

## The Leader of the East Java Province Community Empowerment Agency Performance: Participatory Budgeting, Leadership Style, and Work Motivation Factors

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**ABSTRACT:** *The budget is a key element in planning and controlling. This is because the budget is a form of leadership plan that is outlined in the composition of estimated costs needed to make the plan that has been made a success. Apart from that, the budget is also a program arrangement to achieve the organization's long-term plans. Following the background and problems above, this research aims to find empirical evidence that the implementation of participatory budgeting, leadership style, and motivation influence leadership performance to achieve organizational goals. This research was conducted at one of the government agencies in Surabaya, namely the East Java Province Community Empowerment Agency (BAPEMAS), with a sample of 16 people. The sampling technique uses total sampling or census. The analysis used multiple linear regression to answer the problem formulation, research objectives, and hypotheses. The results of this research conclude that the variables participative budgeting and leadership style have a positive relationship pattern with leaders' performance. In contrast, work motivation has a negative relationship pattern with leader performance. However, all three are proven to have a viable model for influencing leadership performance. This is proven by the results of the F-test and the coefficient of determination ( $R^2$ ), namely the magnitude of the influence of participatory budgeting, leadership style, and work motivation on leadership performance, which is 51.9%. In comparison, the remaining 48.1% is influenced by other factors not discussed in this research. Based on the results of the F-test and the value of the coefficient of determination mentioned above, it can be concluded that the hypothesis, which states: "It is suspected that participatory budgeting, leadership style, and work motivation influence leadership performance," has been tested as true.*

**Keywords:** *leaders performance, leadership style, participatory budget, work motivation.*

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## INTRODUCTION

The widespread discourse on implementing Good Corporate Governance (GCG) in government agencies requires government agencies as public services to always optimize their resources more effectively and efficiently to achieve organizational goals, namely providing the best possible service to the community (Swandari & Hadi, 2021). One of the resources owned is human resources. And it cannot be denied that leadership is one of the human resources that must be the main concern. As part of an organization, leaders have an important function: to mobilize all resources under their responsibility to achieve organizational goals, including carrying out planning and control functions. Therefore, the role of leadership in an organization is very important in achieving organizational goals. Because the role of leadership is so important, government agencies as organizations must always try to improve the performance of their leaders in order to achieve their stated goals, namely providing optimal services to the community (Meraku, 2017).

The budget is a key element in planning and controlling. This is because the budget is a form of leadership plan that is outlined in the composition of estimated costs needed to make the plan that has been made a success. Apart from that, the budget is also a program arrangement to achieve the organization's long-term plans. The budget preparation process is basically a process of determining roles. In this case, each leader in the organization is given a role to carry out activities to achieve the targets set in the budget. So that targets can be achieved, middle and lower management usually participate in budget design. By participating in the budget design, leaders feel that their egos are involved and not just involved in work, so it is hoped that this will encourage work morale and leadership initiative (Sukandani & Istikhoro, 2016).

A leader's behavior towards the organization and its subordinates is reflected in a leader's leadership style. With a leadership style, a leader can encourage members to carry out their duties well to achieve work implementation and create quality work results (Saragih & Simarmata, 2019). According to Fadillah et al. (2020), leadership style is a method leaders use to interact with their subordinates. This means that leadership style is a way for a leader to coordinate his subordinates to work as a team to achieve organizational goals. So, the exact leadership style applied by a leader will certainly have an impact on improving the performance of his subordinates, which will also be a benchmark for the leader's performance. This means that a leader with a different leadership style will have a different effect on subordinates in terms of achieving organizational goals, which is also an indicator of the leader's performance. Apart from that, there is a need for work motivation from each leader as a driving factor for the leader as an individual to always be dedicated to his work, which will, of course, impact improving the leader's performance.

With work motivation, a leader will try to give his/her best to complete his work. He will optimize all his abilities to dedicate to his work. It is, of course, very important to see the role of a leader as a driver for the lines below him to be directed toward achieving organizational goals. In general, high performance is associated with high motivation. Conversely, low motivation is associated with low performance. A person's performance is sometimes not related to their competencies because personal factors and the work environment influence performance (Yusuf lis et al., 2022).

These three things are expected to support improving the performance of leaders at the leadership level in the organization because it cannot be denied that leaders, as social creatures, need good relationships with their environment, including their work environment, to be able to optimize their abilities in activities, especially in their work. The implementation of responsibility accounting, participatory budgeting, appropriate leadership style, and work motivation is expected to have an impact on improving leadership performance, which will, of course, lead to achieving organizational goals (Kewo, 2014).

The Community Empowerment Agency (BAPEMAS) of East Java province is a government agency that aims to empower village communities in the province of East Java. BAPEMAS East Java Province prepares programs in the form of training, counseling, and other programs to improve the welfare of the people in the East Java Province region. Optimal service here can only be provided if every part of the organization can move together to achieve organizational goals. Especially at the leadership level, the leadership functions as a driver for the lines below them to achieve organizational goals. This means that

heads of agencies, heads of divisions and heads of sub-fields as leadership levels must optimize their performance to achieve organizational goals, namely providing optimal service to the community.

Based on existing phenomena, the percentage of success in achieving the targets of the planned work program has decreased. In 2020 and 2021, it is planned that 38 work programs will be implemented during 2020 and 2021. In 2020 and 2021, BAPEMAS East Java Province can achieve the targets of all planned work programs. This is indicated by a success percentage of 100%. In 2020, with a total of 44 work programs, one work program did not achieve its target, namely the village market improvement program, which had a success percentage of 97.6%. This program is said to have not achieved its target because of the 32 villages targeted. Only 29 villages were realized. Then, in 2021, with only 38 planned work programs, one work program did not reach its target, namely the Village/Kelurahan Profile Data Collection Program. This program did not achieve the planned targets, namely of the 248 villages targeted, only 242 villages were realized. This is indicated by a decrease in the success percentage of 97.3%. Based on the results of interviews conducted, information was obtained that the decline in performance in 2020 and 2021 was caused by a decrease in motivation at the leadership level at BAPEMAS agencies.

The various things above are indicators that there has been a decline in the performance of BAPEMAS in East Java Province, which means a decline in the performance of the leadership level in making the work program plans made at the beginning of the year a success, resulting in the agency being unable to provide optimal service to the community. Therefore, the research question is:

**RQ: Does participative budgeting, leadership style, and work motivation influence leadership performance?**

## LITERATURE REVIEW

### Participatory Budgeting

A budget is a plan for future activities, identifying activities to achieve goals. Planning and control have a very close influence. Planning is looking into the future and determining what activities must be carried out to achieve a goal. Control is looking at the past, seeing what actually happened, and comparing it with previously planned results (Sukandani & Istikhoroh, 2016). Mowen et al. (2018: 454) stated that a budget is a financial plan for the future; the plan identifies goals and actions to achieve them. Meanwhile, Garrison et al. (2015: 342) stated that a budget is a periodic financial plan prepared based on an approved program. A budget is a written plan regarding the activities of an organization expressed in monetary units for a certain period.

So it can be concluded that the budget is a form of planning and control carried out by company leaders as a strategic step in achieving company goals. According to Mowen et al. (2018: 476), participatory budgeting allows lower-level leaders to participate in budget making. Typically, general goals are communicated to leadership, who helps develop a budget that will meet these goals. Participatory budgeting communicates a sense of responsibility to lower-level leaders and encourages creativity. Participatory budgeting has three potential problems (Mowen et al., 2018: 477), namely:

1. Setting standards that are too high or too low.
2. Make allowances in the budget (often called cover budget).
3. pseudo participation.

### Leadership Style

Leadership is a person's ability to influence others to work towards achieving goals and objectives (Wahida & Suryaningrum, 2023). Meanwhile, according to Fadillah et al. (2020), leadership is defined as the process of directing and influencing the tasks and activities of people in a group. Meanwhile, leadership style is a method used by leaders to interact with their subordinates (Sirait et al., 2020). A leader's behavior towards the organization and its subordinates is reflected in a leader's leadership style. With a leadership style, a leader can encourage members to carry out their duties well, so that work implementation is achieved effectively and creates quality work results (Bukit et al., 2018).

Several criteria for a leader to be said to be good (Garrison et al., 2015; Mowen et al., 2018). Balanced responsibilities. The balance here is between responsibility for the work being done and responsibility for the person who has to carry out the work. Positive role model. A role is a responsibility, behavior, or achievement expected from someone with a certain special position. Therefore, a good leader must be a role model and example for his subordinates. They do what is expected of their employees; for example, they expect their employees to be punctual, so the leader must be punctual in fulfilling promises or carrying out their duties. Have good communication skills. A good leader must convey his ideas concisely, clearly, and in the right way. Has a positive influence. Good leaders influence their employees and use that influence for positive things. Influence is the art of using power to move or change other people's views toward a certain goal or point of view. Have the ability to convince others. A successful leader is a leader who can use communication skills and influence to convince others of his point of view and direct them to total responsibility for that point of view.

### **Work motivation**

Motivation is an activity that causes, channels, and maintains human behavior. This motivation is an important subject for leaders because, by definition, leaders must work with and through other people. Leaders must understand people's behavior in certain ways to influence them to work according to the organization's wants (Yusuf Iis et al., 2022). Meanwhile, according to Mulyadi (2001: 416), motivation is the process of consciously and purposefully initiating an action. From the behavioral aspect, motivation is related to something that encourages people to behave in a certain way.

Mowen et al. (2018: 620) states that motivation is something that encourages someone to act or behave in a certain way. Motivation makes a person start, carry out, and maintain certain activities. Jo (2022) stated that leaders can buy employee time; leaders can buy employees' physical abilities, and so on; but leaders cannot buy enthusiasm, initiative, loyalty, and surrender of heart, soul, and mind. Leaders must obtain these things.

This statement illustrates that motivation is more inclusive than just applying certain tools or methods to encourage increased output. Motivation is also a philosophy or outlook on life formed based on employees' needs and desires. So, it is important for leaders to pay attention to the fact that motivation theories must be used wisely. Various theories are inadequate or sufficient for widespread application and can produce negative consequences. Leaders who can see motivation as a system that includes individual characteristics, work, and work situations and understand the influence of incentives, motivation, and productivity will be able to predict subordinate behavior. Only leaders who know this and how to implement it can expect to realize increased employee productivity.

### **Leaders Performance**

Performance or work achievement is the contribution that a department can make to achieve organizational goals. Mulyadi (2001: 415) stated that performance assessment is a periodic determination of the operational effectiveness of an organization, organizational parts, and individuals based on previously established targets, standards, and criteria. Because organizations are basically run by humans, performance appraisal is actually an assessment of human behavior in carrying out the roles they play in the organization. Manager means anyone who is responsible for subordinates and other organizational resources. In this research, managers are proxied as leaders. So, leadership performance is the contribution a leader can make in managing the resources and responsibilities given to him to achieve organizational goals.

### **The Relationship between Participative Budgeting and Leader's Performance**

The theory that underlies the influence between participative budgeting and leadership performance is Alderfer's ERG theory. According to Alderfer, there are three types of needs, namely, Existence (E), Relatedness (R), and Growth (G). Existence needs come from several physiological needs such as eating, drinking, salary, working conditions. The need for interaction (relatedness) comes from the need to influence other people, family, superiors, subordinates, friends, or even enemies. The need for growth encourages a person to be more creative or more productive (Mowen et al., 2018). From this theoretical

explanation, it can be concluded that employees, as individuals, have a need to influence other people and a need to develop. If these needs are met, it will be possible to improve employee performance as individuals in the organizational environment.

The Big 5 personality traits have an indirect relationship with leader performance but a direct relationship with the sub-dimensions of transformational leadership and the overall measure. It's interesting to note, though, that the transformational leadership actions are correlated differently with various combinations of personality attributes. For example, whereas all personality qualities are associated to inspirational motivation, only agreeableness and openness to experience have an impact on individualized consideration. These results highlight how crucial it is to look at each of the transformational leadership sub-dimensions independently in order to comprehend these leadership behaviors' origins and characteristics better (Deinert et al., 2015).

Implementing a participatory budget is a form of a leader's existence in controlling costs in his division. In its application, participatory budgeting begins with creating a budget for each division, which is then proposed to top management. This form of coordination between division and top leaders is a form of participation in budget preparation and will fulfill the individual's need to influence others. The leadership's efforts to realize the budget are a form of self-development to achieve company goals.

### **The Relationship between Leadership Style and Leaders Performance**

The Path-Goal Theory proposed by Robert J. House and Terence R Mitchel (1974) in Saleem & Noshaba (2021) attempts to explain the influence of leader behavior on the motivation, satisfaction, and work implementation of their subordinates. The Path-Goal Theory includes four types or styles of leadership as follows:

1. Directive leadership. Subordinates know exactly what is expected of them with specific directions the leader gives. In this model, there is no participation from subordinates.
2. Supportive leadership. This leadership model is willing to explain itself, is friendly, easy to approach, and has genuine human concern for its subordinates.
3. Participative leadership. In this leadership style, the leader tries to ask for and use suggestions from his subordinates, but decision-making is still in his hands.
4. Leadership that is achievement-oriented. This leadership style sets a series of challenges that subordinates must achieve. In this way, leaders give confidence to those who can accomplish work tasks to achieve goals well.

This theory explains clearly that differences in leadership styles will affect employee performance. This is because the leadership's open, participatory, and democratic attitude will create a positive work atmosphere that influences employees. Employees will try to complete the part that has been given by their leadership to the maximum in order to achieve organizational goals (Purwanto et al., 2020).

### **The Relationship between Work Motivation and Leader's Performance**

The theory that underlies the influence between work motivation and leadership performance includes the achievement theory of David McClelland. This theory states that the motivation of an entrepreneur, for example, is not merely wanting to achieve profit for its own sake but because he has a strong desire to achieve. Profit (profit) is just a simple measure that shows how well the work has been done, but it is not as important as the goal itself (Yusuf lis et al., 2022).

The behavioral characteristics of employees who have high achievement motivation, according to McClelland (Yusuf lis et al., 2022) are:

1. Likes responsibility for solving problems.
2. Tends to set difficult targets and dares to take risks.
3. Have clear and realistic goals.
4. Have a comprehensive work plan.
5. Give more importance to real feedback about the results of their achievements.
6. Happy with the tasks carried out and always want to complete them perfectly

On the other hand, the characteristics of employees who have low achievement motivation are:

1. Be apathetic and not confident.
2. Has no personal responsibility at work.
3. Working without clear plans and goals.
4. Hesitation in making decisions.
5. Every action is aimless and deviates from the goal.

With the motivation for achievement from the leader, it will certainly have an impact on the leader's performance by increasing performance because the leader will be oriented towards optimizing his own abilities to be able to achieve the goals that have been set.

Yusuf Iis et al. (2022) stated that in general high performance is associated with high motivation. Conversely, low motivation is associated with low performance. Sometimes a person's performance does not affect the competence they have, because there are personal factors and the work environment that influence performance (Yeni et al., 2023).

## RESEARCH METHOD

### Research Model

Based on the description of the premises in the introduction section, a research model can be prepared in Figure 1.

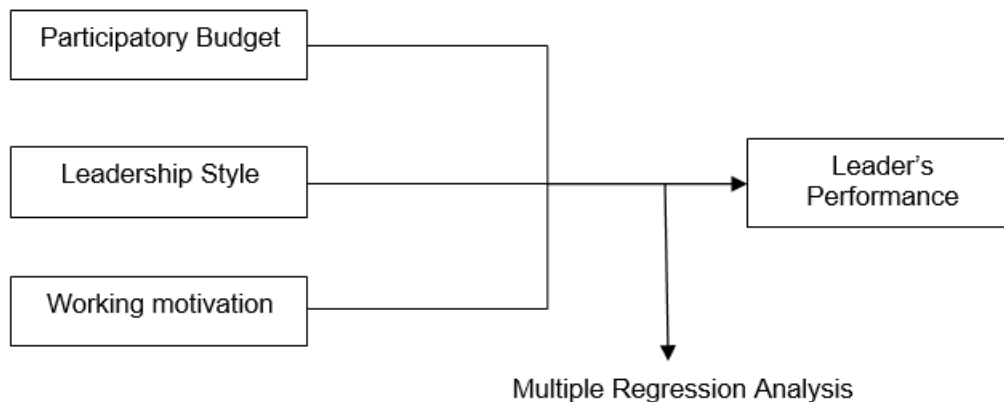


Figure 1. Research Model

Based on Figure 1 and the theory underlying the relationship between variables, the research hypothesis is:

**H1: Participatory budgeting influences leaders' performance.**

**H2: Leadership style influences leaders' performance.**

**H3: Work motivation influences leaders' performance.**

### Operational Definition and Variable Measurement

This research uses two variables, namely the independent or dependent variable. Leadership performance (Y) as the dependent variable is thought to be influenced by independent variables, namely participatory budget (X1), leadership style (X2) and work motivation (X3). Participatory budget as the independent variable (X1). Participation in budget preparation is related to the extent to which the leadership is involved in determining or compiling the existing budget in the department or division. This variable was measured using the Milani instrument in research conducted by Kewo (2014).

Leadership style as an independent variable (X2). Leadership style is a leader's way of moving the parts under him to achieve organizational goals. The leadership style applied by a leader in an organization will influence the performance of those under him. This variable was measured using an instrument developed in research conducted by [Kewo \(2014\)](#).

Working motivation as an independent variable (X3). Motivation is an activity that causes, channels and maintains human behavior. This motivation is an important subject for leaders, because by definition leaders must work with and through other people. Leaders need to understand people's behavior in certain ways in order to influence them to work according to what the organization wants.

Leadership performance as the dependent variable (Y). Leadership performance can be interpreted as the contribution that a leader can make in managing the resources and responsibilities given to him in order to achieve organizational goals.

The measurement scale used to measure variables, whether independent or dependent variables, is a semantic differential scale. This scale is arranged on a continuum with answers. Very positive answers are on the right and very negative answers are on the left or vice versa.

### Population and Sample

The population in this study were all section heads, sub-section heads, agency heads and sub-field heads who were equivalent to top level leaders, middle level leaders and lower level leaders totaling 16 people. The sampling technique used was total sampling or census from the entire population of 16 people. ([Sugiyono, 2018](#)).

### Data analysis

Validity tests are carried out to determine the extent to which the measuring tool (questionnaire) measures what is desired. Whether the measuring instrument is valid or not can be tested by correlating the score obtained on each question item with the total score obtained from the sum of all question scores. If the correlation between the total score and the score for each question is significant, then it can be said that the measuring tool has validity ([Sugiyono, 2018](#)).

Reliability testing is a tool for measuring a questionnaire which is an indicator of a variable or construct. The formula used to test the reliability of the instrument in this research is the alpha coefficient from Cronbach Alpha. The test is if the alpha value is > 0.60, it means the statement is reliable and if the alpha value is < 0.60, it means the statement is not reliable.

The Normality Test can be carried out using various methods including Kolmogorov Smirnov, with the criteria that if the significance level is smaller than 5% (p-value < 5%) then the distribution is not normal, and if the significance level is greater than 5% (p-value > 5%) then the distribution is normal.

The analysis technique used in this research is the multiple linear regression analysis technique. To determine the magnitude of the influence of the independent variable on a dependent variable.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Legend:

Y = Leaders' performance

a = Constanta

b<sub>1</sub> = Regression coefficient X<sub>1</sub>

b<sub>2</sub> = Regression coefficient X<sub>2</sub>

b<sub>3</sub> = Regression coefficient X<sub>3</sub>

X<sub>1</sub> = Participatory budget

X<sub>2</sub> = Leadership style

X<sub>3</sub> = Working motivation

e = Errors

(Firdaus, 2004 : 70)

Classic assumption test. To support the accuracy of the regression model results, it is necessary to investigate classical assumptions which include multicollinearity and heteroscedasticity assumptions. The classic autocorrelation assumption test was not carried out, because this research data is cross section data taken based on a questionnaire, not time series data. Autocorrelation in most cases is found in regressions with time series data ([Sugiyono, 2018](#)). Multicollinearity. One way to determine whether

multicollinearity exists is to look at the value of the Variance Inflation Factor (VIF). Tolerance measures the variability of the selected independent variable that cannot be explained by other independent variables. The commonly used tolerance value is  $<0.10$  or the same as a VIF value  $> 10$ , so multicollinearity does not occur (Ghozali, 2018). Heteroskedasticity is identified by calculating the Spearman Rank correlation between the residuals and all independent variables where the probability value obtained must be greater than 0.05.

## RESULTS AND DISCUSSION

### Results

#### *Frequency Distribution of Participatory Budget Variables (X1)*

Participation in budget preparation is related to the extent to which the leadership is involved in determining or compiling the existing budget in the department or section. Table 1 shows the frequency distribution table for the participatory budget variable (X1).

**Table 1. Frequency Distribution of Participatory Budget Variables (X1)**

No	Indicator	Score							Total
		1	2	3	4	5	6	7	
1	Involvement (X1.1)	0 0%	2 12,5%	0 0%	0 0%	4 25,0%	2 12,5%	8 50,0%	16 100%
2	Giving reason for the budget revision (X1.2)	1 6,3%	0 0%	0 0%	2 12,5%	4 25,0%	2 12,5%	7 43,8%	16 100%
3	Opinions/suggestions regarding the budget (X1.3)	1 6,3%	0 0%	1 6,3%	4 25,0%	4 25,0%	4 25,0%	2 12,5%	16 100%
4	Influence (X1.4)	0 0%	0 0%	0 0%	3 18,8%	6 37,5%	5 31,3%	2 12,5%	16 100%
5	Judging on the budget (X1.5)	0 0%	0 0%	0 0%	0 0%	3 18,8%	3 18,8%	10 62,5%	16 100%
6	The superior asks for opinions when the budget is prepared (X1.6)	0 0%	0 0%	0 0%	4 25,0%	4 25,0%	7 43,8%	1 6,3%	16 100%
Percentage average		2%	2%	1,1%	13,6%	26,1%	23,9%	31,3%	

Source: Data processed (2022)

Based on Table 1, it can be seen that the highest average percentage is a score of "7" or "strongly agree," namely 31.3%, which means that the majority of respondents are involved in determining or compiling existing budgets in agencies, such as; feel responsible, have decisions and an interest in the budget, always try to reduce agency expenses by saving on the use of materials and other facilities while carrying out work, provide ideas, ideas and suggestions in preparing the budget.

#### *Frequency Distribution of Leadership Style Variables (X2)*

Leadership style is a leader's way of moving the parts under him to achieve organizational goals. The frequency distribution table for the leadership style variable (X2), namely:

**Table 2. Frequency Distribution of Leadership Style (X2)**

No	Indicator	Score							Total
		1	2	3	4	5	6	7	
1	Clarity in providing direction (X2.1)	0 0%	0 0%	0 0%	0 0%	2 12,5%	3 18,8%	11 68,8%	16 100%
2	The leader explains the decisions taken (X2.2)	0 0%	0 0%	0 0%	1 6,3%	3 18,8%	5 31,3%	7 43,8%	16 100%
3	Awards for achievements (X2.3)	0 0%	0 0%	1 6,3%	0 0%	1 6,3%	6 37,5%	8 50,0%	16 100%
4	Invite employees to make joint decisions (X2.4)	0 0%	1 6,3%	0 0%	2 12,5%	5 31,3%	5 31,3%	3 18,8%	16 100%



No	Indicator	Score							Total
		1	2	3	4	5	6	7	
5	Leaders hand over the implementation of tasks (X <sub>2.5</sub> )	1	0	2	4	3	4	2	16
		6,3%	0%	12,5%	25,0%	18,8%	25,0%	12,5%	100%
	Percentage average	1,3%	1,3%	3,7%	8,7%	17,5%	28,7%	38,8%	

Source: Data processed (2022)

Based on Table 2, it can be seen that the highest average percentage is a score of "7" or "strongly agree" which is 38.8%, which means that the majority of respondents stated that leaders make good decisions in an organization, such as; leaders always provide direction, explain the reasons for making a decision, give awards for achievements to their subordinates, leaders try to invite their subordinates to coordinate in making decisions, leaders always hand over the implementation of tasks to their subordinates.

#### *Frequency Distribution of Working Motivation Variables (X3)*

Motivation is an activity that causes, channels, and maintains human behavior. Table 3 shows the frequency distribution table for the work motivation variable (X3).

**Table 3. Frequency Distribution of Working Motivation (X3)**

No	Indicator	Score							Total
		1	2	3	4	5	6	7	
1	Doing tasks on time (X <sub>3.1</sub> )	0	0	0	0	1	3	12	16
		0%	0%	0%	0%	6,3%	18,8%	75,0%	100%
2	Complete the task well (X <sub>3.2</sub> )	0	0	0	0	0	4	12	16
		0%	0%	0%	0%	0%	25,0%	75,0%	100%
3	Confidence (X <sub>3.3</sub> )	0	0	0	0	1	5	10	16
		0%	0%	0%	0%	6,3%	31,3%	62,5%	100%
4	Results and rewards are balanced with contributions (X <sub>3.4</sub> )	0	1	0	1	5	7	2	16
		0%	6,3%	0%	6,3%	31,3%	43,8%	12,5%	100%
5	Procedures implemented (X <sub>3.5</sub> )	0	0	0	4	4	7	1	16
		0%	0%	0%	25,0%	25,0%	43,8%	6,3%	100%
6	Work provides meaning and success (X <sub>3.6</sub> )	0	0	0	0	2	6	8	16
		0%	0%	0%	0%	12,5%	37,5%	50,0%	100%
7	Working environment (X <sub>3.7</sub> )	0	0	0	0	5	4	7	16
		0%	0%	0%	0%	31,3%	25,0%	43,8%	100%
	Percentage average	0%	0,9%	0%	4,5%	16,1%	32,2%	46,4%	

Source: Data processed (2022)

Based on Table 3, it can be seen that the highest average percentage is a score of "7" or "strongly agree" which is 46.4%, which means that the majority of respondents stated that work motivation in an agency can encourage someone to carry out their duties or work well, such as : always try to complete tasks on time, try to complete tasks as well as possible, always be confident, feel that the rewards received are balanced with the contribution given, feel that the work done gives meaning and success to life, feel that the work environment is very kind and supportive.

#### *Frequency Distribution of Leadership Performance Variables (Y)*

Leadership performance can be interpreted as the contribution that can be made by the leader in managing the resources and responsibilities given to him in order to achieve organizational goals. Table 4 shows the frequency distribution table for the Leadership Performance variable (Y).

**Table 4. Frequency Distribution of Leaders' Performance (Y)**

No	Indicator	Score							Total
		1	2	3	4	5	6	7	
1	Action/implementation plan (Y <sub>1</sub> )	0	0	0	0	4	10	2	16
		0%	0%	0%	0%	25,0%	62,5%	12,5%	100%
2	Gather information (Y <sub>2</sub> )	0	0	0	3	5	6	2	16
		0%	0%	0%	18,8%	31,3%	37,5%	12,5%	100%

No	Indicator	Score							Total
		1	2	3	4	5	6	7	
3	Exchange information (Y <sub>3</sub> )	0	0	0	0	3	11	2	16
		0%	0%	0%	0%	18,8%	68,8%	12,5%	100%
4	Evaluate and assess work proposals (Y <sub>4</sub> )	0	1	0	1	5	8	2	16
		0%	6,3%	0%	6,3%	31,3%	50,0%	12,5%	100%
5	Direct, lead and develop subordinates (Y <sub>5</sub> )	0	0	0	0	4	8	4	16
		0%	0%	0%	0%	25,0%	50,0%	25,0%	100%
6	Maintaining the workforce (Y <sub>6</sub> )	0	0	1	2	2	8	3	16
		0%	0%	6,3%	12,5%	12,5%	50,0%	18,8%	100%
7	Promote the general goals of the organization (Y <sub>7</sub> )	0	0	0	3	2	10	1	16
		0%	0%	0%	18,8%	12,5%	62,5%	6,3%	100%
8	Overall managerial performance (Y <sub>8</sub> )	0	0	0	1	3	9	3	16
		0%	0%	0%	6,3%	18,8%	56,3%	18,8%	100%
Rata-Rata Prosentase		0%	0%	0,8%	7,8%	21,9%	54,8%	14,8%	

Source: Data processed (2022)

Based on Table 4, it can be seen that the highest average percentage is a score of "6" or "agree", namely 54.8%, which means that the majority of respondents have good performance to achieve goals in the agency, such as; leaders participate in determining goals, policies and actions, leaders participate in collecting and conveying information for reports, leaders often exchange information with other leaders, leaders participate in assessing and measuring proposals, performance is observed/reported, leaders direct, lead and develop subordinates , guide, train and explain work regulations.

### Analysis Techniques

The validity test on the participatory budget variable (X1) was carried out twice in rounds because item X1.5 was invalid, and in the second round, it showed that X1.1, X1.2, X1.3, X1.4, and X1. 6 were valid. The validity test on the leadership style variable (X2) was carried out twice in rounds because item X2.5 was invalid, and in the second round, it showed that X2.1, X2.2, X2.3, X2.4, and X2. 6 were valid. The validity test on the work motivation variable (X3) was carried out twice in rounds because items X3.1, X3.2, X3.3, and X3.4 were invalid, and the second round showed that X3.5, 6, and X3.7 are valid. The leadership performance variable (Y) validity test was carried out in one round so that items Y1 to Y8 were declared valid.

The reliability test explains that the variables participative budget (X1), leadership style (X2), work motivation (X3), and leadership performance (Y) are reliable because the resulting Cronbach Alpha is above 0.60

The Normality Test explains that the significant level resulting from the variables participative budget (X1), leadership style (X2), work motivation (X3), and leadership performance (Y) is greater than 5%, so it can be said that the data in these research variables is normally distributed.

Classic assumption test. Multicollinearity. The VIF value for the variables participatory budget (X1), leadership style (X2), and work motivation (X3) is less than 10 (VIF < 10), so it can be concluded that between the independent variables, there is no multicollinearity (free from multicollinearity) Heteroscedasticity. The significant level of the variables participatory budget (X1), leadership style (X2) and work motivation (X3) is more than 5%, so it can be concluded that between the independent variables and the residuals, there is no heteroscedasticity (heteroscedasticity free)

**Table 7. Results of Multiple Linear Regression Analysis**

Model	Koefisien Regresi
Constanta	16,810
Participatory budget (X <sub>1</sub> )	0,355
Leadership style (X <sub>2</sub> )	1,360
Working motivation (X <sub>3</sub> )	-0,754

Source: Data processed (2022)

The multiple linear regression model or equation produced from Table 7 is:

$$Y = 16.810 + 0.355 X_1 + 1.360 X_2 - 0.754 X_3$$

From the regression equation, it explains that:

constant = 16.810 shows the value of leadership performance (Y), if the variables participative budget (X1), leadership style (X2) and work motivation (X3) are constant.

The regression coefficient for Based on the regression coefficient value, it can be concluded that the participatory budget (X1) has a positive relationship pattern with leadership performance (Y), which means that the higher the participatory budget (X1), the leadership performance (Y) will increase.

The regression coefficient for Based on the regression coefficient value, it can be concluded that leadership style (X2) has a positive relationship pattern with leader performance (Y), which means that the higher the leadership style (X2), the leader performance (Y) will increase.

The regression coefficient for Based on the regression coefficient value, it can be concluded that work motivation (X2) has a negative relationship pattern with leader performance (Y), which means that the higher the work motivation (X3), the leader performance (Y) will decrease.

Table 5. F-Test Results

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	200.225	3	66.742	4.311	.028 <sup>a</sup>
	Residual	185.775	12	15.481		
	Total	386.000	15			

a. Predictors: (Constant), x3, x1, x2

b. Dependent Variable: y

Source: Data processed (2022)

Based on the F test in Table 5, it shows that the resulting Fcount is 4.311 with a significance level of 0.028, less than 5% (sig < 5%), so H0 is rejected, and H1 is accepted, meaning that the resulting multiple linear regression equation is suitable for determining the effect of participatory budgeting ( X1), leadership style (X2) and work motivation (X3) on leadership performance (Y).

Table 6. Test of the Coefficient of Determination R<sup>2</sup>

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720 <sup>a</sup>	.519	.398	3.935

a. Predictors: (Constant), x3, x1, x2

b. Dependent Variable: y

Source: Data processed (2022)

The coefficient of determination (R<sup>2</sup>) value in Table 6 produced in this research is 0.519, indicating that participative budgeting (X1), leadership style (X2) and work motivation (X3) influence leadership performance (Y) by 51.9% while the remaining 48, 1% is influenced by other factors not discussed in this study. Based on the results of the F test and the value of the coefficient of determination, it can be concluded that the hypothesis which states "It is suspected that participatory budgeting, leadership style and work motivation have an influence on leadership performance" has been tested as true.

### *Hypothesis testing*

The hypothesis test in Table 7 was carried out using multiple linear regression analysis with the dependent variable being leadership performance and the independent variables – participative budget, leadership style and work motivation.

Based on Table 7, the significance values of participatory budgeting and work motivation are 0.138 and 0.199 > 0.05 respectively, meaning that participatory budgeting and work motivation do not affect leadership performance. Thus the first (H1) and third (H3) hypotheses are rejected. This research is unable to prove the influence of participatory budgeting and work motivation on leadership performance.

On the other hand, leadership style with a significance value of 0.007 <0.05 proves that leadership style influences the leader's performance. In other words, the second research hypothesis (H2) which states that there is an influence between leadership style on leader performance is accepted or proven to be true. Thus, of the three research hypotheses proposed, only one hypothesis (H2) was accepted, while the first (H1) and third (H3) hypotheses were rejected.

**Table 7. Hypothesis Test Results**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	16.810	10.242		1.641	.127		
x1	.355	.223	.331	1.589	.138	.923	1.083
x2	1.360	.418	.800	3.257	.007	.665	1.503
x3	-.754	.555	-.344	-1.359	.199	.625	1.599

a. Dependent Variable: y

Source: Data processed (2022)

**Discussion**

This research shows that the regression coefficient on the participatory budget variable is positive, meaning that if the participatory budget variable increases by one unit, then the leadership's performance will increase by the amount of the regression coefficient assuming the other independent variables are constant. These results are in accordance with Alderfer's ERG theory, namely that employees as individuals have a need to influence other people and a need to develop. If these needs are met, it will be possible to improve employee performance as individuals in the organizational environment. Implementing a participatory budget is a form of a leader's existence in controlling costs in his division. In its application, participatory budgeting begins with the creation of a budget for each division which is then proposed to top management. This form of coordination between division leaders and top leaders is a form of participation in budget preparation and will fulfill the individual's need to influence other people. And the leadership's efforts to realize the budget are a form of self-development in order to achieve company goals.

Participatory budgeting has a positive relationship pattern with leadership performance as shown by the average of respondents' answers, namely the highest percentage is at a score of "7" or "strongly agree", namely 31.3%, which means that the majority of respondents are involved in determining or compiling the existing budget. within the company, such as feeling responsible, making decisions and having an interest in the budget, always striving to reduce the agency's production costs by saving on the use of materials and other facilities while carrying out work, providing ideas, concepts, and suggestions in preparing the budget.

The regression coefficient on the leadership style variable also has a positive sign, which means that if the leadership style variable increases by one unit, the leader's performance will increase by the amount of the regression coefficient, assuming the other independent variables are constant. This is supported by the average respondent's answer, namely that the highest percentage is at a score of "7" or "strongly agree", namely 38.8%, which means that the majority of respondents stated that leaders make good decisions in an organization, such as; leaders always provide direction, explain the reasons for making a decision, give awards for achievements to their subordinates, leaders try to invite their subordinates to coordinate in making decisions, leaders always hand over the implementation of tasks to their subordinates.

The results of this research are supported by the Path-Goal Theory proposed by Robert J. House and Terence R Mitchel (1974) in Saleem & Noshaba (2021). This theory explains clearly that differences in leadership styles will influence employee performance, because the leader's open, participative and democratic attitude will create a work atmosphere that influences employees positively. Employees will try to complete the part that has been given by their leadership to the maximum in order to achieve organizational goals.

However, this research is not supported by David McClelland's theory of achievement, which states that the motivation of an entrepreneur, for example, is not merely wanting to achieve profits for the sake of profit itself, but because he has a strong desire to achieve. Profit is just a simple measure that shows how

well the work has been done, but it is not as important as the goal itself (Baptista et al., 2021). According to Yusuf Iis et al. (2022) that in general high performance is associated with high motivation. Conversely, low motivation is associated with low performance. Sometimes a person's performance does not affect the competence they have, because there are personal factors and the work environment that influence performance.

The regression coefficient on the work motivation variable is negative, which means that if the work motivation variable increases by one unit, the leader's performance will decrease by the value of the coefficient assuming the other independent variables are constant. This is likely due to the respondent's motivation solely wanting to seek profit or material, so the achievements they achieve are measured by the material obtained. This description agrees with David McClelland's achievement theory, which states that the motivation of an entrepreneur, for example, is not merely wanting to achieve profits for the sake of profit itself, but because he has a strong desire to achieve. Profit is just a simple measure that shows how well the work has been done, but is not as important as the goal itself (Baptista et al., 2021).

Although the participative budget and leadership style variables have a positive relationship pattern with leader performance, work motivation has a negative relationship pattern with leader performance. But all three are proven to have a viable model for influencing leadership performance. This is proven by the results of the F-test, namely the resulting F-count value of 4.311 with a significance level of 0.028. The magnitude of the influence of participatory budgeting, leadership style and work motivation on leadership performance is 51.9%, while the remaining 48.1% is influenced by other factors not discussed in this research. Based on the results of the F-test and the coefficient of determination value mentioned above, it can be concluded that the hypothesis which states "It is suspected that participatory budgeting, leadership style and work motivation have an influence on leadership performance" has been tested as true.

The successful acceptance of the research hypothesis provides input for company management to evaluate and use the results of this research to improve leadership performance. Finally, it is hoped that the results of this research can contribute to the development of accounting literature, especially management accounting and behavioral accounting, so that it becomes a reference for further research.

## CONCLUSION

The participative budget and leadership style variables have a positive relationship pattern with leader performance, while work motivation has a negative relationship pattern with leader performance. However, all three are proven to have a viable model for influencing leadership performance. This is evident from the results of the F test and the coefficient of determination (R<sup>2</sup>), namely the magnitude of the influence of participatory budgeting, leadership style, and work motivation on leadership performance, which is 51.9%. In comparison, the remaining 48.1% is influenced by other factors not discussed in this research. Based on the results of the F test and the coefficient of determination value mentioned above, it can be concluded that the hypothesis states, "It is suspected that participatory budgeting, leadership style, and work motivation influence leadership performance" has been tested as true.

Several limitations of the research that may affect the results of the research itself are as follows: (1) Research data originating from respondents' perceptions, in addition to being written through a questionnaire instrument, may affect the validity of the results. The respondents' perceptions conveyed do not necessarily reflect the actual situation, it will be different if the data is obtained through interviews. (2) Situational constraints, namely the situation the respondent feels when filling out the questionnaire, will influence how they answer. (3) The research results show that there is the influence of other variables which still influence leadership performance so that in future research these other variables should be considered, such as environmental uncertainty, work discipline, individual abilities, organizational culture, etc.

To achieve the expected benefits from the results of this research, suggestions are put forward: first, For company management to evaluate and use the results of this research to improve leadership performance. Second, other variables should be considered for further research, such as environmental uncertainty, work discipline, individual abilities, organizational culture, etc.

## List of abbreviations

*Badan Pemberdayaan Masyarakat (BAPEMAS)*-Community service agency,

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## Availability of Data

Questionnaires and research data can be obtained by requesting and providing information on the reasons for needing the data to the author via email.

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