Abstract—This study aims to determine the effect of budgetary participation, budget goal clarity, budgetary evaluation, budgetary feedback, and budget goal difficulty on managerial performance. This research was conducted at government hospitals in Jayapura. The sample in this study was 116 managers selected with non-probability sampling technique, i.e. purposive sampling. Data were analyzed using multiple linear regression analysis. The result showed that (1) budgetary participation has a positive affect on managerial performance, (2) budget goal clarity has a positive affect on managerial performance, (3) budgetary evaluation has a positive affect on managerial performance, (4) budgetary feedback has a positive affect on managerial performance, and (5) budget goal difficulty has not affect on managerial performance. Therefore, managerial parties should consider these aspects in budgeting process to improve managerial performance.

Keywords—budgetary participation; budget goal clarity; budgetary evaluation; budgetary feedback; budget goal difficulty; managerial performance.

I. INTRODUCTION

The budget is an estimate of the performance to be achieved over a certain period of time [1]. Process of preparing and implementing a budget can run effectively requires budgetary goal characteristics [2]. Kenis (1979) [2] defined budgetary goal characteristics into five indicators, namely budgetary participation, budget goal clarity, budgetary evaluation, budgetary feedback, and budget goal difficulty.
Performance measurement is very important to assess the accountability of organizations and managers in providing better public services. Goal-setting theory emphasizes the importance of the relationship between the objectives set and the performance produced [9]. Individuals who are able to understand the goals of the organization, will affect their work behavior.

One of the phenomena related to poor managerial performance occurs at RSUD Kota Agung, Lampung. Based on data from lenteraswaralampung.com (11/6/2017), Tanggamus Regency Government failed to achieve Unqualified Opinion (WTP) for the third time because the financial management of RSUD Kota Agung with the status of the Regional Public Service Agency (BLUD) was rated poorly. In the 2016 financial statements, there was a remaining balance of Rp 606.16 million, of which Rp 111.4 million could not be believed of its existence and reasonableness. In addition, there are calculations of tax collection and deposit at the treasurer of BLUD expenditures which are not supported by adequate details. Whereas the Tanggamus Regency Government has a policy of recording, presenting, and collecting the remaining cash balance at BLUD, but it has not been implemented adequately. In addition, RSUD Kota Agung spending value of Rp 2.81 billion was also not supported by adequate report details [10].

This study discusses budgetary goal characteristics in several government hospitals in Jayapura City. Hospitals, like other organizations in general, make a budget as a tool for planning and controlling the achievement of organizational goals. In order to be able to compete in a sustainable manner by prioritizing service, hospitals are required to develop their organizations effectively and efficiently. One way is to improve managerial performance through accuracy of planning and control which is assessed from the achievement of budget objectives. This study aims to examine the effect of budgetary goal characteristics to managerial performance.

II. THEORETICAL CONCEPT

A. Goal-Setting Theory

Goal-setting theory emphasizes the relationship between the goals set and the resulting performance. The basic concept of this theory is someone who is able to understand the goals expected by the organization, then this understanding will affect his work behavior. Goal-setting theory explains that a person's behavior is determined by two cognitions, namely values and intentions. A goal is simply defined as what the individual is trying to do. Whereas one's values create a desire to do consistent things [9].

Goal-setting theory in this study is used to explain how managerial actions in realizing the goals to be achieved. The implication of goal-setting theory to this research is that theory can explain the motivation that will encourage the managerial in determining the action that will be taken.

Goal-setting theory was also used to explain the variable budgetary goal characteristics. Budget participation is a means to achieve the goals set and will improve managerial performance because managers will be serious in the process of preparing the budget. Budget goal clarity will encourage the managerial to act in accordance with the objectives to be achieved and will be better able to regulate behavior that can improve performance. Budgetary evaluation can motivate and create a positive attitude towards the goals that have been achieved. The results of the budgetary evaluation can be an improvement for the next budget planning, thus encouraging managerial parties to make greater efforts to achieve goals and correct mistakes. Budgetary feedback is the result of achieving budget goals. When the results of achieving budget goals are lacking, it will encourage the managerial to improve them. Conversely, when the achievement of budget objectives is achieved, the managerial side will be more active in maintaining and improving performance in achieving these budget objectives. Budget goal difficulty lead to higher efforts by the managerial side. The level of budget goal difficulty should be tight but can be achieved in order to motivate the managerial because they believe that the budget can be achieved.

III. HYPOTHESIS

This study will examine the following hypothesis:
1. Budgetary participation has a positive effect on managerial performance.
2. Budget goal clarity has a positive effect on managerial performance.
3. Budgetary evaluation has a positive effect on managerial performance.
4. Budgetary feedback has a positive effect on managerial performance.
5. Budget goal difficulty has a positive effect on managerial performance.

IV. RESEARCH METHOD

This study was designed to test hypothesis that explain the effect of budgetary goal characteristics, namely budgetary participation, budget goal clarity, budgetary evaluation, budgetary feedback, and budget goal difficulty on managerial performance. Data collection in this study was conducted using survey methods, namely data collected through a questionnaire by submitting a list of written questions to respondents relating to the variables to be tested in the study and each answer was given a score. This study used multiple linear regression analysis with the IBM SPSS Statistic 25 program. The regression equation in this study was as follow.

\[ Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon \]  

(1)

The population in this study were all managers or heads of work units in 4 government hospitals in Jayapura City, namely RSUD Jayapura, RSUD Abeepura, RSAL dr. Soedibjo Sardadi, and RSAD Marthen Indey. Consideration or sampling criteria in this study are managers or heads of work units who have occupied positions for at least one year and are involved in the process of preparing and implementing the budget. These criteria are used because in general the budget is made once a
year so that the manager or head of the work unit already has experience in the budget preparation process.

A. Managerial Performance

Managerial performance is the extent to which public institutions carry out organizational management effectively and efficiently as a form of accountability of public institutions (performance accountability) [8]. Managerial performance was measured using 12 question items adopted from Mahoney’s (1963) research.

B. Budgetary Participation

Budgetary participation refers to the extent to which managers participate in preparing budgets and influence budget objectives at the center of responsibility [2]. Budgetary participation is measured using 3 question items adopted from Kenis’s (1979) research.

C. Budget Goal Clarity

Budget goal clarity refers to the extent to which budget targets are stated specifically and clearly, and are understood by those responsible for achieving them [2]. Budget goal clarity is measured using 2 question items adopted from the Kenis’s (1979) research.

D. Budgetary Evaluation

Budgetary evaluation refers to the extent to which budget variance is traced back to each work unit to assess whether the budget has been used appropriately and effectively [2]. Budgetary evaluation is measured using 3 question items adopted from Kenis’s (1979) research.

E. Budgetary Feedback

Budgetary feedback refers to providing information to individuals who are responsible about their achievements, and guidance on budget objectives and variances [6]. Budgetary feedback was measured using 3 question items adopted from Kenis’s (1979) research.

F. Budget Goal Difficulty

Budget goal difficulty refers to how challenging the budget objectives and standards are. Budget goals can range from very loose and easily achieved to very tight and cannot be achieved [2]. Budget goal difficulty is measured using 4 question items adopted from Kenis’s (1979) research.

V. RESULTS AND DISCUSSION

Judging from the results in testing the data, it was found that the data in this study are valid and reliable. The model in this study satisfy the assumption of normality and no heteroscedasticity, multicolinearity, and autocorrelation.

The testing of multiple linear regression analysis to test the effect between the dependent variable (managerial performance) and independent variables (budgetary participation, budget goal clarity, budgetary evaluation, budgetary feedback, and budget goal difficulty).

Based on the multiple linear regression analysis, can be included in the regression equation which can be arranged mathematically as follows:

\[ Y = 10.134 + 0.853X_1 + 0.809X_2 + 0.719X_3 + 1.076X_4 - 0.009X_5 + \varepsilon \]  \hspace{1cm} (1)

| TABLE I. STATISTICAL T-TEST RESULTS |

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
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<td>Budgetary</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Participation</td>
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<td></td>
<td></td>
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<tr>
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<td></td>
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</tr>
<tr>
<td>Evaluation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>0.344</td>
<td>3.565</td>
<td>0.001</td>
</tr>
<tr>
<td>Budget Goal</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficulty</td>
<td>-0.009</td>
<td>-0.004</td>
<td>-0.042</td>
<td>0.967</td>
</tr>
</tbody>
</table>

A. The Effect of Budgetary Participation to Managerial Performance

Testing the effect of budgetary participation to managerial performance shows that budgetary participation has a positive effect to managerial performance. This result can be seen from probability value (p value) is 0.006 (< 0.05) and t value is 2.798 (> 1.6587).

The results of this study indicate that budgetary participation at several government hospitals in Jayapura City has been going well, with involvement in the budgeting process and the implementation of established budget programs that encourage increased managerial performance. This is shown by the optimal contribution of managers in the budgeting process in several government hospitals in Jayapura City.

The results of this study are in line with goal-setting theory which explains that someone who is able to understand the goals expected by the organization will affect his work behavior. If managers participate in preparing the budget, then the manager will understand the budget objectives to be achieved so that it will improve its performance.

The results of this study are in line with research conducted by Kenis (1979), Kren (1992), Giri and Dwirandra (2014), Kewo (2014), Apriani, et al. (2016), and Wiandi and Eka (2016) found that budgetary participation had a positive effect to managerial performance. In contrast, research conducted by Medhayanti and Guardana (2015) and Ermawati (2017) found that budgetary participation had no effect to managerial performance.

B. The Effect of Budget Goal Clarity to Managerial Performance

Testing the effect of budget goal clarity to managerial performance results show that budget goal clarity has a positive effect to managerial performance. This result can be
seen from probability value (p value) is 0.014 (< 0.05) and t value is 2.491 (> 1.6587).

The results of this study indicate that budgetary goal clarity at several government hospitals in Jayapura City has been clearly established so that they can be understood by those responsible for achieving these budget targets, so as to improve managerial performance.

The results of this study are in line with goal-setting theory which explains that someone who is able to understand the goals expected by the organization will influence his work behavior. The existence of clear goals or objectives will encourage individuals to do their best and will be better able to regulate behavior that can improve performance. A budget that has been clearly established will motivate individuals to achieve budget goals because they understand what the budget will be used for, so that it will have an impact on improving performance.

The results of this study are in line with research conducted by Kenis (1979), Kewo (2014), Apriani, et al. (2016), and Wianti and Sisdyani (2016) found that budget goal clarity had a positive effect to managerial performance.

C. The Effect of Budgetary Evaluation to Managerial Performance

Testing the effect of budgetary evaluation on managerial performance shows that budgetary evaluation has a positive effect to managerial performance. This result can be seen from probability value (p value) is 0.016 (< 0.05) and t value is 2.454 (> 1.6587).

The results of this study indicate that budgetary evaluation at several government hospitals in Jayapura City have been carried out to find out whether the budget objectives set have been successfully achieved. In analyzing the achievement of budget targets in the regional government (APBD), one of the important things is the budget variance. Budget variance is the difference between the target and the budget realization. Practically, there is almost always variance for all components of the budget, namely revenue, expenditure, and financing. However, the achievement of a favorable budget indicates variance that does not interfere with the implementation of programs and activities [19]. The results of the budget evaluation can be used as a guide for improvement for the next budget planning, so that it can reduce the mistakes that have been made and can improve performance by correcting these errors.

The results of this study are in line with research conducted by Apriani, et al. (2016) and Nurlelahayati, et al. (2017) found that budgetary evaluation had a positive effect to managerial performance. Whereas research conducted by Kenis (1979) found that budgetary evaluation had no effect to managerial performance.

D. The Effect of Budgetary Feedback to Managerial Performance

Testing the effect of budgetary feedback on managerial performance shows that budgetary feedback had a positive effect to managerial performance. This result can be seen from probability value (p value) is 0.001 (< 0.05) and t value is 3.565 (> 1.6587).

The results of this study indicate that budgetary feedback at several government hospitals in Jayapura City has been carried out to encourage managers to achieve budget goals. Budgetary feedback is obtained from achieving budget targets for the implementation of predetermined activities and programs. Budgetary feedback can be in the form of rewards and punishments. Rewards generate satisfaction at work and encourage individuals to continue to maintain their performance, while punishment is caused by lack of achievement of budgetary goals that can encourage individuals to work harder and correct mistakes so that further budget goals can be achieved.

The results of this study are in line with goal-setting theory which states that feedback is needed to assess individual performance in goal setting. When the results of achieving budget goals are lacking, it will encourage individuals to improve them. Otherwise, when the achievement of budget goals is achieved, individuals will be more active in maintaining and improving performance in achieving these budget goals.

The results of this study are in line with research conducted by Steers (1975) finding that budgetary feedback had a positive effect to managerial performance. While research conducted by Kenis (1979), Apriani, et al. (2016), and Nurlelahayati, et al. (2017) found that budgetary feedback had no effect to managerial performance.

E. The Effect of Budget Goal Difficulty to Managerial Performance

Testing the effect of budget goal difficulty to managerial performance shows that budget goal difficulty has not affect managerial performance. This result can be seen from probability value (p value) is 0.967 (> 0.05) and t value is -0.042 (< 1.6587).

The results of this study indicate that the budget goal difficulty at several government hospitals in Jayapura City does not affect managerial performance. This is because the budget implementers at several government hospitals in Jayapura City do not feel difficulties in achieving the set budget targets, so the budget implementers do not have high motivation in achieving the budget targets. This is consistent with goal-setting theory which states that difficult goals will lead to higher efforts.

The results of this study are in line with research conducted by Kenis (1979), Apriani, et al. (2016), and Wardani and Sudaryati (2015) found that budget goal difficulty had no effect to managerial performance.

VI. CONCLUSION

The conclusions in this study are as follows.
1. Budgetary participation has a positive effect on managerial performance. This means that the higher managerial involvement in budgeting will improve managerial performance. This is in line with the goal-setting theory which explains that someone who is able to understand the goals expected by the organization will affect his performance.

2. Budget goal clarity has a positive effect on managerial performance. This means that clearly stated and specific budget targets will improve managerial performance. This is in line with the goal-setting theory that explains that someone who is able to understand the goals expected by the organization will influence his work behavior. The existence of clear goals or objectives will encourage individuals to do their best and will be better able to regulate behavior that can improve performance.

3. Budgetary evaluation has a positive effect on managerial performance. This means that the higher the budget evaluation carried out, the better managerial performance will be. This is in line with the goal-setting theory which states that the achievement of the goals and objectives set can be seen as goals or levels of performance to be achieved by individuals.

4. Budgetary feedback has a positive effect on managerial performance. This means that the higher the budget feedback is done, it will improve managerial performance. This is in line with the goal-setting theory which states that feedback is needed to assess individual performance in goal setting.

5. Budget goal difficulty do not affect managerial performance. This is because the budget implementers at several government hospitals in Jayapura City do not feel difficulties in achieving the set budget targets, so the budget implementers do not have high motivation in achieving the budget targets. This is consistent with goal-setting theory which states that difficult goals will lead to higher efforts.

The limitations in this study and suggestions for further research are as follows.

1. This research was only conducted at 4 government hospitals in Jayapura City out of 5 government hospitals located in Jayapura City. Researchers have submitted research permits to all government hospitals in Jayapura City, but 1 hospital did not provide a response so research cannot be conducted at that hospital.

2. For future research, it is better to expand the research sample to other regional government hospitals so that they can be compared with other hospitals because each region has a different organizational culture.

REFERENCES