways taken when disagree with the leader's decision, 5) Luck when getting a job, 6) Making money is a fortune, 7) the ability to complete the task, 8) getting job from family or friends who have high positions, 9) promotion is a good fortune, 10) a good job is obtained from the knowledge and skills owned, 11) the influence of the leaders on subordinates, and the statements of the

questionnaire in this study refer to Soraya (2010).

Job satisfaction, according to Robbins (2009), is the general attitude towards the individual's work that shows the difference between the number of award received by the workers and the number award they should receive. Job satisfaction is the positive attitude of officials, which includes feeling and behavior. The questionnaire in this study is using indicators developed by Kreitner and Kinicki (2003) using 14 statement items, in which 9 statement items are using an interval scale of 1-5. The researchers choose the instruments because the statements contain all indicators of job satisfaction consisting of satisfaction on the job, satisfaction on awarding system, satisfaction on work colleagues, and satisfaction on working conditions. While for the statements existing in the questionnaires of this study are taken from the research by Winarno and Endro (2006)

Relevant job information is information that facilitates decision-making. With regard to employment, the statements contained in the questionnaire of this study are measured using instrument developed by Kren (1992) and has been used by Mulyasari (2004). This instrument includes the understanding of the tasks and positions, the availability of information, and the ability to obtain strategic information, in addition to 4 statement items used to indicate the relevant job information owned in decision-making. Each statement is measured using a 5-point Likert scale.

The performance of local government officials is an overview of the level of achievement of goals or objectives as the elaboration of the vision, mission, and strategy of local government agencies that identify the level of success or failure of the implementation of activities in accordance with their duties and functions. The statements contained in the questionnaire refer to the research by Mahoney (1963), in which the performance measured is by the 8 indicators of official performance: 1) Planning; 2) Investigation; 3) Coordination; 4) Evaluation; 5) Supervision; 6) Assessment of Staff; 7) Negotiation; and 8) Representatives. Meanwhile, the form of statement in the questionnaire refers to the research by Yanida (2011) that uses all eight indicators into the research questionnaire.

### **Method of Instrument for Validity Test**

Validity test is used to measure whether the questionnaire is valid or not. A questionnaire is said to be valid if the question or statement on the questionnaire is able to express something to be measured by the questionnaire (Ghozali 2012).

### Reliability Test

Reliability test is performed with the assistance of SPSS (Statistical Product and Service Solution) which provides the facility to measure reliability with Cronbach's coefficient alpha. A variable is said to be reliable if it meets  $\alpha \geq 0.60$  (Ghozali 2012).

### Method of Data Analysis

The method of data analysis used in this study is quantitative analysis using multiple regression analysis of Moderating Regression Analysis (MRA). The hypothesis test is using Pure Moderation. Pure Moderation is the multiplication between variable X1 and X2 (Ghozali 2012).

## 4. DATA ANALYSIS AND DISCUSSION

### Research Results

#### Data of Respondents

Based on the research data that have been collected, it obtained data of the respondents' profile presented in Table 1. Based on Table 1, the majority of respondents, 52.5% of them are male between the ages of 31-40. The majority of respondents with Bachelor degree (S1) are 67.5%. The respondents who have the discipline of economics are as many as 32.5%.

#### Results of Testing the Instruments

Based on the results of validity test of the research instruments, it can be seen that all statement items for the variables of budgetary participation, locus of control, job satisfaction, relevant job Information, and performance of officials are declared valid. The indicators are considered valid because the value of total corrected item correlation is greater than the r-critical of 0.30 ( $r > 30$ ) at the confidence rate of 95% ( $\alpha 0.05$ ). So, the instruments can be used in research. Similarly, the results of reliability test of the instrument are obtained by using SPSS. The results indicate that the statement items have a high reliability value, with Cronbach alpha value of above 0.60. From the reliability test results, the instruments are declared reliable so that they can be used in the research. The results of validity and reliability test can be seen in Table 2 and 3.

#### The Frequency of Respondents' Answers to Budgetary Participation

The analysis of the frequency of respondents' answers is presented based on the table that shows the indicators and scales used in the questionnaire. The scale is illustrated by the numbers 1 to 5 with the explanations: Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A), and Strongly Agree (SA). For the Frequency of respondents' answers to

**Table 1**  
**Profile of Respondents**

Categories	Frequency (f)	Percentage (%)
<b>Gender</b>		
1. Male	21	52.5%
2. Female	19	47.5%
Total	40	100 %
<b>Education</b>		
1. Diploma (D3)	9	22.5 %
2. Bachelor (S1)	27	67.5 %
3. Magister (S2)	4	10 %
4. Doctoral (S3)	-	-
Total	40	100 %
<b>Disciplines</b>		
1. Engineering	8	20%
2. Accounting	6	15%
3. Economics	13	32.5%
4. Etc.	13	32.5%
Total	40	100 %
<b>Age Group</b>		
1. 20-30	13	32.5%
2. 31-40	21	52.5%
3. 41-50	6	15%
4. 51-60	0	0.0%
Total	40	100%

Source: Processed Primary Data (2015).

the budgetary participation can be seen in Table 4.

Based on Table 4, it shows that the average score for the first indicator (BP1) is 4.1. This value explains the respondent's involvement in the budgeting process when the budgetary participation is in the category of "excellent". Indicator (BP2) is the respondents' ideas in budgeting process. Indicator (BP3) is the respondents' proposals in budgeting process. Indicator (BP4) is the respondents' contributions in budgeting process. Indicator (BP5) is the respondents' involvement in revising the budget of involvement of respondents in revising the budget. From BP2 to BP 5 are in the category of "good". This shows that, in general, the involvement of subordinates in providing consideration and proposals in decision making is in the category of "good".

#### The Frequency of Respondents' Answers to Locus of Control

Table 5 presents the respondents' answers to Locus of Control. The indicator is measured using a scale of 1 to 5, as shown in Table 5.

Based on the data in Table 5, it shows that the respondents' response to the indicator (LoC2), i.e. the process of completing the work, obtains the average score of 4.55 or in the category of "excellent". This explains that while participating in the

**Table 2**  
**Results of Validity Test**

No.	Research Variables	Indicator	Correlation	r-critical	Description
1.	Budgetary Participation	BP-1	0.806	0.30	Valid
		BP-2	0.754	0.30	Valid
		BP-3	0.765	0.30	Valid
		BP-4	0.819	0.30	Valid
		BP-5	0.760	0.30	Valid
2.	Locus of Control	LoC-1	0.313	0.30	Valid
		LoC-2	0.370	0.30	Valid
		LoC-3	0.515	0.30	Valid
		LoC-4	0.596	0.30	Valid
		LoC-5	0.606	0.30	Valid
		LoC-6	0.642	0.30	Valid
		LoC-7	0.313	0.30	Valid
		LoC-8	0.315	0.30	Valid
		LoC-9	0.367	0.30	Valid
		LoC-10	0.424	0.30	Valid
		LoC-11	0.430	0.30	Valid
3.	Job Satisfaction	JS-1	0.569	0.30	Valid
		JS-2	0.366	0.30	Valid
		JS-3	0.516	0.30	Valid
		JS-4	0.585	0.30	Valid
		JS-5	0.599	0.30	Valid
		JS-6	0.491	0.30	Valid
		JS-7	0.725	0.30	Valid
		JS-8	0.569	0.30	Valid
4.	Relevant Job Information	RJI-1	0.683	0.30	Valid
		RJI-2	0.778	0.30	Valid
		RJI-3	0.803	0.30	Valid
		RJI-4	0.777	0.30	Valid
5.	Performance of Officials	P-1	0.569	0.30	Valid
		P-2	0.366	0.30	Valid
		P-3	0.516	0.30	Valid
		P-4	0.585	0.30	Valid
		P-5	0.599	0.30	Valid
		P-6	0.491	0.30	Valid
		P-7	0.725	0.30	Valid
		P-8	0.569	0.30	Valid

Source: Processed Primary Data (2015).

budgeting process, the officials can solve the work on time. This also occurs on indicator (LoC3), the desire to complete the work, gains the average score of 4.40 or in the category of "excellent", indicating that the officials intend to complete the work on time. The respondents' responses to the indicators of the work produced (LoC1), the ways taken when disagree with the leader's decision (LoC4), luck when getting a job (LoC5), making money is a fortune (LoC6), the ability to complete the task (LoC7), getting a job through the partner (LoC8), promotion is a good fortune (LoC9), a good job is obtained from the knowledge and skills (LoC10),

and the influence of the leaders (LoC11) are in the category of "good".

#### The Frequency of Respondents' Answers to Job Satisfaction

Table 6 presents the respondent's answers to job satisfaction. There are eight indicators and each indicator contains two statements, and measured on a scale of 1 to 5 as shown in Table 6.

Based on the data in Table 6, it shows that the respondents' answers to the dimensions of job satisfaction for all indicators have the average score of 4.0 and included in the category of "good". This

**Table 3**  
Results of Reliability Test

No.	Research Variable	Alpha	Alpha Tolerance	Description
1.	Budgetary Participation	0.914	0.60	Reliable
2.	Locus of Control	0.740	0.60	Reliable
3.	Job Satisfaction	0.828	0.60	Reliable
4.	Relevant Job Information	0.889	0.60	Reliable
5.	Performance of Officials	0.780	0.60	Reliable

Source: Processed Data (2015).

**Table 4**  
Frequency of Respondents' Answers to Budgetary Participation

Indicator/Scale	1	%	2	%	3	%	4	%	5	%	Total Score	Mean	Category
BP1	0	0	0	0	7	17	22	55	11	28	164	4.10	Excellent
BP2	0	0	3	7	11	28	18	45	8	20	151	3.77	Good
BP3	0	0	0	0	15	37	23	58	2	5	147	3.67	Good
BP4	0	0	2	5	21	52	15	38	2	5	137	3.42	Good
BP5	0	0	0	0	19	48	19	47	2	5	143	3.57	Good

Source: Processed Data (2015).

**Table 5**  
Frequency of Respondents' Answers to Locus of Control

Indicator/ Scale	1	%	2	%	3	%	4	%	5	%	Total Score	Mean	Category
Loc1	0	0	3	8	8	20	12	32	16	40	158	3.95	Good
Loc2	0	0	0	0	0	0	13	35	26	65	182	4.55	Excellent
loc3	0	0	0	0	1	2	22	55	17	43	176	4.40	Excellent
Loc4	0	0	0	0	5	12	18	45	17	43	172	4.30	Excellent
Loc5	0	0	0	0	10	25	20	50	10	25	160	4.00	Good
Loc6	0	0	0	0	16	40	14	35	10	25	154	3.85	Good
Loc7	0	0	0	0	15	38	15	37	10	25	155	3.87	Good
Loc8	0	0	3	7	20	50	7	18	10	25	144	3.60	Good
Loc9	0	0	0	0	11	27	20	50	9	23	158	3.95	Good
Loc10	0	0	0	0	14	34	19	48	7	18	153	3.82	Good
Loc11	0	0	0	0	15	38	19	48	5	14	146	3.65	Good

Source: Processed Data (2015).

shows that job satisfaction of the officials of Regional Work Unit (SKPD) has been in the category of "good" to achieve the goals.

#### The Frequency of Respondents' Answers to Relevant Job Information

Table 7 presents the respondents' answers to Relevant Job Information. The indicator of relevant job information is measured using a scale of 1 to 5. The results can be seen in Table 7.

Based on the data in Table 7, it shows that the respondents' answers to the dimensions of relevant Job Information for all indicators have the average score of > 4.0 in the category of "excellent". Of all indicators existing in the dimension of relevant job information, the highest indicator is the indicator (RJI4), i.e. the right information to support the decision with the average score of 4.30. This indicates

that relevant job information has been excellent in supporting decision-making, while the lowest indicator is the indicator (RJI3) with the average score of 4.05, i.e. strategic information can evaluate the decision to participate in budgeting process.

#### The Frequency of Respondents' Answers to Performance of Officials

Table 8 presents the respondent's answers to the performance of officials, which is measured using a scale of 1 to 5. The results are listed in Table 8.

Table 8 presents the respondents' answers to the indicator P1 and P2, i.e. planning and investigation with the average score of 4.32 and 4.10, included in the category of "excellent". The highest average indicator is the indicator P1 with the average score of 4.32. This indicates that in working, an official needs to plan in advance so that the results



**Table 6**  
**Frequency of Respondents' Answers to Job Satisfaction**

Indicator/Scale	1	%	2	%	3	%	4	%	5	%	Total Score	Mean	Category
JS1	1	2	0	0	0	0	18	45	21	53	178	4	Good
JS2	0	0	0	0	1	2	23	58	16	40	175	4	Good
JS3	0	0	0	0	13	33	13	33	14	34	161	4	Good
JS4	0	0	0	0	11	28	25	63	4	9	153	4	Good
JS5	0	0	0	0	4	10	29	72	7	18	163	4	Good
JS6	0	0	0	0	7	18	30	75	3	7	156	4	Good
JS7	0	0	0	0	6	15	32	80	2	5	156	4	Good
JS8	0	0	0	0	5	13	33	82	2	5	157	4	Good

Source: Processed Data (2015).

**Table 7**  
**Frequency of Respondents' Answers to Relevant Job information**

Indicator/Scale	1	%	2	%	3	%	4	%	5	%	Total Score	Mean	Category
RJI1	0	0	2	5	2	5	23	57	13	33	167	4.17	Excellent
RJI2	0	0	1	2	7	18	13	33	19	48	170	4.25	Excellent
RJI3	0	0	1	2	5	13	25	62	9	23	162	4.05	Excellent
RJI4	0	0	3	8	3	8	24	60	10	24	252	4.30	Excellent

Source: Processed Primary Data (2015)

obtained by the official in the work can be maximized. So, the performance of all officials existing in the Regional Work Unit will increase. The lowest average score is 3.82, on the indicator of evaluation. This explains that some respondents provide the score of 2 on their answers, which means that not all respondents are willing that their work to be evaluated, because they feel that they are able to complete the work without having to be evaluated or monitored.

### Results of Hypothesis Test

The results of moderate regression can be seen in Table 9.

Based on the results of regression analysis in Table 9 above, if the t-count is larger than t-table, the test results can be said significant. The effect of budgetary participation (x1) on the performance has the t-count value of 6.397, and t-table of 2.0211, so H0 is rejected and H1 is accepted. The following is the regression equation:

### MRA Analysis of Locus of Control, Job Satisfaction, and relevant job Information on the Performance

Moderating Regression Analysis (MRA) is used to identify the presence or absence of moderating variables, by conducting regression to investigate the relationship between the independent variable (X) and the dependent variable (Y). The results of MRA can be seen in Table 10.

Based on the Moderating Regression Analysis

(MRA) in Table 10, the results of the MRA indicate that the value of t-count of locus of control is less than the value of t-table. The value of t-count of external locus of control is 1.415 and the value of t-table is 2.0211. This explains that locus of control does not strengthen the effect of budgetary participation on the performance of officials, which means that H2 is rejected. The results moderating regression analysis (MRA) explains that the t-count of job satisfaction variable is greater than t-table, in which the value of t-count is 3652 and the value of t-table is 2.0211. This proves that job satisfaction strengthens the influence of budgetary participation on the performance of officials, and therefore H3 is accepted. While the results of MRA explain that the t-count of relevant job information (RJI) variable is greater than t-table, in which the value of t-count is 4.664 and the value of t-table is 2.0211. This proves that RJI moderates the budgetary participation on the performance of officials of Regional Work Unit, and therefore H4 is accepted.

### Discussion

#### The Effect of Budgetary Participation on the Performance of Officials of Regional Work Unit (SKPD)

Based on the results of multiple regression analysis, the first hypothesis (H1) is accepted or supported empirically. These results identify that the participation in budgeting process at each Regional Work Unit (SKPD) in Palu is carried out to provide an opportunity to the leaders of the Regional Work

**Table 8**  
**Frequency of Respondents' Answers to Performance of Officials**

Indicator/Scale	1	%	2	%	3	%	4	%	5	%	Total Score	Mean	Category
P1	0	0	0	0	1	2	25	63	14	35	173	4.32	Excellent
P2	0	0	0	0	6	15	24	60	10	25	164	4.10	Excellent
P3	0	0	0	0	9	23	23	58	8	20	159	3.97	Good
P4	0	0	3	8	9	23	20	50	8	20	153	3.82	Good
P5	0	0	0	0	8	20	21	53	11	28	163	4.07	Good
P6	0	0	0	0	11	28	19	48	10	25	159	3.97	Good
P7	0	0	2	5	11	28	14	35	13	33	158	3.95	Good
P8	0	0	0	0	9	23	22	55	9	23	160	4.00	Good

Source: Processed Data (2015).

**Table 9**  
**Regression of Budgetary Participation toward Performance**

Model	Unstandardized Coefficients		Standardized Coefficients		t	sig
	B	Std. Error	Beta			
Constant	1.362	0.424			3.213	0.003
Budgetary Participation	0.723	0.113		0.720	6.397	0.000

**Table 10**  
**MRA Regression of LOC, Job Satisfaction, and Relevant Job Information on the Performance of Officials**

Model	Unstd. Coef.		Std. Coef.		t	Sig.	Correlations				Collinearity Statistics		
	B	Std. Error	Beta				Zero-order	Partial	Part	Tolerance	VIF		
(Constant)	2.957	.280			10.548	.000							
Budgetary Participation	.763	.170	.760		4.491	.000	.720	.605	.271		.127	7.874	
Moderating LOC	.037	.026	.235		1.415	.166	.836	.233	.085		.132	7.577	
Moderating Job Satisfaction	.115	.032	.634		3.652	.001	.839	.525	.220		.121	8.288	
Moderating RJI	.104	.022	.779		4.664	.000	.888	.619	.281		.130	7.685	

Unit and the low-level officials to make the target activities in their scope of task responsibility. This is in line with the opinion of Chong and Chong (2002), in which the budgetary participation aims to shape the attitudes of behavior, employees, and leaders in order to have sense of belonging and to foster a motivational effect on the budget goals. Participation encourages the leaders to work hard in order to achieve the budget goals. The results of this study show that the effect of budgetary participation on the performance is in accordance with the goals setting theory in which the participatory budget will produce superior performance for leaders of each Regional Work Unit.

#### **The Effect of Locus of Control on the Performance of Officials of Regional Work Unit (SKPD)**

Based on the test results of the second hypothesis (H2) prove that the locus of control in the budgetary participation does not have a strong effect, and therefore, the second hypothesis (H2) is rejected. It is obvious that locus of control does not always affect the work quality of the employee. It is in line

with the research conducted by Chong and Chong (2003), that a person who has locus of control does not affect the quality of his work. This is also consistent with the research conducted by Adi (2012), in which an official who has locus of control will be more motivated to complete the work.

#### **The Effect of Job satisfaction on the Performance of Officials of Regional Work Unit (SKPD)**

Based on the moderating regression analysis (MRA), job satisfaction has positive influence on the performance of officials of Regional Work Unit (SKPD). Budgetary participation will increase job satisfaction. The budgeting process requires the cooperation of the managers of the various levels of the organization. This is consistent with the research conducted by Chong and Chong (2003) that by participating in the budget process, the level of job satisfaction will be higher. It is also stated in the research conducted by Endro (2006) that the in working requires budgetary participation, in which the higher the level of participation, the higher the job satisfaction obtained, and the better the level of

performance. The similar statement was also expressed in the research conducted by Mulyasari (2004), in which the obedience of the managers to the leaders who work in an organization influences the acceptance of the leaders on the desire to obtain information related to the job, so it will not get the job satisfaction.

### **The Effect of Relevant Job information on the Performance of Officials of Regional Work Unit (SKPD)**

Based on the results of moderating regression analysis (MRA), relevant job relevant information (RJI) has a positive influence on the performance of officials of Regional Work Unit (SKPD), This is in line with Chong and Chong (2002) who found that relevant job information has positive effect on managerial performance which indicates that relevant job information improves the performance gives more accurate predictions about the environmental conditions that permit the selection of a series of actions more effectively. This is also consistent with the research conducted by Rosidi (2000) that the higher the relevant job information, the higher the performance of the leaders.

### **5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS**

In general, it can be concluded as follows:

1. Budgetary Participation has a significant effect on the performance of officials of Regional Work Unit (SKPD) of the City of Palu. This proves that budgetary participation can build the performance of the officials.
2. Locus of Control does not strengthen the effect of budgetary participation on the performance of officials of Regional Work Unit (SKPD) of the City of Palu. Thus, locus of control cannot moderate the effect of budgetary participation on the performance of officials.
3. Job satisfaction can moderate the effect of budgetary participation on the performance of officials.
4. Relevant Job Information can moderate the effect of budgetary participation on the performance of officials, so that the officials obtain the clarity of the important information about the budget to be prepared.

Some suggestions are asserted as the following:

1. The leaders of Regional Work Unit (SKPD) of Palu should involve various parties in budgeting process, such as sub-departments within the Regional Work Unit.

2. In relation to job satisfaction, the officials of Regional Work Unit (SKPD) of Palu should pay attention to employee-based job satisfaction. One of the ways is to involve the middle and lower level officials in budgeting process.
3. In relation to Relevant Job Information (RJI) in Regional Work Unit (SKPD) of Palu, this RJI needs to be improved because RJI can provide accurate predictions about the environmental conditions that allow the selection of a series of more effective measures to be done so as to improve the performance of officials. Further studies can replace the variable of RJI by considering the levels of education of the officials in the budgetary participation.

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