An Analysis of the Effect of Budget Participation on Managerial Performance with Organizational Commitment, Motivation and Decentralized Structure as Moderating Variables in Public Sector Organizations

FX.Suwarto¹, Arief Subyantoro² and Dominik Tulasi³

¹ A Professor of Economics, Esa Unggul University, Jakarta
² A Professor of Economics and Business, Universitas Pembangunan Nasional “Veteran” Yogyakarta
³ STIE Tri Bhakti Jakarta.

IJMSSSR 2022
VOLUME 4
ISSUE 3 MAY – JUNE
ISSN: 2582 - 0265

Abstract: One way believed to influence the government's success in improving performance is to carry out the plan as best as possible, i.e. in budgeting process. Because of the budget nature that might have a dysfunctional budget impact, the right prevention through the participation of all budget line manager in research area. Factors that may increase the budget participation effect on managerial performance improvements such as increasing organizational commitment, motivation within the manager and conditions of the authority delegation is increasingly decentralized. This study analyses the effect of budget participation on managerial performance and the influence of organizational commitment, motivation and a decentralized structure in moderating the relationship of budget participation on managerial performance in research area. The samples use 269 government managers of research area for all the regional work units. The sampling technique uses disproportionate stratified random sampling. The first hypothesis testing uses simple linear regression, and for another uses moderated regression analysis. Based on the analysis above, all hypotheses can be concluded that the positive effect of budget participation on managerial performance. The organization commitment and decentralized structure moderate the relationship between budget participation on managerial performance; while the motivation variable cannot moderate the relationship of budget participation on managerial performance at SKPD research area.

Keywords: Budgetary Participation, Organizational Commitment, motivation, Decentralized Structure, Managerial Performance

INTRODUCTION

Through a performance measurement, management's success in managing an organization will be seen from the ability of the agency based on the resources it manages to achieve results in accordance with the plans that have been outlined in the planning of organizational goals Kristiyanti (2012). One factor that determine the managerial performance success in public sector organizations can be from the planning process because a plan can determine the success of an activity program. However, performance cannot just be seen only from input or program planning, but also more emphasis on the process, outputs, benefits, and outcomes of the activity program for welfare public. Targets and goals are indispensable in determining whether or not poor performance. The setting of these targets and objectives is carried out in the process budget preparation. Therefore, the process of preparing the budget in the organization the public sector is very important.

Hansen and Mowen (2006) explain that the budgeting process motivate managers to develop direction for the organization, forecast difficulties, and develop future policies. On the other hand, the budgeting preparation process is an important and complex activity, because the budget has a possible functional and dysfunctional impact on attitudes and behaviour of organizational members (Argyris, 1952), while subordinates must be given the opportunity to participate in the budgeting process to prevent the occurrence of the dysfunctional impact of the budget (Milani, 1975).

Based on previous studies, the results obtained in analysing the effect of budget participation on managerial performance is still a lot experiencing conflict. The results of research conducted by Noor and Othman (2012), Nurhalimah, et al. (2013) and Hashim, et al. (2014) find that positive influence between participation in the budgeting process on managerial performance. However, this statement is not supported by research results
conducted by Sutrisna (2011), Syahputra (2014), Rachman (2014). Results research by Sutrisna (2011) and Syahputra (2014) shows results that are not significant in the relationship between budget participation on managerial performance. Meanwhile, the results of research by Rachman (2014) actually show that participation budget has a negative effect on performance.

Regarding the conflict of results in the opinion of Shields and Shields (1998) who believe that by comparing what factors influencing budget participation will result in a large contribution to research on budgetary participation. The greater participation budget will further improve existing performance. So, it needs to do reconciliation through a contingency approach and an attempt to analyse the factors enabling conditions to strengthen the budgetary participation relationship on managerial performance in each organization. The contingency factor that will be used are organizational commitment, motivation and decentralized structure that acts as a moderating variable. Based on the problems above, the research aims to analyse the effect of budget participation on performance managerial, analyse the influence of organizational commitment, motivation and structure decentralization in moderating budgetary participation on managerial performance.

LITERATURE REVIEW AND HYPOTHESIS

The goal setting theory developed by Locke (1968) explains the relationship between the goals set by work performance. From the opinions of the experts above, it can be said that goal setting is result-oriented target setting. In public sector organizations, government strives to achieve the goal of achieving optimal performance by involve lower and middle level managers in budgeting as a tool that is believed to increase the achievement of the goals that have been set.

a. Relationship between Budgetary Participation and Managerial Performance

Participatory budgeting is expected to increase the manager performance, i.e. when a goal is designed and in a participatory manner approved, the employee will internalize the goals set and have a sense of personal responsibility to achieve it because they involve in budgeting (Milani, 1975). Budget participation requires the involvement of more managers in the drafting process. Not only top-level managers, but also middle-level managers and lower-level manager. With this involvement, they will feel are more valued and feel that their ideas are needed by the organization (Ferdiani, 2012). This is in accordance with Maslow's Theory and Herzberg's theory which states that individuals have a need for self-actualization. Having this participation in budgeting, these needs can be met through appreciation of the ideas put forward by managers.

According to Govindarajan (1986), to reconcile the conflicting research findings, it needs a contingency approach evaluating the conditional factors, in this study for example the possibility of things that can cause the apparatus performance to be more effective. Contingency theory argues that design and control systems depending on the organizational context in which the controls are implemented. Contingency theory states that there is no system design and use management controls that can be applied effectively to all organizational conditions, but a certain control system is only effective for a particular situation or organization (company). Compatibility between systems management control and organizational contextual variables are hypothesized to conclude the performance improvement of organizations and individuals involved in it (Riyanto, 2001). Contingent factors that act as variables moderating in this study includes organizational commitment, motivation and decentralized structure.

According to Goal-Setting theory, participation will increase subordinate managers’ commitment in achieving the budget targets (Chong dan Chong, 2002). Opportunity to be involved and influence in drafting budget will increase the confidence of middle-level managers, control of their feelings and ego involvement in the organization. Brownell (1982) says that participation in budgeting is a process by which individuals, whose performance is evaluated and rewarded based on the achievement of budget targets, is involved and has influence in preparation of the budget targets. Previous research that states the existence of positive influence of participation in budgeting arrangement on this managerial performance has been carried out by Milani (1975), Brownell (1982), and Brownell and McInnes (1986). Opinions stating budgetary participation will improving performance is also supported by the research results of Noor and Othman (2012), Nurhalimah, et al. (2013) and Hashim, et al. (2014) Based on the picture above, the hypothesis can be formulated as follows:
H1 : Budget participation has a positive effect on managerial performance.

b. Budget Participation, Organizational Commitment, and Managerial Performance

Strong organizational commitment in individuals will cause individuals to strive achieving organizational goals in accordance with the organizational goals and interests and will have a positive outlook and try to do their best for the benefit of the organization (Porter, et al., 1974). The high organizational commitment of an employee in carrying out activities and the participation of the employee in the budget preparation will improve the managerial performance of the employee to achieve the set budget targets. The strong belief that employees have in the values and goals achieved by the company affects their high participation in the budget towards managerial improvement (Coryanata, 2004). High commitment makes individuals more concerned with the organization than personal interests and try to make the organization better. Low organizational commitment will make individuals act for their personal interests. In addition, organizational commitment can be a psychological tool in running the organization to achieve the expected performance (Chong & Chong, 2002).

The research results of Putra, et al. (2014) states that participation in budgeting affects managerial performance with organizational commitment as a moderating variable. Likewise, the research results that done by Sardjito and Muthaher (2007) which states that budget participation will improve managerial performance of organizational members if superiors at the head of service level care and pay attention to the commitment of subordinates in participating in preparing the budget so that the budget goals can be achievable. Based on the description above, the following hypothesis can be formulated:

H2 : Organizational commitment strengthens the effect of budget participation on managerial performance

c. Budget Participation, Work Motivation, and Managerial Performance

Motivation according to Lawler, et al. (1973) is the degree to which an individual wants and strives to carry out a task or job well and is willing to expend a high level of effort towards organizational goals, conditioned by the ability to exert effort to meet an individual need. Meanwhile, according to Gitosudarmo and Sudita (2002), motivation is the factors that exist within a person in directing his behaviour to meet certain goals. The emergence process of a person's motivation is a combination of concepts needs, drives, goals and rewards.

If it is associated with the budget, the budgeting process will be more effective when employees have high motivation, and vice versa (Ghozali and Adiputra, 2002). With high motivation, the desire to participate in budgeting will be even greater because involvement in budgeting is one way to achieve goals from the reason someone is motivated to do a good job.

The relationship between motivation and the relationship between budgetary participation and managerial performance has been widely studied by previous researchers. Brownell and McInnes (1986) and Mia (1988) suggest that budgetary participation has a positive effect on managerial performance with work motivation as a moderating variable. So, in this case, employees who have better motivation (high) will correct mistakes or feel worried if their performance is below the level of expectations (low). These results are also supported by research done by Suhartono and Halim (2005) and research done by Ghozali and Adiputra (2002). Based on the research results, the formulation of the hypothesis can be formulated as follows.

H3 : Motivation strengthens the influence of budgetary participation on managerial performance.

d. Budgetary Participation, Decentralized Structure, and Managerial Performance

Regional autonomy has implications for the delegation of broader authority to the local governments, so that the process of effective use of the budget is highly dependent on the delegation of authority that occurs in local governments. Decentralized delegation of authority is necessary because managers/subordinates in a decentralized structure are given greater authority and responsibility in decision making (Nor, 2007).
In relation to the budgeting process, decentralization will create greater authority and responsibility for the success of the budgeting process. This will make the parties involved will be more involve themselves and participate in the budgeting process, and this involvement will make them try their best to achieve organizational goals. More specifically, decentralization not only is an important contingency variable in the design of management accounting systems, but also a supporting mechanism that should be consistent with the intent of the formal structure (Chenhall and Morris, 1986).

The importance of decentralization for the effective use of the budget has been empirically proven in the research of Govindarajan (1986) which shows that a high degree of decentralization is an appropriate form of facing increased uncertainty so it supports the achievement of performance. The results of research by Gul, et al., (1995) find that budget participation on performance will have a positive effect in organizations where the delegation of authority is decentralized, and has a negative effect in organizations where the delegation of authority is centralized. These results are supported by research by Coryanata (2004) and Ika S, et al. (2011). Based on the results of these studies, the following hypotheses can be formulated.

H4 : The decentralized structure strengthens the influence of budgetary participation on managerial performance.

Based on the literature review and the hypotheses mentioned above, the following research model/framework can be drawn up:

![Research Model/Framework](image)

**Picture 1. Research Model/Framework**

**RESEARCH METHODS**

a. Population and Sample
   The population are structural officials of Echelon II, III, IV, and V in all Regional Work Units (SKPD) in the research area who are still on active duty. The total population of the study is 772 structural officers. The data in this study are obtained from primary data through the method survey. The sampling is carried out using a disproportionated stratified random sampling technique. The samples number determination uses Slovin formula.
b. Operational Variable Definition

a) Budget Participation
Budget participation is a process that involves individuals directly in it and has an influence on the budget goals setting whose performance will be assessed and likely to be rewarded on the basis of achieving their budget goals (Milani, 1975). Instrument to measure participation variable in budgeting adopts the instrument used in Milani's research (1975) which consisted of six indicators.

b) Organizational Commitment
Organizational commitment is an attitude that is shown where individuals are more in favour of the organization and organizational goals as well as maintain the membership to achieve the organizational goals (Mowday, et al. 1979). This variable is measured using an instrument developed by Mowday, et al. (1979) which consists of nine indicators.

c) Motivation
Work motivation is the degree to which individuals want and try to carry out a job well (Lawler, et al., 1973). Motivation is measured by using twelve statement items that describe the level of respondents' perceptions of how personal they are when doing something very well (intrinsic factor) and the form of rewards and opportunities after doing something very much better (extrinsic factor).

d) Decentralized Structure
The structure of decentralization in this study is the degree of delegation authority related to the authority given by the leader to subordinates (Gordon and Narayanan, 1984). The decentralized structure is measured using a six-item statement adopted from research by Gardon and Narayana (1984) which has been developed by Gul, et al. (1995).

e) Managerial Performance
According to Mahoney, et al. (1963), performance is the result of work that can be achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities in order to achieve the organizational goals. Managerial performance is measured by using a seven-item statement adapted from the research of Mahoney, et al. (1963).

c. Data analysis technique
Hypothesis 1 Testing uses simple linear regression while for Hypothesis 2-4 uses moderated regression analysis. The equation model of each hypothesis is formulated as follows:

1. \( Y = a + b_1X_1 + e \)
2. \( Y = a + b_1X_1 + b_2X_2 + b_5 X_1*X_2 + e \)
3. \( Y = a + b_1X_1 + b_3X_3 + b_6 X_1*X_3 + e \)
4. \( Y = a + b_1X_1 + b_4X_4 + b_7 X_1*X_4 + e \)

Notes :
Y : Managerial Performance in SKPD
X1 : Budget Participation
X2 : Organizational Commitment
X3 : Work Motivation
X4 : Decentralized Structure
a : Constant
b1- b7 : Regression Coefficient
X1*X2 : Interaction of budget participation with organizational commitment
X1*X3 : Interaction between work motivation budget participation
X1*X4 : Interaction of budget participation with decentralized structure
e : error or nuisance variable
RESULT AND DISCUSSION

Respondents Overview

Data collection was carried out on 12 December – 30 March 2021 which was distributed directly to each government agency in the research area. The calculation of the rate of questionnaire returns of the can be seen in the following table:

Table 1. Overview of the Number of Questionnaires

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of questionnaires distributed</td>
<td>350</td>
</tr>
<tr>
<td>Number of questionnaires returned</td>
<td>287</td>
</tr>
<tr>
<td>Unusable Questionnaire</td>
<td>18</td>
</tr>
<tr>
<td>Usable Questionnaire</td>
<td>269</td>
</tr>
<tr>
<td>Number of questionnaires according to the Slovin formula</td>
<td>264</td>
</tr>
</tbody>
</table>

In Table 2, the theoretical ranges are presented which are the range of the theoretically designed answer weights in the questionnaire and the actual range which is the lowest value to the highest value for the actual respondent's answer.

Table 2. Table of Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial Performance</td>
<td>269</td>
<td>19</td>
<td>35</td>
<td>28.25</td>
<td>2.742</td>
</tr>
<tr>
<td>Budget Participation</td>
<td>269</td>
<td>11</td>
<td>30</td>
<td>23.58</td>
<td>3.125</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>269</td>
<td>22</td>
<td>45</td>
<td>32.58</td>
<td>4.670</td>
</tr>
<tr>
<td>Motivation</td>
<td>269</td>
<td>33</td>
<td>60</td>
<td>47.01</td>
<td>4.552</td>
</tr>
<tr>
<td>Decentralized Structure</td>
<td>269</td>
<td>15</td>
<td>30</td>
<td>21.84</td>
<td>3.019</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>269</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data processed in 2021

a. Hypothesis 1 Testing

To determine the effect of budgetary participation on managerial performance, a simple linear regression test is used with the results listed in Table 3.

Table 3. The Effect of Budget Participation on Managerial Performance

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Model Summary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R value</td>
<td>0.552</td>
</tr>
<tr>
<td></td>
<td>R Square value</td>
<td>0.305</td>
</tr>
<tr>
<td>2</td>
<td>ANOVA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F value</td>
<td>117.193</td>
</tr>
<tr>
<td></td>
<td>Sig</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>Coefficients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constant Value</td>
<td>16.825</td>
</tr>
<tr>
<td></td>
<td>b1 value</td>
<td>0.485</td>
</tr>
<tr>
<td></td>
<td>Value of t (Budget Participation)</td>
<td>10,826</td>
</tr>
</tbody>
</table>
Based on the results of hypothesis 1 test, the regression equation can be formulated as following:

\[ Y = 16.825 + 0.485X1 \]

From the results of the table above, it can also be seen that there is an influence between budgetary participation on managerial performance which is indicated by the value of \( R^2 = 0.305 \) which means that budgeting participation explains 30.5% of managerial performance variability. The \( t \)-count value of 10.828 is greater than the \( t \)-table of 1.968 with a significance of 0.000 which is smaller than \( \alpha = 0.05 \) indicating a positive influence between budgetary participation on managerial performance. So, it can it is said that the higher the level of participation in budgeting, the higher the managerial performance. Budgeting can act as planning and performance criteria where the budget can be used as a control system to measure managerial performance. This means that participatory budgeting can be assessed as a managerial approach that can improve the performance of each manager as an individual because with participation in budgeting, it is hoped that each individual will be able to improve his performance in accordance with predetermined targets (Sardjito and Muthaher, 2007).

The results of this study are in line with the results of research conducted by Noor and Othman (2014), Nurhalimah, et al. (2013) and Hashim, et al. (2014) which states that the higher the involvement of managers in the process of preparing the budget, the managerial performance they produce will be higher as well. However, these results are not in line with the research of Sutrisna (2011) and Syahputra (2013) where they actually find that budgetary participation has no effect on increasing managerial performance.

a. Hypothesis 2 Testing

To determine the effect of organizational commitment variables in moderating the relationship between budget participation and managerial performance, an interaction test or called moderated regression analysis is used. Based on the results of the tests carried out, the values listed in Table 4.

**Table 4. The Effect of Organizational Commitment in Moderating the Effect of Budget Participation on Managerial Performance**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Model Summary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R value</td>
<td>0.596</td>
</tr>
<tr>
<td></td>
<td>R Square value</td>
<td>0.355</td>
</tr>
<tr>
<td>2</td>
<td>ANOVA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F value</td>
<td>48,553</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>Coefficients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constant Value</td>
<td>35.528</td>
</tr>
<tr>
<td></td>
<td>b1 value</td>
<td>-0.417</td>
</tr>
<tr>
<td></td>
<td>b2 value</td>
<td>-0.563</td>
</tr>
<tr>
<td></td>
<td>b5 value</td>
<td>0.027</td>
</tr>
<tr>
<td></td>
<td>t value (PA.KO)</td>
<td>3.473</td>
</tr>
<tr>
<td></td>
<td>Sig. (PA.KO)</td>
<td>0.001</td>
</tr>
</tbody>
</table>

The equations that can be obtained from the results of testing this hypothesis are:

\[ Y = 35.528 - 0.417X1 - 0.563X2 + 0.027X1X2 \]
The output results in Table 4 shows that the value of the interaction test (organizational commitment as a moderating variable) shows a coefficient of determination (R Square) of 0.355 which means that managerial performance can be explained by the variables of budget participation and organizational commitment of 35.5 percent. The t-count value of 3.473 with a significance of 0.001 which is smaller than α = 0.05 which means that the proposed hypothesis 2 can be accepted. Thus, the results of this study support the hypothesis which states that the budgetary participation has a positive effect on the managerial performance when the organizational commitment is high.

In this case, the organizational commitment acts as a bond between the individual and the organization (Mathiew and Zajac, 1990) so that the individual feels that he has the organization and thus can improve his managerial performance. Participation of all line managers in policy decision making strengthens the tendency of subordinates to recognize organization, thus organizational commitment will increase. Strong organizational commitment will encourage subordinate managers to strive to achieve organizational goals (Porter et al., 1974).

The findings of this study are in line with those of Sardjito and Muthaher (2007), Indarto and Ayu (2011) and Putra, et al. (2014). Their results indicate that the participation of all line managers in budgeting is more effective if important decisions in the organization are made more often in groups. The budget participation will improve the managerial performance of organizational members if the manager-level superior cares and pays attention to the problem of organizational commitment at work. Whereas Hidayah and Fauziah (2010) and Sutrisna (2011) research do not obtain the same results, where their research does not find the effect of organizational commitment in moderating budget participation on managerial performance.

b. Hypothesis 3 Testing

To determine the effect of work motivation variables in moderating the relationship between budgetary participation and managerial performance, multiple regression tests are used with moderating variables. Based on the results of the tests carried out, the values listed in Table 5.

Table 5. The Effect of Motivation in Moderating the Effect of Budgetary Participation on Managerial Performance

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Model Summary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R value</td>
<td>0.602</td>
</tr>
<tr>
<td></td>
<td>R Square value</td>
<td>0.363</td>
</tr>
<tr>
<td>2</td>
<td>ANOVA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F value</td>
<td>50.295</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>Coefficients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constant Value</td>
<td>19,771</td>
</tr>
<tr>
<td></td>
<td>b1 value</td>
<td>0.053</td>
</tr>
<tr>
<td></td>
<td>b3 value</td>
<td>-0.022</td>
</tr>
<tr>
<td></td>
<td>b6 value</td>
<td>0.007</td>
</tr>
<tr>
<td></td>
<td>Value of t (PA.MOT)</td>
<td>0.881</td>
</tr>
<tr>
<td></td>
<td>Sig. (PA.MOT)</td>
<td>0.379</td>
</tr>
</tbody>
</table>

Data processed in 2021

From the results of Table 5, the linear regression equation model that is formed is derived:

\[ Y = 19.771 + 0.053X1 - 0.022X3 + 0.007X1X3 \]

Table 5 shows that the coefficient of determination (R Square) of 0.363 which means that the managerial performance can be explained by the variables of budget participation and work motivation of 36.3 percent, while the remaining 68.8 percent is explained by other variables not examined. The F value of 50.295 with a significance of 0.000 indicates the model can be said to be fit. The t-count value is 0.881 with a significance greater than α =
0.05, which is equal to 0.379 so that the results of this study state that motivation has a positive but not significant effect on the relationship between budgetary participation and managerial performance. In other words, this result rejects hypothesis 3.

This may be due to the fact that the motivation that exists in the structural officials is more directed at how the manager gets the final results or rewards received, in other words, the high-low motivation that exists in the structural officials will be different. Also, these differences can be influenced by other factors such as the personal nature of the respondents themselves (Brownell, 1981). With the existence of different personal characteristics, it will certainly make a measure of motivation in the participation process budgeting is not the same.

The implication for the public sector is that the government’s budget can reflect how the budget is realized and what activities can be implemented, so that the high or low motivation does not make the budgetary participation done by managers make its influence on managerial performance be greater. Or in other words, the self-motivation of structural officials in the research area has no significant effect on increasing the relationship between budget participation and performance managerial. From these results, it can mean that budget preparation which is a routine in government activities will continue to run as it should, both with high or low motivation that comes from the intrinsic and extrinsic factors of the structural officials themselves.

The results of this study differ from the research conducted by Mia (1988) and Brownell and McInnes (1983) which shows that motivation significantly acts as a moderating variable in the relationship between budget participation with performance. However, the results of this study support research conducted by Riyadi (2000) and Sutrisna (2011) which states that participation in budgeting with motivation as a moderating variable does not have a significant effect on increasing performance. In addition, there is another possibility, namely that the motivation of each individual is more directed at the rewards or salaries or benefits they will receive. Meanwhile, in the research area, the system has not yet been implemented reward and punishment that can motivate more so that their involvement in budgeting will further improve managerial performance.

b. Hypothesis 4 Testing

To determine the effect of the variable decentralization structure in moderating the relationship between budgetary participation and managerial performance, an interaction test is used or called moderated regression analysis. Based on the results of the tests carried out, the values listed in Table 6.

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Model Summary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R value</td>
<td>0.595</td>
</tr>
<tr>
<td></td>
<td>R Square value</td>
<td>0.354</td>
</tr>
<tr>
<td>2</td>
<td>ANOVA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>F value</td>
<td>48,499</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>Coefficients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constant Value</td>
<td>21.703</td>
</tr>
<tr>
<td></td>
<td>b1 value</td>
<td>0.11</td>
</tr>
<tr>
<td></td>
<td>b4 value</td>
<td>-0.184</td>
</tr>
<tr>
<td></td>
<td>b7 value</td>
<td>0.015</td>
</tr>
<tr>
<td></td>
<td>Value of t (PA.SD)</td>
<td>2.185</td>
</tr>
<tr>
<td></td>
<td>Sig. (PA.SD)</td>
<td>0.030</td>
</tr>
</tbody>
</table>

Data processed in 2021

From the results of Table 6, the linear regression equation model that is formed is derived:

\[ Y = 21.703 + 0.110X_1 - 0.184X_4 + 0.015X_1X_4 \]
From the output results in Table 4.12 it can be seen that the value of the interaction test (decentralized structure as a moderating variable) shows the value of the coefficient of determination (R Square) of 0.354 which means managerial performance can be explained by the variables of budget participation and decentralization structure by 35.4 percent, while the remaining 64.6 percent is explained by other variables not examined. The F value of 48.499 with a significance of 0.000 indicates that the model can be said to be fit. The t-count value is 2.185 with a significance of 0.030 which is smaller than α = 0.05, which means that the proposed hypothesis 3 can be accepted. Thus, the results of this study support the hypothesis which states that budgetary participation has a positive effect on managerial performance when the delegation of authority is increasingly decentralized.

With the decentralized delegation of authority, the structural officials from the highest to the lowest levels will be involved in the budget preparation process, so that this involvement will increase the sense of responsibility in carrying out managerial activities as optimally as possible. The decentralized structure can act as a moderating variable because the value of R Square increases after the interaction. The results of this study are in line with research from Gul, et al. (1995) which states that the decentralized structure moderates the relationship between budget participation and managerial performance.

These results indicate that the higher the level of decentralization given by the leadership to subordinates or managers, the higher the managerial performance obtained by the manager. This means that the decentralized power encourages the managers/subordinates to actively participate in budgeting. The participation given by the manager in the preparation of the budget will result in an increase in managerial performance to be achieved by the manager/subordinate.

The results of this study support the research of Gul et al. (1995), Coryanata (2004) and Ika S, et al. (2011) which states that budgetary participation on managerial performance will have a positive effect in organizations where the delegation of authority is decentralized, and will have a negative effect in organizations where the delegation of authority is centralized. Meanwhile, Nor (2007) finds that decentralization does not affect the relationship between budgetary participation and managerial performance. Likewise with the research of Sutrisna (2011) which shows that decentralization does not affect the relationship between budget participation and performance.

CONCLUSION AND IMPLICATION

a. Conclusion

Based on the results of the analysis as described previously, the following conclusions can be drawn:
1. Budget participation has a significant positive effect on managerial performance in the research area.
2. Organizational commitment moderates the relationship between budget participation and managerial performance in SKPD.
3. Motivation cannot moderate the relationship between budget participation and managerial performance in SKPD.
4. The decentralized structure moderates the relationship between budget participation and managerial performance in SKPD.

b. Implication

1. SKPD leaders in the research area should be able to further increase budget participation by increasing the involvement of all lines of structural officials in the budget preparation process so that the performance they produce will be better.
2. The influence of organizational commitment on increasing the relationship between budgetary participation and managerial performance in the research area, it is necessary for structural officials involved in the budgeting process to grow more organizational commitment so that the resulting managerial performance is even better.
3. Although in this study motivation cannot be moderated, it is very important for the structural officials to understand what factors can motivate them in efforts to increase budget participation with the aim of getting better performance. One of the efforts that can be done is by implementing a real reward and punishment system.
4. The decentralized structure will place the structural officials according to their main tasks and functions, so that the powers and responsibilities assigned to them will make the performance of structural officials even better.

REFERENCES