

CHAPTER IV

RESEARCH FINDING AND ANALYSIS

A. General Description of Research Object

1. Place and Time of Research

This research was conducted in the Regional Government Organization (OPD) of Sleman Regency. The samples in this study were the heads of agencies, the finance department, and employees involved in the budgeting process in the Sleman Regency OPD.

Based on the OPD list obtained in the Sleman Regency website, 49 OPD were registered in Sleman Regency and by using the purposive sampling method the researcher finally took 29 OPD which did not include the subdistrict and hospital to be the object of research.

Data were obtained through the distribution of questionnaires to respondents in 29 District of Sleman OPD. Data collection was carried out by distributing questionnaires directly to the Head of Agency, Head of Financial Subdivision, and employees involved in the budgeting process. The distribution and return of the questionnaires were carried out from October 16, 2019 to October 28, 2019. The questionnaire distribution map is described in table 4.1 as follows:

Table 4.1
Questionnaire Distribution

No	Institutions	Questionnaires Sent	Questionnaires Return
1	Regional Personal, Education and Training Agency	3	3
2	National Unity and Politics Agency	3	3
3	Regional Financial and Asset Agency	3	3
4	Regional Disaster Relief Agency	3	3
5	Regional Development Planning Agency	3	3
6	Culture Office	3	3
7	Population and Civil Registry Office	3	3
8	Health Office	3	3
9	Communication and Informatics Office	3	3
10	Cooperatives and Small and Medium Enterprise Office	3	0
11	Environmental Office	3	3
12	Tourism Office	3	3
13	Public Work Office	3	3
14	Community and Village Empowerment Office	3	3
15	Women Empowerment and Family Planning Office	3	3
16	Youth and Sport Office	3	3
17	Regional Investment and Licensing Service Office	3	3
18	Education Office	3	3
19	Transportation Office	3	3
20	Industry and Trade Office	3	3
21	Library and Archive Office	3	3
22	Land and Spatial Planning	3	3
23	Agriculture and Fishery office	3	3
24	Social Office	3	3
25	Manpower Office	3	3

No	Institutions	Questionnaires Sent	Questionnaires Return
26	Sleman Regional Board of People's Representative	3	0
27	Sleman Regional Inspectorate	3	3
28	Civil Service Police Unit	3	3
29	Regional Secretariat	3	3
	TOTAL	87	81

Questionnaire return can be seen in table 4.2 as follows:

Table 4.2
Questionnaire Return Rate

Questionnaire	Total	Percentage
Questionnaire sent	87	100 %
Questionnaire that did not return	6	6,9 %
Questionnaire that is not filled in completely	0	0 %
Questionnaire that can be processed	81	93,1%

Based on Table 4.2, it can be seen that there were 87 questionnaires distributed. The number of questionnaires that did not return was 6 questionnaires or 6.9%. The incompleteness of the answer in the questionnaire is 0 questionnaires or 0%, so the total questionnaire that can be processed is 81 questionnaires or 93.1%.

2. Descriptive Statistics of Respondents

The following presents the demographic data of the respondents regarding the general information determined namely: gender, age, latest education, and length of work as follows:

a. Gender

Based on gender, the respondents can be classified in Table 4.3 as follows:

Table 4.3
Classification of Respondents by Gender

No.	Gender	Total	Percentage
1.	Male	26	32,1 %
2.	Female	55	67,9%
	TOTAL	81	100%

Table 4.3 shows that male respondents consist of 26 respondents or 32.1% of the total respondents, while women numbered 55 respondents or 67.9% of the total respondents. This shows that women are dominant in this study.

b. Age

Based on age, the respondents can be classified in table 4.4 as follows:

Table 4.4
Classification of Respondents by Age

No.	Age	Total	Percentage
1.	<20 years	0	0%
2.	21-35 years	13	16,0%
3.	36-50 years	54	66,7%
4.	>60 years	14	17,3%
	TOTAL	81	100%

Table 4.4 shows that respondents aged < 20 years are 0% or there are no respondents under the age of 20 years. Respondents aged 21-35 years were 13 respondents or 16.0%, while respondents aged 36-50 years were 54 respondents or 66.7% and respondents age > 60 years

were 14 respondents or 17.3%. This shows that the respondents aged 36-50 years are dominant in this study.

c. Level of Education

Based on the latest education, respondents can be classified in table 4.5 as follows:

Table 4.5
Classification of Respondents by Level of Education

No.	Level of Education	Total	Percentage
1.	Senior High School	19	23,5%
2.	Assosiate Degree (D3)	10	12,3%
3.	Undergraduate (S1)	37	45,7%
4.	Graduate (S2)	15	18,5%
5.	Postgraduate (S3)	0	0%
	TOTAL	81	100%

Table 4.5 shows that respondents who attended senior high school were 19 respondents or 23.5%, respondents who attended assosiate degree education were 10 respondents or 12.3%, while respondents who attended education in starata 1 (S1) were 37 respondents or 45.7% and respondents in Starata 2 (S2) were 15 respondents or 18.5% and respondents in starata 3 (S3) totaled 0 or 0%.

d. Length of Work

Based on lenght of work, respondents can be classified in table 4.6 as follows:

Table 4.6
Classification of Respondents by Length of Work

No.	Lenght of Work	Total	Percentage
1.	<1 Year	5	6,2%
2.	1-5 Years	25	30,9%
3.	6-10 Years	22	27,2%

No.	Lenght of Work	Total	Percentage
4.	>10 Years	29	35,8%
	TOTAL	81	100%

Table 4.6 shows that the respondents who worked < 1 were 5 people or 6.2%. Respondents who worked 1-5 years were 25 people or 30.9%. while respondents who worked 6-10 years were 22 people or 27.2% and respondents who worked > 10 people were 29 people or 35.8%. this shows that respondents were dominated by OPD employees who had worked for > 10 years.

3. Descriptive Variable Research Table

Descriptive statistical test results of the research variables in table 4.7 are as follows:

Table 4.7
The Result of Descriptive Statistical Test

Variabel	N	Minimum	Maximum	Mean	Std.dev
performance-based budgeting	81	24	40	31,3	1,5
Information	81	10	15	11,9	2,3
Organizational Commitment	81	13	25	18,5	5,7
Transformational Leadership Style	81	56	90	71,6	1,9
Quality of Human Resources	81	19	30	24,3	2,0
Good Governance	81	18	30	24,2	3,6

According to Table 4.7 information variable has a minimum value of 10, the maximum value of 15, the mean of 11.19 and the standard

deviation value of 2.3. The organizational commitment variable has a minimum value of 13, the maximum value of 25, mean value of 18.5 and a standard deviation of 5.7. The transformational leadership style variable has a minimum value of 56 and a maximum of 90, while the mean value is 7.16 with a standard deviation of 1.9. The Human Resources Quality Variable has a minimum value of 19, a maximum of 30, and a mean value of 24.3 with a standard deviation of 2.0. Good governance variable has a minimum value of 18, a maximum of 30, a mean of 24.2 with a standard deviation of 3.6. The dependent variable in this study is the performance-based budget which has a minimum value of 24 and a maximum value of 40, while the mean is 31.3 with a standard deviation of 1.5.

B. Data Quality Test

a. Validity Test

Validity testing can be tested using factor loading value of each question item and KMO value. The instrument is declared valid if the loading factor value > 0.4 and KMO value $> \alpha 0.5$.

The validity test results for each instrument are as follows:

1) Performance Based Budgeting

The results of the validity test of performance-based budgeting variable can be seen in the Table 4.8:

Table 4.8
Validity Result of Performance based budgeting

Variable	KMO Value	Item	Loading Factor Value	Description
Performance Based Budgeting	0,906	PBB 1	0,821	Valid
		PBB 2	0,775	Valid
		PBB 3	0,828	Valid
		PBB 4	0,761	Valid
		PBB 5	0,876	Valid
		PBB 6	0,863	Valid
		PBB 7	0,864	Valid
		PBB 8	0,889	Valid

Based on Table 4.8, the performance based budget as dependent variable has a KMO value of 0.906, the value $> \alpha$ 0.5. Thus, it can be said to be valid. All questions have a loading factor value > 0.4 so that the eight items of measurement variables are valid and the data can be processed.

2) Information

The results of the validity test of the information variable can be seen in the following table:

Table 4.9
Validity Result of Information

Variable	KMO Value	Item	Loading Factor Value	Description
Information	0,622	INFO 1	0,732	Valid
		INFO 2	0,803	Valid
		INFO 3	0,711	Valid

Based on Table 4.9, the independent information variable has a KMO value of 0.622, the value $> \alpha$ 0.5. Thus, it can be said to be valid. All items in question have a loading factor value > 0.4 so that the three items measuring the variable information are valid and the data can be processed.

3) Commitment Organization

The results of the validity test of organizational commitment variables can be seen in the following table:

Table 4.10
Validity Results of Organizational Commitment

Variable	KMO Value	Item	Loading Factor Value	Description
Organization Commitment	0,668	OC 1	0,707	Valid
		OC 2	0,704	Valid
		OC 3	0,682	Valid
		OC 4	0,778	Valid
		OC 5	0,661	Valid

Based on Table 4.10, the independent variable Organizational Commitment has a KMO value of 0.668, the value $> \alpha$ 0.5. Thus, it can be said to be valid. All items in question have a loading factor value > 0.4 so that the three item measurement items are valid variables and data can be processed.

4) Transformational Leadership

The results of the validity test of transformational leadership variable can be seen in the following table:

Table 4.11
Validity Results of Transformational Leadership

Variable	KMO Value	Item	Loading Factor Value	Explanation
Transformational Leadership	0,867	TL 1	0,832	Valid
		TL 2	0,762	Valid
		TL 3	0,730	Valid
		TL 4	0,702	Valid
		TL 5	0,673	Valid
		TL 6	0,743	Valid
		TL 7	0,686	Valid
		TL 8	0,692	Valid
		TL 9	0,741	Valid
		TL 10	0,521	Valid
		TL 11	0,556	Valid
		TL 12	0,654	Valid
		TL 13	0,737	Valid
		TL 14	0,766	Valid
		TL 15	0,718	Valid

Variable	KMO Value	Item	Loading Factor Value	Explanation
Transformational Leadership	0,867	TL 16	0,799	Valid
		TL 17	0,692	Valid
		TL 18	0,743	Valid

Based on Table 4.11, the independent variable Transformational Leadership has a KMO value of 0.867, the value $> \alpha$ 0.5. Thus, it can be said to be valid. All items in question have a loading factor value > 0.4 so that eighteen items of measurement variables are valid and data can be processed

5) Quality of Human Resources

The results of the validity test of the variable quality of human resources can be seen in the following table:

Table 4.12
Validity Results of Quality of Human Resources

Variable	KMO Value	Item	Loading Factor Value	Explanation
Quality of Human Resources	0,668	QHR 1	0,837	Valid
		QHR 2	0,721	Valid
		QHR 3	0,622	Valid
		QHR 4	0,832	Valid
		QHR 5	0,864	Valid
		QHR 6	0,670	Valid

Based on Table 4.12, the independent variable Quality of Human Resources has a KMO value of 0.668, the value $> \alpha$ 0.5. Thus, it can be said to be valid. All items have a loading factor value > 0.4 so that the six items of measurement variables are valid and the data can be processed.

6) Good Governance

The results of the validity test of good governance variables can be seen in the following table:

Table 4.13
Validity Result of Good Governance

Variable	KMO Value	Item	Loading Factor Value	Description
Good Governance	0,841	GG 1	0,780	Valid
		GG 2	0,818	Valid
		GG 3	0,707	Valid
		GG 4	0,793	Valid
		GG 5	0,780	Valid
		GG 6	0,757	Valid

Based on Table 4.13, the independent variable good governance has a KMO value of 0.841, the value $> \alpha$ 0.5 so that it can be said to be valid. All items have a loading factor value > 0.4 so that the six items of measurement variables are valid and the data can be processed.

b. Reability Test

Below is a table of the reliability test results of each variable using the cronbach's alpha coefficient.

Table 4.14
Reability Test

No	Variable	<i>Cronbach's alpha</i>	Description
1	Performance Based Budgeting	0,936	Reliable
2	Information	0,609	Reliable
3	Organizational Commitment	0,741	Reliable
4	Transformational Leadership	0,939	Reliable
5	Quality of Human Resources	0,851	Reliable
6	Good Governance	0,856	Reliable

Based on Table 4.14, the value of Cronbach's alpha variables based on performance, information, organizational commitment, transformational leadership, quality of human resources and good governance > 0.70 . This shows that all variables have a fairly strong reliability, so that all variables can be said to be reliable.

1. Assumption Classic Test

a. Normalitas

Below is a table of data normality test results using sig values from the Kolmogorov Smirnov test.

Table 4.15
Normality Test Results

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			81
Normal	Mean		,0000000
Parameters ^{a,b}	Std. Deviation		2,44516901
Most Extreme	Absolute		,134
Differences	Positive		,103
	Negative		-,134
Test Statistic			,134
Asymp. Sig. (2-tailed)			,001 ^c
Monte Carlo	Sig.		,105 ^d
Sig. (2-tailed)	99% Confidence Interval	Lower Bound	,097
		Upper Bound	,113

The normality test results in Table 4.15 show that the sig value of 0.105 or 10.5% is greater than the alpha value of 0.05 or 5%, so it can be concluded that the residuals are normally distributed.

b. Multicollinearity Test

Below is a table of multicollinearity test results for each variable using the tolerance value and VIF of the regression test.

Table 4.16
Multicollinearity Test Results

Variabel	Collinearity Statistics		Conclusion
	Tolerance	VIF	
Information	0,572	1,748	Does not contain multicollinearity
Organizational Commitment	0,539	1,854	does not contain multicollinearity
Transformational Leadership	0,376	2,658	does not contain multicollinearity
Quality of Human Resources	0,592	1,688	does not contain multicollinearity
Good Governance	0,502	1,977	does not contain multicollinearity

Based on Table 4.16, the regression model does not contain multicollinearity if the VIF value < 10 and tolerance > 0.1 . Based on table 4.16, all variables have a VIF value < 10 and a tolerance value > 0.10 . These results indicate that the regression model does not experience multicollinearity between independent variables.

c. Heteroscedasticity test

Below is a table of heteroscedasticity test results for each variable using a significant value from the Glejser statistical test.

Table 4.17
Heteroscedasticity Test Results

Variable	Sig	Conclusion
Information	0,858	Does not contain heteroscedasticity
Organization Commitment	0,817	Does not contain heteroscedasticity
Transformational Leadership	0,689	Does not contain heteroscedasticity
Quality of Human Resources	0,657	Does not contain heteroscedasticity
Good Governance	0,282	Does not contain heteroscedasticity

Based on the results of the heteroscedasticity test in Table 4.17, all independent variables have a significant value of more than 0.05. This proves that the regression equation model does not experience heteroscedasticity where the residual variance from one observation to another observation is fixed (homoskedasticity). Therefore, the regression model is feasible to be used to predict the implementation of performance-based budgeting based on the independent variables that influence it.

A. Hypothesis Test

The results of multiple analysis tests are as follows:

1. Simultaneous Significance Test (F-Test)

The F test results are as follows:

Table 4.18
The F test results

Model	Sig
Regression Residual Total	,000

Table 4.18 shows that the test results have a significance level of $0,000 < \alpha 0.05$. Because the level of significance $< \alpha 0.05$, it can be said that information, organizational commitment, transformational leadership style, human resources and good governance together or simultaneously have an influence on the implementation of performance-based budgeting.

2. Determination Coefficient Test (Adjusted R²)

Adjusted R² test results are as follows:

Table 4.19
Determination Coefficient Test Results (Adjusted R²)

Model	Adjusted R ²
1	,519

Table 4.19 above shows that the Adjusted R² value is 0.519. This means that 51.9% of the variation of the performance-based budgeting

implementation can be explained by the variation of the independent variables namely information, organizational commitment, transformational leadership style, quality of human resources and good governance. The remaining 48.1% is explained by other variables not present in this study.

3. Partial Test (t Value Test)

T test results are as follows:

Table 4.20
Partial Test Results (t Test Value)

Model	Unstandardized Coefficient	Sig
(Constant)	-6,778	,113
TOTAL_INFO	-,183	,604
TOTAL_OC	,097	,563
TOTAL_TL	,125	,125
TOTAL_QHR	,406	,032
TOTAL_GG	,807	,000

Based on the Table above it can be concluded the regression equation is: $Y = -6,778 + -0,183X_1 + 0,97X_2 + 0,125X_3 + 0,406X_4 + 0,807X_5 + e$

It can be seen that information, organizational commitment and transformational leadership style do not affect the implementation of performance-based budgeting. while the quality of human resources and good governance affect the implementation of performance-based budgeting. Hypotheses testing results are as follows:

a. Hypothesis Test 1 (H_1)

Based on Table 4.20 above the information variable has a significance value of $0.604 > \alpha 0.05$ with a coefficient value of -0.183 . Then it can be concluded that the information has no significant effect on the implementation of performance-based budgeting. This means that H_1 is rejected.

b. Hypothesis Test 2 (H_2)

Based on Table 4.20, the organizational commitment variable has a significance value of $0.563 > \alpha 0.05$ with a coefficient value of 0.097 . It can be concluded that organizational commitment does not significantly influence the implementation of performance-based budgeting. This means that H_2 is rejected.

c. Hypothesis Test 3 (H_3)

Based on Table 4.20, the transformational leadership style variable has a significance value of $0.125 > \alpha 0.05$ with a coefficient value of 0.125 . It can be concluded that organizational commitment does not significantly influence the implementation of performance-based budgeting. This means that H_3 is rejected.

d. Hypothesis Test 4 (H_4)

Based on Table 4.20, the variable quality of human resources has a significance value of $0.032 > \alpha 0.05$ with a coefficient value of

0.406. Then it can be concluded that the quality of human resources affects the implementation of performance-based budgeting. This means that H_4 is accepted.

e. Hypothesis Test 5 (H_5)

Based on table 4.20, good governance variables have a significance value of $0.000 > \alpha 0.05$ with a coefficient value of 0.807. Then it can be concluded that good governance has a positive effect on the implementation of performance-based budgeting. This means that H_5 is accepted.

B. Discussion

This research was conducted to determine the effect of information, organizational commitment, transformational leadership style, quality of human resources and good governance on the effectiveness of the implementation of performance-based budgeting in the Regional Organization of Sleman Regency. Based on the hypotheses testing, the results show that the variable information, organizational commitment and transformational leadership style do not significantly influence the effectiveness of the implementation of performance-based budgeting. while the quality of human resources and good governance significantly influence the effectiveness of the implementation of performance-based budgeting.

1. The Effect of Information on The Effectiveness of Performance-Based Budgeting

The results of hypothesis testing for information variables (H_1) show that information variables that do not significantly influence the effectiveness of the implementation of performance-based budgeting have a negative influence on the effectiveness of the implementation of performance-based budgeting. The effect of insignificant information influences the effectiveness of the implementation of performance-based budgeting, reinforced by respondents' perceptions which have not yet shown a conducive matter. This is because the majority of respondents (almost 50%) indicated that they had never or rarely participated in training or workshops or seminars on performance-based budgets, especially for non-management employees or employees who did not have positions in their institutions.

The results of this study are in line with (Cahya, 2009). The research shows that information has no significant effect on the effectiveness of performance-based budgeting.

2. The effect of Commitment Organization on the effectiveness of performance-based budgeting

The result of hypothesis testing for the variable organizational commitment variable (H_2) shows that organizational commitment does not significantly influence the implementation of performance-based budgeting in the Regional Organization of Sleman Regency. This means

that the commitment of all organizational components is not always one of the determining factors for the successful implementation of performance-based budgeting in the sleman district government scope. This is likely due to the fact that not all members of the organization are involved in the budget preparation process. in addition, this can be caused by a lack of cooperation from all components of the organization to jointly carry out the main tasks that have been determined.

The results of this study are in line with the research of (Sembiring, 2009) and (Fitri *et al.*, 2013). The research shows that organizational commitment has no significant effect on the effectiveness of performance-based budgeting.

3. The effect of Transformational Leadership on the effectiveness of performance-based budgeting

The result of hypothesis testing for the variable transformational leadership style variable (H_3) indicate that the transformational leadership style has no significant effect on the implementation of performance-based budgeting in the Regional Organization of Sleman Regency.

The results of this study are in line with the research of (Khikmah and Mranani, 2015) which states that leadership style has not significant effect on the effectiveness of performance-based budgeting.

4. The Effect of Quality of Human Resources on the effectiveness of performance-based budgeting

The result of hypothesis testing for the variable quality of human resources variable (H_4) indicate that the quality of human resources has a positive effect on the effectiveness of the implementation of performance-based budgeting in the Regional Organization of Sleman Regency.

Human resources are an important component in the preparation and implementation of the budget because human resources are always related starting from targeting to evaluation. Human resources also have an important function in determining performance indicators. Therefore, the high quality of human resources in the Sleman Regency Regional Apparatus Organization is able to be directed towards achieving effectiveness in implementing performance-based budgeting in the Sleman Regency Regional Apparatus Organization.

Stewardship theory has two groups, namely principal and stewards who work together to improve quality according to what they are they want. The Principal accepts his employees seen from their potential in managing resources in their organization in order to maximize benefit stakeholders. The role of quality human resources in implementing performance-based budgets can be managed, regulated and utilized so that they can function productively and achieve organizational goals.

The results of this study are in line with the research of (Izzaty, 2011) and (Nallareason *et al.*, 2014). The research succeeded in proving that the

quality of human resources has a significant effect on the effectiveness of performance-based budget.

5. The Effect of Good Governance on The Effectiveness of Performance-Based Budgeting

The results of hypothesis testing for good governance (H_5) variables indicate that good governance has a significant effect on the effectiveness of the implementation of performance-based budgeting in the Regional Organization of Sleman Regency.

Good Governance is an important component in good governance in terms of using authority, administration, economics, politics to manage state problems at all levels based on aspects of transparency, accountability, community participation, efficiency and effectiveness, and responsiveness to the needs / problems of the community in a clear legal framework. Without involving the principles in good governance, it will be difficult to obtain outputs, and outcomes that are in accordance with community needs. Therefore, good governance in the Sleman Regency Regional Apparatus Organization is able to be directed towards achieving the effectiveness of performance-based budget implementation in the Sleman Regency Regional Apparatus Organization.

This is in accordance with the studies of (Nalarreason, 2014) and (Yanuar, 2017) which states that good governance has a significant effect on performance-based budgeting.