

THE ROLE OF ENTREPRENEURIAL BUDGETING IN MEDIATING THE INFLUENCE OF BUDGET EMPHASIS, PARTICIPATORY BUDGETING, BUDGET ALLOCATION ON BUDGET PERFORMANCE OF PUBLIC SECTOR ORGANIZATIONS

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ABSTRACT

Effective budget management is the key to achieving optimal performance in public universities. This study analyzes the influence of participatory budgeting, budget emphasis, and budget allocation on budget performance with entrepreneurial budgeting as the mediating variable. The theoretical foundation is the theory of participatory budgeting, budget emphasis, budget allocation, and entrepreneurial budgeting. The survey method was used with the population of state universities in North Sulawesi, namely UNSRAT, UNIMA, POLIMDO, IAIN, IAKN, and POLNUSTAR, with a sample of 140 respondents involved in budget preparation. Data was collected through an online questionnaire and analyzed using SEM-PLS. The results show that participatory budgeting, budget emphasis, and budget allocation significantly affect budget performance, both directly and through entrepreneurial budgeting. The emphasis on budgeting and effective budget allocation increases flexibility and innovation in budget management, thereby improving budget performance. State universities are advised to adopt an entrepreneurial budgeting approach to improve budget performance, so that they are more effective and efficient in managing financial resources. This study is limited to samples in North Sulawesi and survey methods. Further research is needed to test these findings in different contexts and with more diverse methods.

Keywords: Participatory Budgeting; Budget Emphasis; Budget Allocation; Budget Performance; Entrepreneurial Budgeting.

1. INTRODUCTION

Budgets are made based on organizational needs and priorities government. At this stage, public sector organizations also need to conduct a study of potential revenue, operational costs and investment costs to achieve organizational goals. After the budget is prepared, the public sector organization carries out budget implementation by paying attention to the applicable rules and regulations.

In Indonesia, the preparation, management and use of budgets for higher education are regulated in Government Regulation Number 60 of 1999 and Law Number 20 of 2003 concerning the National Education System. Each tertiary institution has a Strategic Plan (Renstra) which is then

described in an annual work plan, including program priorities, activities and budget, and is obliged to report achievements periodically to stakeholders. PTN under the Directorate General of Education and Technology, with budget management funds of IDR 39 trillion in 2021, is ranked fifth in budget absorption capacity under the Ministry of Education and Culture, and requires an information system to facilitate budget preparation, management and monitoring.

Budgeting in higher education in Indonesia faces challenges such as new technology, regulatory changes, increasing operational costs, and global competition, as well as competition for limited resources and the impact of government policies. Transparency and participation influence accountability, but suboptimal budget allocation, lack of accountability, and lack of transparency are still problems. A study by the Inspectorate General of the Ministry of Education and Culture shows that 66.92% of PTN budget management is less effective, hampering the achievement of higher education performance.

Based on the problem formulation that has been determined, the objectives of this research are:

1. To analyze the influence of the Emphasis budget on entrepreneurial budgeting in public sector organizations at state universities in North Sulawesi
2. To analyze the influence of participatory budgeting entrepreneurial budgeting in public sector organizations at state universities in North Sulawesi
3. To analyze the influence of budget allocation on entrepreneurial budgeting in public sector organizations at state universities in North Sulawesi
4. To analyze the influence of the Emphasis budget on Budget Performance in public sector organizations at state universities in North Sulawesi
5. To analyze the influence of participatory budgeting on Budget Performance in public sector organizations at state universities in North Sulawesi
6. To analyze the influence of budget allocation on Budget Performance in public sector organizations at state universities in North Sulawesi

2. REVIEWREFERENCES

2.1 New Public Management (NPM)

Since the mid-1980s, there has been a drastic change in public sector management from a traditional management system that seemed rigid, bureaucratic and hierarchical to a public sector management model that is flexible and more accommodating to the market. These changes are not just small and simple changes, but major changes that have changed the role of government, especially in terms of the relationship between government and society (Djedje Abdul Aziz et al, 2007).

One of the government models in the NPM era is the government model proposed by Osborne and Gaebler which is as follows (Osborne & Gaebler, 2003):

- a. catalytic governance (focus on providing direction rather than producing public services),
- b. community-owned government (more empowering the community than serving),
- c. competitive government (encouraging a spirit of competition in the delivery of public services),

- d. mission-driven government (transforming regulation-driven organizations into mission-driven),
- e. results-oriented government (financing results, not inputs),
- f. government is customer-oriented (meeting customer needs, not bureaucracy),
- g. government entrepreneurship (capable create incomeAnd No justspend),
- h. anticipatory government (seeking to prevent rather than cure),
- i. decentralized government (from hierarchy towards participation and work teams), and
- j. the government is oriented towards market mechanisms (making changes using market mechanisms/incentive systems and not administrative mechanisms/procedural and coercive systems).

2.2 Budget

A budget is a statement regarding the estimated performance to be achieved during a certain time period expressed in financial measures (Mardiasmo, 2009). In more detail, Halim (2013: 22) defines a budget as an activity plan that is realized in financial form, including proposed expenditures estimated for a period of time, as well as proposals for ways to meet these expenditures. In the context of regional autonomy and decentralization, the budget occupies an important position.

Roman L. Weil and Michael W. Maher, (2005) state that organizations use budgets to plan, coordinate and communicate targeted performance, then to evaluate and reward actual performance. An operational budget is a quantitative statement of approved objectives and management's action plan for an organizational unit or activity for a specified time period.

Marconi and Siegel (1989: 125) say that budgets have the following benefits following:

- 1) The budget is the result of the planning process. The budget is the result of negotiations between dominant members in an organization, so the budget represents a consensus regarding the goals of future activities.
- 2) The budget is the blueprint for company activities, so that the budget can reflect the company's resource allocation priorities.
- 3) The budget is an internal communication tool that connects departments or divisions with other departments (divisions) in the organization and with top management.
- 4) The budget provides information about the actual results of activities compared to established standards.
- 5) The budget is a control tool that directs management to determine the strong and weak parts of the organization. This will direct management to determine corrective actions that must be taken.
- 6) Budgets influence and motivate managers and employees to work consistently, effectively and efficiently in conditions of goal compatibility between company goals and employee goals.

2.3 Participatory Budgeting

Participation in the budget preparation process is considered by some people to be a panacea for meeting the needs for self-esteem and actualization of organizational members. In other words, workers and lower-level managers have a say in the management process. Widespread participation is basically an organizational process, where individuals are involved and have influence in making decisions that have a direct influence on these individuals (Supomo and Indriantoro, 1998). Participation is a "process of joint decision making by two or more parties where the decision will have a future impact on those who make it." Arfan and Muhammad, (2008: 173-175).

Benefits of participatory budgeting according to Arfan Ikhsan and Muhammad Ishak (2005: 175) is:

- 1) Participants become emotionally and not just task-involved in their work. Participation can improve morale and encourage greater initiative at all levels of management.
- 2) Participation also means increasing a sense of group unity, which in turn tends to increase cooperation between group members in goal setting. The organizational goals that these people help establish will then be seen as goals that are in harmony with their personal goals.
- 3) Meaningful participation is also associated with reducing stress and anxiety related to the budget. This is because people who participate in goal setting know that the goal is reasonable and achievable.
- 4) Participation can also reduce perceived unfairness in the allocation of organizational resources between organizational subunits, as well as negative reactions that result from such perceptions. Managers involved in goal setting will have a better understanding of why resources are allocated the way they are.

Arfan Ikhsan and Muhammad Ishak (2005: 175) explain that participatory budgeting has three potential problems, namely:

1. Setting standards that are too high or too low. If the budget is made too high or tight it will reduce the manager's performance, conversely if the budget is made too easy it will reduce interest and challenges for the manager, resulting in a decrease in the manager's performance.
2. Make allowances in the budget (budgetary slack). Budgetary slack arises when a manager intentionally estimates revenues too low or estimates costs too high.
3. Pseudo participation (pseudoparticipation). Pseudoparticipation occurs in companies that are not serious about implementing participation. Lower level managers are forced to express agreement with decisions made by top management because the company requires their approval. This will result in many behavioral problems, including: increasing feelings of tension among subordinates, and the emergence of divisions between top management and subordinates, such as mutual suspicion. False participation will occur if more people sit on the budget committee.

2.2 Domestic Investment (PMDN)

Indicators that can be used to measure budget participation according to Milani (1975) in Maharani (2014) are as follows:

- 1) Participation in budget preparation.
- 2) Satisfaction felt in preparing the budget.

- 3) The need to give an opinion.
- 4) Willingness to give opinions.
- 5) Proposals for the budget preparation process towards determining the final budget.
- 6) Bosses often ask for opinions when the budget is prepared.

According to Soobaroyen (2005) that indicator budget participation can be seen as following:

- 1) Participation in budget preparation.
- 2) The magnitude of the influence on budget determination
- 3) The need to give an opinion.

The indicators put forward according to Kadek Nike Krisnayanti, et al (2017) regarding budget participation are:

1. Participation when the budget is prepared
2. Ability give opinion in budget preparation
3. Frequency deliver opinion/suggestion about budget to superior
4. Have influence over the final budget.

2.3 Home Consumption Ladder

Budget emphasis is thought to be one of the factors that can trigger the emergence of budgetary slack. According to Sri Dewi Anggadini (2013) in Gistnie Zainul Qurn and Sri Dewi Anggadini (2020:88) decision making by organizational leaders can be obtained through information. This information is used by managers to determine their performance as stated by Ely Suhayati and Sri Dewi Anggadini (2014: 5). This happens if the performance assessment of subordinates is determined by the budget that has been prepared, then the subordinates will try to improve their performance by making a budget that is easy to achieve.

According to Triana, et al (2012), the definition of budget emphasis is: following:

"Budget emphasis is pressure from superiors on subordinates to implement the budget that has been made well, where employees are stimulated by a reward if the budget plan is achieved and a penalty if the budget plan is not achieved."

Similar to the definition above, according to Asak (2014) the definition of budget emphasis is as follows;

"Budget emphasis is pressure given by superiors to subordinates to carry out the budget that has been prepared, such as compensation if they are able to exceed the budget target and sanctions if the budget target is not achieved."

The same thing was expressed according to Kusniawati and Lahaya (2017) that the meaning of budget emphasis is as follows:

"Budget Emphasis is an emphasis from a superior to a subordinate on the budget that is used as a benchmark for performance. Where a subordinate will try to improve his performance by making budget targets easy to achieve so that a subordinate can receive rewards and compensation for achieving performance in an organization."

Based on the definitions above, it can be said that budget emphasis is pressure given by superiors to subordinates, where subordinates will be given rewards if performance has been achieved but will be given punishment if it is not achieved.

2.4 Relevance of Research with Empirical Studies

2.4.1 Eka Fitria Ambarini, Mispiyanti, (2020)

This research aims to examine the influence of budget emphasis, self-esteem, and budget participation on budgetary slack. This research uses primary data obtained by distributing questionnaires to respondents. The population of this study was the OPD of Kebumen Regency with a sampling technique using purposive sampling. Of the 75 questionnaires distributed, only 70 questionnaires were received back, and only 43 questionnaires could be processed. This research uses multiple regression analysis methods. Based on the results of the t test, it shows that: (1) budget emphasis has a positive and significant effect on budgetary slack. (2) self-esteem has a significant influence on budgetary slack. (3) budget participation has no significant effect on budgetary slack. Meanwhile, the f test shows that budget emphasis, self-esteem, and budget participation together have an influence on budgetary slack in the OPD of Kebumen Regency. The coefficient of determination (R^2) obtained was 29.5%, meaning that 29.5% of the budget emphasis variable was influenced by the budget emphasis, self-esteem and budget participation variables, while the remaining 70.5% was explained by other variables that were not in this study. .

2.4.2 Rizky Firmansyah, (2021)

This article aims to explain the implementation of performance-based budgeting. Bureaucratic reform is still an important issue in the government sector, especially in developing countries, including Indonesia. One part of bureaucratic reform is changes to the government budgeting system. In many countries, this case seems forced, so that its implementation is not in accordance with the actual concept. Critical theory is the paradigm used in this paper. Habermas's critical theory was chosen as a methodology to achieve the aim of this article because Habermas's thinking is very suitable to the issue raised in this article, namely the path of consensus replacing the path of revolution offered by Marx. The importance of interaction emphasized in Habermas's thinking is the basis for analysis because interaction or communication is based on norms, intersubjective, demands internalization of roles, demands maintenance of social institutions, and action to achieve understanding. Performance-based budgeting, which should be a solution to achieving community welfare, is still not implemented optimally. Physically, the resulting budget is performance-based budgeting; However, in reality, indicators of the benefits of budgeting for the fulfillment of public services are still ignored. Incremental systems, planning that is not performance-based, budget inefficiencies leading to wasteful public spending, high levels of political interference, and poor budget control are still involved in regional budgeting in Indonesia. The contradiction between politics and budgeting culture that has recently been implemented has become an obstacle to implementing a performance-based budgeting system optimally. There are many research opportunities that can be followed up from this paper, such as the study of budgeting culture with an ethnographic perspective and in-depth research on the philosophical aspects of performance-based budget ideology with state ideology.

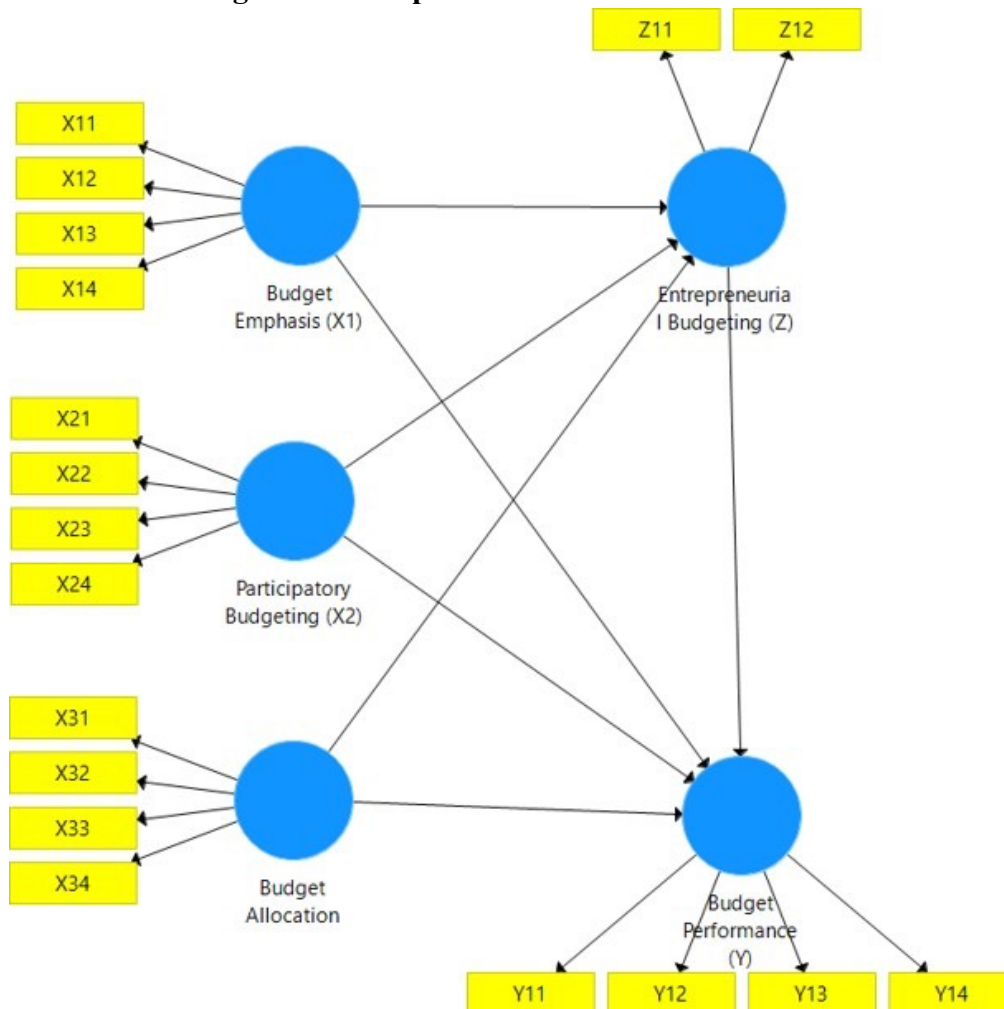
2.4.3 Hariyanto, (2018)

Regarding the participatory budgeting relationship, it has no effect on improving performance. The existence of research findings that have differences, namely there is research that has influence and there is research that has no influence between these two variables, which is a gap in research on the relationship between participatory budgeting and performance. This can be novel by including a mediating variable in the relationship between these two variables.

2.5 Framework of thinking

This research examines the influence of budget pressure, participation in budget preparation, and budget allocation on budget performance, both directly and through the mediation of entrepreneurial budgeting. Using a quantitative approach and survey design, data was collected from state university administrators in North Sulawesi through questionnaires, and analyzed with SEM PLS using SmartPLS software to test hypotheses. This research aims to explore whether entrepreneurial budgeting mediates the influence of these variables on budget performance.

Figure 1 Conceptual Framework of Research



Source: Developed for Dissertation Study (2024)

Based on the framework above, the research hypothesis can be formulated as follows:

1. It is suspected that budget emphasis has a positive influence on entrepreneurial budgeting at state universities in North Sulawesi.
2. It is suspected that participatory budgeting has a positive effect on entrepreneurial budgeting at state universities in North Sulawesi.
3. It is suspected that budget allocation has a positive effect on entrepreneurial budgeting at state universities in North Sulawesi.
4. It is suspected that Budget Emphasis has had an impact on increasing Budget Performance at state universities in North Sulawesi
5. It is suspected that participatory budgeting has a positive effect on budget performance at state universities in North Sulawesi.
6. It is suspected that budget allocation has a positive effect on budget performance at state universities in North Sulawesi
7. It is suspected that entrepreneurial budgeting has a positive effect on budget performance at state universities in North Sulawesi.
8. It is suspected that budget emphasis has a positive effect on budget performance which is mediated by entrepreneurial budgeting at state universities in North Sulawesi.
9. It is suspected that participatory budgeting has a positive effect on budget performance which is mediated by entrepreneurial budgeting at state universities in North Sulawesi.
10. It is suspected that budget allocation has a positive effect on budget performance which is mediated by entrepreneurial budgeting at state universities in North Sulawesi.

3. RESEARCH METHODS

3.1 Research Approach

This research is quantitative research which aims to explain and analyze the causal relationship between the independent variable and the dependent variable and prove the research hypothesis. This type of research is in accordance with the research objective which is to explain the relationship and influence between Budget Emphasis, Participatory Budgeting, and budget allocation on Performance budgeting with the mediation of Entrepreneurial Budgeting.

3.2 Research sites

This research was conducted at state universities in North Sulawesi Province. State universities were chosen because state universities have the capacity to manage public sector-based budgets that are adjusted to the provisions of government regulations and have the main obligation to carry out budget management based on public sector financial management principles, especially in the education sector.

3.3 Research Population and Sample

3.3.1 Population

The population in this study refers to all officials and employees planning and implementing budgets at state universities in North Sulawesi. This population is a combination of all elements consisting of events, things, or people who have similar characteristics and are the focus of research (Ferdinand, 2014).

3.3.2 Sample

A sample is a part of a population that represents it. The samples used in SEM (Structural Equation Modeling) research are between 100-200. According to Ghazali (2005:64), the guidelines for determining the sample size for SEM according to Solimun (2002:78) are:

1. If parameter estimation uses the maximum likelihood estimation method, the recommended sample size is between 100 and 200, with a minimum sample size of 50.
2. As much as 5–10 times the number of parameters in the model.
3. Equal to 5–10 times the number of indicators of all latent variables. There are 26 indicators in this research. Referring to the third point, the minimum sample size is 5×26 or 130 samples, so the sample for this research is 130 employees as respondents.

3.4 Method of collecting data

According to Sugiono (2016), sampling techniques are divided into 2, namely probability sampling and non-probability sampling

This research will use a sampling technique with a non-probability sampling technique, namely purposive sampling (judgmental sampling) where the samples are officials/employees planning and implementing budgets at State Universities in North Sulawesi.

With respondents, namely budget implementing officials/employees at State Universities in North Sulawesi namely: UNSRAT, Manado State University, Manado State Polytechnic, IAIN, IAKN, and Polnustar where each of these universities/high schools has a target of at least 15 respondents per PT / College.

3.5 Data analysis method

3.5.1 Descriptive Analysis

According to Sekaran (2003), descriptive analysis is a method used to describe the characteristics of the variables and samples being studied in a particular context.

3.5.2 Inferential Statistical Analysis

Statistical inferential analysis is used to test established hypotheses. Method

The inferential statistics used in this research data analysis use the SEM (Structural Equation Modeling) approach with the PLS (Partial Least Square) approach.

Next, testing is carried out using the following steps: Data Quality Test via Outer Model Test.

a. Measurement Model Testing (Outer Model)

The outer model is a measurement model that tests the relationship between each indicator and the latent construct in the structural model. The outer model is also known as the outer relation or measurement model which defines how each indicator block is related to the latent variable (Ghozali, 2013). Planning the measurement model is related to whether indicators are reflective or formative (Solimun et al., 2018).

b. Test Inner model (Inner Model)

In the PLS program, causal relationships between constructs in a research model can be estimated through inner model testing.

4. RESULTS AND DISCUSSION

4.1. Research result

4.1.1 Research Model Results

According to the results of the path coefficient analysis, the results of this analysis can be explained as follows

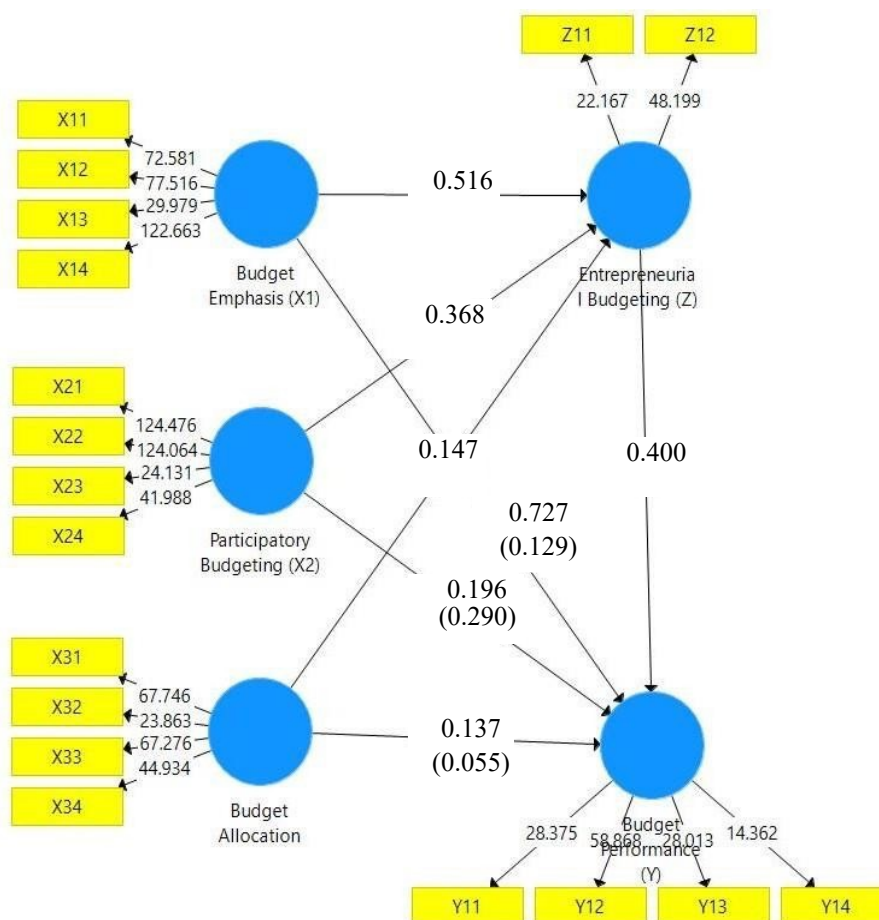


Figure 1. Hypothesis Model SEM-PLS Model Using SmartPLS

Source: Processed Data (2024)

Based on the SEM-PLS research model used using the Smart PLS model test program, the relationship between the variables can be explained as follows:

The relationship between Budget Emphasis (X1) and Entrepreneurial Budgeting (Z) shows a path coefficient of 0.368 with T statistics of 5.183 and P values of 0.000. These results indicate that an emphasis on budgeting has a significant impact on increasing flexibility and creativity in budget preparation. When universities emphasize the importance of achieving budget targets, they tend to develop more flexible and innovative mechanisms for managing budgets, so they can better respond to changing needs and conditions.

The relationship between Participatory Budgeting (X2) and Entrepreneurial Budgeting (Z) shows a path coefficient of 0.516 with T statistics of 7.268 and P values of 0,000. Active participation of various stakeholders in the budgeting process significantly improves an institution's ability to prepare budgets in a more creative and flexible manner. This means that greater involvement of various parties in the budgeting process can create a more innovative and adaptive environment.

The relationship between Budget Allocation (X3) and Entrepreneurial Budgeting (Z) shows a path coefficient of 0.147 with T statistics of 2.227 and P values of 0.026. Good budget allocation, when supported by a creative and flexible approach to budget management, can encourage the development of more effective budget preparation mechanisms. This shows the importance of appropriate budget allocation followed by innovative and adaptive management.

The relationship between Budget Emphasis (X1) and Budget Performance (Y) shows a path coefficient of 0.196 with T statistics of 2.42 and P values of 0.016. An emphasis on budgeting significantly improves budget performance. A strong focus on achieving budget targets encourages universities to be more effective in financial management, so that results can be more optimal.

The relationship between Participatory Budgeting (X2) and Budget Performance (Y) shows a path coefficient of 0.727 with T statistics of 11.726 and P values of 0.000. Active participation of various stakeholders in the budgeting process improves budget performance in higher education. This shows that the involvement of various parties in budgeting has a significant impact on improving budget performance.

The relationship between Budget Allocation (X3) and Budget Performance (Y) shows a path coefficient of 0.137 with T statistics of 2.362 and P values of 0.019. Appropriate budget allocation and in accordance with the institution's strategic needs has a significant impact on budget performance. This emphasizes the importance of good budget allocation in supporting the achievement of better budget performance.

The relationship between Entrepreneurial Budgeting (Z) and Budget Performance (Y) shows a path coefficient of 0.400 with T statistics of 6.557 and P values of 0.000. A creative and flexible approach to budget preparation significantly improves budget performance. This shows that innovation and adaptation in budget management play an important role in achieving higher budget performance.

Overall, this research model shows that the direct relationship of various aspects of budgeting, including emphasis on the budget, participation in budget preparation, and budget allocation, all have a significant and positive direct impact on budget performance in higher education. Creative and flexible approach to management

The budget (entrepreneurial budgeting) acts as a key factor that strengthens these relationships, showing that innovation in budget management is very important to achieve optimal results.

The following is an explanation of the model regarding the mediating variables:

The relationship between Budget Emphasis (X1) and Budget Performance (Y) through Entrepreneurial Budgeting (Z) shows a path coefficient value of

0.129 with T statistics of 2.688 and P values of 0.007. These results indicate that Entrepreneurial Budgeting (Z) mediates the relationship between Budget Emphasis (X1) and Budget Performance (Y). In other words, an emphasis on the budget not only has a direct impact on budget performance, but also increases flexibility and creativity in budget preparation which ultimately contributes to improving budget performance. This shows that universities that emphasize achieving budget targets tend to develop more innovative mechanisms for managing budgets, which in turn improves overall budget performance.

The relationship between Participatory Budgeting (X2) and Budget Performance (Y) through Entrepreneurial Budgeting (Z) shows a path coefficient value of 0.290 with T statistics of 4.754 and P values of 0.000. These results indicate that Entrepreneurial Budgeting (Z) significantly mediates the relationship between Participatory Budgeting (X2) and Budget Performance

(Y). This means that active participation in the budget preparation process not only directly improves budget performance, but also through increased flexibility and creativity in budget management. Higher education institutions that involve various stakeholders in the budgeting process tend to develop more innovative approaches, which ultimately have a positive impact on budget performance.

The relationship between Budget Allocation (X3) and Budget Performance (Y) through Entrepreneurial Budgeting (Z) shows a path coefficient value of 0.055 with T statistics of 2.037 and P values of 0.042. These results indicate that Entrepreneurial Budgeting (Z) also mediates the relationship between Budget Allocation (X3) and Budget Performance (Y). Appropriate budget allocation not only directly improves budget performance, but also through a more creative and flexible budget management approach. This emphasizes the importance of innovative budget management in supporting effective and efficient budget allocation, which ultimately improves budget performance in higher education.

Overall, the results of this research indicate that Entrepreneurial Budgeting (Z) plays a significant mediating role in the relationship between various aspects of budgeting (Budget Emphasis, Participatory Budgeting, and Budget Allocation) and budget performance (Budget Performance). Thus, innovation and flexibility in budget management are important keys to achieving optimal budget performance in state universities.

4.2 Discussion

4.2.1. The Relationship between Budget Emphasis and Entrepreneurial Budgeting

The findings of this research show a significant relationship between emphasis on budgeting and entrepreneurial budgeting with a path coefficient value of 0.516, T Statistics 7.268, and P Value 0,000. This shows that a strong emphasis on achieving budget targets significantly increases flexibility and creativity in budget management in public universities. A study by the Inspectorate General of the Ministry of Education and Culture shows that 66.92% of PTN budget management is less effective, hampering higher education performance achievements. Indicators in the questionnaire

includes the frequency of use of the budget in decision making, emphasis on achieving budget targets, use of the budget for performance evaluation, and budget performance-based recognition and incentives.

This research provides important suggestions for state universities, such as building a flexible and adaptive budgeting system, and increasing stakeholder participation in the budgeting process. Higher education institutions that emphasize achieving budget targets tend to be better able to allocate resources effectively and efficiently, increasing flexibility and accountability in financial management. However, this research has limitations in that the sample only includes state universities in North Sulawesi and uses a quantitative approach. It is hoped that further research can expand the sample and use a qualitative approach for a more comprehensive understanding.

4.2.2. The Relationship between Participatory Budgeting and Entrepreneurial Budgeting

This research found a significant relationship between participatory budgeting and entrepreneurial budgeting with a path coefficient value of 0.516, T statistics 7.268, and P value 0.000. These results indicate that the involvement of various stakeholders in the budgeting process significantly increases flexibility and innovation in budget preparation. Active participation in budget preparation allows organizations to be more responsive to changing needs and market conditions, which in turn encourages increased entrepreneurial performance. Previous studies also support these findings, showing that participation in budgeting not only improves budget accuracy but also enables innovation in resource allocation. In the context of the higher education industry, participatory budgeting plays an important role in encouraging innovation and responsiveness to change, increasing transparency and accountability, and supporting the achievement of academic and research goals.

The questionnaire instrument used includes several important indicators of participatory budgeting, such as the level of budget participation, participation capacity and resources, as well as the impact and implementation of participation results. Based on the findings of this research, state universities in North Sulawesi are advised to continue to increase stakeholder participation in the budgeting process, develop more transparent and accountable mechanisms, and ensure budget allocations are in line with the institution's strategic priorities. However, this research has limitations such as coverage that only includes state universities in North Sulawesi and survey methods that rely on self-report, so further research is recommended to cover more universities from various regions and use more diverse research methods to increase validity. findings.

4.2.3. The Relationship between Budget Allocation and Entrepreneurial Budgeting

The findings of this research show that budget allocation has a significant relationship with entrepreneurial budgeting, with a path coefficient of 0.147, T-Statistics of 2.227, and P-Value of 0.026. These results indicate that effective budget allocation has a positive impact on increasing flexibility and creativity in the entrepreneurial budgeting process. A study by Chenhall and Moers (2015) in Management Accounting Research supports these findings, showing that appropriate budget allocation can improve managerial effectiveness and organizational performance by creating an environment that supports innovation and adaptation. In addition, research by Hansen and Van der Stede (2004) reveals that flexibility in budget allocation contributes to the

development of better entrepreneurial strategies, reinforcing the finding that good budget allocation supports operations and encourages the development of sustainable entrepreneurial initiatives.

In the context of state universities in North Sulawesi, efficient budget allocation is very important to support entrepreneurial initiatives and create programs that are innovative and responsive to market needs. UNSRAT, as the largest university in the region, can utilize the budget allocation to develop a business incubator that supports students and staff in creating start-ups or innovative projects. Flexibility in budget allocation allows universities to adjust priorities and strategies according to changes in the external environment, which is a significant competitive advantage. Indicators in the questionnaire used to measure budget allocations include the ratio of budget allocations per faculty or department, suitability of allocations to strategic objectives, and the proportion of the budget for core or strategic programs. Based on these findings, state universities in North Sulawesi are advised to increase flexibility in budget allocations to support entrepreneurial initiatives, as well as develop more strategic and flexible budget allocation policies for rapid adaptation to external and internal changes. This research has limited data which only covers state universities in North Sulawesi and uses quantitative methods, so further research is needed involving more samples and using qualitative methods for deeper understanding.

4.2.4. The Relationship between Budget Emphasis and Budget Performance

The research results show that there is a positive and significant relationship between Budget Emphasis (X1) and Budget Performance (Y) with a path coefficient of 0.196, T-statistics of 2.42, and P-value of 0.016. This indicates that the emphasis on budgeting has a significant impact on improving budget performance at state universities in North Sulawesi. In a managerial context, a strong focus on achieving budget targets helps universities manage finances more effectively, so that they can achieve more optimal and efficient results. This research is in line with previous findings by Hansen and Mowen (2006) who found that an emphasis on budgets can improve organizational performance through increasing efficiency and effectiveness in resource management. Research by Merchant and Van der Stede (2017) also shows that a strong focus on the budget can encourage more proactive managerial behavior in achieving financial targets.

In the context of the higher education industry, especially in state universities in North Sulawesi such as UNSRAT, UNIMA, POLIMDO, IAIN, IAKN, and POLNUSTAR, emphasis on budgets is a key element in financial management. Higher education institutions often face limited budgets and resources, so it is important to have strong mechanisms to ensure budgets are used effectively and efficiently. Budget emphasis helps universities set priorities and ensure that each work unit has clear responsibilities for achieving budget targets. In addition, implementing a more transparent and accountable budget management system can help improve financial performance. The implications of this research include the need to increase collaboration between various work units at the university to achieve budget targets together and the use of the budget as a performance evaluation tool can help identify areas that require further improvement and development.

4.2.5. The Relationship between Participatory Budgeting and Budget Performance

Research findings show that participatory budgeting has a significant impact on improving budget performance in public sector organizations, especially state universities in North Sulawesi. Participatory budgeting allows various stakeholders, including administrative staff, lecturers, and students, to be directly involved in the budget preparation process, creating transparency, accountability, and a greater sense of ownership of the budget prepared. Studies by Fung (2006) in "Empowered Participation: Reinventing Urban Democracy" and by Wampler (2007) in "Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability" shows that participatory budgeting can increase accountability, transparency and community involvement in the financial decision making process. In this research, participatory budgeting has a path coefficient value of 0.196 with T statistics of 2.42 and P values of 0.016, indicating a significant influence on budget performance through direct involvement of stakeholders in the budget preparation process.

In the context of the higher education industry, participatory budgeting ensures that resources are allocated efficiently and effectively according to institutional needs. Involvement of faculty and administrative staff in the budgeting process can ensure that allocated funds reflect academic and operational priorities, while student participation can ensure that their needs are considered in budget allocations. Participatory budgeting also increases the sense of responsibility and ownership among stakeholders, improving compliance with the budget and efficient use of funds. Research indicators show that a high level of participation from lecturers, administrative staff and students in the budgeting process contributes positively to budget performance. To strengthen this budgeting practice, state universities in North Sulawesi are advised to develop and expand participatory budgeting practices with adequate training and system support. Although this research has limitations in sample coverage and methods, the findings make an important contribution to the development of financial policy in the higher education sector.

4.2.6. Relationship between Budget Allocation and Budget Performance

Research findings show that budget allocation has a significant impact on budget performance in public sector organizations, especially state universities in North Sulawesi. The results of the analysis show that budget allocation carried out systematically and in accordance with the organization's strategic needs can improve overall budget performance. Research by Covaleski, Evans, Luft, and Shields (2003) and Abernethy and Brownell (1999) supports these findings by showing that appropriate and responsive budget allocation can increase the effectiveness of resource use and support the achievement of organizational strategic goals. In the context of the higher education industry, effective budget allocation ensures that resources are allocated to the most critical areas and support the institution's academic mission. At state universities such as UNSRAT and UNIMA, appropriate budget allocation can ensure that available funds are used to support academic activities, research and faculty development that need them most. Good budget allocation can also help universities to respond to changes in the higher education environment and increase stakeholder confidence in the budgeting process.

This research also shows that entrepreneurial budgeting has a significant effect on budget performance in state universities in North Sulawesi. A budgeting approach that prioritizes

flexibility and innovation in budget management is able to improve budget performance, enabling universities to be more adaptive to changing needs and challenges they face. Studies by Davila and Foster (2005) and Chenhall and Morris (1995) support these findings by showing that flexible and innovative budgeting systems can improve organizational performance. Entrepreneurial budgeting allows universities to respond quickly and effectively to change, as well as allocate resources to areas where they are most needed. In the context of the higher education industry, this approach is relevant given the dynamics and complexity of the educational environment, ensuring that budget decisions made reflect the needs and priorities of all stakeholders. Based on these findings, it is recommended that state universities in North Sulawesi continue to develop an entrepreneurial budgeting approach in their budget management process. Limitations of this research include the sample being limited to state universities in North Sulawesi and the use of survey methods, which may not cover all aspects of the budgeting process. Further research is needed to test these findings in different contexts and using a wider range of methods.

4.2.7 The Relationship between Entrepreneurial Budgeting and Budget Performance

The research results show that the entrepreneurial budgeting approach (Z) has a significant effect on budget performance (Y) in state universities in North Sulawesi. This approach, which prioritizes flexibility and innovation in budget management, allows universities to be more adaptive to changing needs and challenges faced, so that they can optimize the use of resources effectively. Studies by Davila and Foster (2005) and Chenhall and Morris (1995) support these findings, showing that flexible and innovative budgeting systems can improve organizational performance. With a path coefficient value of 0.400, T statistics of 6.557, and P values of 0.000, entrepreneurial budgeting shows a very significant relationship with budget performance, enabling universities to overcome challenges and exploit opportunities more effectively.

In the context of the higher education industry, the entrepreneurial budgeting approach is very relevant considering the dynamics and complexity of the educational environment. Higher education institutions in North Sulawesi, such as UNSRAT and UNIMA, need to implement budgeting systems that enable them to adapt quickly to changes in government policy, technological developments, and labor market needs. This approach increases stakeholder participation and involvement in the budgeting process, ensuring budget decisions reflect the needs and priorities of all stakeholders. With high budget flexibility and a level of creativity in budget preparation, universities can develop innovative solutions in financial management. It is recommended that state universities in North Sulawesi continue to develop an entrepreneurial budgeting approach, including training for financial management and developing systems that support flexibility and innovation in budgeting. Limitations of this study include the limited sample and use of survey methods, so further research is needed to test these findings in different contexts and using a more diverse range of methods.

4.2.8 The Relationship between Budget Emphasis and Budget Performance Mediated by Entrepreneurial Budgeting

This research finds that budget emphasis (X1) has a significant effect on budget performance (Y) through the mediation of entrepreneurial budgeting (Z). With a path coefficient value of 0.290, T

statistics of 4.754, and P values of 0.000, these results indicate that entrepreneurial budgeting plays an important role as a mediator that strengthens the relationship between budget emphasis and budget performance. Research by Hansen and Van der Stede (2004) and Marginson and Ogden (2005) supports these findings, showing that flexible and innovative budget management approaches can improve organizational performance by enabling better response and adaptation to environmental changes. In the context of state universities in North Sulawesi such as UNSRAT and UNIMA, emphasis on budgeting is a key element in financial management, however integration of an entrepreneurial budgeting approach is needed to achieve optimal budget performance, ensuring that resources are used efficiently and effectively to achieve the institution's strategic goals. .

In the dynamic and complex higher education industry, entrepreneurial budgeting allows universities to develop more responsive and adaptive budget management mechanisms. Research indicators include the frequency of use of the budget in decision making, emphasis on achieving budget targets, and the use of the budget for performance evaluation. The results show that high budget emphasis, when mediated by entrepreneurial budgeting, can improve budget performance by allowing flexibility and innovation in budget management. It is recommended that state universities in North Sulawesi implement this approach with steps such as training for financial management and developing systems that support flexibility and innovation in budgeting. However, this research has limitations in terms of the sample and survey methods used, so further research is needed to test these findings in various contexts and with more diverse methods to understand the dynamics of entrepreneurial budgeting in more depth.

4.2.9 The Relationship between Participatory Budgeting and Budget Performance Mediated by Entrepreneurial Budgeting

This research shows that participatory budgeting (X2) has a significant influence on budget performance (Y) through the mediation of entrepreneurial budgeting (Z). With a path coefficient value of 0.290, T statistics of 4.754, and P value of 0.000, these results indicate that a flexible and innovative budget management approach strengthens the relationship between participation in budgeting and budget performance. Research by Burkhead and Miner (2004) and Shah and Shen (2007) supports these findings, showing that active participation in the budgeting process increases transparency, accountability, and efficiency of budget use. At state universities in North Sulawesi such as UNSRAT and UNIMA, participatory budgeting involves lecturers, administrative staff, and students, ensuring that all stakeholders are involved in the budgeting process, which improves overall budget performance.

In the dynamic context of higher education, the integration of participatory budgeting with entrepreneurial budgeting allows universities to quickly adjust resource allocation according to changing needs and challenges they face. Research indicators include the level of budget participation, participation capacity and resources, as well as the quality of decisions produced. The research results show that high participatory budgeting, when mediated by entrepreneurial budgeting, can increase flexibility and innovation in budget management, contributing significantly to achieving budget targets and better performance evaluation. It is recommended

that state universities in North Sulawesi adopt this approach by training financial management on the importance of flexibility and innovation in budgeting and developing systems that support this approach. However, this research has limitations in terms of the limited sample and survey methods used, so further research is needed to test these findings in various contexts and with more diverse methods to understand the dynamics of entrepreneurial budgeting in more depth.

4.2.10 The Relationship between Budget Allocation and Budget Performance Mediated by Entrepreneurial Budgeting

The research results show that budget allocation has a significant influence on budget performance through the mediation of entrepreneurial budgeting. With a path coefficient of 0.055, T statistics of 2.037, and P value of 0.042, these results indicate that a flexible and innovative budget management approach strengthens the relationship between budget allocation and budget performance. Research by Hofstede and Piers (2002) and Covaleski and Dirsmith (1990) supports these findings, showing that effective budget allocation, when supported by flexible control mechanisms, can improve the efficiency, effectiveness and performance of organizations in the public sector. In state universities in North Sulawesi such as UNSRAT and UNIMA, the importance of appropriate budget allocation to support the institution's core programs and strategic goals becomes clearer with the mediation of entrepreneurial budgeting which allows universities to quickly adjust their financial strategies according to changing needs and challenges they face. .

In this context, research indicators include the ratio of budget allocations per faculty/department, suitability of allocations to strategic objectives, and the proportion of budget for core/strategic programs. The research results show that effective budget allocation, when mediated by an entrepreneurial budgeting approach, can improve budget performance by enabling universities to be more flexible and innovative in budget management. It is recommended that state universities in North Sulawesi adopt this approach through training for financial management and development of support systems. However, this research has limitations, including a limited sample and survey methods that may not cover all aspects of the budgeting process, so further research is needed to test these findings in various contexts and with more diverse methods to understand the dynamics of entrepreneurial budgeting in more depth.

5. CLOSING

Based on research conducted at state universities in North Sulawesi, namely UNSRAT, UNIMA, POLIMDO, IAIN, IAKN, and POLNUSTAR, the following are the conclusions that can be drawn from this research:

1. This research proves that budget emphasis has an impact on increasing the implementation of entrepreneurial budgeting. Higher education institutions that consistently emphasize the importance of budgets in strategic decision making tend to adopt more innovative and flexible approaches in managing their budgets. This allows universities to be more responsive to existing changes and challenges.
2. Active participation from various stakeholders in the budget preparation process, namely participatory budgeting, has also been proven to have an impact on increasing entrepreneurial

budgeting. By involving lecturers, staff and students in this process, universities can gather various creative ideas and innovative solutions that support more dynamic and adaptive budget management.

3. Appropriate and efficient budget allocation has an impact on increasing entrepreneurial budgeting. Higher education institutions that are able to allocate resources strategically to support core and innovative programs demonstrate a better ability to apply an entrepreneurial approach to managing their budgets.

4. Participatory budgeting or participation in budget preparation has an impact on increasing budget performance. Higher education institutions that involve various stakeholders in the budgeting process tend to achieve better budget performance. This is because participation increases transparency, accountability and support for the implementation of budget policies.

5. Budget allocation or appropriate budget allocation has also been proven to have an impact on improving budget performance. Higher education institutions that are able to allocate funds efficiently for various strategic and operational programs show better budget performance, which is reflected in achieving budget targets and efficient use of funds.

6. The implementation of entrepreneurial budgeting has an impact on increasing budget performance in the public sector. Higher education institutions that adopt an entrepreneurial approach to budget management show higher budget performance. Flexibility and creativity in budgeting enable universities to be more effective in achieving strategic and operational goals.

7. Budget emphasis has an impact on increasing budget performance or budget performance mediated by entrepreneurial budgeting. Universities that emphasize the importance of budgets and adopt an entrepreneurial approach show better budget performance. Mediation by entrepreneurial budgeting strengthens the relationship between budget emphasis and budget performance.

8. Participatory budgeting has an impact on improving budget performance mediated by entrepreneurial budgeting. By involving stakeholders in the budgeting process and implementing an entrepreneurial approach, universities can achieve better budget performance.

9. Budget allocation has an impact on increasing budget performance which is mediated by entrepreneurial budgeting. Higher education institutions that are able to allocate funds efficiently and apply an entrepreneurial approach in their management show higher budget performance.

This conclusion shows that all research hypotheses are proven, and factors such as budget emphasis, participatory budgeting, and budget allocation contribute positively to budget performance, both directly and through mediation by entrepreneurial budgeting. State universities in North Sulawesi that are able to implement these approaches effectively will improve their budget performance and better achieve strategic goals.

Based on the research conclusions which show that all hypotheses are proven, the following are the suggestions put forward:

1. Higher education institutions in North Sulawesi are advised to increase the participation of lecturers, staff and students in the budget preparation process. This can be done by holding discussion and socialization forums involving all stakeholders.

2. Adopting a more flexible and creative entrepreneurial budgeting approach can help universities face unexpected changes and challenges. This implementation requires training and development of managerial skills for financial and administrative staff.
3. Higher education institutions need to optimize their budget allocation by focusing on core and strategic programs that support the institution's vision and mission. Periodic evaluation of budget allocations is also needed to ensure the efficiency and effectiveness of the use of funds.
4. Higher education institutions are advised to strengthen their budget performance evaluation system by establishing clear and measurable performance indicators. This will help in ensuring that the budget is used effectively and achieves the stated objectives.
5. This research makes an important contribution to the development of entrepreneurial budgeting theory by showing how this approach can improve budget performance in the public sector. This theory can be developed further by exploring other factors that influence the implementation of entrepreneurial budgeting.
6. This research emphasizes the importance of integration between the participatory budget concept in budgeting and budget emphasis. Public sector financial management theory can be developed to include more in-depth aspects of participation.

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