

# The Influence of Budgeting Participation and Budget Evaluation on Government Apparatus Performance (Empirical Study in Maluku)

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## Abstract

*This study aims to analyze the influence of budgeting and budget evaluation participation on government apparatus' performances within the scope of Maluku Province Government. Research population is civil apparatuses in the government of Maluku Province consisting of 47 regional apparatus organizations. Samples include the heads of regional apparatus organization, the heads of department, the heads of division, the heads of sub-division, and staff involved in budget planning. Data gathering method employs questionnaires with the total of 150 copies (100%) distributed and 132 copies (88%) returned and processed. Analysis technique used in this study is multiple linear regression analysis. Data is administered with SPSS 20 application. The analysis outcomes indicate that participation variable positively and significantly affects the performances of government apparatuses with the test value of the t-statistic hypothesis I and coefficient value: 0.19 and probability value 0.02. Furthermore, the result of t-statistics hypothesis II with coefficient value: 0.19 and probability value: 0.05 designates that there is no influence between budget evaluation variable and the variable of the government apparatus' performances in Maluku Province.*

## Keywords

budgeting participation; budget evaluation; government apparatus performance



## I. Introduction

Budget is a document of financial uses to expense activities of an organisation. It serves as the guideline of work planning, the instruction of resource usage to achieve particular target, and communication and coordination means among employees within a specific time period. Mardiasmo (2004) defines budget as a statement about performance estimation which will be achieved during projected time and presented in financial measurement, whereas budgeting is the process of budget preparation.

Anthony & Govinderajan (2005) state that there are three approaches used in budget planning, which are top down, bottom up, and a joint approach of these two called participation approach. In budgeting system, top down approach is considered as a work plan, and organisational budget is thoroughly organised and appointed by employers and later dispersed to employees. The advantage of top down system is planning implementation process becomes more efficient because of no involvement of subordinate participation. However, the drawback of this system can cause inconveniences in staff performances because superiors are unaware about the potential and issues faced by their workers. Consequently, these employers often assign targets which exceed employees' abilities. In their developments, organisations begin to carry out participative budget planning process, which is a merge of top down and bottom up approaches.

Motivation comes from the Latin word *movere* which means drive or driving force. Motivation in management is only aimed at human resources in general and in particular subordinates (Purba and Sudibjo, 2020).

Participative budgeting is a budgeting approach focusing on efforts to increase workers' motivations to achieve organisations' goals. This approach involves employees in budget composing associated with their jobs; therefore, an agreement between superiors and subordinates is established. Workers' supports in budgeting are regarded as something which can raise their responsibilities because these involvements can align the purposes of an organisation. Duties and challenges in this process award non-financial incentives leading to possibilities to initiate greater working performances.

Shifting paradigm within government management in the last two decades from process-oriented to result-oriented has also reformed the system of state financial management either in developed countries or developing countries including Indonesia. The reformation of state financial management in Indonesia founded with the establishment of regulation associated to State Financial (UU Nomor 17, 2003) has brought a great deal of fundamental alterations in state financial management. This fundamental change is the introduction of performance-based budgeting in compiling government budget.

Performance-based budgeting application in government agency performance plans must obey performances' budgeting elements to be well understood by all parties associated in performance-based budget implementation. In this implementation and to assist the formation of accountabilities in government institutions, public organizational sectors must fulfilled several aspects of accountability performances (Endrayani et al., 2014). Performance-based budgeting organization is based on expected performances' target. Furthermore, this target is detailed into performances' indicators which are work performance targets of the budget managers. In the system of performance-based targeting, it is conditioned that budget managers should specify expected objectives, consider the instruments which will be used, determine the indicators, and carry out the benefit cost analysis (Pratama, 2014).

One form of the performance-based budgeting is the budgeting participation within organizations. Budgeting process is a significant activity because it will affect either functional or dysfunctional attitudes or behaviors of an individual in an organization that will be presented. To prevent dysfunctional budget impacts from organizational members, subordinates need to be involved in budgeting process. These involved workers may realize that their aspiration is appreciated and, thus, will acknowledge their responsibilities on the budgeting process and finally will advance their performances according to projected objectives.

The budgeting participation is regarded as managerial approach generally assessed to be able to elevate administrations' effectiveness through the advancement of performances of every organization member individually or group. However, several studies regarding the budgeting participation consequences with managerial performances indicate no consistent results.

Another factor of performance-based budgeting influencing managerial performances of an institution is evaluation of budget enactment. Budget evaluation is an act executed to search for deviations and is used as a foundation to department performance assessment (Kenis, 2009). Moreover, evaluation application will also influence behavior, attitudes, and performances of an individual or a group in an estimated period of time as projected

The application of performance-based will be considered successful if budget realization is achieved maximally, and the overall process carried out can be held accountable to the public. A phenomena showing lack of budget realization on particular parts in regional government systems shows inefficiencies in the process of planning, implementation, and report in the employment of performance-based budgeting around regional government. A relevant example is budget absorption in Maluku province government that should be priority. According to the data, the average budget achievement in 2016 from overall Regional Government Organizations only reached 73% from accounted and 81% in 2017. Additionally, there are several institutions only achieved below 50%.

In 2018, according to the first trimester report of budget absorption only accomplished 13.38% from estimated Regional Government Budget total which was IDR 1.59 trillion. In addition, budget absorption for State Government Budget only completed 17.32% from the total income which was 21.17 trillion. Meanwhile, in 2019, budget absorption for some organizations was not maximal (below 90%), such as the realization of Health Office (88,29 percent), Public Work Service and Spatial Planning Office (87.67 percent), Regional Disaster And Management Agency (69.61 Percent), Housing And Residential Areas Department (83.45 percent), Environmental Agency (81.03 percent), Community And Village Empowerment Office (87.99 Percent), Communication Office (24.24 Percent), Communication and Information Office (87.05 Percent), Cooperatives And Small And Medium Enterprises (89.95 Percent), Education, Youth, And Sport Office (89,51 percent), Investment and Integrated One-Door Service (89.51 Percent), Forestry Office (82.85 percent). This data was gathered from fractional treasurer of PKS DPRD Maluku Province Rostina to a journalist in Ambon Sunday (20/9). This information indicates that budget absorption whether regional government budget or state government budget is not utmost.

Low budget absorption requires intense attention from government and factor affecting the adjournment of this assimilation is the delay of budget evaluation implementation. The evaluation on budget accomplishment is a strategic step to discover and measure the development of regional government budget and state government budget realization implementation in the Government of Maluku Province either from budget absorption side or performance achievement. What is more, with the existence of budget evaluation, strategic steps can be determined as enforcements in exploiting the development, and as a result, program and activities run effectively and efficiently.

Consequently, analysis and evaluation towards factors affecting the performance of government apparatuses in Maluku Province is mandatory to become significant information in resolving issues in insufficient budget absorption in Maluku Province government.

## II. Review of Literature

*Theory of planned behaviour* (TPB) is an extension development of *Theory of Reasoned Action*. Furthermore, it is conceptual brainstorm aiming to explicate the determinants of particular attitudes. Ajzen I, (2012) states that intention and desire are cognitive representations of an individual's enthusiasm to complete certain behaviour and treated as the closest antecedents on behaviour. Firstly, intention reflects one's willingness to do certain actions. The greater one's willingness to act in particular ways is, the higher one's possibility to exhibit that act is.

Secondly, Subjective Norm is one's perspective about whether others or surroundings which are significant for oneself will approve or refuse that certain acts. Thirdly, Perceived Behavioral Control is one's confidence in controlling those actions and measurement about convenience and inconvenience to carry out those attitudes

Three antecedents mentioned above can predict an individual's enthusiasm which is assumed as motivation to complete an act, and an indication is the amount of someone's alacrity to execute an act (Ajzen, 1991). Theory expressed by Ajzen can envisage how an action raises through eagerness affected by behavioural aspects towards behaviour, subjective norms, and perceived behavioural control. In theory of planned behaviour, those three are determined through compulsory beliefs. Determination of an attitude is the product of one's beliefs assessment whether positively or negatively.

Theory of planned behaviour (TPB) is based on the assumptions that humans are rational and use possible information systematically (Achmat, 2010). People often think the implication of some actions before they decide to accomplish specific activities or not. Budget participation is a form of involvement of all parties in an organisation during budgeting. This situation will encourage each person to participate in completing the intended budget.

When budget is evaluated, a comparison between what has been accounted and what has been accomplished is obtained. Assessment provides positive outcomes because it contributes confidence to individuals or institutions regarding finalised results and will signify individual acts to raise positive consequences. Furthermore, the presence of clear budget target will simplify the responsibility of success or failure in implementing organisational tasks to acquire goals and objectives determined previously.

## **2.1 Budgeting Concept**

Budget is essential element of planning which accommodate purposes and actions in achieving those goals, and there are two dimensions in budgeting which are how budget is composed and how it will be used to implement organisational plans. Moreover, budget is the key instrument to short-term planning and control which are effective in organisations (Hansen & Mowen, 2005).

Budget is a formal statement created by management about future projected planning within a determined period of time. It will be functioned as a guideline in the practice during the estimated time. (Murtiyani, 2001) argues that budget is a statement of what is expected, planned, and projected to happen in estimated time in the future. Further, it is also a management instrument to organise control, coordination, communication, performance assessment, and motivation (Mulyasari & Sugiri, 2004). Hence, it can be defined that budget is a financial operation planning encompassing advised expenses estimation and a revenue source anticipated to cover the those expenditures in a certain period of time.

## **2.2 Performance-Based Budgeting**

Performance-based budgeting is known in financial management since the publication of Government Regulation Number 105 Year 2008 article 8 which states that income and expenditures budget is organised with performance approach. The employment of performance-based budgeting in government institutions in Indonesia is announced through the enforcement of regulations number 17 year 2003 about state finance and has been applied gradually since budget year 2005. Juridically, the definition of performance-based budgeting is referred to article 7 verse (1) government regulation number 21 year 2004, which is a budget planning by observing the relationships between funding with

expenditure and proposed results including efficiency in the revenue and output achievements.

Mardiasmo (2002) states that performance budgeting is an assortment system and regional budgeting management oriented on the attainment of result or performance. This performance displays efficiency and affectivity of public services which orient on public interests. Efficiency measurement is done by using a comparison between obtained output and cost of output. An operational activity is regarded efficient if a specific product or work outcome is reachable with the least uses of resources and funds.

Regional budgeting process begins with coordinating and selecting public's needs which will be fulfilled within a decided time period. Therefore, numbers recorded in budgeting is proportionate to comply with the public's interests. Performance-based budgeting allows the creation of new program and innovation and strategy to prevail the resource limitation. Other perspectives mention that performance budgeting is a budgeting structure which (1) focuses on activities or establishment functions of a product or outcome and the origin of used resources, and (2) indicates budgeting process attempting to connect organizational purposes with its resources usages, in which budgeting principles concentrate on efficiency increase by classifying activities and cost measurement (Ikhsan & Ishak, 2006).

Generally, performance structure in performance-based budgeting according to Performance-based Budgeting Guidelines (BPKP, 2005) explains that, fundamentally, performance-based budgeting cannot be separated from planning cycle, implementation, and report/accountability of the budgeting itself. Strategic plans issued in annual target are always examined and refine continuously.

### **2.3 Budgeting Participation**

Participation is mental and emotional contribution of a person in a group to force them to contribute to groups' aims and various responsibilities to reach these goals (Davis & Newstrom, 2005). Participation in the context of budgeting is a process in which individual workers whose performances are evaluated and receive appreciations according to the success or targeted budget, involve and possess influences in budgeting (Brownell, 1982).

The budgeting process of an office is an important movement because it has impacts on the possibility of launching functional and dysfunctional attitudes towards actions and behavior of an organizational member (Milani, 1975). Functional or dysfunctional influence is depicted with functioning or not budgeting as a well control instrument in inspiring its institutions' associates to develop their presentations. Many factors causing dysfunctional budgeting are performance criteria factors. To overcome the impact possibilities of dysfunction, Supomo (2008) suggests the necessity of providing opportunities for subordinates to contribute their ideas in budgeting process.

Siegel & Marconi (1989) address that workers' involvement in budgeting will promote initiative for them to support ideas and information in advancing closeness and a sense of belonging, thus, teamwork in reaching goals is formed. Inclusion in budgeting is an effective means to create equal purposes in each responsibility center with overall organizational goals.

### **2.4 Budgeting Evaluation**

Evaluation is an assessment executed by more experienced individuals or exteriors for those in lower position whether by structural position or lower skills. Basically, evaluation acts as a control instrument to fulfil aims of an action.



Budgeting evaluation is a program carried out to search the possibilities of budget irrelevance on a department which is used as fundamental performance measurement (Kenis, 2009). Furthermore, it will also influence behaviour, attitudes, and performances of apparatuses such as supportive approach which causes positive attitudes and actions, or punitive approach which causes lack of motivation and negative attitudes.

Budget evaluation may occur because of new developments, feedbacks, and faulty. The longer and more complex budgeting is, the bigger the possibilities to require changes are. When budget is evaluated, a ratio between what has been costed and what has been achieved. According to Aniwati (2014), principally, budget evaluation has four objectives which are:

- a. Ensuring that actual performance should match expected performance
- b. Simplifying the process of comparison between each individual's performances towards one another.
- c. Evaluation system of performances can trigger a message of danger and offer signal associated to probable obstacles.
- d. Assessing management policies in making a decision

According to definitions explained above, budget evaluation is an action comparing budgeted report to actual situation. Additionally, it will become a valuation whether annual performances are as projected.

## **2.5 Apparatus' Performances**

The meaning of performances according to Wibowo (2012) derives from the definition of *performances* meaning work outcomes or work triumphs. Further, Sedarmayanti (2003) states that performance is an outcome or work of an officialdom executed by individuals who can be assigned tangibly and measurably.

Similarly, Mangkunegara (2007) indicates that performance originates from job performance or actual performance. This explanation refers to work results in quality and quantity realised by one in performing a task according to dispersed obligation. Based on the explanation above, it is concluded that performance is behaviour, appearance, success, usefulness, and enactment of a person or a group that can be shown tangibly and measurably.

The success of apparatuses can be valued from Employment Grades Level (EGL) as is regulated in government regulation number 10 year 1979. Employment grade level is a list containing rating results of the implementation of a civil servant's work within a year. EGL is composed by assessing officer who is a direct superior of the apparatus concerned. It covers judgement aspects such as loyalty, job success, responsibility, obedience, honesty, initiative, and leadership.

## **2.6 Budgeting Participation and Regional Government Apparatus' Performances**

Essentially, study associated with the budget participation and evaluation towards government apparatus' performances have been carried out enormously. However the findings indicate many differences, for example a study by Yanida et al., (2013), focusing on the influence of budget participation towards government apparatus's performance with the sample of 228 civil servants at 31 SKPD in Palangka Raya municipality who are involved in budgeting in each department. Study findings point out that budget participation positively influences the apparatus' performances at SKPD.

Naipospos (2015) examines budget participation, clarification of budget target, and budget evaluation towards regional government apparatus' performances in Pekanbaru with the sample of 78 individuals including the head of SKPD, head of planning department, head of general and employment sub-division in each office. Study finding shows the influences among these aspects.

Antara & Rini (2017) observe the characteristic of budget purposes towards government institutions' performances in Bali Province with 100 samples working in regional government of Bali. Study finding indicates that variable of budget participation and variable of budget evaluation do not show significant influence.

Hariani & Veny (2018) study the effect of budget participation, budget evaluation, and difficulties in budget achievement towards government organisations' performances at SKPD Mayor of Jakarta Barat with the 64 samples from Regional Apparatus Organisation. The finding shows no impact between budget participation and budget achievement difficulties; meanwhile, budget evaluation variable impacts institutional performances in Jakarta Barat municipality.

Budget participation triggers workers' emotion and mental entangled in budgeting, therefore, affection and a sense of belonging toward their jobs is formed, and positive contribution towards institutional targeted purpose is improved. Budgeting process of an organisation is a significant and complex action because budget possesses possible functional and dysfunctional impact on behaviour and attitude of organisation members (Milani, 1975). These effects are designated with functioning or not the budget as well control instrument to motivate organisation members to improve their job success. Based on the attitude and actions involving employees in budgeting process that supports positive contribution on these workers' performances, hypothesis can be formulated as followed,  
*H<sub>1</sub>: Budget Participation positively affects Government Institutions' Performances.*

## **2.7 Budget Evaluation and Regional Government Apparatus' Performances**

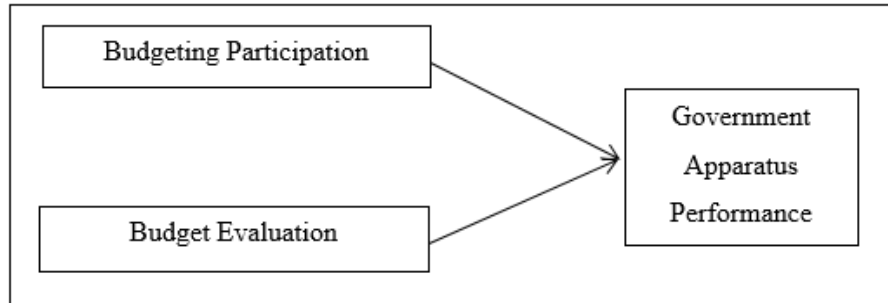
Performances of a governmental institution are not only valued by motivation or its ability to resolve issues of a completed program, but also by its policies in managing and exploiting determined budget. For this appraisal, budget evaluation is required to find out the performances of the organizations. Budget evaluation refers to a wide budget gap reused by head of departments and employed in their performance rating (Kenis, 2009). By executing budget evaluation, organization performance in that period is known, and expected to escalate the enactment in the following period.

Kenis (2009) in his study concludes that managers offer beneficial reaction to utilize budgeting in performance evaluation in a punitive style (improving work tension, reducing budget performance). Munawar (2006) finds out that budget evaluation determine the behavior of government institutions in Kupang Regency. This proves that in preparing budget they always gauge on programmed activities and on budget implementation, and on previous activities thus their performances are improved.

Within the framework of the theory of planned behavior, one can own several types of beliefs on behavior. Noticeable belief shown from behavior belief is a confidence of an individual about the result of a behavior and evaluation of that result. Associated to budgeting, planning on program and actions completed as well as reporting problems is related to budget absorption whether it has matched the planned program or action and carried out through budget evaluation. When budget evaluation is completed properly, it will deliver positive outputs because it offers beliefs to an individual or an organization regarding achieved positive results and will influence individual behavior to raise positive consequences. This situation will improve the following process influencing the

performance development. In accordance with explanation above, second hypothesis is formulated as followed:

*H<sub>2</sub>: Budget evaluation positively influence government apparatus performance*



*Figure 1. Research Model*

### III. Research Method

#### 3.1 Research Design

This study is designed to analyse whether budget participation and evaluation as free variables determine government institutions' performances in Maluku Province as attached variables which is OPD within the scope of Maluku Province Government. Data analysis employs multiple linear regression analysis.

This study uses hypothesis testing research which is a study describing phenomena in the form of relationship amongst variables. Data is categorised into subject data such as opinions, attitudes, experiences or characteristics of a person or a group of people. Meanwhile, data resource used is data premier.

#### 3.2 Population and Sample

Study population is Civil Servants in the government of Maluku Province consisting of 47 regional government institutions: 1 Regional Secretariat, 1 District Assembly Secretariat, 1 Inspectorate, 23 Offices, 9 Agencies, 9 Bureaus, and 3 Hospitals. The sample total is 132 respondents including head of regional government institutions, heads of department, heads of division, heads of sub-division, and employees involved in budgeting.

#### 3.3 Sampling Techniques

This study utilises purposive sampling method which is sample gathering intentionally in accordance with necessary sample criteria or particular deliberation. This research consideration associates with budget participation and evaluation at OPD including Esalon II, III, and IV.

#### 3.4 Data Collection Techniques

Data is collected by distributing questionnaire to respondents. This distribution is carried out by delivering the copies individually to the respondents and regathered based on the agreement of the researcher and the participants (approximately 1 week).



## IV. Results and Discussion

Tabulated data findings using program SPSS version 20 indicates descriptive statistic of research variable with actual average and standard deviation each variable shown on the following table:

**Table 1.** Descriptive Statistic

<b>Variable</b>	<b>Theoretical Range</b>	<b>Actual Range</b>	<b>Theoretical Average</b>	<b>Actual Average</b>	<b>Standard Deviation</b>
Budgeting Participation	4 – 20	8 - 20	12	14,78	3,58
Budget evaluation	3 – 15	8 - 15	9	11,63	1,80
Apparatus' performances	8 – 40	24 - 40	24	31,59	5,14

*Source: Primary data processed*

Statistic descriptive data on the table above with the total sample of 132 respondents depicts for budget participation variable consisting of 4 questions specifying actual range 8-20 with actual average 14.78 higher than theoretical average 12 designates that apparatuses in the scope of Maluku Province Government has an increasing budgeting participation. Standard deviation which is 3.58 smaller than variable average indicates that budgeting participation in governmental institution in Maluku Province is categorized excellent.

Budget evaluation variable presents 3 inquiries with actual range 8-15 and actual average 11.63 higher than theoretical average 9 designates that budget evaluation tends to be implemented in the scope of Maluku Province Government. Meanwhile, standard deviation value 1.80 which is smaller than variable average shows that budget evaluation is categorized excellent.

Apparatus' performances variable presents 8 inquiries with actual range 24 – 40 and actual average 31.59 higher than theoretical average 24 designates that Apparatus' performances in the scope of Maluku Province Government is escalating. Standard deviation value 5.14 which is smaller than variable average demonstrates that budget evaluation is categorized excellent.

### 4.1 Data Quality Testing

The result of data quality testing consisting of validity and reliability testings show acceptable outcomes which are: validity value for budgeting participation value with the coorelation range 0.87 – 0.94 and significance level 0.00; budget evaluation variable with coorelation range 0.85 – 0.87 and significance level 0.00; apparatus' performances variable with coorelation range 0.89 – 0.92 and significance level 0.00. Moreover, reliability test proves that cronbach alpha received are: budgeting participation variable 0.95; budget evaluation variable 0.81; and apparatus' performances variable 0.97.

### 4.2 Hypothesis Testing

The outcome of multiple regression tests related to the influence of budgeting participation and budget evaluation on the performance of Maluku Provincial government officials obtained the following results:

**Table 2.** Hypothesis Testing Results

<i>Variable</i>	<i>Coefficient</i>	<i>t</i>	<i>p-value</i>
(Constant)	4,34	2,47	0,02
Budgeting Participation	0,19	2,44	0,02
Budget Evaluation	0,13	0,60	0,55
R Square	0,95	-	-
Adjusted R Square	0,94	-	-
F Model	99,09	-	-
Sig	0,00	-	-

*Source: Primary data processed*

From the table above, the result shown includes determination test ( $R^2$ ), model testing (F-Test) and hypothesis testing (T-statistical test) can be described as follows:

#### **a. Determination Test ( $R^2$ )**

The output of the determination coefficient test on the table above shows the amount of adjusted R square is 0.94 or about 94%. This means that the variability of the dependent variable can be explained by the variability of independent variables which is 94%.

#### **b. Model Testing (F-test)**

The results of the model F test above shows the F-count value is 99.09 with a significant probability level of 0.00 (0%). The significant probability value is much smaller than 0.05 or 5%, hence, regression model is suitable to predict dependent variables.

#### **c. Hypothesis Test (T – Test)**

Hypothesis test one: shows that budgeting participation variable has a positive effect of 0.19 with a probability value of 0.02 and if measured with a significant degree of 0.05. Thus, it can be concluded that there is a significant effect of budgeting participation on managerial performance.

Hypothesis testing two: shows that budget evaluation variable offers a positive outcome of 0.13 with a probability value of 0.55, if measured with a significant degree of 0.05 then it is determined that there is no significant effect of budget evaluation variable on managerial performance, thus, the hypothesis proposed in the study this is not supported.

The results the first hypothesis influence test between budgeting participation variable with the performance of Maluku provincial government officials obtains a relationship value of 0.19 with a probability value of 0.02 and if measured with a significant degree of alpha 5% (0.05), it displays a positive effect between budgeting participation variables with the performance variable of the apparatus meaning that the higher the budget participation will have an impact on, the better the performance of the government apparatus of Maluku Province. This is due to the budget preparation process is an important movement and delivers functional and dysfunctional impacts related to the attitudes and behavior of members of the organization. The functional impact shown from the results of this study reveals that functioning budget participation can motivate the officers to improve their work performances; this is observable from the WTP opinion provided by the BPK to the Maluku provincial government in 2019 and 2020.

Giving subordinates the opportunity to participate in the process of budgeting, the organizations desired target budget will be acceptable if members of the organization can come together to discuss their opinions on organizational targets and be involved in determining measures to achieve that performance. Similarly, a study by (Azhar L et al., (2009) addresses that significant variable of the budgeting participation has a significant

positive effect on improving the performance of local government regulations of Kuantan Singingi Regency.

The findings of the second hypothesis test between the budget evaluation variable and the performance variable of Maluku provincial government apparatus produced a value of 0.13 and a probability value of 0.55. If measured with a significant degree of alpha5% (0.05) then it is settled that there is no significant consequence between the budget evaluation variable and the performance variable of government officials in the province of Maluku. Therefore, the second hypothesis proposed in this study is not supported.

If budget evaluation is performed ineffectively, it will implicate on the lack of government apparatus' performance. Budget evaluation is an action done to find out to detect possible budget deviations and is used as a basis for performance appraisal. When the budget is evaluated, then a comparison will be obtained between what has been estimated and what has been achieved. Budget evaluation aims to ensure that actual performance is in line with expected performance, making it easier to compare individual performance with one another as well as to assess management policy in decision making.

The phenomenon in the OPD of the Maluku provincial government mentions that there is often an interruption in the budget immersion, for example in the first and second trimester of the 2018 and 2019 budget years. One of the factors causing this postponement is inadequate budget evaluation process. The evaluation of the budget achievement is a strategic step to recognize and measure the realization of the implementation of the APBD and APBN in the Maluku provincial government both in terms of budget absorption and performance achievement. Budget evaluation can determine strategic steps as an incentive or correction in optimizing the implementation of development to effectively and efficiently run the program and activities.

Budget evaluation should be the responsibility of the OPD leaders as well as the leaders lower than them. However, in reality, the OPD leaders have not been maximal in evaluating the operation of programs and activities that have not been completed and awarding the reward for the performance achieved has not been well reflected. In addition, several conditions that cause the evaluation process does not run effectively are the appraisal time is sometimes clashed with huge unfinished works, and the evaluation results of budget absorption are often presented orally rather than written paperwork in evaluation meeting. Study findings support the study of Munawar (2006) who discovers that budget evaluation contributes no significant effect on the performance of local government officials of Kupang Regency. This study is also in line with the research of (Friska, 2014), who argues that budget evaluation does not affect the performance of apparatus.

## V. Conclusion

The findings of the first hypothesis test signifies that budgeting participation variable significantly and positively influences the government apparatus's performances in Maluku Province meaning that the more subordinates are included in the budgeting process, the more impacts are contributed to assists officials' motivation in increasing their assignments. The findings of the second hypothesis test indicates that budget evaluation with government offices' performance variable have no significant and positive impacts. This can be explained that OPD in Maluku Province Government experience deferral in the process of budget evaluation impacting on the budget absorption adjournment and inefficiency of OPD leadership in responding to reward employees of government apparatuses whose performances improved.

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