THE INFLUENCE OF PARTICIPATION IN BUDGET PREPARATION ON MANAGERIAL PERFORMANCE AT PT PLN (PERSERO) DISTRIBUTION MAIN UNIT AND SULAWESI LOAD MANAGEMENT CENTER

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Abstract

This research aims to determine the effect of participation in budget preparation on managerial performance at PT. PLN (Persero) Main Distribution Unit and Sulawesi Load Control Center, reviewed based on Descriptive Statistics. The number of samples taken was 60 people using the Slovin formula. As a data collection technique, a questionnaire was used, then the data was processed using the SPSS Version 25 application. After the data was processed and analyzed, it was found that the participation of budget preparers (X) had a positive and significant effect on managerial performance (Y). For this reason, the author suggests that PT. PLN (Persero), Main Distribution Unit and Sulawesi Expense Management Center, maximizes and increases the participation of assistant managers, supervisors, unit managers and related staff in budget preparation so that their managerial performance will also improve, thus having a positive impact on the company's development.

Keywords: *Participation, Budget Preparation, Managerial Performance, PT. PLN, Makassar*

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INTRODUCTION

PT PLN (Persero) is a state-owned company that operates in the electricity sector, from operating power plants to transmitting it to communities throughout Indonesia. Companies really need appropriate strategic steps to face shifts. A budget is one of the important components that a company needs, where the budget itself is a plan for future activities which is an achievement for achieving goals. The control function is one of the managerial functions carried out by management to ensure the achievement of company goals, through a system called the management control system.

The company's ability to make good plans in order to increase the goal of implementing the company's operational processes correctly. Planning and control are two things that cannot be separated. The future work plan of an organization which is realized both in quantitative and systematic form is what is called a budget. The budget is an element of the management control system which functions as a planning and control tool so that managers can carry out organizational activities more effectively and efficiently. (Anwar & Sumiati, 2016). Efforts to increase employee motivation to achieve organizational goals that are more directed towards budgeting are called participative budgeting. This participation itself has been widely used in research, the development of budgeting has been very rapid. (Guntara et al., 2021) conducted research which showed that the effect of participation on managerial performance was not significant, thereby rejecting the hypothesis which states that high participation in budget preparation will improve managerial performance. The success of PT PLN (Persero) in achieving its goals largely depends on managerial performance. A manager is someone who is responsible for the organization or unit they lead. If the overall organization and business unit managers are able to work together in carrying out their duties to achieve the targets and objectives that have been set, then managerial performance can be achieved well. (Palalangan et al., 2017)

As a State-Owned Enterprise, PT. PLN (Persero) is required to increase the company's effectiveness in carrying out its operational activities through accuracy in budget preparation. PT PLN's budget is outlined in the form of a Company Budget Work Plan (RKAP). The RKAP itself is a work plan that will be implemented by the company in the coming period. The preparation of the RKAP is carried out using the bottom-up method, starting from the smallest unit to the largest unit. In using a top-down budgeting system, where the plan and budget amount have been determined by the superior/budget authority holder so that subordinates/budget executors only do what has been determined by the budget (Halik & Halik, 2021). The implementation of this system results in the performance of subordinates/budget executors becoming ineffective because the targets given are too demanding but the resources provided are insufficient (overloaded) (Irdawati et al., 2021; Thaha et al., 2022).

Based on the description above, the author is interested in conducting research with the title **"The Influence of Participation in Budget Preparation on the Managerial Performance of PT PLN (Persero) DISTRIBUTION MAIN UNIT AND SULAWESI LOAD MANAGEMENT CENTER"**.

Based on the background of the problem described above, the author describes the framework of this research as follows:
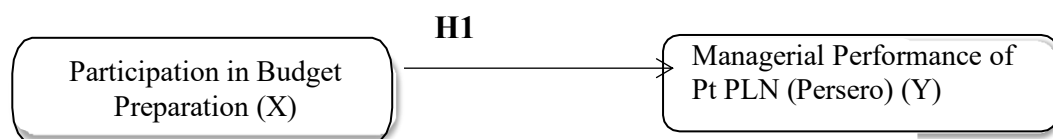
H1

| Participation in Budget Preparation (X) | → | Managerial Performance of Pt PLN (Persero) (Y) |

Figure 1: Research Conceptual Framework

Hypothesis

Based on the research conceptual framework above, the author formulates the following hypothesis:

It is suspected that participation in budget preparation has a positive and significant effect on the managerial performance of PT PLN (Persero) Main Distribution Unit and Sulawesi Load Management Center.

II. RESEARCH METHODOLOGY

Types of research
The research carried out is a case study of a company, namely research on certain objects within a predetermined time frame. The conclusions obtained only apply to the data and companies studied.

Time and Location of Research
In order to collect data and data information, the time used in this research was in July and conducted research located at PT. PLN (Persero) Main Distribution Unit and Load Control Center Sulawesi Jl. Urip Sumarharjo No. Km 5, Tello Baru, Kec. Panakkukang, Makassar City, South Sulawesi.

Population and Sample
Population is a generalized area consisting of objects/subjects with certain characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2007). The population in this study were all employees who worked at PT PLN (Persero) Main Distribution Unit and Expense Management Center in Sulawesi, totaling 149 people. Samples were taken based on random sampling (probability sampling) determining samples using the Slovin method and the results obtained were 60 samples.

Data collection technique
Data collection in this research was carried out through questionnaires, which is a data collection method carried out by giving a series of questions addressed to respondents to be answered.

Data analysis technique
This aims to obtain data relating to the influence of participation in budget preparation and managerial performance using instruments in the form of questionnaires. To convert questionnaire data into quantitative data, scoring is carried out using ordinal and Likert type scales. The Likert scale is a scale used to measure a person's characteristics, opinions and perceptions about social phenomena (Sugiono, 1999). Researchers provided five alternative answers to respondents regarding the mapping weights, which are as follows.

Table 1: Skala Likert

Alternatif	Weight (Score)
Strongly agree	5
Agree	4
Simply agree	3
Disagree	2
Strongly Dissagre	1

Source : (Sugiyono, 2007)

After that, tests and processing of the data obtained are carried out as follows:

Validity test
Validity Test is used to test whether the instrument used is valid. This means that the instrument can be used to measure what it actually measures. The instrument results are said to be valid if the data collected corresponds to data that actually occurs on the object under study. The questionnaire is valid if the calculated r correlation value is > r table ((Sugiyono, 2007)

Reliability Test
Reliability test is used to test whether the instrument used is reliable. Reliable if there is similarity in data at different times. This reliability testing technique uses an analysis technique that was developed by Alpha Cronbach. In this reliability test, α is a reliable value if it is greater than 0.6 (Ghozali & Latan, 2015).

Classic assumption test

According to (Ghozali & Latan, 2015), the classical assumption test is the initial stage used before linear regression analysis. This test is carried out to provide certainty that the regression coefficients cannot be consistent and have accuracy in estimation. The classical assumption test is carried out to show that the test carried out has passed data normality, multicollinearity, autocorrelation and heteroscedasticity so that the test can be carried out into linear regression analysis.

Hypothesis testing
Partial Test (t Test)
The T test basically shows how far the influence of one independent variable is. Individually, in explaining variations in the independent variable (Ghozali & Latan, 2015), there is a significant influence of each on the dependent variable.

Simultaneous Test (f Test)
The f test is used to test the null hypothesis that the coefficient of compound determination in the population is zero. Significance tests include testing the significance of the overall regression equation as well as specific partial regression coefficients. The overall test can be carried out using the F statistic.

III. RESULTS AND DISCUSSION

General Description of Respondents

Table 2: Characteristics of Respondents Based on gender

Gender Responden	Frequency (People)	Percentage
Male	38	63%
Female	22	37%
Total	60	100%

Source: Own processed data, 2023

Table 3: Characteristics of Respondents Based on Age

Age of Responden	Frequency (People)	Percentage %
Under 20 years old	-	-
20-30 years old	29	48 %
31-40 years old	26	43 %
Above 41 tahun	5	8 %
Total	60	100 %

Source: Own data, 2023

In table 3 above, of the 60 respondents, the author grouped the ages with labels into age groups (20-30) with the results being that there were 29 people or 48% of the age group (31-40) as many as 26 people or 43%. The age group (over 40 years) is 5 people or 8%. So it can be concluded that an average of 29 employees at PT. PLN Main Distribution Unit and Sulawesi Load Control Center.

Table 4: Characteristics of Respondents Based on Education

Respondent's Education	Frequences	Percentage
SMA/SMK	17	28 %
D3	5	8 %
S1	37	61 %
S2	1	1 %
Total	**60**	**100 %**

Source: Own processed data, 2023

The results of processed data regarding the characteristics of respondents based on education level are shown in table 5.3 above, of the 60 respondents there were 17 people or 28% who had a high school/vocational school education. There are 5 people or 8% who have a D3 education and 37 people or 61% who have a Bachelor's degree. And there is 1 person or 1% who has a master's degree. So it can be concluded that the average education of employees at PT. PLN (Persero) The main distribution unit and load control center for Sulawesi is S1.

Validation Test of Budget Participation (X) and Managerial Performance (Y)

The instrument used in this research is in the form of a questionnaire, so the validity test used is content validity. The validity test is carried out to see the product moment correlation value (product moment Pearson correlation). An instrument is declared valid if the correlation coefficient is at a significance level of 5%; 10%. The results of validity testing carried out on all question items for each variable are as follows:

Table 5. Validation test X Budget Participation

Indicator	Pearson Correlation Value	Information
X.1	1	VALID
X.2	1	VALID
X.3	1	VALID
X.4	1	VALID
X.5	1	VALID

Source: Primary data processed ,2023

Table. 6. Validation Test Y Managerial Performance

Indicator	Pearson Correlation	Info
Y.1	1	VALID
Y.2	1	VALID

Indicator	Pearson Correlation	Info
Y.3	1	VALID
Y.4	1	VALID
Y.5	1	VALID
Y.6	1	VALID
Y.7	1	VALID
Y.8	1	VALID

Source: Primary data   *processed, 2023*

Reliability Test

Reliable measuring instruments show consistent measurement results in different conditions (Ghozali & Latan, 2015). The reliability test is intended to determine the extent to which the measurement results remain consistent, if two or more measurements are carried out on the same symptom using the same measuring instrument.

The reliability test used in this research is the internal consistency test. Internal consistency of a measuring instrument shows the homogeneity of its items in measuring a concept. The reliability test most often used as a reference is the Cronbach's alpha coefficient at an acceptable level which is above 0.70 although above 0.60 is still acceptable (Hair et.al, 1998) in Feldman and Moore (2001). Table 7 shows the results of the reliability test for the statement items in this study and Cronbach's alpha for each variable.

Table 7. Reliability Test Results

Cronbach's Alpha	N of Items
0,930	13

Source: Data processed with Spss 25, 2023

Based on table 7 of the reliability test results, it can be seen that the Alpha variable calculation results achieved were 0.93, which means that it is acceptable because theoretically Cronbach's Alpha can be accepted if the results are above 0.70.

Assumptions test

According to (Ghozali & Latan, 2015), the classical assumption test is the initial stage used before linear regression analysis. The classical assumption test is carried out to find out whether the regression model that will be used can be used as a good prediction tool. The classical assumption tests that will be carried out are the multicollinearity test, heteroscedasticity test, and normality test.

Multicollinearity Test

The VIF value for the two independent variables has a VIF number of more than 1 and a tolerance value close to 1. This means that the independent variable does not have symptoms of

multicollinearity with other variables. An indication of multicollinearity if there is a high correlation between independent variables is generally above 0.90 (Ghozali & Latan, 2015).

Table 8. Multicollinearity Test

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	3,960	1,991		1,989	,051		
	Managerial Performance of Pt PLN (Persero)	,441	,069	,641	6,353	,000	1,000	1,000
a. Dependent Variable: Budget Participation								

Source: Processed Data Spss 25, 2023

Based on table 8 output (Coefficients) in the (Collinearity Statistics) section, it is known that the Tolerance value for the Managerial Performance variable (Y1) is 1.000, which is greater than 0.90. Meanwhile, the VIF value for Managerial Performance (Y1) is 1.00 > 0.90. So it can be concluded that in the multicollinearity test below there are symptoms of multicollinearity in the regression model.

Heteroscedasticity Test

To determine whether or not there is heteroscedasticity in this research, this is done by looking at the scatterplot graph between the predicted value of the dependent variable (ZPRED) and the residual (SRESID). The basis of the analysis: (1) if there is a certain pattern, such as the points forming a certain regular pattern (wavy, widening then narrowing) then this indicates that heteroscedasticity has occurred. (2) if there is no clear pattern and the points spread above and below the number 0 on the Y axis, then heteroscedasticity does not occur.
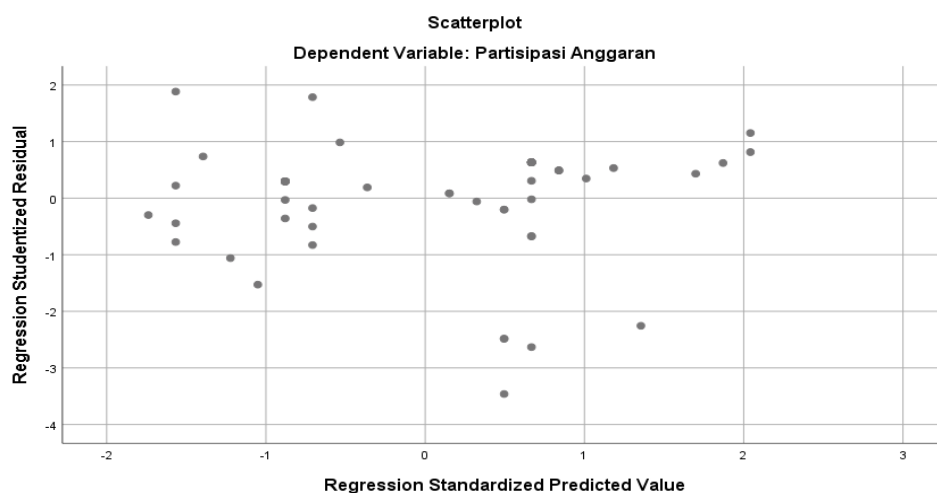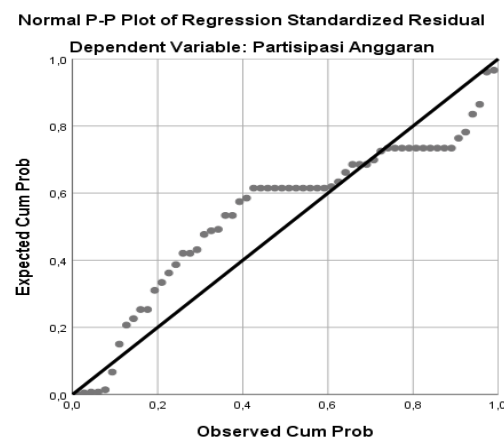

Figure 2: Heteroscedasticity Test

Based on Figure 2, the SPSS Scatterplots Output Analysis above shows that the data points spread above and below or around the number 0, the points do not collect only above or below. However, the distribution of data points does not form a wavy pattern that widens then narrows and widens again and the distribution of data points does not have a pattern. Thus we can conclude that there is no heteroscedastic problem, so that a good and ideal regression model can be fulfilled.

Normality test

To find out whether in the regression model, the dependent variable and the independent variable both have a normal distribution or not, a normality test can be carried out. A good regression model has a normal or close to normal data distribution. To test whether the data distribution is normal or not in this study, graphic analysis was carried out. Graphic analysis to test the normality of data is by looking at a histogram which compares observed data with a distribution that is close to a normal distribution or by looking at a normal probability plot which compares the cumulative distribution of actual data with the cumulative distribution of a normal distribution. The basis for making decisions through this analysis is that if the data spreads around the diagonal line and follows the direction of the diagonal line or histogram line, then this condition shows a normal distribution pattern.

Source: Data processed by SPSS, 2023

Figure 3: Normality Test

Based on the picture above, the research data spreads in a straight line, so it can be concluded that graphically, the model residuals are normally distributed. Based on the classic assumption test above, this regression model is suitable for predicting participation in budget preparation on managerial performance.

Auto correlation test

According to (Gozhali, 2015), the autocorrelation test aims to test whether in the linear regression model there is a correlation between confounding errors in period t and confounding errors in period t-1 (previous). If correlation occurs, it is called an auto correlation problem. A good regression model is a regression model that is free from auto correlation.

Table. 9: Autocorrelation Test
Correlations

		Participation in Budget Preparation	Managerial Performance of PT PLN (PERSERO)
Participation in Budget Preparation	Pearson Correlation	1	,641**
	Sig. (2-tailed)		,000
	N	60	60
Managerial Performance of PT PLN (PERSERO)	Pearson Correlation	,641**	1
	Sig. (2-tailed)	,000	
	N	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the data table above, it can be seen that there is a positive influence between participation in budget preparation and managerial performance at PT. PLN (Persero) Main Distribution Unit and Sulawesi Load Control Center:

- Based on the sig value table. (2-tiled).

With the output table above, the sig value is known. (2-tailed) between budget preparation participation (X) and managerial performance (Y) is 0.000<0.01, which means there is a very significant correlation between the budget preparation participation variable and managerial performance.

- Based on the calculated r value (Pearson Correlations):

It is known that the calculated r value for the relationship between budget preparation participation (X) and managerial performance (Y) is 0.641 < r calculated 1, so it can be concluded that there is a relationship or correlation between the budget preparation participation variable and the managerial performance variable. Because the calculated r or Pearson Correlations in this analysis is positive, or in other words, increasing participation in budget preparation will increase managerial performance.

F TEST

The F statistical test aims to determine the magnitude of the influence of all independent variables contained in the model together (simultaneously) on the dependent variable. In this research, the F test was carried out to test the suitability of the model. Based on the ANOVA test or F-test from the SPSS output, a probability value of 0.000 was obtained. Because the probability value is smaller than the alpha value of 0.1, the regression model can be used to predict Budget Participation (X) and Managerial Performance (Y) or it can be said to have a significant effect on PT. PLN (Persero) Main Distribution Unit and Regulatory Center for Sulawesi.

Table 10. F Test

ANOVAᵃ

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	388,037	1	388,037	40,362	,000ᵇ
	Residual	557,613	58	9,614		
	Total	945,650	59			

a. Dependent Variable: Participation in Budget Preparation

Source: Data processed with SPSS, 2023

Based on table 10. SPSS output above, the Sig value is known. is 0.000. Because the Sig value. 0.000<0.01, then according to the decision maker's basis in the F test it can be concluded that the hypothesis is accepted or in other words preparation participation (X) and managerial performance (Y) simultaneously have a significant effect on PT. PLN (Persero) Main Distribution Unit and Sulawesi Load Control Center.

T test

The t test was carried out to determine whether in the regression model the independent variable partially had a significant effect on the dependent variable. In this research, the t test aims to test the hypothesis, namely:

H1: Preparation participation has a positive and significant effect on PT's managerial performance. PLN (Persero) Main Distribution Unit and Load Control Center for Sulawesi
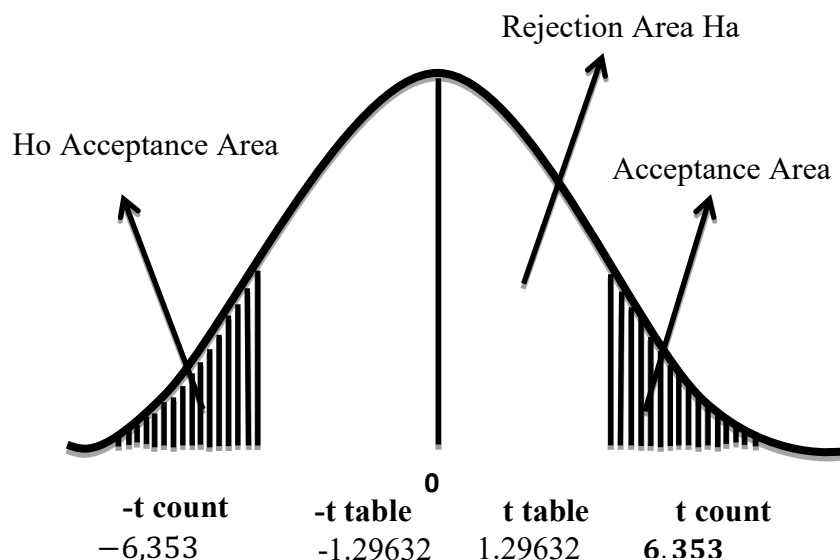
Table 11: T Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3,960	1,991		1,989	,051
	Managerial Performance of PT PLN (PERSERO)	,441	,069	,641	6,353	,000

a. Dependent Variable: Participation in Budget Preparation

Source: Processed Data Spss 25, 2023

Based on table 11, the SPSS "Coefficients" output above shows that the significant value of the Budget Preparation Participation variable (X1) is 0.000. Because the Sig value. 0.000>0.01. So it can be concluded that H1 or the first hypothesis is accepted. This means that there is an influence of budget preparation participation (X1) on managerial performance (Y). Based on the SPSS output above, it is known that the calculated t value of the variable Participation in budget preparation is 6.353. Because the calculated t value is 6.353 <1.29632, it can be concluded that H1 or the first hypothesis is accepted. This means that there is an influence of budget preparation participation (X1) on managerial performance (Y).

Figure 4: Significant Test Curve

From the comparison of t count and t table it can be concluded that:

• If the Sig. (2-tailed) <0.01, then there is an influence between participation in budget preparation on managerial performance (Hypothesis accepted).

• If the Sig. (2-tailed)>0.01, so there is no influence between the Budget Preparation Participation variable and the Managerial Performance variable (Hypothesis rejected).

The test results obtained from the significant Sig (2-tailed) value for the Participation variable (X) are 0.000>0.01, so there is an influence of the managerial performance variable (Y) showing that this t value is 6.353 calculated>, t table 1.29632. The research results show that the

influence of participation on managerial performance has a positive and significant effect. Thus, the hypothesis proposed can be accepted. Based on the explanation above, it can be concluded that Ho is accepted and Ha is rejected.

IV. CONCLUSION

Based on the results of the T Test analysis carried out, the results obtained were that budget preparer participation had a positive and significant effect on managerial performance. This is due to managerial involvement, namely assistant managers, unit managers, supervisors in preparing the budget at PT. PLN (Persero) Main Distribution Unit and Sulawesi Load Management Center.

V. SUGGESTIONS

The researcher proposes several suggestions which it is hoped can be used as consideration for parties who will carry out further research, namely:

1. PT. PLN (Persero), Main Distribution Unit and Sulawesi Electric Load Control Center, maximizes and increases the participation of assistant managers, supervisors, unit managers and related staff in preparing budgets so that their managerial performance will also improve, thus having a positive impact on the company's development.
2. It would be better to further increase indicators of involvement in budget preparation, contribution to budget preparation, requests for suggestions and opinions in budget preparation should be increased so that managerial performance can be further improved.

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