THE INFLUENCE OF BUDGET PARTICIPATION AND ORGANIZATIONAL CULTURE TO THE PERFORMANCE OF REGIONAL GOVERNMENT APPARATUS

(Study On West Java Provincial Inspectorate)

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ABSTRACT

The participation of the apparatus in the budgeting process for performance improvement has been contained in the Regulation of the Minister of Home Affairs which contains guidelines for the preparation of APBD implemented by the Regional Government Budget Team. The regional apparatus, apparatus is expected to perform well by managing the budget economically, efficiently, effectively and which truly reflects the interests of the community. For the purpose of the organization can be achieved then it takes the State Civil Apparatus that can work effectively and efficiently so that, provide good performance. Thus, in a strong organizational culture, the core values of the organization are held intensively and widely shared, the more members who receive core values and the greater their commitment to the value, the stronger the culture.

The method used in this research is descriptive and verifikatif with quantitative approach. Sources of data in this study is primary data with data collection techniques conducted by survey method using questionnaires. The analysis method used in this research is Structural Equation Modeling (SEM) through Partial Least Square (PLS) approach using SmartPLS 2.0 software.

The results of this research hypothesis indicate that Budget Participation has an influence on the performance of Local Government Apparatus. Organizational Culture has an influence on the performance of Local Government Apparatus.

Keywords: Budget Participation, Organizational Culture, Performance Apparatus.

I. INTRODUCTION

1.1 Background

The phenomenon that occurred in the Inspectorate of West Java Province Budget Participation is the lack of communication between the budget related areas that have been planned and the budget to be realized. (Dadang Suhirna, 2017).

The phenomenon that occurred in the Inspectorate of West Java Province related to Organizational Culture is the hard work of employees due to lack of spirit of employees to arrange the budget, because in preparing the budget takes more time than working hours in general so that employees must give up time to overtime (Dadang Suhirna, 2017).

1.2 Identifikasi Masalah Penelitian

Based on the research background described above, the problem that can be identified is:

1) Lack of hard work attitude of employees in the process of budget preparation due to lack of enthusiasm of employees in the Inspectorate of West Java Province.
2) Lack of server availability in the use of RKA application (Budget Work Plan) which influences on data entry so that hamper the work of apparatus in Inspectorate of West Java Province.

3) Lack of communication between budget related areas that have been planned and the budget to be realized.

1.3 Problem Research Formulation

Based on the background and identification of the problem, then the problem can be formulated as follows:

1) How Big the Influence of Budget Participation on Local Government Apparatus Performance.
2) How Big The Influence Of Organizational Culture To Performance Of Local Government Apparatus.

1.4 Purpose And Research Objectives

1.4.1 Research Purposes

The purpose of this study is to collect data empirically and information on the Influence of Budgetary Participation and Organization Culture on Performance of Local Government Apparatus.

1.4.2 Research Objectives

Based on problem identification and problem formulation above, the purpose of this research is as follows:

1) To know the amount of influence of Budget Participation on Performance of Local Government Apparatus in Inspectorate of West Java Province.
2) To know the magnitude of the influence of Organizational Culture on the Performance of Local Government Apparatus in the Inspectorate of West Java Province.

1.1 Research Purpose

1.5.1 Practical Usefulness

The results of this study are expected to be a guide and input in solving problems experienced by public sector agencies, especially in solving problems concerning Budget Participation, Organizational Culture in order to improve the effectiveness and efficiency Performance of Local Government Apparatus.

1.5.2 Academic Uses

The results of this study are used as a development of science through studies and concepts that are expected to re-prove the theories of previous research on the influence of budgetary participation and organizational culture on the performance of local government apparatus.

II. REVIEW OF LITERATURE, FRAMEWORK FOR THINKING AND HYPOTHESES

2.1 Literature Review

2.1.1 Budget Participation

2.1.1.1 Definition of Budgetary Participation

Budget Participation According to Nurcahyani (2010: 35) is:

"Budgetary participation is a process involving individuals directly in it and having an influence on the preparation of objective goals whose performance will be assessed and likely to be rewarded on the basis of the achievement of the budget objectives".

2.1.1.2 Indicators of Budgetary Participation

Indicators of Budgetary Participation According to Nur Laila (2016: 23-24), namely: Engagement, Influence, Contribution, and Budget Communications.

2.1.2 Organizational Culture

2.1.2.1 Definition of Organizational Culture

Organizational culture according to Tobari (2015) is:

"Organizational culture is a belief and values that are understood, imbued and practiced by the organization, so that the pattern provides its own meaning and the basis of rules of conduct in the organization".

2.1.2.2 Organizational Culture Indicators

Indicators of Organizational Culture

according to Tobari (2015: 58) are: Discipline, Be Polite, Be Friendly, Obey the Rules, and Work Hard.

2.1.3 Performance of Local Government Apparatus

2.1.3.1 Definition of Performance of Local Government Apparatus

According to Cascio (in Wibowo, 2016: 2) is :

"Performance is a way to ensure that individual workers or teams know what is expected of them and they stay focused on effective performance by paying attention to goals, measures and assessments".

2.1.3.2 Performance Indicators of Local Government Apparatus

Performance Indicators of Local Government Apparatus according to Wibowo (2016: 86) are: Objectives, Standards, Feedback, Tools or Facilities, Competencies, Motives, and Opportunities.

2.2 Framework for Thinking

2.2.1 Effect of Budgetary Participation on Performance of Local Government Apparatus

V Wiratna Sujarweni (2015: 141) states that by creating the right budget and can implement it according to the target and objectives, then the unit of work unit can be said to have a good performance.

2.2.2 Effect of Organizational Culture on Performance of Local Government Apparatus

Tika (2012: 141) states that a strong culture helps performance because it provides the necessary structures and controls without having to strangle that can suppress the growth of motivation and innovation.

2.3 Research Hypothesis

According Sugiyono, (2015: 54) is meant by the hypothesis is :

"Hypothesis is a temporary answer to the formulation of research problems, where the research formulation has been asked in the form of statement sentences".

Based on the above framework the hypothesis in this study is as follows:

H1 : Budget Participation has a significant effect on the performance of Local Government Apparatus.

H2 : Organizational Culture has a significant effect on the performance of Local Government Apparatus.

III. RESEARCH METHODS

3.1 Research Methods

The method used in this research is descriptive research method and verifikatif, used to test how big influence of budget participation and organizational culture to performance apparatus of local government.

3.1 Operationalization of Variables

To test the proposed hypothesis, the variables to be studied should be limited as follows :

1) Variabel Bebas / *Independen Variable*
   In this study the free variable (X) is divided into two namely :
   X1: Budget Participation
   X2: Organizational Culture
2) Variabel Terikat / *Dependent Variabel*
   In this study, the dependent variable (Y) is the performance of Local Government Apparatus.

3.2 Data Sources and Data Collection Techniques

3.3.1 Data source

Source of data used in this research is :

1) Primary Data
2) Secondary Data

3.3.2 Data Collection Techniques

Data collection methods used in this study in two ways, namely Field Research (Field Research) and Library Studies (Library Reseach). Primary data collection is done by way of :

1) Questionnare
2) Interview
3) Library Studies

3.3 Population, Sample, Place and Time of Research.

3.4.1 Population

Population in this research is Employee / Apparatus in Inspectorate of West Java Province that is counted 24 employees.

3.4.2 Sample

Can be known that the sample will be used in this study is all the elements of the population investigated one by one, because the object in the population is not too broad, the researchers used samples taken from the population According to Sugiyono (2014: 85) Saturated sample is: "sampling technique when all members of the population are used as samples. This is often done when the population is relatively small, less than 30 people, or research that wants to make generalizations with a very small error. Another term saturated sample is a census, where all members of the population sampled ". Therefore from the above explanation then the sample is equal to the number of popuasi that is as much as 2 Sub. Section in Inspectorate of West Java Province namely Sub. Planning and Reporting Section as many as 12 people, Sub. Finance and Assets as many as 12 people.

3.4.3 Place and Time of Research

To obtain data and information relating to the problems studied, the authors perform in the Inspectorate of West Java Province located on Jl. Surapati No.4, Citarum, Bandung Wetan, Bandung, West Java 40115. The time of the research began in October 2017 until January 2018.

3.5 Data Testing Method

This study collected primary data using questionnaires.

Data obtained from the respondents need to be tested its validity. To test the seriousness of respondents' answers required two kinds of testing that is test of validity and test of reliability.

3.6 Data Analysis Method

Based on research objectives, the method used in this research is descriptive method and verification method implemented through data collection in the field.

3.6.1 Descriptive Data Analysis

This descriptive analysis is used to determine the description of the responses of respondents to each proposed statement or research variables as a whole which includes the Budget Participation, Organizational Culture and Performance of Local Government Apparatus.

According to Umi Narimawati (2012: 245) the steps taken in analyzing the data for descriptive research methods are as follows:

1) Each indicator assessed by respondents is classified into five alternative answers using an ordinal scale that describes the answer ratings.
2) Calculated total score of each variable / sub variable = total score of all indicator variables for all respondents.
3) Calculated score of each variable / sub variable = the average of the total score.
4) To describe the respondent's answer also used descriptive statistics such as frequency distribution and display in the form of tables or graphs.
5) To answer the description of each research variables used the following criteria range

$$\%\ skor\ aktual = \frac{Skor\ aktual}{Skor\ ideal} x100\%$$

Sumber: Umi Narimawati,2010:245

3.6.2 Analysis of Verifikatif Data

Verifikatif analysis in this research by using statistical test tool that is by variance based structural equation test or better known as Partial Least Square (PLS) using Smart PLS 2.0 software. Researchers use Partial Least Square (PLS) on the grounds that the variables used in this study are latent variables (measurable direct) that can be measured based on the indicators (variable manifest), and together involves the level of error measurement (error) . So the authors can analyze in more detail the indicators of latent variables that reflect the strongest and weakest latent variables that include the degree of error.

3.7 Hypothesis testing

1) Partial Hypothesis Testing (Test Statistic t)

a) Determine the hypothesis partially between the variables Free Participation Budget to the Performance of Regional

Government Apparatus. The statistical hypothesis of this study is :

Ho: β 1 = 0 Budgetary participation has no significant effect on the performance of Local Government Apparatus.

Hả: β 1 ≠ 0 Budget participation has a significant effect on the performance of Local Government Apparatus.

b) Determine the hypothesis partially between independent variables Organizational Culture to the dependent variable Performance of Local Government Apparatus. The statistical hypothesis of this research is:

Ho: β 2 = 0 Organizational culture has no significant effect on the performance of Local Government Apparatus.

Hả: β 2 ≠ 0 Organizational Culture has a significant effect on the performance of Local Government Apparatus.

The criteria of partial hypothesis testing are as follows :

If t arithmetic positive (+), then:

a) t arithmetic> t table then H0 rejected
b) t arithmetic> t table then H0 accepted
c) t arithmetic <t table then H0 rejected

IV. RESEARCH RESULT AND DISCUSSION

4.1 Research Results

4.1.1 Results of Descriptive Analysis

4.1.1.1 Descriptive Participation Budget

The calculated percentage of the total score of the Budget Participation variables of 312 (65.00)% was between the intervals of 52% - 68%. It can be concluded that Budget Participation variables are in sufficient category, but there is still a gap of 35% indicating that there are still weaknesses in Budgetary Participation.

4.1.1.2 Descriptive Cultural Organization

The result of the calculation of the percentage of total score of the organizational culture variable of 391 (65.00%) is between the interval 52% - 68%. Thus it can be concluded that the organizational culture variable is in enough category, but there is still a gap of 35%. This shows that there are still weaknesses in Organizational Culture.

4.1.1.3 Descriptive Performance of Regional Government Apparatus

The result of calculating percentage of total score from the variable of Local Government Apparatus Performance of 526 (62.61%) is between interval 52% - 68%. Thus it can be concluded that the performance variable of Local Government Apparatus is in enough category but there is still gap equal to 37,39% indicating that there is still weakness in Performance of Local Government Apparatus.

4.1.2 Verifikatif Analysis

1. Testing Measurement Model (*Outer Model*)

A. Test Validity

a. *Convergent Validity*

The value of outer loading for each indicator of the Budgetary Participation, Organizational Culture and Performance of Local Government Apparatus has a value of ≥ 0.6 which means that all indicators are stated to have good validity in explaining the latent variables.

b. *Discriminant Validity*

The crossload correlation value of each latent construct for the corresponding indicator is higher than that of the other constructs, so it can be concluded that the indicators used to measure the latent variables are eligible.

B. Test Reliability

Based on the above table, the value of Composite Reliability (CR) of each latent variable exceeds 0.7 (Uce Indahyanti, 2013) so that the model is stated to have high reliability.

A. Evaluation *Fit Test Of Combination Model* (Seluruh Model)

The value of Goodness of Fit (GoF) obtained from the multiplication of the value of communality and R-square of 0.812. GoF value of 0.7458 according to Uce Indahyanti (2013) is classified as substantial or high, so it can be concluded that the fitness model of goodness of fit model is already high.

2. Structural Model Testing *(Inner Model)*

The coefficient value of structural path X1 to Y is 0,417 and the coefficient of structural path X2 to Y is 0,529.

Magnitude The effect of each variable is as follows:

1. Budget Participation contributes 35.5% to the performance of Local Government Apparatus.
2. Organizational Culture contributes an influence of 45.9% on the Performance of Local Government Apparatus.
3. In the table above, seen the value of R Square obtained is equal to 0.812 or 81.2%. The result shows that budget participation (X1) and organizational culture (X2) together give 81,2% influence to Local Government Apparatus Performance, while as much as (1-R Square) 18,8% given by other factors not investigated (ζ) in this study.

3. Pengujian Hipotesis

Untuk melihat apakah pengaruh yang diberikan oleh kedua variabel laten eksogen tersebut signifikan atau tidak, dilakukan pengujian hipotesis sebagai berikut :

a) Pengaruh *Partisipasi Anggaran* (X_1) Terhadap Kinerja Aparatur Pemerintah Daerah (Y) (Hipotesis 1)

Tabel 4.1
Uji *t Partisipasi Anggaran* (X_1) Terhadap Kinerja Aparatur Pemerintah Daerah (Y)

Latent Variable	Koefisien Jalur	$t_{statistik}$	t_{kritis}	Information	Conclusion
X2 -> Y	0,529	9,312	1,960	Ho is rejected	Signifikan

Source: Data is processed using software PLS

b) The Influence of Organizational Culture (X2) on Local Government Apparatus Performance (Y) (Hypothesis 2)

Tabel 4.2
Test t Culture Organization (X1) Against the Performance of Local Government Apparatus (Y)

Latent Variable	Koefisien Jalur	$t_{statistik}$	t_{kritis}	Information	Conclusion
X1 -> Y	0,418	5,993	2,079	Ho is Rejected	Signifikan

Sumber: Data diolah menggunakan *software* PLS

4.2 Discussion

4.2.1 The Effect of Budgetary Participation on Local Government Apparatus Performance

The phenomenon that occurred in the Inspectorate of West Java Province according to Dadang Suhirna as Planning Analyst (2017) is the lack of communication between the budget related areas that have been planned and the budget to be realized. This is in accordance with what the researchers found in the field is through the indicator of Communications Budget with percentage of 55.67%, there is a gap of 43.33% which is a problem that existed in the Budget Participation.

Based on the results of research in the field, Budget Participation has an effect of 35.5% on the Performance of Local Government Apparatus with a correlation value of 0.845, which means that Budget

Participation gives influence to the performance of Local Government Apparatus. From the results of this study note that Participation Aanggaran gives 35.5% influence on the performance of Local Government Apparatus while the rest of 64.7% influenced by other factors not examined in this study.

The results of this study are in accordance with the theory of V Wiratna Sujarweni (2015: 35) which states that by creating the right budget and can implement it according to the target and objectives, the unit of work unit can be said to have a good performance.

4.2.2 The Influence of Organizational Culture on Local Government Apparatus Performance

The phenomenon that occurred in the Inspectorate of West Java Province according to Dadang Suhirna as Planning Analyst (2017) is the existence of obstacles in the preparation of budgets related to the hard work attitude of employees due to lack of spirit of employees to budget, because in drafting the budget takes more time from work hours on generally so that employees have to give up their time for overtime.

This is in accordance with what the researchers found in the field that is through the Hard Working indicator with a percentage of 57.50% can be interpreted in the category enough but still there is a gap of 42.50% indicating that there is still a problem on the indicator Hard Work.

Based on the results of research in the field, Organizational Culture has an effect of 45.9% on the performance of Local Government Apparatus with a correlation value of 0.867 which means Organizational Culture gives influence to the performance of Local Government Apparatus in Inspectorate of West Java Province. The results of this study provide empirical evidence that the Organizational Culture Influence on the Performance of Local Government Apparatus, where the Better Organizational Culture will improve the Performance of Local Government Apparatus in the Inspectorate of West Java Province.

The results of this study in accordance with the theory of Tika (2012: 141) states that a strong culture helps performance because it provides the structure and control needed without having to strangle that can suppress the growth of motivation and innovation. Wibowo (2013: 363) states that organizational culture is able to improve performance.

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

1. Budget Participation on Local Government Apparatus Performance has a significant influence, but in its realization has not shown optimal result this can be seen from result of descriptive variable of Budget Participation, indicator of budget communication have low percentage among other indicator.
2. Organizational Culture Influence on Local Government Apparatus Performance, there is a significant relationship, but there are still weaknesses in Organizational Culture variables that are less supportive indicators work hard, so Organizational Culture is still not optimal and berimbas on Performance Apparatus Local Government.

5.2 Suggestions

a. Practical Tips

After the authors give conclusions from the results of research on the influence of budget participation and organizational culture on the performance of local government apparatus, the authors will give some suggestions as follows:

1) In Budgetary Participation, it is known that the indicator of budget communication is a weakness that must be addressed by the Inspectorate of West Java Province by listening to each other, understand and focus on what is said among the related budget areas discussed considering the communication is a two-way process.
2) In Organizational Culture, it is known that hard working indicators

have a weakness that must be addressed, that is by giving motivation in work such as rewarding employees who work with high spirits, so that employees will be motivated to work more spirit.

3) To improve the performance of Local Government Apparatus in the Inpektorat of West Java Province related to Budget Partsipation, Organizational Culture which still has constraints must be addressed, that is by increasing the availability of server tuning in the database to improve the performance of the database, so it can help in improving performance.

b. Academic Suggestions

1. For Developers Science is advised in subsequent research to conduct the same research, with the same method but different units of analysis and samples in order to obtain conclusions that support theories and concepts generally accepted.
2. For Other Researchers can further add variables that have a close enough relationship to affect the quality of Local Government Financial Statements, such as adding intervening variables or moderating variables to obtain different results. Variable of Regional Financial Management and the Quality of Apparatus can be used as recommendation to be added in subsequent research.

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