CHAPTER III

RESEARCH METHODOLOGY

A. Research Design

1. Object of Study

The population of this study was all the village apparatus in Bantul Regency. Therefore, the sample of this study is the village apparatus involved in the preparation of the village budget in Bantul Regency. The village apparatus consists of: the village head, the village secretary, the head of affair and the head of hamlet as the research respondents. Bantul regency was chosen because prior study was conducted in Dlingo village as a pilot village about the good governance government.

2. Type of Data

This study used quantitative data that reveals the size of influence or the relationship between variables expressed in numbers. Thus, this study can explain the facts of the study's object

3. Sampling Technique

The sampling technique used in this study is the purposive sampling technique. This technique was chosen because the determination of respondents was based on certain criteria. The criteria are 2 villages from each sub-district in Bantul Regency that represent the highest and the lowest of fund village allocation, bringing the total of 34 villages. The researcher

considered that each village has all the village apparatus as the research respondents.

4. Data Collection Technique

Primary data is data that will be used in this study. Primary data are research data obtained directly from the original source, not through intermediaries. Data collection was carried out using questionnaires which were delivered directly to the village apparatus involved in the preparation of budgeting in Bantul Regency. The questionnaire contains questions related to participation in budget preparation, uncertainty of environment and organizational commitment to managerial performance of village government. The primary data in this study iare the value or score of the answers given by the respondents to the questions in the questionnaire

5. Anticipation of Respondent Bias

To anticipate the respondent's bias in filling out the questionnaire, before the questionnaire was distributed, the researcher asked advice from the academics which in this case were several lecturers to check the questionnaire. Checking is in the form of writing up to the substance of variable measurement.

6. Operationalization of Variables

a. Managerial performance

Managerial performance is a work result achieved by a person in managerial activities which includes planning, investigating,

coordinating, evaluating, supervising, staffing, negotiating, and representing. Managerial performance in general is an effort made by the manager in evaluating the duties and functions within an organization

Managerial performance in the study was measured by a questionnaire that developed by Mahoney (1963). The instrument consists of eight questions that are measured using a likert scale as a measurement scale. Scale 1 shows strongly disagree, scale 2 shows disagree, scale 3 indicates neutral, scale 4 shows agree and scale 5 shows strongly agree. Managerial performance in this study is measured by eight indicators, namely planning, investigating, coordinating, evaluating, supervising, staffing, negotiating, and representation.

b. Participation in budget preparation

Participation in budget preparation as a process in an organization that involves members of the organization in achieving goals and cooperation to determine a budget plan. Participation in budget preparation was measured by a questionnaire that developed by Milani (1975) which was adopted from Kunwaviyah's research (2010). The instrument consists of six questions that are measured using a Likert scale as a measurement scale. Scale 1 shows very rare, scale 2 shows rare, scale 3 shows quite often, scale 4 shows often and scale 5 shows very often.

Budgeting participation is measured by the six indicators developed by Milani (1975), namely the contribution in preparing the

budget; involvement and participation in preparing the budget; logical reasons given by superiors when budget revisions are made; managers state requests, opinions and/or proposals about budgets to superiors without being asked; the magnitude of the manager's influence in finalizing the final budget; the frequency of the employer requesting opinions and/or proposals to the manager when the budget is being drafted.

c. Uncertainty of Environment

Environmental uncertainty in this case is a condition where the village government experiences uncertainty that can be caused by external influences, such as frequent changes in regulations or not match between regulations with one another. The village government is required to adjust to the conditions that exist in practice. The practice in this study is referred to managerial performance.

The variable indicator of this study uses research conducted by Ridha and Basuki (2012). The variable indicators include improving the legitimacy of the organization to get support from the society, maintain a stable relationship with the organizational environment, providing financial information that only has a positive impact on the organization, apply the concept of transparency that has been widely applied by other organizations. The questionnaire used uses a likert scale of 1 to 5. All variables are given 5 alternative answers namely strongly disagree given

a scale of 1, disagree given a scale of 2, neutral given a scale of 3, agree given a scale of 4, and strongly agree given a scale of 5.

d. Organizational Commitment

According to Allen and Meyer (1990), organizational commitment is emotional attachment, identification and involvement of individuals with the organization and the desire to remain a member of the organization. Allen and Meyer (1990) explain there are three components of organizational commitment, namely affective commitment, continuance commitment and normative commitment.

Indicator of this study use indicators developed by Porter *et al* (1974). These indicators include belief in organizational goals, feeling of having an organization, maintain organizational membership, loyalty in the organization and willingness to exert effort on behalf of the organization. All variables are given 5 alternative answers namely strongly disagree given a scale of 1, disagree given a scale of 2, neutral given a scale of 3, agree given a scale of 4, and strongly agree given a scale of 5.

Table 3.1
Operasionalization of Variable

Variable	Dimension	Indicator
Managerial Performance (Mahoney *et al* ,1963) *Skala likert*	Planning	Planning
	Organizing	Staffing
		Coordinating
	Actuating	Representing
		Negotiating
		Investigating
	Controlling	Controlling

Variable	Dimension	Indicator
		Evaluating
Participation in Budget preparation (Milani, 1975 dan Kunwaviyah, 2010) *skala likert*	Continuum participation	The contribution in preparing the budget
		Involvement and participation in preparing the budget
		Logical reasons given by superiors when budget revisions are made
		Managers state requests, opinions and/or proposals about budgets to superiors without being asked
		The magnitude of the manager's influence in finalizing the final budget
		The frequency of the employer requesting opinions and/or proposals to the manager when the budget is being drafted
Uncertainty of environment (Ridha dan Basuki, 2012) *Skala likert*	Environmental influences	Improving the legitimacy of the organization to get support from the society
		Maintain a stable relationship with the organizational environment
		Providing financial information that only has a positive impact on the organization
		Apply the concept of transparency that has been widely applied by other organizations
Organizational commitment (Porter *et al*, 1974) *Skala likert*	Affective	Belief in organizational goals
		Feeling of having an organization
	Continuance	Maintain organizational membership
		Loyalty in the organization
	Normative	Willingness to exert effort on behalf of the organization

B. Instrument and Data Quality Test

1. Validity Test

Performed to test the accuracy of the instrument (questionnaire) that will be used for each variable. A questionnaire will be said right if the questionnaire is able to reveal something that will be measured by the questionnaire itself. In this study, testing the validity of using statistical aids namely Pearson Product Moment Test, an instrument will be said to be valid if the Pearson Product Moment Test shows the values above 0.25 (Nazaruddin and Basuki, 2017)

2. Reliability Test

Conducted to test a questionnaire which is an indicator of variables or constructs. A questionnaire will be said to be reliable if the respondent's response will remain the same or be consistent over time. In this study reliability testing used the Cornbach's Alpha method. A questionnaire is said to be quite reliable (moderate) if the results of the test produce numbers ≥ 0.50 (Nazaruddin and Basuki, 2017)

C. Hypothesis Test and Data Analysis

1. Classic Assumption Test

a. Multicolinearity Test

Multicollinearity is an opportunity between independent variables to correlate with each other. Multicollinearity measurement can be seen from the Tolerance and Variance Inflation Factor (VIF) values. The VIF value is inversely proportional to the Tolerance value, VIF =

1/Tolerance. Tolerance is used to determine the variability of other independent variables. To find out a data does not have multicollinearity value by looking at the cut-off value which shows the tolerance value > 0.10 or equal to VIF < 10.

b. Heteroscedasticity Test

Heteroscedasticity test is used to determine whether a data has different variance or residual inequality between one observation with another. In this study heteroscedasticity test was measured using the Glejser test. Determination of independent variables affected by heteroscedasticity has certain criteria, namely, if the significance value of the independent variables produced in the glejser test shows a value greater than alpha or 0.05, it can be concluded that the regression model is free from heteroscedasticity. on the contrary, if the significance value of independent variables is smaller than alpha or 0.05, then the data is said to be affected by heteroscedasticity

To avoid unmet heteroscedasticity assumptions, the researcher will use the HAC Newey-West test on eviews. The HAC Newey-West test can overcome heteroscedasticity by correcting standard errors. The researcher will immediately regress the equation that experiences heteroscedasticity problems by activating Newey-west on eviews. The output produced is the result of correction of the standard error and can be directly used in the results of the study (Ghozali, 2013)

c. Normality Test

Normality test is used to find out whether the data used is normally distributed or not. It is said to be normally distributed if the residual value is close to its average value. Kolmogorov-smirnov will be selected as a measuring instrument in testing normality through the SPSS 15.0 program with acceptance criteria if the significance value in the K-S table is greater than alpha or 0.05. on the contrary, the data is said to be not normally distributed if the significance value in the K-S table is smaller than alpha or 0.05.

2. Hypothesis Test

This study uses a multiple regression formula model to see the influences of independent variables on the dependent variable. The moderating model in this study refers to the Frucot and Shearon (1991) research using the absolute difference model. This study uses absolute difference on the grounds that this model can overcome multicollinearity disorders which generally occur very high when using interaction tests.

The first step that will be done is the value of the independent variable and the moderating variable will be standardized, then make an absolute value by subtracting the value of standardized independent variable with the value of standardized the moderating variable. That absolute value is the interaction of independent variables with moderating variables that are regressed with the dependent variable (Gozali, 2013). Regression equations for each model in this study are:

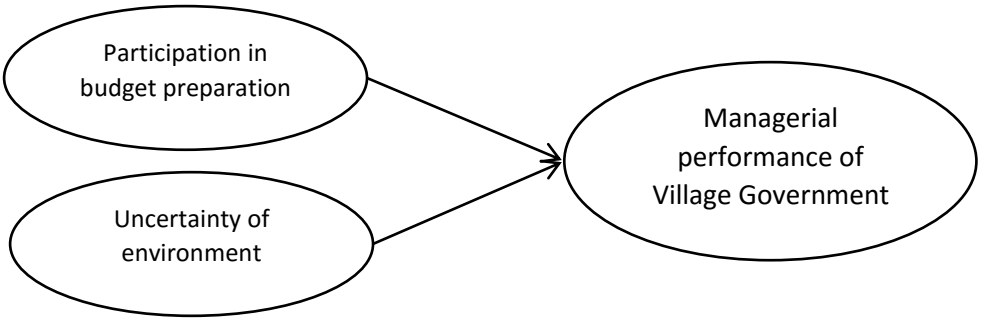

Figure 3.1
Model 1

$$\mathbf{MP} = \beta_0 + \beta_1 Z\mathbf{PBP} - \beta_2 Z\mathbf{UE} + e$$

Note :
MP = Managerial Performance of Village Government
β_0 = Constanta
β = Coefficient of regression linier X
PBP = Participation in Budget Preparation
UE = Uncertainty of Environment
e = Error

For the first moderating test, the regression equation model in which the dependent variable is the managerial performance of the village government is regressed against the independent variable namely participation in budget preparation and then moderated by the variable organizational commitment.

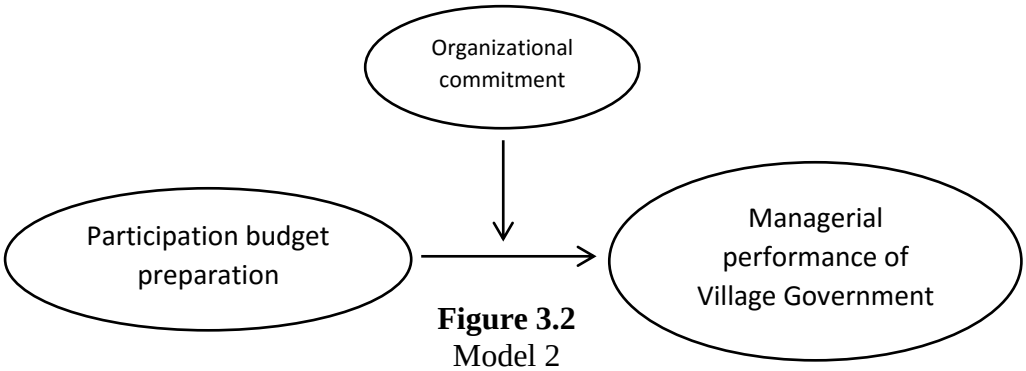

Figure 3.2
Model 2

0 1 3 4 PBP -

Note :
MP = Managerial Performance of Village Government
β_0 = Constanta
β = Coefficient of regression linier X
PBP = Participation in Budget Preparation
OC = Organizational Commitment
e = Error

For the second moderating test, the regression equation model in which the dependent variable is the managerial performance of the village government is regressed against the independent variable namely uncertainty of environment and then moderated by the variable organizational commitment.

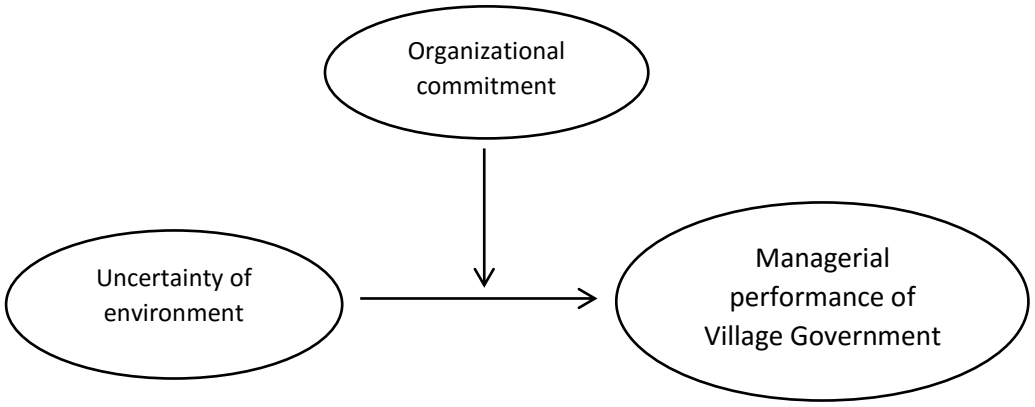

Figure 3.3
Model 3

0 2 3 4 UE -

Note :
MP = Managerial Performance of Village Government
β_0 = Constanta
β = Coefficient of regression linier X
UE = Uncertainty of Environment
OC = Organizational Commitment
e = Error

a. Determination Coefficient Test (R Square)

The determination coefficient test is done to measure how strong the independent variable can explain the dependent variable in a model. The small Adjusted R Square value indicates that the ability of independent variables is still low or very limited in explaining the variation of the dependent variable. If the resulting value is close to 1, it indicates that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

b. F Test

F test is used to test the relationship between independent variables on the dependent variable simultaneously. Testing can be done using SPSS statistical tools. The test results can be seen through the ANOVA table in the sig column, if the value shows the results < 0.05, it can be stated that there is an influence between the independent variables on the dependent variable simultaneously, whereas if the value shows the results > 0.05 then it can be stated that no there is an influence between the independent variables on the dependent variable simultaneously.

c. t Test

The t test is used to examine the relationship between the independent variables on the dependent variable partially. Testing can be done using SPSS statistical tools. The test results can be seen through the table coefficients in the sig column, if the value (probability t value) shows the results < 0.05, it can be stated that there is an influence

between the independent variables on the dependent variable partially, but to support the hypothesis that has been made, in addition to the sig value of the t test must be < 0.05 also requires the direction of the test results to show the same direction with the direction of the hypothesis that has been determined. Conversely, if the table coefficients in the sig column (probability value t) show results > 0.05 or the direction of testing the hypothesis contrary to the direction of the hypothesis specified, then it can be stated that the hypothesis is not supported.