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THE EFFECT OF ACCOUNTABILITY, TRANSPARENCY, BUDGET PARTICIPATION ON MANAGERIAL PERFORMANCE WITH BUDGET EFFECTIVENESS AS INTERVENING VARIABLES AT JEMBER UNIVERSITY

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ABSTRACT: The implementation of good governance or good governance in higher education is getting faster todo.The concept of good governance that was previously applied to companies is considered to be a preventive effortin improving the quality of higher education financial management, especially improving financial managementperformance.The concept is in the form of Good University Governance (GUG). This study was analyzedquantitatively through a multivariate method with Structural Equation Model (SEM) techniques using AMOSsoftware.a sample of 162 respondents. The results of this study indicate that accountability, transparency, budgetparticipation affect the effectiveness of the budget. Budget transparency and participation affect managerialperformance. Budget effectiveness affects managerial performance. Accountability does not affect managerialperformance.

Keywords: Accountability, Transparency, Budget Participation, Managerial Performance, Budget Effectiveness

I. INTRODUCTION

The issue of good governance has surfaced recently.This is because the community wants the management of the state to be carried out in a trustworthy, responsible, and by the applicable laws and regulations.According to Agoes (2011), good governance is a system that regulates the relationship between the role of the Board of Commissioners, the role of the Board of Directors, shareholders, and other stakeholders.With a good governance system, it is hoped that all processes in the organization can run well, from the planning, implementation to accountability processes which will have an impact on organizational performance.

Similarly, in government organizations that are required to be able to run good governance, the term good government governance appears.The implementation of good governance or good governance in higher education is getting faster to do.The concept of good governance that was previously applied to companies is considered to be a preventive effort in improving the quality of higher education financial management, especially improving financial management performance.The concept is in the form of Good University Governance (GUG) or Good Governance at Colleges or Universities.

According to Mardiasmo (2018), the government's performance can not only be assessed from its output, but must consider the inputs, outputs, and results together.This means that how the government in managing the public budget is carried out efficiently, effectively, and economically to improve the performance of government agencies.Government Regulation Number 8 of 2006 concerning financial reporting and performance of government agencies reveals that government finances must include additional information about the performance of government agencies, namely the achievements that have been achieved by budget users about the budget that has been used.Sources of funding are one of the important things for universities in carrying out their duties and functions.The difference between public and private universities is that public universities receive funds from the government which is budgeted in the State Revenue and Expenditure Budget (APBN).In the APBN, state universities receive a budget in the form of non-tax state revenues, pure rupiah, and operational assistance for state universities.

Accountability is one of the main elements of the realization of good government governance which is responsible for managing resources and implementing policies entrusted to reporting entities in achieving the goals that have been set periodically (PP 71 of 2010).Government organizations in managing the budget are required to be accountable every year.Accountability in every government organization is always related to its performance. An accountable government organization that has good performance is not only seen from how much the budget is spent but also how the budget spent can be implemented effectively.

The lack of budget absorption occurs in government organizations in Indonesia.The existence of these problems makes the use of budgets in government agencies ineffective. At the tertiary level, namely, the budget absorption that occurs at the University of Jember is still relatively low, this can be seen from the percentage of budget absorption per quarter in the 2018 and 2019 fiscal years.In the first quarter of the 2018 fiscal year, it was 14% and the 2019 fiscal year was 14.56%.In the second quarter of the 2018 fiscal year, it was 19% and the 2019 fiscal year was 31.24%.In the third quarter of the 2018 fiscal year 19% and the 2019 fiscal year 57.89%.In the fourth quarter of the 2018 fiscal year, it was 89.22% and the 2019 fiscal year was 91%.Based on the above data, the highest budget absorption at the University of Jember occurred in quarters 3 and 4, while in quarters 1 and 2, budget absorption was still relatively low.

The University of Jember as one of the working unit state universities under the Ministry of Education and Culture in preparing its budget through a budget monitoring information system.Through this system, it can accommodate budget preparation starting at the level of study programs, faculties, and other sections, which will later serve as the basis for preparing the work plan of the University of Jember.The lack of budget absorption at universities reflects that the organization's performance is still not optimal in managing the budget to achieve goals and objectives.This raises demands for the government to manage state finances more transparently and accountably, starting from the budget preparation process to reporting.In addition to applying the principles of accountability and transparency, the government needs budget participation so that the government can run the budget properly.

II. LITERATURE REVIEW

2.1 Stewardship Theory

The grand theory that underlies this research is the stewardship theory. Donaldson & Davis (1991) mentions that stewardship theory describes a situation where management is not motivated by individual goals but is more focused on the main organizational goals for the benefit of the organization and has the assumption that if the interests of the company are achieved, personal interests can be fulfilled.

Stewardship theory assumes that there is a greater utility in cooperative behavior than individualistic behavior so that the manager will increase the competence of human resources ineffective internal control and create a good and strong organizational culture and is supported by organizational commitment to producing good governance (Jefry, 2018).

2.2 Regulatory Theory

Regulations are written rules that must be carried out and obeyed to regulate, manage and control an organization in realizing a prosperous community life (Bastian, 2017). The regulation of public sector management strategies in supporting public welfare consists of three regulations, namely economic regulations, social regulations, and administrative regulations. The existence of these regulations can be used by organizations in regulating, controlling, and managing all existing resources.

According to Bastian (2017) regulation is a written rule that must be implemented and obeyed to regulate, manage and control an organization in realizing a prosperous social life. The existence of these regulations can be used by organizations in regulating, controlling, and managing all existing resources.

2.3Accountability

Performance accountability of government agencies is the embodiment of the obligation of a government agency to account for the success and failure of implementing the organization's mission in achieving the goals and objectives that have been set through a periodic accountability system (Institution of State Administration, 2003).

According to Government Regulation Number 71 of 2010 concerning Government Accounting Standards Accountability is the responsibility for managing resources and implementing policies entrusted to reporting entities in achieving the goals that have been set periodically.

2.4 Transparency

The need for financial transparency was first mentioned in Law No. 17 of 2003 on state finances. The law states that the government must be transparent in the management and accountability of state finances. Financial transparency is providing open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in resource management.

According to Mardiasmo (2018), transparency is the government's openness in making financial policies so that it can be known and monitored by all parties, namely the DPRD and the community.With this transparency, the public can assess how far the government is in carrying out all existing plans and know all the programs that have been implemented.

2.5 Budget Participation

Participatory budgeting is expected to improve the performance of managers, namely when a goal is designed and participative approved, employees will internalize the goals set and have a sense of personal responsibility to achieve them because they are involved in budgeting (Milani, 1975).

According to Yuliani and Susanto (2018), budget participation has an important role, especially in the administration of local government. A budget is not just a financial plan that includes costs and revenues in a responsibility center. However, the budget also acts as a tool for controlling, coordinating, communicating, evaluating performance, and motivating.

2.6 Managerial Performance

Managerial performance is an achievement of actions that have been taken by organizational managers to providegood service to the community (Pertiwi, 2015). This means that public sector organizations need to prioritize performance in managing the organization because the result of managing the organization involves services that will ultimately benefit the community (Asrida, 2012).

According to Presidential Regulation number 29 of 2014 what is meant by performance is the output/result of activities/programs that have been achieved about the use of the budget with measurable quantity and quality.Every program needs to be measured and linked to the mission and mission of the organization. To get maximum results, it is necessary to carry out an optimal mission by doing a good performance at the management level in the organization.

2.7 Budget Effectiveness

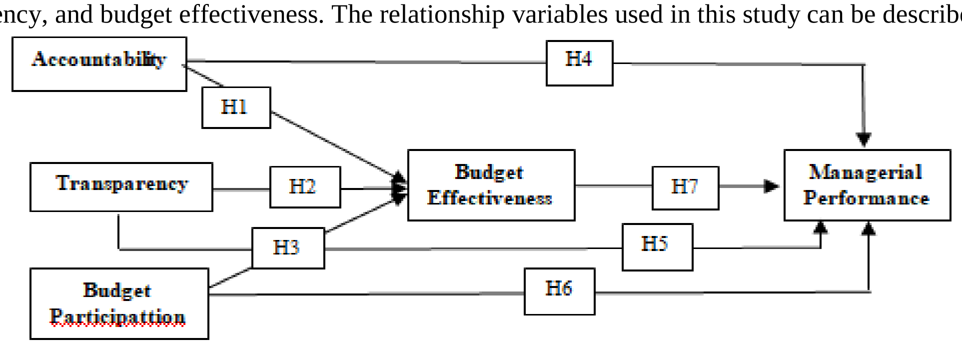
The budget plays an important role in public sector organizations, especially government organizations because the government uses the budget to achieve all its planned programs, both short-term and long-term (Bastian, 2017).

According to Mardiasmo (2018), the budget is said to be effective if the budget implemented has achieved its goals and objectives, because effectiveness is a benchmark for the success or failure of an organization in achieving its goals and objectives. It is necessary to know that what is called effective is not about the number of costs incurred by the organization in achieving its goals, but effective is how successful the organization is in carrying out a program/activity in achieving the goals that have been set and how the process is carried out in carrying out the program, whether its implementation is by the regulations laid down. valid or not.

2.8 Conceptual Framework

The regulatory theory proposed by Bastian (2017) states that the rule of law will assist the government in regulating, managing, and controlling organizations that are oriented towards the public interest. Good budget management is the desire of every government because a good budget can encourage good government performance too. The government is managing the budget properly must comply with the applicable laws and regulations.

The budget management process, from planning to reporting, needs to pay attention to the rules that have been set. The regulatory theory states that there are written rules that must be obeyed to regulate an organization in realizing public welfare. Based on theoretical studies and studies from several studies, the researchers identified four variables that could affect government performance. The four variables are budget participation, accountability, transparency, and budget effectiveness. The relationship variables used in this study can be described as follows:



2.9 Research Hypothesis

1. Accountability affects Budget Effectiveness
2. Transparency effects Budget Effectiveness
3. Budget Participation affects Budget Effectiveness
4. Accountability affects Managerial Performance
5. Transparency affects Managerial Performance
6. Budget Participation affects Managerial Performance
7. Budget Effectiveness affects Managerial Performance

II. METHOD

This research is quantitative. Sugiyono (2018) means that quantitative research methods are tools used to examine the presence of populations and samples in addition to data collection techniques can be in the form of primary or secondary data and are presented in data analysis using testing of each hypothesis.

This research was conducted at the University of Jember. The problem studied in managerial performance is influenced by budget participation, accountability, transparency, and budget effectiveness. The population in this study are people who are involved in budgeting at the level of study programs, faculties, institutions, to universities. The population in this study was 221 Respondens. At the University of Jember, there are 15 Faculties, 104 Study Programs, 2 Institutions, 3 Bureaus, 7 UPTs, and 3 Campuses outside Jember. The samples in this study that were used as respondents were (1) the parties involved in financial management and budgeting, (2) the parties responsible for each budget at the University of Jember as many as 162 people.

The data collection method in this study was carried out by the survey method, where the researcher made a list of questions in the form of a questionnaire. This study was analyzed quantitatively through a multivariate method with Structural Equation Model (SEM) techniques using AMOS software.

IV. RESULT

4.1 Instrument Test

Measurement of validity in this study was carried out on each variable. The indicator used is said to be valid if it has a loading factor value of more than 5%.Ghozali (2013:48) states that the limit value used for the accepted reliability is 0.7.This normality test can be done by looking at the critical ratio (CR) of the skewness value. If a significance level of 5% (0.05) is used, then the CR value must be between -1.96 to 1.96 (-1.96 CR 1.96). If so, then the data is said to be a normal distribution, both univariate and multivariate (Ghozali, 2013).Multicollinearity can be seen through the determinant of the covariance matrix. The value of the determinant is very small or close to zero, then it indicates an indication that there is a multicollinearity or singularity problem so that the data cannot be used for research (Ghozali, 2013). So the value of the determinant of the covariance matrix must be away from zero.

χ^2 (Chi-Square Statistics), a small chi Square value will produce a probability value greater than the significance level and it shows that the input covariance matrix between predictions is not significantly different. Significance probability, which is acceptable or indicates the suitability of the model is good, is the value probability equal to or greater than 0.05. Root mean square error of approximation (RMSEA) measures the deviation of parameter values in a model with the population covariance matrix. RMSEA is a measure that tries to improve the statistical trend of the chi-square model with a large number of samples. RMSEA value between 0.05 to 0.08 is an acceptable measure. The goodness of fit index (GFI) is used to calculate the proportion of variances in the estimated population covariance matrix. This index reflects the level of suitability of the overall model which is calculated from the predicted residual square of the model and compared with the actual data. GFI values range from 0 to 1.0. The GFI value that is said to be good is greater than or equal to 0.90. Adjusted goodness of fit index (AGFI) is an analog of R2 (R square) in multiple regression. This fit index is adjusted to the available degree of freedom to test whether the model is accepted or not. The level of acceptance of the model is recommended if it has a value equal to or greater than 0.90. The normed chi-square (CMIN/DF) is the measure obtained from the chi-square divided by the degree of freedom. The recommended value to accept model fit is the value of CMIN/DF) which is less than or equal to 2.0 or 3.0. The Tucker Lewis index (TLI) is an alternative incremental fit index that compares a tested model against a baseline model. The recommended value as a reference for the acceptance of a model is greater than or equal to 0.90 and a value close to 1.0 indicates a very good fit model. The comparative fit index (CIF) is also known as Benkler's Comparative Index.CIF uses an incremental suitability index which also compares that the tested model has a good fit if the CIF is greater than or equal to 0.90.

4.2 Hypothesis testing

Hypothesis 1: Accountability affects Budget Effectiveness

Hypothesis 1 states that Accountability affects Budget Effectiveness. The critical ratio value is 2.015 with a probability of 0.044. The critical ratio value is above the critical value of ±1.96 with the significance being below the significant value of 0.05. This shows that Accountability affect Budget Effectiveness, so hypothesis 1 can be accepted.

Hypothesis 2: Transparency affects Budget Effectiveness

Hypothesis 2 states that Transparency affects Budget Effectiveness. The critical ratio value is 4.992 with a probability of 0.000. The critical ratio value is above the critical value of ±1.96 with the significance being below the significant value of 0.05. This shows that transparency affect Budget Effectiveness, so hypothesis 2 can be accepted.

Hypothesis 3: Budget Participation affects Budget Effectiveness

Hypothesis 3 states that Budget Participation affects Budget Effectiveness. The critical ratio value is 2,329 with a probability of 0.020. The critical ratio value is above the critical value of ±1.96 with the significance being below the significant value of 0.05. This shows that Accountability affect Budget Effectiveness, so hypothesis 3 can be accepted.

Hypothesis 4: Accountability affects Managerial Performance

Hypothesis 4 states that Accountability affects Budget Effectiveness. The critical ratio value is 1.645 with a probability of 0.098. The critical ratio value is below the critical value of ±1.96 with the significance being above the significant value of 0.05. This shows that Accountability does not affect Managerial Performance, so hypothesis 4 cannot be accepted.

Hypothesis 5: Transparency affects managerial performance

Hypothesis 5 states that Transparency affects Managerial Performance. The critical ratio value is 2.007 with a probability of 0.045. The critical ratio value is above the critical value of ±1.96 with a significance below the significant value of 0.05. This shows that transparency affects managerial performance, so hypothesis 5 can be accepted.

Hypothesis 6: Budgetary Participationaffects Managerial Performance

Hypothesis 6 states that Budgetary Participation affects Managerial Performance. The critical ratio value is 2.852 with a probability of 0.004. The critical ratio value is above the critical value of ±1.96 with the significance being below the significant value of 0.05. This shows that budgetary participation affects managerial performance, so hypothesis 6 can be accepted.

Hypothesis 7: Budget Effectiveness affects Managerial Performance

Hypothesis 7 states that Budget Effectiveness affects Managerial Performance Manager. The critical ratio value is 2.134 with a probability of 0.041. The critical ratio value is above the critical value of ±1.96 with the significance being below the significant value of 0.05. This shows that the effectiveness of the budget affects managerial performance, so hypothesis 7 can be accepted.

V. DISCUSSION

5.1 The Effect of Accountability on Budget Effectiveness

The Effect of Accountability on Budget Effectiveness shows the critical ratio value of 2.015 with a probability of 0.044. The critical ratio value is below the critical value of ±1.96 with the significance being above the significant value of 0.05. Therefore, it can be concluded that Accountability affects Budget Effectiveness.

5.2The Effect of Transparency on Budget Effectiveness

The Effect of Transparency on Budget Effectiveness The critical ratio value is 4.992 with a probability of 0.000. The critical ratio value is below the critical value of ±1.96 with the significance being above the significant value of 0.05. The critical ratio value is above the critical value ±1.96. This shows that Transparency affects Budget Effectiveness.

5.3The Effect of Budget Participation on Budget Effectiveness

The Effect of Budget Participation on Budget Effectiveness shows the critical ratio value of 2.329 with a probability of 0.020. The critical ratio value is below the critical value of ±1.96 with the significance being above the significant value of 0.05. Therefore, it can be concluded that Accountability affects Budget Effectiveness.

5.4The Effect of Accountability on Managerial Performance

The Effect of Accountability on Managerial Performance shows a critical ratio value of 1.654 with a probability of 0.098. The critical ratio value is below the critical value of ±1.96 with the significance being above the significant value of 0.05. This shows that Accountability does not affect Managerial Performance.

5.5The Effect of Transparency on Managerial Performance

The Effect of Transparency on Managerial Performance shows a critical ratio value of 2.007 with a probability of 0.045. The critical ratio value is above the critical value of ±1.96 with a significance below the significant value of 0.05. This shows that Transparency affects Managerial Performance.

5.6The Effect of Budget Participation on Managerial Performance

The Effect of Budget Participation on Managerial Performance shows the critical ratio value of 2.852 with a probability of 0.004. The critical ratio value is above the critical value of ±1.96 with a significance below the significant value of 0.05. This shows that Budgetary Participation affects Managerial Performance.

5.7The Effect of Budget Effectiveness on Managerial Performance

The Effect of Budget Effectiveness on Managerial Performance shows a critical ratio value of 2.134 with a probability of 0.041. The critical ratio value is above the critical value of ±1.96 with a significance below the significant value of 0.05. This shows that Budget Effectiveness affects Managerial Performance.

VI. CONCLUSION

Accountability affects budget effectiveness. From these results, it can be concluded that accountability can increase budget effectiveness. Transparency effects budget effectiveness. From these results, it can be concluded that transparency can increase budget effectiveness. Budget Participation affects the effectiveness of the budget. From these results, it can be concluded that budgetary participation can increase budget effectiveness. Accountability does not affect managerial performance. From these results, it can be concluded that accountability cannot improve managerial performance. Transparency affects managerial performance. From these results, it can be concluded that transparency can improve managerial performance. Budget participation affects managerial performance. From these results, it can be concluded that budgetary participation can improve managerial performance.Budget effectiveness affects managerial performance. From these results, it can be concluded that budget effectiveness can improve managerial performance.

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