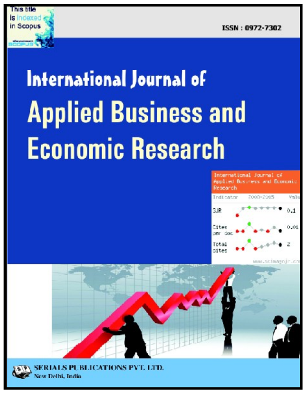

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Effect of Participation and Job Relevant Information in Budget Preparation on Performance with Governance Quality as a Moderation Variable

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Abstract: This study aim is to examine and explain the effect of participation, job relevant information and governance quality in budget preparation on performance, and governance quality in moderating Participatory Budgeting on performance and job relevant information on performance. This is explanatory/confirmatory research type. Data is collected through survey, with purposive sampling method. Respondents were echelon III, echelon IV and staff in planning and budgeting unit of Ministry of Education and Culture in Indonesia, totaling 213 respondents. A total of 148 from 213 questionnaires were returned and filled in for further analysis. Hypothesis testing is done simultaneously and partially based on value of respondent's factor score on research variables; moderation analysis is done by Moderated Regression Analysis (MRA).The results showed that Participatory Budgeting, job relevant information and governance quality significantly affect on performance. The governance quality as a moderating variable cannot predict the good performance for the relationship between Participatory Budgeting with performance and job relevant information with performance. It can be concluded that governance quality is not a moderator for the relationship.

Keywords: Budget Participation, Job Relevant Information, Quality Governance, Performance, Moderation.

1. INTRODUCTION

Organizational performance is important aspect in competition and transparency era. The expert interprets performance as a form of appearance or achievement (Yeremias T Keban, 2004). Performance is important to measure the ability of individual employees or organizations and also to evaluate and the obstacles to realize the goals of employees and organizations.

The public organizations performance is different from corporate performance. Government performance is usually more administrative as it relates to provision of services to public in order to meet the needs and protect the public interest. The government organizations performance generally can be known through several indicators as accountability, efficiency, effectiveness, responsiveness and responsibility in carrying out the duties and functions.

Budgeting performance may be affected by employee participation as well as information management of relevant task. Brownell (1982) in Falikhatun (2007) explained the Participatory Budgeting as a process to describe individual's involvement in budgeting process and has an effect on budget targets and rewards the achievement. Research on budgetary participation and performance has been largely done by placing the budgetary participation as an independent variable and performance as a dependent variable. The study results indicate that in early studies the relationship between budgetary participation and performance was often contradictory and inconclusive (Nouri, 1992). Differences results of this study led to a lot of debate among researchers, thus attracting the researchers to conduct further research (Argyris, 1957, Milani, 1975, Kenis, 1979; Brownell, 1981, 1982b, Brownell and Mclnnes, 1986; and Birnberg *et al*, 1990). They indicate that relationship between Participatory Budgeting and performance cannot be inferred conclusively. These results differ from Milani (1975), Brownell and Hirst (1986) to suggest a non-significant relationship.

There is a perception that participation performance in government organizations is difficult due to an unsupportive culture. This is actually no longer relevant because the development of situation and demands of professionalism that must also be owned by government apparatus in presence of government policies to provide financial rewards such as performance or non-financial benefits such as award certificates for dedication and better employee performance. In addition, employee's encouragement to innovate and implementation of performance-based budgeting can decompose issues of employee participation in government environment.

Job Relevant Information (JRI) can improve performance through the provision of more accurate information about the environment to select that best effective course of action (Kren, 1992). Merchant (1981). Chow *et al*. (1988) states subordinates participation in budget preparation increase the disclosure of private information they have. Information exchange activities in budgeting activities are required to produce a higher quality budget. Consistent with this, Yusfaningrum (2005) said that subordinates opportunity to provide input in form of information owned to superiors will improve the leader understanding / information related knowledge relevant to task implementation.

Public organization (government) has responsibility to improve the managerial performance and implementation of good governance within organization. Researches the direct relationship between the governance quality and performance were conducted by Pollitt (2008), Regalli and Soana (2012), Zorica Kaleziæ (2012), Azeem *et al*. (2013). Their research generally conducted at corporate sector (private).

The research to put the Good Corporate Governance as a moderation variable has been done in both public and corporate sector, such as Indah Pramita Sari Irawan (2011), Pattiasina *et al*. (2011) Hapsoro, Hartono (2016) and Dyas TP, Marsono (2010). However, there is little research to put the governance quality as a moderating variable the relationship between Participatory Budgeting and performance, as well as the job relevant information and performance.

The selection of governance quality as a moderation variable is motivated by the changes to government demand to always pay attention to governance factor in every business process of organization. The governance quality does not only prevent abuse of authority from state apparatus in its duties and functions, but also to avoid the inefficiency in administration of government programs and activities, in addition to maintaining the accountability of every business process in government itself.

This study aims are to test and explain: (1) the effect of Participatory Budgeting on performance; (2) the effect of job relevant information on performance; (3) the governance quality to moderates the effect of Participatory Budgeting on performance; (4) the governance quality to moderates the effect of job relevant information on performance; and (5) the effect of governance quality on performance

2. THEORY AND HYPOTHESIS DEVELOPMENT

2.1. Participatory Budgeting and Public Performance

Argyris (1957) explained that largest contribution of budgeting activities occurred when subordinates are allowed to participate in activities of budget preparation. Garisson and Noreen (2004: 408) explained that participative budget is a budget created through the cooperation and full participation of subordinates at all levels. The advantages of participative budgeting are: (1) Everyone at all levels of organization is recognized as a team member whose the views and judgments are valued by top management; (2) The person directly related to an activity has the most important position in making the budget estimation; (3) People are more likely to achieve budgets whose constituents involve others; (4) A participative budget has its own control system, if it does not reach the target, then it creates self-blame.

Budgetary participation is defined as the involvement of central responsibility managers in budgeting (Govindarajan, 2003: 70). Participatory Budgeting will make it possible for managers (as subordinates) to negotiate with their superiors about possible budget targets that can be achieved. According to Siegel and Marconi (1989), benefits of budgetary participation are: (1) Encouraging moral enhancement and initiatives to develop information and ideas at all levels of management; (2) Increasing group cohesiveness to increase cooperation among individuals in achieving the objectives; (3) The formation of internal group to unite the individual and organizational goals; (4) Avoiding the pressure and confusion in performing the work; (5) Managers become responsive to certain sub-unit problems and have a better understanding of interdependencies.

According to Eker (2007), there are two main advantages of Participatory Budgeting based on psychological and cognitive perspectives: (1) Being involved with budget goals, the participation is related to performance to increase the motivation and commitment; (2) Budgetary participation can increase the decisions quality. This is because of improvement of information between superiors and subordinates. Anthony and Govindarajan (2005: 93) stated that budgetary participation has two advantages: (1) budgetary objectives will be more readily accepted if the budget is under managerial control; (2) It produces effective information exchange between budget creators and budget implementers to close to products and markets.

Brownell (1982) describes the Participation in preparation of a budget is the extent individuals are involved and have effect in budget planning. Milani (1975) says the level of involvement and effect of managers in budgeting process is a distinguishing condition between participative and non-participatory budgets.

In relation to public Performance there are several opinions. Suprihanto (2000: 7) mentions the term performance with work performance as the work of an employee during a certain period compared with various possibilities, such as standards, targets / goals or criteria that have been determined in advance and have been mutually agreed. Hasibuan (2005: 94) explained that performance is a work achieved by a person in carrying out the tasks assigned to him based on his skills, experience, sincerity and time. Indra (2006) explained performance as a picture of achievement implementation of an activity / program / policy in realizing the goals, objectives, and mission of organization. In general, performance is an achievement achieved by organization within a certain period. Bastian (2003) explained the Employee performance (work performance) is the result of work in quality and quantity achieved by an employee according to responsibility given to him (Bastian, 2003: 9).Gilbert (1997) interpreted performance in context of work vitality in an organization, performance is very consistent with what we consider important to empower workers, to work competently, to make valuable achievements for organization while reducing costs to achieve goals.

According to Prawirosentono (1999: 27), there are 4 (four) variable affecting the individual performance measurements: (1) Effectiveness and Efficiency; (2) Authority and Responsibility; (3) Discipline and (4) Initiatives.

According to classical management theory (Supomo and Indriantoro, 1998), managerial performance is based on management functions: (1) Planning, as selection of strategies, policies, programs, and procedures to achieve organizational goals; (2) Investigations, reports from managers at center of responsibility led to performance of manager concerned. To prepare the report, manager conducts an investigation; (3) Coordination, a need to synchronize individual and group actions, how group goals are achieved or how individual or group goals are integrated; (4) Evaluation, it is used to assess and measure the proposals, performance, employee appraisal, assessment of outcome records, financial statement assessment, and product inspection; (5) Supervision, as directing, leading, developing subordinates, guiding, training, assigning, and handling complaints; (6) Staffing, as a process consisting of job specifications, personnel movements, worker specifications, selection and organizational preparation to prepare and train employees to do the job well; (7) Negotiations, in relation to time to make purchases, sales, contracts of goods and services, contacting suppliers, bargaining with representatives of sellers or groups; (8) Representation, as a management function to attend the meetings with other companies, business association meetings, community event speeches, approaches to community, and promoting the company's general objectives.

Dharma (2001: 46) argued that good performance should have the following characteristics: (1) Rational, acceptable by common sense; (2) Consistent, consistent with values that exist within organization and organization goal; (3) Appropriate, declared precisely and clearly and not to create multiple interpretations; (4) Efficient, wherever possible through minimal sacrifices with satisfactory results; (5) challenged, poses high challenges to perpetrators and is pursued to be an effective motivation; (6) Directed to a certain purpose; (7) Discipline, done through high discipline; (8) Systematic, systematic and non-random; (9) Reachable, able to reach the target or purpose set; (10) Agreed upon, agreed by all relevant parties, from top management to lowest executor; (11) Associated with time, associated with measured time; (12) Oriented to group cooperation, directed to teamwork. Group performance is generally more effective and efficient than individual performance. Dharma (2001, 154) also said that performance measurement consider the following: (1) Quantity is the amount to be completed / achieved; (2) Quality is the quality produced; (3) The timeliness is a type of quantitative measurement that determines the timeliness of completion of activities. T.R Mitche (1978) said that performance can be measured through the following dimensions: (1) Quality of Work; (2) Promptness; (3) Initiative; (4) Capability; and (5) Communication.

There have been several previous studies that have examined the relationship of budgetary participation and managerial performance. Studies show the positive effects of budgetary participation on managerial performance, such as Yusfaningrum (2005), Ulupui (2005), Eker (2007), Haryanti & Othman (2012), and Hanny (2013). The unclear or insignificant effects are obtained in studies of Sinuraya (2009), Ndiwalana (2009), and Pramesthiningtyas (2011). The negative effects were shown in research of Sumarno (2005) and Nursidin (2008). These inconsistent results indicate that relationship between budgetary participation and managerial performance is not a simple one. Based on above empirical studies, hypothesis of this study is described as follows:

H1: Participatory Budgeting affects on performance

2.2. Job Relevant Information

Job Relevant Information is identified as one information to help managers to improve the selection of actions through well informed efforts. There are two advantages information transfer from subordinates to superiors, i.e. the leader can develop a better strategy for subordinates to increase performance. In addition, subordinates will obtain more appropriate budget level for company (Murray, 1990).

Job relevant information is defined as information to facilitate decision-making relevant to task (Kren, 1992). It is needed by top managers to take action to achieve better results of budgets preparation. The availability creates benefit budgeting feedback. Ompusunggu and Bawono (2006) in his research on job relevant information (JRI) understand that JRI is information to facilitate the decision-making related to tasks and found a positive relationship between Participatory Budgeting and JRI.

Furthermore, Merchant (1981), Chow *et al.* (1988) and Nouri and Parker (1998) stated that if subordinates or budget executives participate in budget preparation, it will creates disclosure of private information they have. The leader who holds the budget power can receives the information known and increases the level of understanding for subordinates or budget executives to reduce the asymmetric information in relationship between top and lower managers.

Campbell and Gingrich (1986), Kren (1992) and Chong *et al* (2002) found evidence to support a positive relationship between relevant job information and work performance. Based on empirical study on effect of Job Relevant Information on performance, hypothesis of this research is described as follows:

H2: Job relevant Information affects on performance

2.3. Governance quality

The governmental quality means the institutional capacity to exercise the governmental power (Rothstein and Teorell, 2007).Governance refers not only to “what”, but to “how” the process to create and executing policies. The focus of government is not on program, but on institution as the maker and implementer of those policies (Berkel and Borghi, 2007).

The Worldwide Governance Indicators project measures six major definitions of governance to summarize the main elements of this definition: (1) Voice and Accountability; (2) Political Stability and Absence of Violence; (3) Government Effectiveness; (4) Regulatory Quality; (5) Rule of Law; and (6) Control of Corruption. Above opinion is supported by Kaufman, Kraay and Mastruzzi, 2005 in Bill Lidle

(2008) that governance quality consists of voice and accountability, political stability, government effectiveness, regulatory quality, rule of law and corruption control.

The governance quality focuses on processes, systems, practices, and procedures on how governments run institutions, implement regulations, and relationships between established rules. Governance concerns the implementation of strengths owned by government (Rothstein and Teorell, 2005). Governments are ones who make the rules and implement the rules created. Thus, it is understood that the role of government in a country must be well-organized, transparent, accessible, and forward-looking. The quality of good governance will encourage improvement in economic growth (Rothstein and Teorell, 2005; OECD Guiding Principles for Regulatory Quality and Performance, 2005).

Research on governance quality as a moderating variable is more common in private sector relation with financial performance. Iqbal, Javad (2017) concluded the empirical results indicate that Corporate Governance as a moderating variable significantly is affected by the interaction between capital structure and financial performance. Istianingsih and Mukti (2017) suggested that Corporate Governance (number of commissioners) can moderate the relationship between information asymmetry and earnings management. Savitri (2016) said that Good Corporate Governance can moderate the effect of management audit on managerial performance, and Good corporate governance can moderate the effect of internal control on managerial performance of banking.

However, there are studies to put governance quality as a moderating variable in public sector organizations, Widiari *et al.* (2016) concluded that implementation of Good Government Governance strengthens the effect of Budgetary Participation on Government Performance. Pattiasina *et al.* (2011) concludes that Good Corporate Governance strengthens the relationship between leadership style and service performance.

As revealed earlier, governance quality in both private and public sectors can strengthen the relationship between the studied variables, regarding that researchers are interested in examining the governance quality as a moderating variable whether it can strengthen the relationship between the effect of Participatory Budgeting on performance and relevant job information on performance. Based on this, this study hypothesis is described as follows:

H3: Participatory Budgeting effects on performance is moderated by governance quality

H4: Job Relevant Information effects on Performance is moderated by Quality governance

H5: The governance quality affects on performance

2.4. Research Conceptual Framework

Conceptual framework generally expresses the relations between studied variables. Summary of this idea can be seen in figure 1.

3. RESEARCH METHODS

3.1. Population and Sample

The study population is staff at Ministry of Education and Culture who is involved in planning and budgeting process, spread over the echelon II units as the Budget User Authorization. The population that

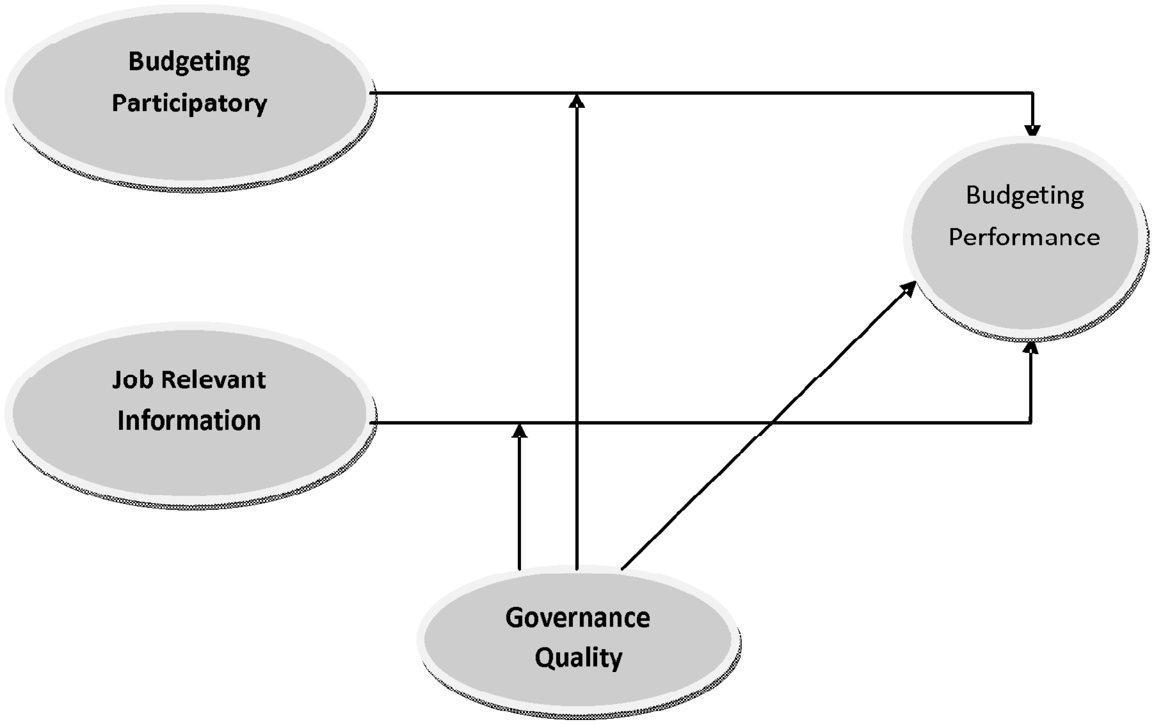

Figure 1: Research Conceptual Framework

will be used as respondents in this research are Head / Section Head of Sub Directorate (Echelon III), Head of Section / Head of Sub Division (Echelon IV) and Staff / Executor (non echelon).The samples selected in this study are 213 (two hundred and thirteen) respondents.

3.2. Data collection technique

Data is collected by survey instruments consisting of 4 parts: (1) Participation in Budget Arrangement; (2) Job Relevant Information; (3) Governance quality; and (4) Performance. Researchers visit the unit for planning and budgeting in each main unit (echelon I unit), to discuss and submit a questionnaire, from November 2016 to March 2017. From 213 respondents identified according to their duties and functions, valid 148 questionnaires from respondents were returned for further analysis.

3.3. Research variable

There are 4 variables measured in this research: (1) The dependent variable is Performance; (2) The independent variables are Budgeting Participatory and Job Relevant Information; (3) The moderation variable is Governance quality.

3.4. Data analysis method

Multiple regression analysis with Statistical Package for Social Sciences (SPSS) was used to measure the effect of independent variables on dependent variables. The effect of moderation variables was analyzed by Moderated Regression Analysis (MRA).

3.4. Hypothesis testing

Hypothesis testing is performed in two stages of simultaneous testing and partial testing. The test is done based on value of respondent's factor score on research variables.

4. RESULTS AND DISCUSSION

4.1. Characteristics of Respondents

The 148 respondents have following characteristics: (1) Men were 114 people (77.03%) and women were 34 (22.97%); (2) The age over 30 years are 130 people (87.84%) and between 20 years to 30 years are 18 people (12.16%); (3) Education with magistrate and above are 61 people (41.22%), Scholars are 78 people (52.70%), D III is 1 person (0.68%) and Senior High School are 8 people (5.41 %); (4) Work duration for less than 2 years are 2 people (1.35%), 2 years to 10 years are 45 people (30.41%) and more than 10 years are 101 people (68.24%).This indicates that budget planning staffs at Ministry of Education and Culture are predominantly male, mature aged to think and act, with a high educational background that theoretically has a high knowledge insight, and has a long working period that theoretically has the ability to work well.

4.2. Data Validity Test

4.2.1. Instrument Validity and Reliability

The test results showed that all variables (Budgeting Participatory, Job Relevant Information, Governance quality and Performance) have indicators scores with total construct score (r-count) at significance level of 0.001 and 0.002 (smaller than 0.01), and Alpha Cronbach between 0.911 to 0.965 bigger than Alpha Cronbach criterion (0.60). It can be concluded that all instrument of research variables are valid and reliable.

4.2.2. Test of Normality, Multicolinearity and Heterocedasticity

The results of Kolmogorov-Smirnov normality test show the significance value of Asymptotic between 0.096 to 0.895 greater than 0.05 (the level of research accuracy). It means that all data of research variables are distributed normally.

The result of multicollinearity test of all independent variables shows that VIF value of all independent variables is between 6,649 to 7.974 lower than 10. It means the data of all independent variables do not have multicollinearity.

The result of heteroedasticity test of all independent variables shows that significance values are greater than 0.05. It means the data of all independent variables do not have heteroscedasticity symptoms.

4.3. Hypothesis testing

Hypothesis test was conducted to know and analyze 5 (five) research hypotheses. It was done by SPSS program. The test result is shown in table 1 below.

Table 1
Hypotheses testing for the direct effect

Hypothesis	*Results Summary*								
	R Square	*F count*	*Sig.*	*Variables*					
				Independent	*Dependent*	*Constant*	*B*	*t count*	*Sig.*
H1	0.794	561,576	0.000	Performance	PB	1.539E-16	0.891	23,698	0.000
H2	0.799	580,128	0.000	Performance	JRI	1.591E-16	0.894	24,086	0.000
H5	0.771	491,264	0.000	Performance	GQ	1.468E-16	0.878	22,164	0.000

Source: Primary data processed (2017)

H1, H2, and H5 show the Sig value t-tests of 0.000 are smaller than 0.05 (error rate of research). It can be concluded that Participatory Budgeting, Job Relevant Information and Quality Governance significantly can predict the Performance.

H1 test result shows that Participatory Budgeting(PB) has significant effect on performance (KIN), with KIN equation = 1.539E-16 + 0.891 PB. The H2 Test Result shows that Job Relevant Information (JRI) has significant effect on performance, with KIN equation = 1.591E-16 + 0.894 JRI. H5 Test Result shows that governance quality has significant effect on performance (KIN), with KIN equation = 1.468E-16 + 0.878 GQ.

The test result for moderation variable is shown in table 2 below.

Table 2
Moderation Test Results

Hypotheses	*Results Summary*			
	Predictors	*R Square*	*F Change*	*Sig. F Change*
H3	PB	0.794	561,576	0.000
	GQ	0.830	31,230	0.000
	MOD1=PB*GQ	0.832	1,176	0.280
H4	JRI	0.799	580,128	0.000
	GQ	0.830	26,507	0.000
	MOD2=JRI*GQ	0.832	1,472	0.227

Source: Primary data processed (2017)

The H3 Test results show Model 1, (containing only PB), a predictive contribution of 79.4% (see R-square). F value of 561,576 (p = 0.000; p <0.05). This means that PB can predict Performance significantly. Model 2, GQ has entered into regression. GQalso can predict Performance. It increases the effective contribution from 79.4% to 83.0%. This significant contribution is shown by significant F-change = 31.320 (p = 0.000; p <0.05). Model 3 also shows the inclusion of PB and GQ into MOD1. MOD1 cannot predict Performance. The effective contribution only increases 0.2% from 83.0% to 83.2%. This means MOD1 contributes 0.2% (see R-square Change). This contribution is not significant as seen from slightly increase of F value. F-change = 1.176 (p = 0.280; p> 0.05) which is not significant. Finally it can be concluded that Participatory Budgeting and governance quality can predict high performance. In addition, governance quality cannot moderate the relationship between Participatory Budgeting and performance.

The H4 Test results are shown in Model 1 (contains JRI only). Predictor contribution is 79.9% (see R-square). F value is 580.128 (p = 0.000; p <0.05). This means that JRI significantly can predict Performance. Model 2 includes GQ into regression. GQ also can predict Performance. The effective contribution increase from 79.9% to 83.0%. This significant contribution is shown by significant F-change = 26.507 (p = 0.000; p <0.05). Model 3 includes JRI and GQ, MOD3 into regression. MOD3 cannot predict Performance. The effective contribution increase from 83.0% to 83.2%. This means that MOD3 contributes only 0.2% (see R-square Change). This contribution is not significant as seen from slightly increased F value. F-change = 1.472 (p = 0.227; p> 0.05) is not significant. Finally it can be concluded that job relevant information and quality governance can predict high performance. In addition, governance quality cannot moderate the relationship between job relevant information and performance.

5. RESEARCH IMPACT

The analysis results prove that budgeting participatory affect on performance. The study results reinforce the theory presented by Milani, 1975 in Marsudi and Ghozali (2001), Brownell (1982), Siegel and Marconi (1989), Garisson and Noreen in Budisantoso (2000), Darlis (2002), Darlis (2002), Govindarajan (2003) and Eker (2007). The results of this study are consistent with empirical research of Ogiedu K.O and Odia. J (2013), Nurcahyani (2010), Himawan and Ardianu (2010), Indarto and Ayu (2011), Al-Madadha (2012), Abu Hanifah (2013), Kholidah and Murtini (2014), Abata. M (2014), Deliana (2015), Yusfaningrum (2005), Ulupui (2005), Eker (2007), Haryanti & Othman (2012), and Hanny (2013). Budgeting participatory has a very important role to improve the company's performance and can produce decisions with high quality. Each member in an organization is given responsibility for decisions that are generated together and expected to arise a strong commitment to achievement of corporate goals, which ultimately can improve performance. Nevertheless, this study result is inconsistent with researches of Sinuraya (2009), Ndiwalana (2009), and Pramesthiningtyas (2011) to show unclear relationship, and negative effects (Sumarno (2005; Nursidin, 2008).

The analysis results also proved that job relevant information affects on performance. The study results reinforce the theory developed by Merchant (1981), Chow *et al.* (1988), Nouri and Parker (1998), Kern (1992), Murray 1990 in Yose Arista (2005). The results of this study are consistent with research of Chong (2004), Indarto and Ayu (2011), and Al-Madadha (2012). In preparation of budgets, job relevant information is needed by top managers to take action to achieve better results. With availability of job relevant information then the budgeting feedback will be perceived benefits. Chong and Chong (2002) found evidence that job relevant information and managerial performance has positive and significant correlation. This means that high job related information is associated with high managerial performance. Quality information has relation with decision making (O'Reilly in Burney and Widener, 2007). It is further said that employees will more often use high-quality, accessible information to support them in work. However, results of this study are not consistent with research conducted by Kholidah and Murtini (2014).

The analysis results prove that budgeting participatory and job relation information affect on performance and not moderated by governance quality. Governments make and implement the rules created. It is understood that role of government in a country must be well-organized, transparent, accessible, and forward-looking. This is because the quality of good governance will encourage improvement in economic growth (Rothstein and Teorell, 2005; OECD Guiding Principles for Regulatory Quality and Performance, 2005). The this study results are not consistent with Iqbal and Javed (2017), Istianingsih and Mukti (2017), Savitri (2016), Widiari *et al* (2016) and Pattiasina *et al* (2011).

The analysis results prove that governance quality affect on performance. This reinforces the theory built about the governance quality. The governance quality focuses on processes, systems, practices, and procedures on how governments run institutions, implement regulations, and relationships between established rules. Governmental relates to their power implementation (Rothstein and Teorell, 2005). In developing countries, government quality supports the country's economic growth. It means that government quality is the key to a country's economic success. The results of this study are consistent with research conducted by Kaleziæ (2012), and Azeem *et al.* (2013). Some studies suggest that governance quality does not significantly affect on performance (Short *et al.*, 1999; Nur Sayidah, 2007). But this result is contrary to findings of Klapper and Love (2002), Darnawati *et al* (2005) to shows that corporate governance significantly affects on performance of company's operations.

6. RESEARCH CONTRIBUTION

This research will be useful for science development of management science in general and public policy on budget in particular. It enriches the references and literature in budget preparation and public policy. It can be used as a reference to do next similar research.

In addition, this research is expected to provide input for all interested parties and provide answers to problems studied and provide answers on factors effecting the budget preparation. In turn, it is expected to help the realization of good government and good governance.

7. RESEARCH ORIGINALITY

The this study findings provide a new reference to examine the effect of budgeting participatory and job relevant information on performance, by including the governance quality as a moderator variable and conducted in public institutions (government organizations). Preparation of budget and governance quality must be put forward to high quality budgeting.

8. RESEARCH LIMITATION

This study has several limitations. First, the determination of respondents selection are based on task and function in planning and budgeting at Ministry of Education and Culture, so that result can only generalized in that environment only. Second, the respondents were 213 while the questionnaire returned and filled completely only from 148 respondents (69.48%). It causes analysis cannot show the overall results.

9. CONCLUSION

Referring to research results related to this study aim, the conclusions can be stated as follows. First, Budgeting participatory affect on performance. Second, Job relevant information affects on performance. Third, the governance quality does not moderate the effect of Participatory Budgeting on performance. Forth, the governance quality does not moderate the effect of job relevant information on performance. Fifth, the governance quality affects on performance.

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