

CHAPTER III

RESEARCH METHOD

A. Research Objects and Subjects

The object in this study was the Organization Regional Devices (OPD) found in Sleman Regency. The subjects from this research were the Head of Institution, Financial Sub-Division, and employees involved in budgeting process in the OPD of Sleman Regency.

B. Data Type

The data used by researchers is primary data. The primary data was collected using the survey method, by distributing questionnaires to the respondents. The questionnaire also included questions related to the proposed variables related in research.

C. Samples

The sample in this study was the OPD of Sleman Regency. The number of OPD in Sleman Regency is 29 OPD. The following are the details on OPD samples in Sleman Regency:

Table 3.1
List of OPD of Sleman Regency

No	Institutions
1	Regional Personal, Education and Training Agency
2	National Unity and Politics Agency
3	Regional Financial and Asset Agency
4	Regional Disaster Relief Agency
5	Regional Development Planning Agency
6	Culture Office
7	Population and Civil Registry Office
8	Healthy Office
9	Communication and Informatics Office
10	Cooperatives and Small and Medium Enterprise Office
11	Environmental Office
12	Tourism Office
13	Public Work Office
14	Community and Village Empowerment Office
15	Women Empowerment and Family Planning Office
16	Youth and Sport Office
17	Regional Investment and Licensing Service Office
18	Education Office
19	Transportation Office
20	Industry and Trade Office
21	Library and Archive Office
22	Land and Spatial Planning
23	Agriculture and Fishery office
24	Social Office
25	Manpower Office
26	Sleman Regional Board of People's Representative
27	Sleman Regional Inspectorate
28	Civil Service Police Unit

No	Institutions
29	Regional Secretariat

D. Data Collection Technique

To collect the data, the primary data was collected directly from the respondents. Data collection using a questionnaire by sharing it directly to obtain higher rate. The responses taken in accordance with the specified criteria researcher on the research questionnaire. Questionnaire used for this study uses a Likert scale 1-5.

E. Sampling Technique

The sampling method in this study used purposive sampling, because the samples obtained are judged based on certain considerations or criteria. The respondents included in this study include the head of the agency, subdivision of finance, the planning and evaluation subdivision head, and employees involved in budgeting process in the OPD of Sleman Regency. The respondent was chosen by researcher because it fits the criteria of the research sample, namely have authority and responsibility in the drafting process the budget.

F. Operational Definitions and Variable Measurement

1. Independen Variable

a. Information

Information is data that is used by someone in increasing knowledge gained in an event that occurs at a certain moment or can also be part of an organization that can control the organization to the goals to be achieved.

The research variables were measured using instrument from (Cahya, 2009) which was then updated to be more relevant. The questionnaire used the Likert scale 1-5. All variables are given alternative answers sangat tidak setuju (Strongly Disagree) is given a value 1. tidak setuju (Disagree) is given a value of 2. Neutral (N) is given a value 3. Setuju (Agree) is given a value of 4, and sangat setuju (Strongly Agree) is given a value of 5. The higher the score (5), the better the information.

b. Organizational commitment

Organizational commitment is an encouragement from the individual to do something in order to support the success of the organization in accordance with the objectives and prioritize the interests of the organization compared to their own interests.

To measure organizational commitment, this research adopted questionnaire from (fitri, 2010). The questionnaire used uses the Likert scale 1-5. All variables are given alternative

answers sangat tidak setuju (Strongly Disagree) is given a value 1. tidak setuju (Disagree) is given a value of 2. Neutral (N) is given a value 3. Setuju (Agree) is given a value of 4, and sangat setuju (Strongly Agree) is given a value of 5. The higher the score (5), the better the organizational commitment.

c. Transformational leadership

Leadership style is a pattern of behavior that is shown by someone when trying to influence the activities of others as perceived by the person. Leadership style is a process in which a person can lead, guide, direct or influence the thoughts and behavior of others to achieve certain goals (Hotdianty, 2016).

Transformational leadership style instrument in this study was measured by 18 questions developed by (Pratama, 2016) which were guided by the characteristics of transformational leadership stated by (Bass, 1990), namely charismatic, inspiring leaders, intellectual stimulators and individual reviewers. The questionnaire used uses the Likert scale 1-5. All variables are given alternative answers sangat tidak setuju (Strongly Disagree) is given a value 1. tidak setuju (Disagree) is given a value of 2. Neutral (N) is given a value 3. Setuju (Agree) is given a value of 4, and sangat setuju (Strongly Agree) is given a value of 5. The higher the score (5), the transformational leadership style better.

d. The Quality of Human Resources

The quality of human resources is interpreted as the ability of individuals to complete tasks and mandates that have been delivered armed with both formal and non-formal education, trainings that have been attended, and qualified work experience (Arifianti, 2011).

The instrument of the quality of human resources in this study was measured by 6 items of questions developed by (Sudiaranti, 2015) which were guided by three dimensions of competency indicators of human resources, including knowledge, skills and behavior. The questionnaire used uses the Likert scale 1-5. All variables are given alternative answers *sangat tidak setuju* (Strongly Disagree) is given a value 1. *tidak setuju* (Disagree) is given a value of 2. *Netral (N)* is given a value 3. *Setuju* (Agree) is given a value of 4, and *sangat setuju* (Strongly Agree) is given a value of 5. The higher the score (5), the better the quality of human resources.

e. Good Governance

Good governance is one of the functions of the government for better community service in all aspects by applying the principles contained therein. These principles are transparency, accountability and participation (Ulum and Sofyani, 2016).

The instrument of good governance in this study was measured using 6 questions developed by (Sriharioto and Ratna, 2012) which included the main principles in good governance, namely transparency, accountability, and participation. The questionnaire used uses the Likert scale 1-5. All variables are given alternative answers sangat tidak setuju (Strongly Disagree) is given a value 1. tidak setuju (Disagree) is given a value of 2. Neutral (N) is given a value 3. Setuju (Agree) is given a value of 4, and sangat setuju (Strongly Agree) is given a value of 5. The higher the score (5), the better good governance.

2. Dependen Variable

a. Performance Based Budgeting

Performance-based budgeting according to (Sembiring, 2009), is a budgeting process that focuses on the benefits of activities or work programs from the organization, where each of the activities or work programs must be able to measure the performance benefits. The main emphasis in performance-based budgeting systems is the output or work performance of the activities to be carried out which are expected to be arranged in the direction of 3E (effectiveness, efficiency, and economy).

The performance-based budget instrument in this study was measured by 8 question items developed by (Achyani and Cahya, 2011) which includes fundamental principles in performance-

based budgeting, namely transparent and accountable, disciplined, fair, effective and efficient, and prepared using a performance approach. The questionnaire used the Likert scale 1-5. All variables are given alternative answers sangat tidak setuju (Strongly Disagree) is given a value 1. tidak setuju (Disagree) is given a value of 2. Neutral (N) is given a value 3. Setuju (Agree) is given a value of 4, and sangat setuju (Strongly Agree) is given a value of 5. The higher the score (5), the better the performance based budgeting.

G. Test of Quality of Data Instruments

1. Descriptive Statistics Test

Descriptive statistics test is used to give a general description of the respondents' demographics and provide a description of the research variables in order to find out the absolute frequency distribution of the minimum, maximum, mean, and standard deviations on the variables used by researchers. Descriptive method is a method of data analysis by describing collected data without making general conclusions so that descriptive analysis helps researchers understand the object of their research. The demographics of the respondents in this study were the head of the agency, the subdivision of finance, the subdivision of planning and evaluation, and the employees involved in the budgeting process in the OPD of Sleman Regency.

2. Data Quality Test

a. Validity Test

Validity test is used in order to find out whether the validity of a research questionnaire is valid or not. It is valid if the questionnaire question can reveal something that was examined by the questionnaire (Nazaruddin and Basuki, 2015). This test is intended to be able to correlate each item from each indicator. In this study, the validity test is seen from the output of KMO and Bartlett's test. According to (Nazzarudin and Basuki, 2015), the validity test has criteria on the test, namely if the value on KMO and Bartlett's test $>$ a value of 0.5 then the tested instrument is declared valid.

b. Reability Test

Reliability test is performed to measure a questionnaire which is an indicator of a variable or construct (Nazaruddin & Basuki, 2015). The reliability test in this study used Cronbach's Alpha with a significance level of 5%. Cronbach's Alpha is reliability coefficient that can identify how good the statement or question is positively correlated with one another. Each item statement or question in the questionnaire is said to be reliable if the value of cronbach's alpha is greater or equal to 0.70 (Nazaruddin and Basuki, 2015).

c. Classic Assumption Test

Multiple linear regression analysis be fulfilled to perform classical assumption tests. The classic assumption test used in this study was the normality test, multicollinearity test, heteroscedasticity test. The explanation of each classic assumption test is as follows:

1. Normality Test

The normality test used to determine the residuals with normal distribution or not (Nazaruddin and Basuki, 2015). The normality test used in this study was the Kolmogorov-Smirnov statistical test. The criteria of this test if the value of Asymp.sig (2-tailed) is greater than 0.05 or 5%, it can be concluded that the residual spread is normal while if the value of Asymp.sig (2-tailed) is smaller than 0.05 or 5% it can be concluded that the residual spread is not normal (Nazaruddin and Basuki, 2015).

2. Multicollinearity test

Multicollinearity test is used to find out whether there is a correlation between independent variables in a regression model. The data is said to be free from multicollinearity if it has a Variance Inflation Factor

(VIF) value of less than 10 and a tolerance value of 0.1 percent (Nazaruddin and Basuki, 2015).

3. Heteroscedestity test

Heteroscedestity test is used to test whether in a regression model there is a residual variance inequality an observation to another observation. The regression model is said to be good if there is no heteroscedestity. Residual variants that have the same variant are called homokedasticity, if the variant is not the same it is called heteroscedasticity. To test the presence or absence of heteroscedasticity, the researcher uses that is by regressing the dependent variable by squaring Abs_Res. It is said that heteroscedacity does not occur if the value sig > 0.05.

H. Hypothesis Test and Data Analysis

In this study, the hypothesis was tested using multiple linear regression in order to test the effect of more than one independent variable on one dependent variable. In this study the multiple analysis model is formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Notes :

Y = Performance Based Budgeting

α = Konstanta

$\beta_1 \beta_2 \beta_3 \beta_4$ = Koefisien Regresi

X1 = Information

X2 = Organization Commitment

X3 = Leadership Transformational

X4 = Quality of Human Resource

X5 = Good Governance

e = Error

1. The t-Value

The t-value test is done to test how far the independent variable has an effect on the dependent variable partially or individually. Testing is done using a significance level of 0.05 ($\alpha = 5\%$). If the significance value is $< \alpha 0.05$ and the regression coefficient is in line with the hypothesis, the hypothesis is accepted.

2. Determination Coefficient Test (Adjusted R²)

R square (R²) is how much the variable matches or how much the independent variable explains the dependent variable (Nazaruddin and Basuki, 2015). The value of R² between zero and one value. Addition of variables in R square is very vulnerable to the addition of independent variables, because the value of R² can be even greater (Nazaruddin and Basuki, 2015). If the R² value is small, then the ability of the independent variable in explaining the dependent variable is very limited. The independent variable that gives all the information needed in estimating the dependent variable is R² which approaches the value 1.

3. The F Test

The F test is used in multiple linear regression analysis to determine the effect of simultaneous independent variables on the dependent variable contained in the annova table (Nazaruddin and Basuki, 2015). The test criteria for F Test is if the significant is $< 0,05$, the independent variables simultaneously have a significant effect on the dependent variable (Nazaruddin and Basuki, 2015).