









4. Path analysis is a part of the multiple regression model used to analyze the effect of exogenous variables on endogenous variables in the form of direct and indirect effects. Where is the path coefficient according to the formula:

$$Y = P_{yx1}X_1 + P_{yx2}X_2 + \epsilon_1$$

$$Z = P_{zx1}X_1 + P_{zx2}X_2 + P_{zy}Y + \epsilon_2$$

Then in testing intervening variables can mediate the influence of exogenous variables on endogenous variables, then a statistical test is used by using the formula quoted from Sujarweni (2014: 316), namely:  $Sat = \sqrt{b_2 Sa_2 + a_2 Sb_2 + Sa_2 Sb_2}$ . So that the calculation of t-counts can be determined by use the formula:

$$t = \frac{ab}{Sab}$$

5. Analysis of the sobel test That is a test to find out whether the relationship through a mediating variable is significantly capable as a mediator in that relationship. Where Sobel test uses the z test with the following formula:

$$z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}}$$

## RESEARCH RESULT

### Results of Multiple Linear Regression Analysis on the Effect of Participation in the Budgeting of the Special Autonomy Fund and Leadership Style on Local Government Performance

From the results of processed regression equation data, namely the influence of participation in the preparation of the special autonomy fund budget and leadership style on organizational culture using the SPSS program, it can be presented through table 1:

Table1. Regression Test Results Influence Participation in Budgeting and Leadership Style towards Organizational Culture

| Model  | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|--|-----------------------------|------------|---------------------------|-------|------|
|  | B                           | Std. Error | Beta                      |       |      |
| 1 (Constant)   | .834                        | .375       |                           | 2.227 | .029 |
| Participation in the preparation of the special autonomy fund budget | .160                        | .063       | .219                      | 2.529 | .013 |
| Leadership Style   | .588                        | .094       | .541                      | 6.263 | .000 |

Source: Data processed, 2020

From the results of the regression equation the interpretation in this study will be presented:  $b_0 = 0.834$ , this shows that with the participation in budgeting and leadership style, organizational culture is 0.834,  $b_1X_1 = 0.219$ , this shows that budgetary participation has a positive influence on organizational culture, where the higher participation in budgeting, the organizational culture will increase by 0.219, and  $b_2X_2 = 0.541$ , this shows that the leadership style has a positive influence on organizational culture, where the higher the leadership style the organizational culture will increase by 0.541.

Furthermore, to find out whether there is a relationship or correlation between participation in the preparation of the special autonomy fund budget and leadership style on organizational culture, the value of  $R = 0.604$ , this can be interpreted that participation in the preparation of the special autonomy fund budget and leadership style has a strong relationship to the organizational culture. Then with a value of  $R^2 = 0.365$ , this can be interpreted that participation in the preparation of the special autonomy fund budget and leadership style can explain the organizational culture of 36.5%. While the remaining 63.5% ( $100 - 36.5 \times 100$ ) is influenced by other factors not included in this research model.

Then in testing the hypothesis of this research it can be done by partial test and simultaneous test namely: Partial test (t test) is used in testing the influence of participation in the preparation of the special autonomy fund budget and leadership style on organizational culture. Where the results of processed regression data using the SPSS 24 program, the value of  $sig = 0.013$  can be obtained, this can be said that the value of  $sig = 0.013 < 0.05$  means that participation in the preparation of the special autonomy fund budget has a significant influence on organizational culture. Based on the results of the partial test that is the influence of leadership style on organizational culture in the Government office in Intan Jaya Regency,  $sig = 0,000 < 0.05$ , this can be interpreted that the leadership style has a significant effect on organizational culture at the Intan Jaya Regency Government office.

While the simultaneous test (F test) is an analysis to test whether participation in the preparation of the special autonomy fund budget and leadership style together influence the organizational culture in the Intan Jaya Regency Government office. F test can be done by comparing between sign values. with 0.05, if the sign value. smaller than 0.05 means that it simultaneously has an effect. From the results of the processed data obtained by the sign value. = 0,000. Because the value of  $sig = 0,000 < 0.05$  means it can be said that participation in the preparation of the special autonomy fund budget and leadership style together influence the

organizational culture at the Regional Government Office in Intan Jaya Regency.

**The influence of participation in the preparation of the special autonomy fund budget, leadership style and organizational culture on the performance of local governments in Intan Jaya Regency**

To find out the influence of participation in the preparation of the special autonomy fund budget, leadership style and organizational culture on the performance of local governments in Intan Jaya Regency, the results of the regression data will be presented earlier in the following table:

Table 2. Regression Test Results Effect of Budgeting Participation, Leadership Style and Organizational Culture on Local Government Performance in Intan Jaya Regency

| Model  | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|--|-----------------------------|------------|---------------------------|-------|------|
|  | B                           | Std. Error | Beta                      |       |      |
| 1 (Constant)   | .624                        | .348       |                           | 1.791 | .077 |
| Participation in the preparation of the special autonomy fund budget | .184                        | .059       | .245                      | 3.093 | .003 |
| Leadership Style   | .279                        | .102       | .252                      | 2.725 | .008 |
| Organizational culture   | .444                        | .097       | .435                      | 4.560 | .000 |

Source: Data processed, 2020

From the results of the analysis of the regression equation, it can be interpreted from the equation, namely:  $b_0 = 0.624$  or a constant value which means that with participation in the preparation of the special autonomy fund budget, leadership style and organizational culture, the performance of local government in Intan Jaya Regency is 0.624. Then for  $b_1X_1 = 0,245$ ,  $b_2X_2 = 0,252$ , and  $b_3X_3 = 0,435$ , this means that budgetary participation, leadership style and organizational culture have a positive effect on the performance of local government in Intan Jaya Regency, where if the respondent's response to organizational culture increases by 1 unit then the performance of the local government in Intan Jaya Regency will also increase by 0.245.

To find out the relationship between the participation in the preparation of the special autonomy budget, leadership style and organizational culture on the performance of local government performance, it can be seen from the summary test table obtained the value of  $R = 0.713$ , it can be said that the correlation between budgeting participation, leadership style and organizational culture there is a strong relationship to the performance of local government in Intan Jaya Regency. While the coefficient of determination seen from the adjusted  $R^2 = 0.491$ , this can be interpreted that the variability of local government performance in Intan Jaya Regency can be influenced by budgeting participation, leadership style and organizational culture by 49.1%, while the remaining 50.9% ( $1 - 0.491 \times 100$ ) can be determined by other factors not included in this research model.

Then for the partial test, the results are obtained that the results of the partial test (t test) regarding the effect of budgetary participation on the performance of local governments in Intan Jaya District obtained a sig value of 0.003, where with a value of  $\text{sig} = 0.003 < 0.05$ , it can be said that there is a significant influence between budgetary participation in the performance of local governments in Intan Jaya Regency. Partial test results (t test) regarding the influence of leadership style on local government performance obtained sig value of 0.009, because with a value of  $\text{sig} = 0.008 < 0.05$ , it can be said that the leadership style has a significant effect on the performance of local government. Partial test results (t test) the influence of organizational culture on the performance of local governments in Intan Jaya District obtained a sig value of 0,000, because of the sign value. = 0,000  $< 0.05$ , it can be said that there is a significant influence between organizational culture on local government performance.

Then to determine the simultaneous influence between budgeting participation, leadership style and organizational culture on the performance of local government in Intan Jaya Regency, the sign value is obtained. 0,000, because of the sign value. 0,000  $< 0.05$ , it can be said that budgetary participation, leadership style and organizational culture have a joint or simultaneous influence on the performance of local governments in Intan Jaya Regency.

**Path Test (Path Analysis)**

Based on the results of the analysis of the regression data that has been described, a path analysis will be conducted which aims to find out whether there is a direct and indirect influence of the independent (exogenous) variables on the dependent variable (en-dogen) through intervening variables. In connection with the description above, it can be presented the results of path testing through table 3, namely:

Tabel 3 Path Test Results (*Path Analysis*)

| No. | Path Test  | Direct Influence | Indirect Influence | total Influence value Description | <i>pvalue</i> | Information   |
|-----|--|------------------|--------------------|-----------------------------------|---------------|---------------|
| 1   | The effect of participation in the preparation of the special autonomy fund budget on organizational culture   | 0,219            | -                  | 0,219                             | 0,013         | +/significant |
| 2   | Effects of lependance on organizational culture  | 0,541            | -                  | 0,541                             | 0,000         | +/significant |
| 3   | Effect of participation in the preparation of the special autonomy fund budget to the performance of local governments   | 0,245            | -                  | 0,245                             | 0,003         | +/significant |
| 4   | Effect of leadership style on regional government performance  | 0,252            | -                  | 0,252                             | 0,008         | +/significant |
| 5   | Effect of organizational culture on local government performance   | 0,435            | -                  | 0,435                             | 0,000         | +/significant |
| 6   | The influence of participation in the preparation of the special autonomy fund budget to the performance of regional governments through organizational culture                    | 0,245            | 0,095              | 0,340                             | 0,006         | +/significant |
| 7   | The influence of participation in the preparation of the special autonomy fund budget to the performance of local governments in Intan Jaya Regency through organizational culture | 0,252            | 0,236              | 0,488                             | 0,000         | +/significant |

Source: Data processed, 2020

## DISCUSSION

### 1. Effect of Participation in the preparation of the special autonomy fund budget on organizational culture in the Intan Jaya Regency local government

The results of the analysis of research data that have been conducted through the distribution of questionnaires to a number of respondents, it can be said that the level of participation in the preparation of the special autonomy fund budget at a government office in Intan Jaya Regency is still categorized as low, the reason being that each employee is less involved when drafting the special autonomy fund budget and in addition that during the preparation of the special autonomy fund budget in Intan Jaya Regency there was still not enough opportunity given when preparing the special autonomy fund budget.

Based on the results of data analysis that has been carried out, participation in the preparation of the special autonomy fund budget has a positive and significant impact on organizational culture. This can be interpreted that the more employees involved in the preparation of the special autonomy fund budget will be able to have a significant influence in enhancing organizational culture at the Government Office in Intan Jaya Regency.

The results of research conducted by Kusumastuti and Novandalina (2014), Handayani and Arianti (2010) found that budgetary participation had a positive and significant effect on organizational culture. Whereas in research conducted by researchers shows that the level of participation in the preparation of the special autonomy fund budget has a positive and significant effect on organizational culture. Thus the results of this study are in line with research conducted by Kusumastuti and Novandalina (2014), as

well as Handayani and Arianti (2010), so that the research hypothesis stated earlier is proven.

## **2. Effect of Leadership Style on organizational culture at Regional Government Offices in Intan Jaya Regency**

The results of the analysis of the application of leadership style at the Regional Government Office in Intan Jaya Regency have been categorized as good, the reason being that in carrying out the work by the employee, the employee first gets an explanation of the tasks to be carried out, and in addition to that the work implementation has been established. clear between superiors and employees in the implementation of work.

Based on data analysis conducted, the influence of leadership style on organizational culture, where the findings obtained in this study are that there is a significant positive influence between leadership style on organizational culture, which means that leadership style has a significant influence on improving organizational culture in Regional Government Offices in Intan Jaya Regency. Then from the results of research conducted by previous researchers namely Nuwatin et al (2012), Handayani and Arianti (2010), Sappe et al (2019) who found that leadership style had a positive and significant effect on organizational culture. While the results of research conducted by researchers indicate that the leadership style has a positive and significant effect on organizational culture at the Regional Government Office in Intan Jaya Regency. So that in this study in line with research conducted by Nuwatin et al. (2012), Handayani and Arianti (2010), and Sappe et al. (2019), in addition, the research hypothesis stated earlier was proven.

## **3. Effect of Participation in the preparation of the special autonomy fund budget to the performance of regional governments**

The results of the analysis of Participation in the preparation of the special autonomy fund budget and its effect on the performance of local governments in Intan Jaya Regency. Findings obtained after distributing questionnaires, especially to respondents who indicated that participation in the preparation of the special autonomy fund budget had a significant influence in improving the performance of local governments in Intan Jaya Regency. Then in research conducted by previous researchers namely: Mongeri (2013), Usman and Paranoan (2013), Pratama (2016), Hariany and Veny (2018), and besides Duamindra (2015), which found that the leadership style had a positive influence and significant to local government performance. Thus the hypothesis stated earlier is proven.

## **4. Effect of Leadership Style on local government performance**

The results of the analysis of the influence of leadership style on local government performance shows that leadership style has a significant influence on the performance of local government. This can be interpreted that by applying a good leadership style, it can have a significant influence in improving the performance of local governments in Intan Jaya Regency. Based on previous research, Mongeri (2013), Usman and Paranoan (2013), Duvamindra (2015), the results of the study found that leadership style had a positive and significant effect on the performance of local governments. So that in this study received from the results of research conducted by previous researchers.

## **5. The influence of organizational culture on local government performance**

The results of the analysis of the influence of organizational culture on local government performance, where the findings in this study found that there is a positive and significant effect on the performance of local governments in Intan Jaya Regency. It can be said that the implementation of organizational culture currently carried out has an impact on improving the performance of local governments. Different results of previous studies are Duavamindra (2015), Pandeni and Sinarwati (2017), and Enizawati (2013) whose results found that organizational culture influences positive and significant impact on the performance of local governments in Intan Jaya Regency. So that the results of this study are in line with previous studies.

## **6. Effect of Participation in the preparation of the special autonomy fund budget to the performance of regional governments**

Based on the results of this research data analysis which shows that organizational culture can mediate the influence between the participation in the preparation of the special autonomy fund budget to the performance of local governments in Intan Jaya Regency, which means that the higher participation in the preparation of the special autonomy fund budget by each employee will be able to improve the organizational culture impact on the performance of local governments in Intan Jaya Regency. The results of a study conducted by Duvamindra (2015), Rohman (2012), Enizawati (2013), who found that organizational culture can mediate the influence of participation in the preparation of the special autonomy fund budget on the performance of local governments in Intan Jaya Regency. So that in research in line with the results of research conducted by previous researchers.

## **7. Effect of leadership style on local government performance**

The results of the analysis of research data that have been carried out in this study indicate that organizational culture can mediate the influence of leadership style on the performance of local governments in Intan Jaya Regency. Research conducted by Handayani and Arianti (2010) found that leadership style does not directly influence performance through organizational culture. Then Sappe et al (2019) found that leadership has a significant effect on the performance of local governments, so that this study is in line with the results of research conducted by Sappe et al (2019) and does not support the results of research conducted by Handayani and Arianti (2010).

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of the analysis and discussion described in the previous chapter, a number of conclusions can be drawn from the results of the analysis, namely: participation in budgeting has a positive and significant impact on organizational culture at



the Regional Government Office. Empirical findings that leadership style has a positive and significant effect on organizational culture at Regional Government Offices. From the results of the analysis, empirical findings are obtained that participation in budgeting has a positive and significant effect on the performance of local governments. The analysis results obtained empirical findings that the leadership style has a positive and significant effect on the performance of local government. Based on the research results, empirical findings are obtained that organizational culture influences the performance of local government. The mediation test results obtained empirical findings that organizational culture can mediate the effect of participation in budgeting on the performance of local governments. Based on the results of the mediation test, empirical findings are obtained that organizational culture can mediate the influence of leadership style on the performance of local government at the Regional Government Office in Intan Jaya Regency.

In this study, it was found that participation in the preparation of the special autonomy fund budget, leadership style significantly influenced the organizational culture and performance of local governments in Intan Jaya Regency. Whereas from the results of the path test it was found that empirically the organizational culture carried out so far could mediate the effect of participation in the preparation of the special autonomy fund budget and leadership style on the performance of local governments in Intan Jaya Regency.

The limitation of the results of this study is that the results of this study only have samples in Intan Jaya Regency and do not use all employees who work at the Regional Government Offices in Intan Jaya Regency. This is due to the problem of limited time and research costs.

From the results of the analysis carried out, as for the suggestions that can be given in connection with this research are: It is recommended that to improve the performance of the local government in Intan Jaya Regency, it is better to involve employees in the preparation of the special autonomy budget. Efforts to improve organizational culture at the Regional Government Offices in Intan Jaya Regency in order to encourage employees to increase employee creativity in completing their work. Efforts should be made to improve the performance of regional governments, especially in terms of the implementation of special autonomy funds in Intan Jaya Regency, which should further increase the effectiveness and efficiency in the use of Otsus spending. It is better if the special autonomy program can be increased by considering more aspects of the suitability of funds with the specified Otsus program. The need for the Budget Section always provides an opportunity for every other employee in determining the final results in the preparation of the special autonomy fund budget. It is recommended to further improve employees to always work together in completing work related to the implementation of the Special Autonomy program. The need to improve the application of organizational culture by encouraging employees to work actively and in discipline in completing work at the Regional Government Office in Intan Jaya Regency.

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