

The effect of participatory budgeting on the performance of government officials (An empirical study in West Lombok District)

Mohammad Fachrizal¹, Lalu Suparman², Animah³

^{1, 2, 3} Mataram University, Gamong Selaparang, Majapahit Street No. 62, Mataram, 83115, NTB, Indonesia

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ABSTRACT

This study attempts to examine the direct and indirect effects of the three intervening variables such as job relevant information, budget goal commitment, and job satisfaction, on the relationship between budgetary participation and the performance of government officials. This research is conducted by a survey using questionnaires distributed to the Structural Officials of Local Government Work Unit (SKPD) consisting of Echelon II, Echelon III and Echelon IV in West Lombok District Government. The population is 673. They were selected using purposive sampling method, especially the officials involved in the budgeting process. The total 122 copies of questionnaire distributed were all returned. The analysis method is variant-based SEM using SmartPLS Version 2.0 M3. The results show that budgetary participation has insignificant effect on the performance of government officials. Budgetary participation has significant effect on job relevant information, and job relevant information has significant effect on the performance of government officials. Budgetary participation has significant effect on budget goal commitment, and budget goal commitment has significant effect on the performance of government officials. Budgetary participation has significant effect on job satisfaction, and job satisfaction has significant effect on the performance of government officials. It implies that the increased performance of the government officials can be done by increasing the budgetary participation through job relevant information, budget goal commitment, and job satisfaction.

ABSTRAK

Penelitian ini menguji pengaruh langsung dan tidak langsung dari tiga variabel intervensi seperti informasi pekerjaan yang relevan, komitmen tujuan anggaran, dan kepuasan kerja, pada hubungan antara partisipasi anggaran dan kinerja pejabat pemerintah. Penelitian ini dilakukan dengan survei menggunakan kuesioner kepada Pejabat Struktural Unit Kerja Pemerintah Daerah (SKPD), terdiri dari Eselon II, Eselon III dan Eselon IV di Pemerintah Kabupaten Lombok Barat. Populasi terdiri dari 673. Mereka dipilih dengan menggunakan metode purposive sampling, terutama para pejabat yang terlibat dalam proses penganggaran. Sebanyak 122 kuesioner disebar dan semua dikembalikan. Metode analisis varian berbasis SEM menggunakan SmartPLS Versi 2.0 M3. Hasil penelitian menunjukkan bahwa partisipasi anggaran berpengaruh signifikan terhadap kinerja pejabat pemerintah. partisipasi anggaran memiliki pengaruh yang signifikan terhadap informasi yang relevan pekerjaan, dan informasi pekerjaan yang relevan memiliki dampak yang signifikan terhadap kinerja pejabat pemerintah. Partisipasi anggaran memiliki pengaruh yang signifikan terhadap komitmen tujuan anggaran, dan komitmen tujuan anggaran berpengaruh signifikan terhadap kinerja pejabat pemerintah. partisipasi anggaran memiliki pengaruh yang signifikan terhadap kepuasan kerja, dan kepuasan kerja berpengaruh signifikan terhadap kinerja pejabat pemerintah. Implikasinya, bahwa peningkatan kinerja pejabat pemerintah dapat dilakukan dengan meningkatkan partisipasi anggaran melalui informasi pekerjaan yang relevan, komitmen tujuan anggaran, dan kepuasan kerja.

1. INTRODUCTION

Public sector reform in central and regional gov-

ernment in Indonesia is marked by the emergence of the era of New Public Management which drives

* Corresponding author, email address: ¹ rizalaiko25@gmail.com.

any efforts to develop a more systematic approach in public sector budget planning. Law Number 25 of 2004 on National Development Planning System contains fundamental changes in planning and budgeting, one of which is a performance-based budgeting. Performance-based budgeting is based on the goals and objectives of the performance. Performance-based budgeting is established to address the gaps in the traditional budget caused by the absence of benchmarks that can be used to measure the performance in achieving the goals (Mardiasmo 2009: 83-84).

Performance-based budgeting is a budgeting system which has an orientation on the organization's output and is closely related to the vision, mission and strategic plan. Performance-based budgeting allocates resources to programs, not to mere organizational unit, and uses output measurement as an indicator of organizational performance (Bastian 2010: 202). In building performance-based budgeting, strategic and practical elements need to get more concern. The strategic elements consist of mission and goal, while the practical elements consist of programs, activities, and activity goals. From both characters, performance-based budgeting requires the application of modern public administration system, better known as the new public management (Hughes, 1994).

According to Mahoney et al. (1963), participatory budgeting is closely related to the performance of local government officials, because the performance of local government officials is viewed from their participation in preparing the budget. Good local government budget must have clear and specific goals related to goal commitment, job-relevant information, and job satisfaction included in the vision and mission of the head of the region with the priorities listed in strategic plans of each region.

Research related to the effect of participatory budgeting on the performance has been done by several researchers, including Ulupui (2005), Mulyasari and Sugiri (2005), Yusfaningrum (2005), Wadhan (2005), Engko (2006), Damayanti (2007), Hehanusa (2010), Indarto (2011), Santoso and Hartanto (2012), Hanny (2013), Nengsy et al. (2013), Emilia (2013), Tulus (2013), Lina and Stella (2013), Budiman (2014), Giri (2014), and Zaim (2015). In this study, the researchers try to include three intervening variables, such as job-relevant information, budget goal commitment and job satisfaction, in which in the previous studies each of them was carried out separately.

Previous research used several intervening variables, as mediating variables, relating to the parti-

cipatory budgeting with performance. The intervening variables used were found inconsistent in the results. Based on the research conducted by Nengsy et al. (2013), Lina and Stella (2013), the variable of job-relevant information was not proved as an intervening variable between participatory budgeting and performance. In the research conducted by Sugiri and Mulyasari (2005), Yusfaningrum (2005), budget goal commitment was not either proved as an intervening variable between participatory budgeting and performance. Also, the research conducted by Lina and Stella (2013), the variable of job satisfaction was not either proved as an intervening variable between participatory budgeting and performance. Thus, further research is needed to improve the understanding of the role of these variables in the relationship between participatory budgeting and the performance of regional government officials.

The motivation of the researchers to do this research is based on the previous studies on the effect of participatory budgeting on the performance of officials conducted by Hehanusa (2010). The difference of this research from the previous one is on the research object. The variables constructed are added by intervening variables, such as budget goal commitment, research time, and data analysis technique with Partial Least Square (PLS). In addition, this research is also based on the reality of the phenomenon of public sector budgeting performance currently developing in West Lombok District Government, in which, in the actual implementation, dysfunctional behavior in budgeting can appear due to less maximum of assistance process and budget correction by Local Government Budget Team (TAPD). Based on the description above, the writers are interested to do research about the effect of participatory budgeting on the performance of government officials with job-relevant information, budget goal commitment, and job satisfaction as the intervening variables in West Lombok District Government.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

Conceptual Framework

In reference to the problem, the research objectives, and theoretical basis, the conceptual framework of this research can be described as in Figure 1.

Hypothesis Development

The Effect of Participatory Budgeting on the Performance of Government Officials

Previous studies by Ulupui (2005), and Yusfaningrum (2005) concluded that participatory budget-

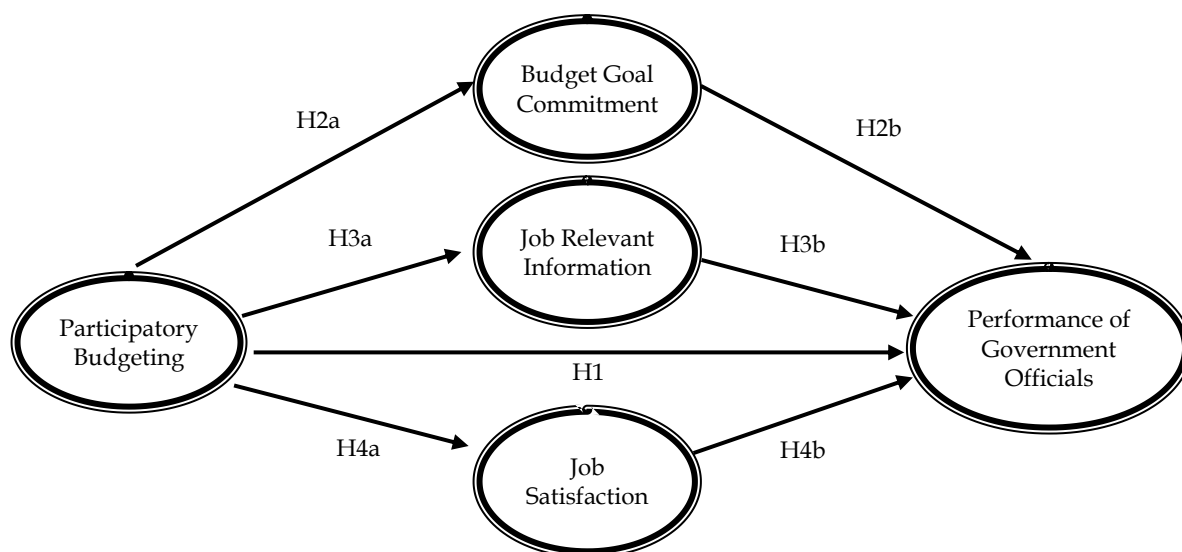


Figure 1
Conceptual Framework

ing has significant influence on performance. This is supported by Hehanusa (2010) where the participatory budgeting also has a positive effect on the performance of government officials. This means that the greater the involvement of the division head or section head in the participatory budgeting, the higher the performance of the government officials.

Meanwhile, Lina and Stella (2013) also found a positive effect of participatory budgeting on managerial performance. The results are consistent with the statement of Emilia (2013) that participatory budgeting significantly influences the performance of the government. This shows that the participatory budgeting owned by the leader has an effect on the performance of local government. For that reason, it can be stated that participatory budgeting can affect the performance of government officials. Thus, it can be hypothesized as follows:

H1: *Participatory budgeting has significant effect on the performance of government officials.*

The Effect of Participatory Budgeting on Job Relevant Information

Participatory budgeting gives lower-level managers the opportunity to collect and provide important information related to their work or duties. Job relevant information is information that facilitates decision making related to tasks (Kren, 1992).

Yusfaningrum (2005) explains that there is a positive and significant correlation between participatory budgeting and job relevant information. The same research result was also obtained by Hehanusa (2010) that participatory budgeting has positive effect on job relevant information.

Santoso and Hartanto (2012) also proved that participatory budgeting has an influence on job relevant information. This means that if the middle-level leaders have higher participatory budgeting, the provision of their information to the boss will gain a better understanding related to the knowledge that is relevant to the task. This is consistent with the statement of Nengsy et al. (2013) and Lina and Stella (2013) that the participatory budgeting has significant positive effect on job relevant information. Based on the evidence above, it can be stated that participatory budgeting can affect the performance of government officials. Thus, it can be hypothesized as follows:

H2a: *Participatory budgeting has significant effect on job relevant information.*

The Effect of Job Relevant Information on the Performance of Government Officials

Previous study conducted by Yusfaningrum (2005) indicates that job relevant information has positive influence on managerial performance. The same research result is also obtained by Santoso and Hartanto (2012) that jobrelevant information has positive influence on managerial performance. Thus the information provided by the middle-level leaders during budgeting process will increase the ability of individual performance. This is also supported by Hehanusa (2010) stating that job relevant information positively influences the performance of government officials. This means that the more information owned by the division heads or section heads related to their work, the higher the level of the performance of government officials.

From the results described above, it can be

stated that participatory budgeting can affect the performance of government officials. Thus, it can be hypothesized as follows:

H2b: *Job relevant information has significant effect on the performance of government officials*

The Effect of Participatory Budgeting on the Performance of Government Officials with Job Relevant Information as an Intervening Variable

Supriyatno (2010) suggests that budgeting is a budget setting preparation which is in fact it is set by the structural officials in each Local Government Work Unit (SKPD). A better and more mature budget planning will support the performance of the local government.

Qualified information is related to decision making. In this regard, the results of research conducted by Hehanusa (2010) and Indarto (2011) found that participatory budgeting has an effect on the performance of government officials through job relevant information. This means that the more information held by the division heads or section heads involved in the participatory budgeting, the better the performance of the government officials.

Yusfaningrum (2005) found that the indirect effect of participatory budgeting on managerial performance is higher than the effect of participatory budgeting on managerial performance through job relevant information as an intervening variable. Budiman (2012), in his research, shows that job relevant information is capable of mediating the relationship between participatory budgeting and managerial performance.

Based on the theoretical study and previous research, it can be stated that participatory budgeting can affect the performance of government officials through job relevant information as an intervening variable. Thus, it can be hypothesized as follows:

H2c: *Participatory budgeting has significant effect on the performance of government officials with job relevant information as an intervening variable.*

The Effect of Participatory Budgeting on Budget Goal Commitment

In public sector organizations, the commitment of management in implementing the programs that have been promised can be seen through the organization's budget. Commitment to achieve budget goals can occur when the subordinates have received the budget goals that had been set, and the reception can be achieved because there is participatory budgeting (Indarto 2011).

Previous study conducted by Giri (2014) shows that participatory budgeting has significant effect on budget goal commitment, and the budget goal

commitment serves as mediating variable in the relationship between participatory budgeting and managerial performance. The results of another study conducted by Yusfaningrum (2005) also show that participatory budgeting has positive influence on budget goal commitment.

From the results described above, it can be stated that participatory budgeting can affect budget goal commitment. Thus, it can be hypothesized as follows:

H3a: *Participatory budgeting has significant effect on budget goal commitment.*

The Effect of Budget Goal Commitment on the Performance of Government Officials

Budget reflects a commitment between the budget-makers and their superiors. Budget goal commitment is necessary because the productivity of the manager is determined mostly by whether the organization can achieve its financial goals (Wentzel 2002).

The research conducted by Yusfaningrum (2005) explains that budget goal commitment has significant positive effect on managerial performance. And the research conducted by Emilia (2013) also shows that the variable of budget goal clarity has positive and significant effect on employee performance. Likewise, the research done by Tulus (2013) finds that goal commitment has significant effect on managerial performance. The significant results indicate the acceptance and willingness of managers to achieve the budget targets imposed upon the organization towards the desired performance achievement.

Based on the theoretical study and previous research, it can be stated that budget goal commitment can affect the performance of government officials. Thus, it can be hypothesized as follows:

H3b: *Budget Goal Commitment has significant influence on the performance of government officials*

The Effect of Participatory Budgeting on Government Official Performance, with Budget Goal commitment as an Intervening Variable

Previous study conducted by Indarto (2011) shows that a high budget goal commitment would simplify the acceptance of the budget, although it is difficult to achieve, and increase the performance level. Giri (2014) shows that based on the results of statistical analysis, participatory budgeting has an influence on managerial performance, with the budget goal commitment as an intervening variable.

Furthermore, it can be explained that the level of individual performance is related to the level of budget goal achievement. Hanny (2013) conducted

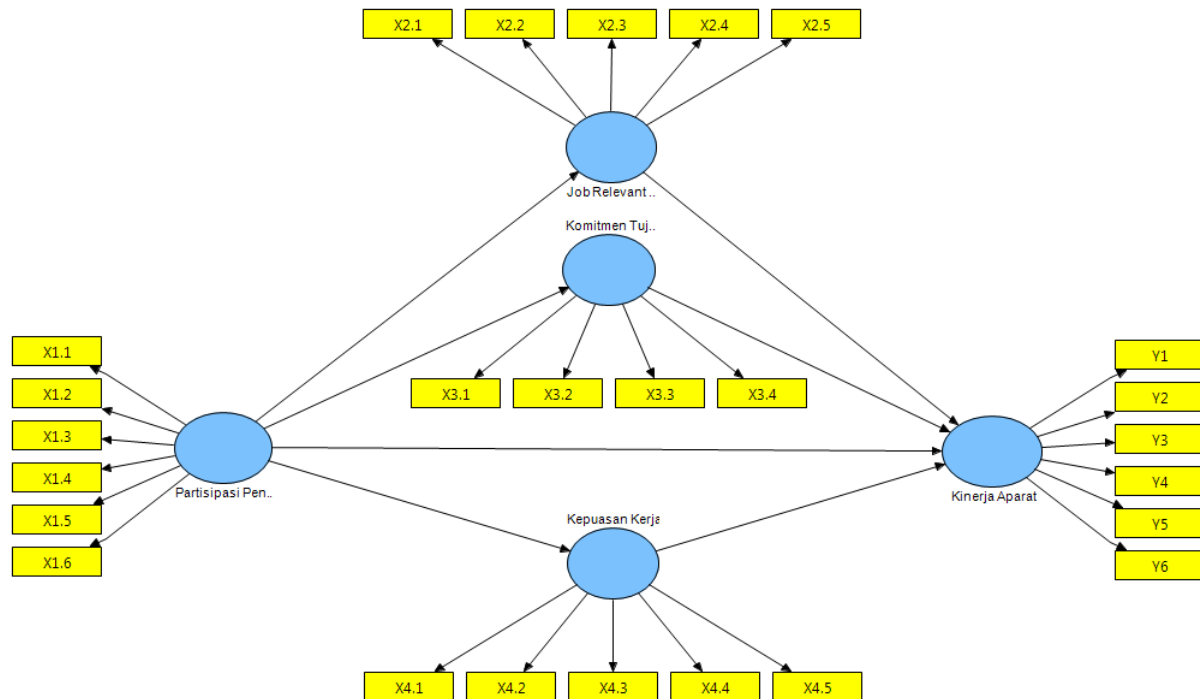


Figure 2
Illustration of Initial Structural Model

a study of the indirect effect of participatory budgeting on managerial performance, through the perception of fairness, budget commitment, and job relevant information. The results also show that budget goal commitment has a significant positive influence on managerial performance.

From the results described above, it can be stated that participatory budgeting can affect the performance of government officials with budget goal commitment as an intervening variable. Thus, it can be hypothesized as follows:

H3c: *Participatory budgeting has significant effect on the performance of government officials with budget goal commitment as an intervening variable.*

The Effect of Participatory Budgeting on Job Satisfaction

Sriwidharmanely et al. (2013) defines job satisfaction as a person's attitude towards work. A person who has positive attitude towards work will feel the job satisfaction, while a person who has negative attitude towards work will experience job dissatisfaction. The research conducted by Wadhan (2005) proves that participatory budgeting has a positive and significant relationship with job satisfaction. Thus, participatory budgeting has a direct influence on job satisfaction. The same research result is obtained by Hehanusa (2010) that participatory budgeting has positive effect on job satisfaction. This means that the greater the involvement of

the division heads or section heads in the participatory budgeting, the higher their job satisfaction.

Furthermore, Lina and Stella (2013) state that participatory budgeting has positive influence on job satisfaction. The involvement of managers in the budgeting process will give rise to a feeling of being respected and trusted that would encourage job satisfaction. Research by Nengsy et al. (2013) also shows that participatory budgeting has significant effect on job satisfaction.

Based on the theoretical study and previous research, it can be stated that participatory budgeting can affect job satisfaction. Thus, it can be hypothesized as follows:

H4a: *Participatory budgeting has significant effect on job satisfaction.*

The Effect of Job Satisfaction on the Performance of Government Officials

The performance levels of government officials can be affected by many factors, among others are by the factors of satisfaction, income and work motivation. Research conducted by Nengsy et al. (2013) shows that job satisfaction has positive influence on managerial performance. Meanwhile, Engko (2006) stated that based on the results of statistical analysis, job satisfaction has a positive relationship with the individual's performance. This is supported by Hehanusa (2010), in which job satisfaction has positive influence on the performance of government

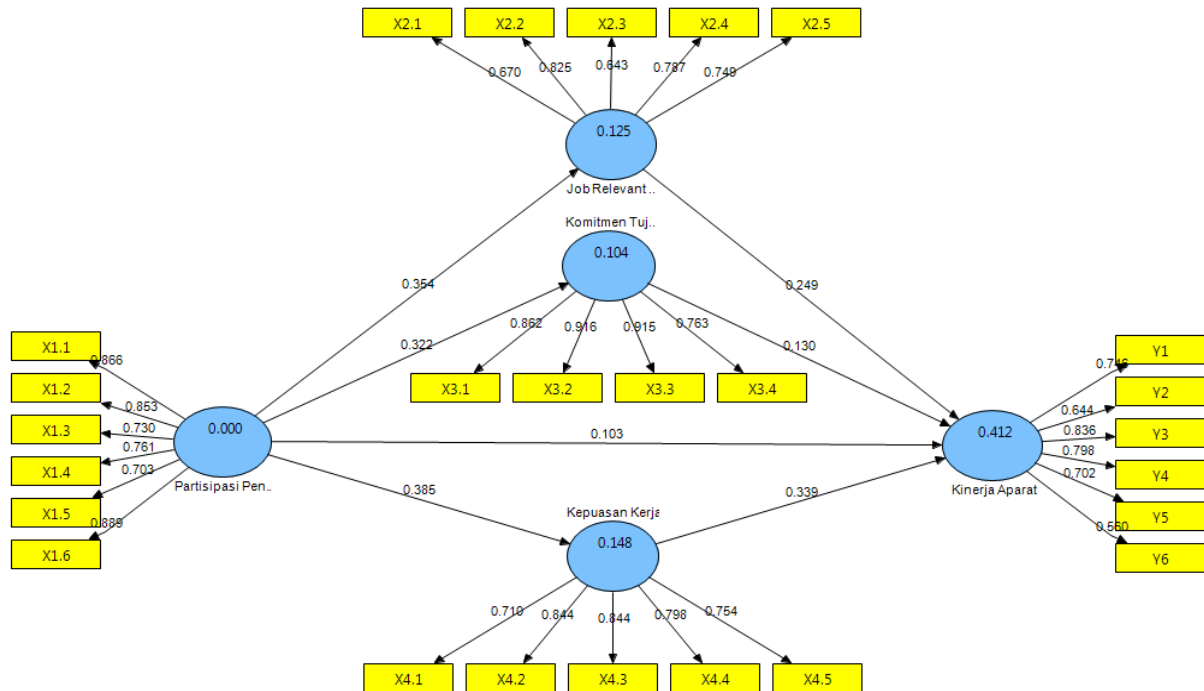


Figure 3
Model Measurement (Outer Model)

officials. This means that the more satisfied the division heads or section heads on the job, the better the performance of the government officials because the attitude of the division or section heads towards their work is more positive.

Furthermore, Lina and Stella (2013) find that job satisfaction has positive influence on managerial performance. Employee performance can be affected by many factors, one of which is the factor of job satisfaction. By having job satisfaction, a person will tend to work so well that at the time of evaluation in his work, it will give good results.

From the results described above, it can be stated that job satisfaction can affect the performance of government officials. Thus, the hypothesis can be formulated as follows:

H4b: *Job satisfaction has significant effect on the performance of government officials.*

The Effect of Participatory Budgeting on the Performance of Government Officials with Job Satisfaction as an Intervening Variable

Public sector budget concept explains that every activity must be stated in clear financial measures and therefore, it also has to facilitate the needs of the community as a form of state services. It is also consistent with the explanation of Wahyuni et al. (2014) that regional budget should be a benchmark of the achievement of the expected performance, so regional budget planning should be able to describe the performance target clearly.

Previous research by Hehanusa (2010) stated that job satisfaction mediates the relationship between participatory budgeting and the performance of government officials, which means that the more satisfied the division or section heads in their participation in preparing the budget, the higher the motivation to improve their performance.

Nengsy et al. (2013), who examined the effect of participatory budgeting on managerial performance with job relevant information, job satisfaction and motivation as intervening variables, found that job satisfaction is able to act as a mediator in the relationship between participatory and managerial performance.

Based on the theoretical study and previous research, it can be stated that participatory budgeting can affect the performance of government officials with job satisfaction as an intervening variable. Thus, it can be hypothesized as follows:

H4c: *Participatory budgeting has a significant effect on the performance of government officials with job satisfaction as an intervening variable.*

3. RESEARCH METHOD

Population and Research Samples

The population in this study is the whole structural government officials in Echelon II, III, and IV in West Lombok District Government as many as 673 people spread across 42 Regional Government Work Units (SKPD). The sampling technique is

Table 1
Convergent Validity Test of Indicator Based on the Value of AVE and Communality

	AVE	Communality
Job Relevant Information	0.544662	0.544663
Job Satisfaction	0.626836	0.626836
Performance of Government Officials	0.518506	0.518506
Budget Goal Commitment	0.750342	0.750342
Participatory Budgeting	0.645358	0.645358

Source: PLS Output (2016).

Table 2
Discriminant Validity Test using the Square Root of AVE and Correlation between the Constructs

	AVE	Root of AVE
Job Relevant Information	0.544662	0.738012
Job Satisfaction	0.626836	0.791729
Performance of Government Officials	0.518506	0.720073
Budget Goal Commitment	0.750342	0.866222
Participatory Budgeting	0.645358	0.803341

Latent Variable Correlation

	Job Relevant Information	Job Satisfaction	Performance of Gov. Officials	Budget Goal Commitment	Participatory Budgeting
Job Relevant Information	1.000000				
Job Satisfaction	0.700002	1.000000			
Performance of Gov. Officials	0.567114	0.573916	1.000000		
Budget Goal Commitment	0.344764	0.164099	0.304204	1.000000	
Participatory Budgeting	0.353707	0.385043	0.363421	0.322485	1.000000

Source: PLS Output (2016).

conducted using purposive sampling method based on the consideration that the samples are structural government officials involved in the preparation of budget in each SKPD, with the sample size is 122 respondents.

Research Variables

The variables in this study are divided into 3 (three): exogenous variable, endogenous variable, and intervening variable. The exogenous variable in this study is participatory budgeting, the endogenous variable is the performance of government officials, and the intervening variables are job relevant information, budget goal commitment, and job satisfaction.

Data Analysis Method

The analysis method used in testing the relationship between the variables of this research is Partial Least Square (PLS) method with the assistance of smart PLS program version 2.0 as in Figure 2.

4. DATA ANALYSIS AND DISCUSSION

Model Measurement Evaluation (*Outer Model*)

Model measurement is used to test the validity of the construct and the reliability of the instrument. The validity test of this research includes conver-

gent validity and discriminant validity, while the reliability test includes composite reliability and Cronbach's Alpha. It is presented in Figure 3.

Validity Test

The validity test of the construct indicator is conducted using convergent validity and discriminant validity. The indicator is considered valid based on the convergent validity when the value of AVE and Communality > 0.50. And the loading factor value of 0.50 - 0.60 for each indicator on the construct variable is considered sufficient (Chin, 1998 in Ghazali 2012: 78). The analysis using PLS algorithm process generates the value of loading factor > 0.50. So, these indicators do not need to be dropped from the model. In addition to seeing the loading factor, the rule of thumb used for the convergent validity is Communality > 0.5, and the Average Variance Extracted (AVE) > 0.5. The values of AVE and Communality are shown in Table 1.

The results of PLS algorithm above show that the value of Communality > 0.50 and the value of AVE > 0.5, which means that they meet the requirements of the rule of thumb used for convergent validity. Thus, the construct indicator is declared valid.

The final testing is discriminant validity by

Table 3
The Value of Composite Reliability and Cronbachs Alpha

	Composite Reliability	Cronbachs Alpha
Job Relevant Information	0.855664	0.794209
Job Satisfaction	0.893193	0.850025
Performance of Government Officials	0.864020	0.809527
Budget Goal Commitment	0.922839	0.891265
Participatory Budgeting	0.915476	0.888068

Source: PLS Output (2016).

Table 4
R-square Value

	R-Square
Job Relevant Information	0.125109
Job Satisfaction	0.148258
Performance Government Officials	0.412437
Goal Budget Performance	0.103996
Participatory Budgeting	

Source: PLS Output (2016).

comparing the value of the square root of Average Variance Extracted (AVE) of each construct with the correlation between one construct and another in the model. The discriminant validity test is done by looking at the value of square root of AVE > correlation between the latent constructs, as shown in Table 2.

From the results of PLS Algorithm process for the discriminant validity above, it can be seen that the value of square root of AVE > correlation between the latent constructs, so the indicator meets the discriminant validity, or is declared valid.

Reliability Test

Reliability test of the measurement model (outer model) on the reflective indicator is done by looking at the value of Cronbachs Alpha and Composite Reliability. The indicator is declared reliable or has a good reliability when the value of Cronbachs Alpha > 0.70 and the value of Composite Reliability > 0.70. The results of the calculations in this study are shown in Table 3.

Table 3 shows that the value of composite reliability and Cronbach's alpha > 0.70, so it can be concluded that all construct indicators are reliable or meet the reliability test.

Inner Model Evaluation

Structural model (inner model) evaluation is a structural model to predict the causal relationships between the latent variables through bootstrapping test. To predict the existence of causal relationship, the structural model (inner model) is evaluated using R-square. Assessing the model with PLS is done by looking at the R-square for each exogenous

latent variable. The results of inner model evaluation of R-square value are described in Table 4.

The analysis results in Table 4 show that the R-square value of the variable of Job Relevant Information is 0.1251, the value of the variable of job satisfaction is 0.1482, the value of the variable of performance of government officials is 0.4124, and the value of the variable of budget goal commitment is 0.1039. These results show that 12.51% of the variable of job relevant information can be explained by the variable of participatory budgeting, while the remaining 87.49% is explained by other factors beyond studied. 14.82% of the variable of job satisfaction can be explained by the variable of participatory budgeting, while the remaining 85.18% is explained by other factors beyond studied. 41.24% of the variable of performance of government officials can be explained by the variable of participatory budgeting, while the remaining 58.76% is explained by other factors beyond studied. 10.39% of the variable of budget goal commitment can be explained by the variable of participatory budgeting, while the remaining 89.61% is explained by other factors beyond studied.

Hypothesis Test

The next analysis is hypothesis testing. This analysis is done by comparing the value of T-table and the value of T-statistics resulting from the PLS bootstrapping process. The hypothesis is accepted (supported) if the value of T-statistics is higher than the value of the T-table (1.65) with a significance level of 10% (two-tailed) (Ghozali 2012: 85). The results of PLS bootstrapping process can be seen in Figure 4 and Table 5.

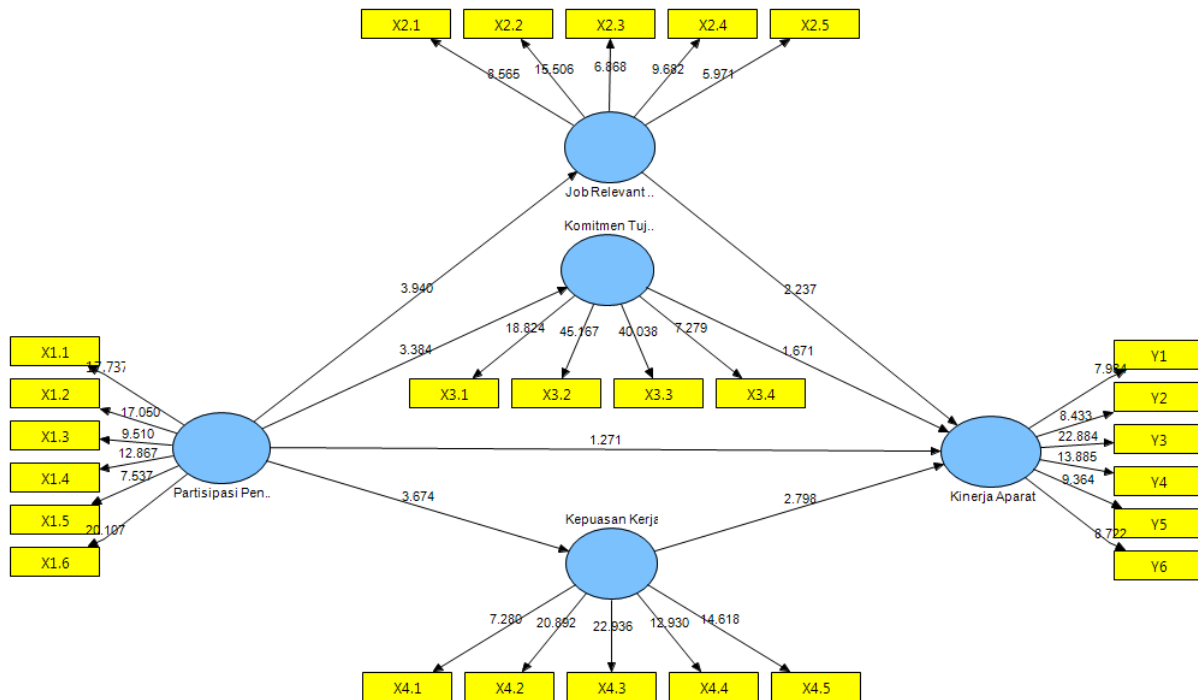


Figure 4
Results of Bootstrapping Process

Based on Table 5, it can be concluded on the direct relationship between the variables that have been hypothesized as shown in Table 6.

Based on the analysis in Table 6, Hypothesis 1 states that participatory budgeting has a significant effect on the performance of government officials. The results of hypothesis test show the path coefficient between participatory budgeting and performance of government officials has a T-statistics value ($1.271246 < T\text{-table value } (1.65)$), with a significance level of 10% (two-tailed), indicating that participatory budgeting has no significant effect on the performance of government officials. This means that hypothesis 1 is rejected, in which the participatory budgeting has relatively small or no significant effect on the performance of government officials of West Lombok District Government. The high participatory budgeting in West Lombok District Government does not affect the performance of government officials. This shows that participatory budgeting has insignificant direct effect on the performance of government officials because there are still other factors that affect the performance of officials of West Lombok District Government, for example, some officials in Local Government Work Unit (SKPD) who are involved in budgeting are transferred to other posts so that they could not complete until the execution of the budget drafted, which means that there is a difference between the officials who make the budget plan and the officials

who implement the budget. Other factors may be the superior pressure and budgeting political policy desired by the legislature involved in determining the amount of the budget and types of budget prepared on the Local Government Work Unit (SKPD).

Hypothesis 2a states that participatory budgeting has a significant effect on job relevant information. The results of hypothesis test show that the path coefficient between participatory budgeting and job relevant information has a T-statistics value ($3.939646 > T\text{-table value } (1.65)$), with a significance level of 10% (two-tailed), indicating that participatory budgeting has a significant effect on job relevant information. This means that hypothesis 2a is accepted. The results of this test prove that participatory budgeting has a significant effect on job relevant information in West Lombok District Government. The high participatory budgeting in West Lombok District Government is followed by the job relevant information. This shows that participation in budgeting has an influence on job relevant information in decision-making in West Lombok District Government. The test results prove that the involvement of structural officials of SKPD in participatory budgeting influences the officials to search for information in the decision-making. This means that the high level of involvement of the structural officials (echelon III and IV) in participatory budgeting encourages the structural officials to search

Table 5
Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Std. Deviation (STDEV)	Std. Error (STERR)	T Statistics (O/STERR)
Job Relevant Information -> Performance of Government Officials	0.248829	0.268947	0.111222	0.111222	2.237224
Job Satisfaction -> Performance of Government Officials	0.338739	0.323783	0.121060	0.121060	2.798114
Budget Goal Commitment -> Performance of Government Officials	0.129549	0.125461	0.077539	0.077539	1.670768
Participatory Budgeting -> Job Relevant Information	0.353707	0.367672	0.089781	0.089781	3.939646
Participatory Budgeting -> Job Satisfaction	0.385043	0.395012	0.104792	0.104792	3.674349
Participatory Budgeting -> Performance of Government Officials	0.103202	0.105293	0.081182	0.081182	1.271246
Participatory Budgeting -> Budget Goal Commitment	0.322485	0.340117	0.095298	0.095298	3.383972

Source: PLS Output (2016).

for information related to their work.

Hypothesis 2b states that job relevant information has a significant effect on the performance of government officials. The results of the hypothesis test show that the path coefficient between job relevant information and the performance of government officials has a T-statistics value (2.237224) > T-table value (1.65), with a significance level of 10% (two-tailed), indicating that job relevant information significantly influences the performance of government officials. This means that hypothesis 2b is accepted. The results of this test prove that relevant job information has a significant effect on the performance of officials in West Lombok District Government. The existence of adequate job relevant information is followed by an increase in the performance of the officials. This indicates that job relevant information gives an effect on the performance of government officials in West Lombok District. This means that the more information held by the structural officials (echelon III and IV) can improve the performance of the government officials.

The test results of hypothesis 2c show that participatory budgeting has a significant effect on job relevant information (as an intervening variable) and job relevant information has a significant effect on the performance of officials. The hypothesis testing on mediation is done using the procedure developed by Sobel (1982), or known as Sobel test. The magnitude of the indirect effect can be calculated by multiplying the coefficient (a x b) = (0.353 x 0.248) = 0.0875.

The magnitude of the Standard Error of the indirect effect of the variable of participatory budgeting on the performance of government officials is

the multiplication of the influence of the variable of participatory budgeting on the job relevant information, and the influence of the variable of job relevant information on the performance of government officials. The result of the calculation is as follows:

$$\begin{aligned}
 Sab &= \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2} \\
 &= \sqrt{(0,248)^2 (0,089)^2 + (0,353)^2 (0,111)^2 + (0,089)^2 (0,111)^2} \\
 &= \sqrt{0,0004 + 0,0014 + 0,00008} \\
 &= \sqrt{0,00188} = 0,0433
 \end{aligned}$$

$$\text{So } t \text{ value is, } t = \frac{ab}{Sab} = \frac{0,0875}{0,0433} = 2,020785$$

The T-statistics value (2.020785) > T-table value (1.65), with a significance level of 10% (two-tailed) shows that participatory budgeting has a significant effect on the performance of government officials with job relevant information as an intervening variable. This means that hypothesis 2c is accepted. The test results prove that participatory budgeting has a significant effect on the performance of government officials with job relevant information as an intervening variable in West Lombok District Government. The existence of adequate job relevant information is followed by an increase in the performance of the officials. This indicates that job relevant information as an intervening variable influences the performance of the officials in West Lombok District Government. This means that the more information held by the officials (at the level of echelon III and IV) as the middle lower managers who participate in the budgeting participation will further increase the performance of the officials.

Hypothesis 3a states that participatory budgeting has a significant effect on budget goal commitment. The hypothesis test results show that the

Table 6
Conclusion of Hypothesis Test

	Hypothesis	T-statistic	T-table	Conclusion
H1 :	Participatory budgeting has a significant effect on the performance of government officials	1.271246	1.65	Ha is rejected
H2a:	Participatory budgeting has a significant effect on job relevant information	3.939646	1.65	Ha is accepted
H2b:	Job relevant information has a significant effect on the performance of government officials	2.237224	1.65	Ha is accepted
H2c:	Participatory budgeting has a significant effect on the performance of government officials with job relevant information as an intervening variable	2.020785	1.65	Ha is accepted
H3a:	Participatory budgeting has a significant effect on budget goal commitment	3.383972	1.65	Ha is accepted
H3b:	Budget goal commitment has a significant effect on the performance of government officials	1.670768	1.65	Ha is accepted
H3c:	Participatory Budgeting has a significant effect on the performance of government officials with budget goal commitment as an intervening variable	1.658730	1.65	Ha is accepted
H4a:	Participatory budgeting has a significant effect on job satisfaction	3.674349	1.65	Ha is accepted
H4b:	Job Satisfaction has a significant effect on Apparatus Performance	2.798114	1.65	Ha is accepted
H4c:	Participatory Budgeting has a significant effect on Apparatus Performance with Job Satisfaction as an intervening variable.	2.257785	1.65	Ha is accepted

Source: Processed data (2016).

path coefficient between participatory budgeting and budget goal commitment has a T-statistics value (3.383972) > T-table value (1.65), with the significance level of 10% (two-tailed), indicating that participatory budgeting has a significant effect on budget goal commitment. This means that the hypothesis 3a is accepted. This test results prove that participatory budgeting has a significant effect on budget goal commitment in West Lombok District Government. The high level of participatory budgeting in West Lombok District Government is followed by the budget goal commitment. This shows that participatory budgeting has an effect on budget goal commitment in decision-making in West Lombok District Government. This means that the high level of involvement of the officials (at echelon III and IV) in the participatory budgeting further encourages the structural officials to have a commitment to achieve the budget objectives that have been set.

Hypothesis 3b states that budget goal commitment has a significant effect on the performance of government officials. The hypothesis test results show that the path coefficient between participatory budgeting and budget goal commitment has a T-statistics value (1.670768) > T-table value (1.65), with the significance level of 10% (two-tailed), indicating that the budget goal commitment has a significant effect on the performance of government

officials. This means that the hypothesis 3b is accepted. The results prove that budget goal commitment significantly influences the performance of officials in West Lombok District Government. The high budget goal commitment is followed by an increase in the performance of the officials. This shows that the budget goal commitment gives an effect on the performance of officials in West Lombok District Government. This means that the high level of commitment of the structural / middle and lower level managers (at the level of echelon III and IV) to the budget goals can improve the performance of the officials.

The test results of hypothesis 3c show that participatory budgeting has a significant effect on budget goal commitment (as an intervening variable), and budget goal commitment significantly influences the performance of the officials. The magnitude of the indirect effect can be calculated by multiplying the coefficient ($a \times b$) = $(0.322 \times 0.130) = 0.0418$.

The results of calculation of the standard error of the indirect effect are as follows

$$\begin{aligned}
 Sab &= \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2} \\
 &= \sqrt{(0.130)^2 (0.095)^2 + (0.322)^2 (0.077)^2 + (0.095)^2 (0.077)^2} \\
 &= \sqrt{0,0001 + 0,0005 + 0,00004} = \sqrt{0,00064} = 0.02529
 \end{aligned}$$

So, the value of t is, $t = \frac{ab}{Sab} = \frac{0.0418}{0.0252} = 1.658730$

The T-statistics value (1.658730) > T-table value (1.65) with a significance level of 10% (two-tailed) indicates that participatory budgeting has a significant effect on the performance of government officials with budget goal commitment as an intervening variable. This means that the hypothesis 3c is accepted. This test results prove that the participatory budgeting has a significant effect on the performance of officials with budget goal commitment as an intervening variable in West Lombok District Government. The high budget goal commitment is followed by an increase in the performance of officials. This shows that budget goal commitment as an intervening variable influences the performance of officials in West Lombok District Government. This means that the high budget goal commitment held by the officials (at the level of echelon III and IV) as the middle and lower managers who participate in the participatory budgeting will further increase the performance of the officials.

Hypothesis 4a states that participatory budgeting has a significant effect on job satisfaction. The hypothesis test results show that the path coefficient between participatory budgeting and job satisfaction has a T-statistics value (3.674349) > T-table value (1.65), with significance level of 10% (two-tailed), indicating that the participatory budgeting has a significant effect on the job satisfaction. This means that hypothesis 4a is accepted. This test results prove that the participatory budgeting has significant effect on the job satisfaction in West Lombok District Government.

Participatory budgeting in West Lombok District Government is followed by the job satisfaction. This shows that participatory budgeting has an influence on job satisfaction, which will greatly assist in the achievement of the organizational goals in West Lombok District Government. This test results prove that the involvement of the structural officials of Local Government Work Unit (SKPD) in participatory budgeting affects the job satisfaction of the officials. This means that the high involvement of the structural officials (at the level of echelon III and IV) in the participatory budgeting increases the job satisfaction of the officials related to their work.

Hypothesis 4b states that job satisfaction has a significant influence on the performance of government officials. The hypothesis test results show that the path coefficient between job relevant information and apparatus performance has a T-statistics value (2.798114) > T-table value (1.65) with the significance level of 10% (two-tailed), indicating that job satisfaction has a significant effect on

the performance of officials. This means that hypothesis 4b is accepted. This test results prove that job satisfaction significantly influences the performance of officials in West Lombok District Government.

An adequate job satisfaction is followed by an increase in the performance of the officials. This shows that job satisfaction has an influence on the performance of officials in West Lombok District Government. This means that the more satisfied the structural officials (middle and lower managers) at the level of echelon III and IV on their job will further improve the performance of the officials.

The test results of Hypothesis 4c show that participatory budgeting has a significant effect on job satisfaction (as an intervening variable) and job satisfaction has a significant effect on the performance of the officials. The magnitude of the indirect effect can be calculated by multiplying the coefficient ($a \times b$) = (0.385 × 0.339) = 0.1305. The results of calculation of the standard error of the indirect effect are as follows:

$$\begin{aligned} Sab &= \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2} \\ &= \sqrt{(0.339)^2 (0.104)^2 + (0.385)^2 (0.121)^2 + (0.104)^2 (0.121)^2} \\ &= \sqrt{0.00114 + 0.00207 + 0.00014} = \sqrt{0.00335} = 0.0578 \end{aligned}$$

$$\text{So, the } t \text{ value is, } t = \frac{ab}{Sab} = \frac{0.1305}{0.0578} = 2.257785$$

The T-statistics value (2.250865) > T-table value (1.65) with the significance level of 10% (two-tailed) indicate that participatory budgeting has a significant effect on the performance of government officials with job satisfaction as an intervening variable. This means that the hypothesis 4c is accepted. This test results prove that participatory budgeting has a significant effect on the performance of government officials with job satisfaction as an intervening variable in West Lombok District Government. An adequate job satisfaction is followed by an increase in the performance of the officials. This shows that job satisfaction as an intervening variable influences the performance of officials in West Lombok District Government. This means that the more satisfied the middle and lower managers, or the structural officials, at the level of echelon III and IV in the participatory budgeting will bring a positive attitude to increase the performance of the officials.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Based on the results and discussion, it can be concluded that the results of the test has no evidence of a significant direct effect of participation budgeting

on the performance of government officials. This shows that participation in the budgeting gives relatively small and insignificant positive effect, in direct relation, on the performance of the officials, in which there are other factors that affect the performance of officials in West Lombok District Government. This study found evidence that participatory budgeting has a significant effect on job relevant information, and the job relevant information has a significant effect on the performance of officials. Participatory budgeting has a significant effect on budget goal commitment, and the budget goal commitment has a significant effect on the performance of officials. Participatory budgeting has a significant effect on job satisfaction, and the job satisfaction has a significant effect on the performance of the officials. This research may prove that participatory budgeting has a correlation with the performance of officials through job relevant information, budget goal commitment, and job satisfaction. Thus, job relevant information, budget goal commitment, and job satisfaction are able to serve as mediating or intervening variables in the relationship between participatory budgeting and the performance of officials.

This study implies that in participatory budgeting process, the local governments may consider the aspects of job relevant information, budget goal commitment, and job satisfaction to produce excellent and qualified local government officials in achieving the vision, mission and strategic plan of the organization. These findings can be used as input and consideration for the local governments and the leaders of Local Government Working Unit (SKPD) to make decision and evaluate the associated factors that influence participatory budgeting. The factors that can affect the performance of the officials by considering the aspects of job relevant information, budget goal commitment, and job satisfaction.

It is suggested that future research expand the research object, not limited to one district only but more than one district/city or scope of the research in the province, in order to be able make comparison between one district and another. Further research is expected to develop the research model by adding other factors that may affect participatory budgeting and performance of officials. It is also suggested that future research include variables of leadership style and budgeting politics.

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