

THE EFFECT OF BUDGETARY PARTICIPATION AND ACCOUNTABILITY ACCOUNTING ON MANAGERIAL PERFORMANCE (SURVEY ON PERUMDA TIRTA MAYANG JAMBI CITY)

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ABSTRACT

The purpose of this research is to analyze the effect of budgetary participation and accountability accounting on managerial performance (a Survey at Perumda Tirta Mayang Jambi city). The population in this research are corporate secretary, senior managers, managers, internal auditor and supervisors at Perumda Tirta Mayang Jambi. The data used is primary data collection by questionnaires. Data analysis methods using multiple regression analysis with the help of SPSS. The results of this research produces that partially budgetary participation had an effect on managerial performance but responsibility accounting had no effect on managerial performance. Simultaneously, budgetary participation and accountability accounting have an effect on managerial performance.

Keywords: Budgetary Participation, Accountability accounting, Managerial Performance

INTRODUCTION

The concept of Budgetary participation (Budgetary Participation), was introduced in 1989 in the municipality of Porto Alegre, capital of the southern Brazilian state of Rio Grande do Sul. Budgetary Participation is intended as a means for the poor and their environment in receiving a larger allocation of public spending. The condition of income disparity and quality of life between the rich and the poor became the background for ideas and challenges for the government at that time. Communities are given the authority to determine budget priorities in locations that have been mutually agreed upon. Priority setting is carried out in public discussions and takes place regularly every year by prioritizing the principles of transparency, participation and accountability. The local government facilitates the discussion and provides advocacy to the community regarding the budget. During the implementation period (between 1989 – 1996), this BP model has brought about a number of significant improvements in the areas of finance and development in Porto Alegre.

Then, budgetary participation developed rapidly in Latin America and then expanded throughout the world including Indonesia. Budgetary participation itself can be applied in Indonesia because the problems faced by Indonesian people are quite complex. and also the condition of Indonesia's vast territory and very large population. Budgetary participation is expected to accommodate these conditions.

Regional Drinking Water Company is an inseparable part and is very much needed by the community. The management function must run well and require a budget that can be used as a guide as well as a tool to achieve company goals. Budget is a management tool in allocating limited resources and sources of funds that the organization has to achieve goals (Falikhathun, 2007). Budget is the most important factor because it is an indicator within the company in providing maximum service and will affect the level of loyalty and customer satisfaction with the company.

Factors that can affect consumer satisfaction and loyalty in using drinking water services, including service and budget policy determination. Budget preparation carried out by top managers greatly determines the behavior of their subordinates so that in budgeting more attention is needed on budget-related behaviors in order to motivate middle and lower-level managers in achieving organizational goals through the budget (Sunarto, 2005). Thus, top managers will try to use better budgeting methods.

Good management control, one of which can be seen from how the financial planning (budget) in the company. The budget shows the details and outlines of the program using up-to-date information. The budgeting process is very important because it involves formal communication and interaction among managers and employees on the company's operations in the current year (Mattaola, 2011). So it is necessary to pay attention to budget participation.

Budget participation is a budget preparation process that involves several individuals and has an influence on the preparation of budget targets that will be evaluated and awarded if the budget targets are achieved (Fitrianti, 2010). Budget participation can involve managers and employees in work units or responsibility centers so that by participating it is expected that performance will increase, this is based on the idea that when a goal that is designed in a participatory manner is approved, it will have a sense of personal responsibility to achieve it.

The budget that has been prepared in a participatory manner is then approved by the manager responsible for each division and responsibility center. Here, responsibility accounting plays a role in measuring the implementation of the budget that has been prepared. Responsibility accounting can be defined as a system for measuring the achievement results of all responsibility centers that are adjusted based on the information needed by management to operate their responsibility centers (Hansen, Mowen, 2012).

Responsibility accounting information is useful for management control, because it is able to suppress the relationship between information and managers who are responsible for planning and execution. If implemented properly, it will assist the company in contributing to budgeting and assessing the performance of each responsibility center and the company as a whole.

This research was conducted at the Regional Drinking Water Company (PERUMDA) Tirta Mayang Jambi City. The reason for choosing this object was because several problems related to performance were found in the company. The phenomenon that occurs is that the provision of clean water services is still a public complaint, the facts in the field obtained information on this complaint related to the problem of a broken pipe or a problem with a damaged engine. Perumda Tirta Mayang has not seen any firm steps to ensure that people throughout Jambi City get clean water. The Ombudsman as the supervisory body for the implementation of public services in Jambi Province has often received public complaints related to the service quality of Perumda Tirta Mayang, ranging from the distribution of water that is not smooth, water quality is not good, to the frequent occurrence of broken water distribution pipes. This is what makes people less confident in the performance of Perumda or the Jambi City government.

One of Jambi's economic observers, said that in the election of the President Director of Perumda Tirta Mayang, it is hoped that he will be able to solve a number of problems that are currently still the main complaints for the people in Jambi City, such as pipe leaks. "Until now, the leakage rate has reached 46 percent. Many factors caused the leak, both because of the age of the pipe and there was also an element of intent. It's still around 46 percent," he said (Source: www.jambitribunnews.com).

The problem of not achieving the budget target can be explained in the following data, namely in 2018 the budget was Rp. 136,327,111,291 but the realization is Rp. 110,713,896,130 or only 81% of the budget. Then in 2019 the realization of the budget was Rp. 146,068,406,551 with a percentage of 80% of the budget of Rp. 183,692,224,363. Likewise in 2020 where the realization of the budget reached Rp. 121.176.887.056 of the budget target of Rp. 165,007,618,254 with a percentage of 75%. In 2021, the realization is Rp. 128,843,590,808 or 68% of the budget of Rp. 189,897,749,461

It can be seen from the budget and realization that during 2018 to 2021 it was not able to achieve the targets that had been prepared and even tended to decrease. This is because the target was not achieved so that it was not in line with what was expected by the Company, for more details regarding the budget and revenue realization of Perumda Tirta Mayang can be seen in the following table:

Table 1 : Budget Realization Perumda Tirta Mayang 2018-2021

Years	Budget	Realization	Percentage
2018	136.327.111.291	110.713.896.130	81%
2019	183.692.224.363	146.068.406.551	80%
2020	165.007.618.254	121.176.887.056	73%
2021	189.897.749.461	128.843.590.808	68%

Source : Perumda Tirta Mayang Kota Jambi

During the last four years that the target is not achieved shows that the managerial performance of the company is considered less good. So, it is important to implement budgetary participation and accountability accounting at PERUMDA Tirta Mayang Jambi City to improve the company's managerial performance.

RESEARCH METHODS

Research Subjects and Objects

The subject of this research is the Regional Public Company for Drinking Water Tirta Mayang, Jambi City, which is located at Jalan Letkol Slamet Riyadi, Telanaipura District No. 1 Jambi City. Where the object of this research is budgetary participation, accountability accounting and managerial performance.

Data Types and Sources

The research using primary data. Based on Etta and Sopiah (2010), primary data is a source of research data obtained directly from the original source (not through intermediaries). The source of data in this research is the management of Perumda Tirta Mayang Jambi City. Collected through questionnaires in this research, among others, contained: Budget Participation Data, Accountability Accounting data and Managerial Performance.

Population and Sample

The population in this research is the company secretary, senior manager, manager, KKI and supervisor at Perumda Tirta Mayang Jambi City. The sample of this research was carried out by census (saturated sampling), namely by means of the total population. According to Arikunto (2012) If the population is less than 100 people, then all of the samples will be taken (all), but if the total population is more than 100 people, 10-15% or 20-25% of the total population can be obtained. In this study, the total population is 50 people, the sample taken is 100% as many as 50 respondents

Methods of data collection

Data collection in this research is a survey by giving questionnaires to company secretaries, senior managers, managers, KKI and Supervisors of Perumda Tirta Mayang Jambi City

Data analysis method

The method used to analyze this research is multiple regression analysis. This test aims to test whether the independent variables, namely budgetary participation and accountability accounting, have an effect on managerial performance in Perumda Tirta Mayang Jambi City.

RESEARCH RESULT

The Effect of Budgetary Participation and Accountability on Managerial Performance

The results of the research on the effect of budgetary participation and accountability accounting on managerial performance showed that budgetary participation and accountability had a significant effect on managerial performance at Perumda drinking water Tirta Mayang Jambi City

Table 2 : F Test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	875.772	2	438.122	59.478	.000 ^a
Residual	279.823	42	7.001		
Total	1155.595	44			

Simultaneously, the budgetary participation variable and the responsibility accounting variable have an effect on managerial performance. This can be seen from the results of the questionnaire given to the leadership and manager elements at Perumda Tirta Mayang, Jambi City. Then seen from the results of the simultaneous test and the adjusted r square value, it is obtained that budget participation and accountability accounting simultaneously affect managerial performance by 75.1%.

In addition, The results of this study support the research results obtained by Yuditha Andini Simanjuntak (2018) where her research states that partially the variables of budget participation and accountability accounting have a positive and significant effect on managerial performance, and simultaneously budget control variables and accountability accounting have an effect on managerial performance. However, the results of this study are different from the results of research conducted by Erma Sarah Yulastuti (2016) where budget sensitivity has no effect on managerial performance, while accountability accounting has a significant effect on managerial performance.

The Effect of Budget Participation on Managerial Performance

The results show that partially budgetary participation has no effect on managerial performance, this can be seen from the significant value of t of 0.067. Based on the significant value of t, it shows that it is greater than the significant level of 0.05, so the second hypothesis is rejected.

**Table 3 : t Test Results
Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.844	1.487		3.934	.000
X1	.205	.099	.257	12.113	.067
X2	.613	.154	.596	4.858	.000

Budget participation in this research has no effect on managerial performance, this is because at Perumda Tirta Mayang not all elements are involved or participate in budget preparation. Although senior managers, managers and supervisors also provide suggestions and suggestions regarding the budget, the decision remains with the board of directors whether the proposal will be used, revised or even not used.

Theoretically, the higher the budget participation carried out, the higher the managerial performance. Managers are consulted when the budget is being prepared, and are rewarded for achieving the budget target. Managers have a commitment in implementing the budget, and motivate subordinates in carrying out the budget that has been prepared.

This result is not in line with the research of Sulistyorini (2010) which states that budget participation has a positive effect on managerial performance and is not in line with research conducted by Hafiz (2007) which states that the results of his research show that budget participation has a positive effect on managerial performance at PT Cakra Compact Aluminum Industries.

The Effect of Responsibility Accounting on Managerial Performance

The results showed that partially responsibility accounting has an effect on managerial performance. This can be seen from the statistical t value of 4.858 with a significant value of t of 0.000 so that the hypothesis is not accepted which means that the management of Perumda Tirta Mayang clearly knows the duties, authorities and responsibilities, the managers agree on the budget as a means of coordinating all company resources. , budgets are prepared according to levels, financial reports are evaluated regularly, financial information is reported to managers, and in planning costs must be realized.

This result is supported by the research of Sulistyorini (2010) which states that responsibility accounting has a positive effect on managerial performance. This is because this agency applies good accountability accounting. The acceptance of this third hypothesis indicates that the better the application of responsibility accounting at the cost center of the relevant agency, the higher its managerial performance.

CONCLUSION

Budgetary participation and accountability accounting simultaneously affect managerial performance in Perumda Tirta Mayang Jambi City. Then budgetary participation partially has no effect on managerial performance, while responsibility accounting partially affects managerial performance.

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