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Budgeting Participation, Managerial Roles and Competence on Financial Management Performance

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Abstract

This study investigates the effect of budgeting participation, managerial roles, and competencies on financial management performance at the Jayapura Main Port Authority Office. The data in this study used primary data collected by distributing questionnaires to all respondents filled in with several statements with five answer options that would be weighted scores. The collected data will be analyzed through four stages of testing. The first stage is to conduct a descriptive analysis. The second stage is to conduct a data quality test consisting of a validity and reliability test. The third stage is the classical assumption test (normality test, multicollinearity test, heteroscedasticity test). The fourth stage is to test all hypotheses proposed in this study, which will be proven through partial tests and the coefficient of determination test. The research findings reveal that despite high levels of budgeting participation and favorable perceptions of managerial roles and employee competencies, only competencies significantly improve financial management performance. Despite positive views of budgeting participation and managerial roles, neither showed a statistically significant influence on performance outcomes. This study underscores the importance of subordinate involvement in budgeting and the need for professionalism, transparency, and accountability in government financial management. The study confirmed the statistical validity of the model, including normality, absence of multicollinearity, homoscedasticity, and autocorrelation. The implications of these findings suggest that future research should consider alternative decision-making processes and strategies to enhance competencies, thereby improving financial management performance in similar government environments.

Keywords: Budgeting Participation, Managerial Role; Competence; Financial Management Performance

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Introduction

The emergence of these public demands should encourage the government to demonstrate greater responsibility and transparency in formulating and implementing its policies, actions, and performance (Sofyani et al., 2020). Traditional models of government administration need to be updated and more effective in meeting the evolving needs of today's society (Brunetti et al., 2020). The centralized and non-participatory approach adopted in public affairs in previous regimes has led to a lack of trust and widespread hostility towards the government in power. A budget is a formal document that outlines anticipated and intended financial activities for a specific period in the future (Atmadja et al., 2021). The budgeting process involves various stakeholders, including leaders and subordinates, who are essential in developing and assessing the budget and determining its objectives (Polzer et al., 2023). In addition, budgets can serve as a measure of leadership effectiveness (Morshed, 2020). A leader's ability to achieve or exceed set goals impacts bonuses, raises, and promotions (Hansen et al., 2021). The budget is a strategic blueprint that guides and supports achieving company goals (Schiff & Lewin, 2019). Currently, many budget allocations need to be in accordance with the needs and objectives of the community, as well as a wide variety of budget allocations that do not reflect aspects of economy, efficiency, and effectiveness due to inadequate budget planning.

The achievement of organizational goals is contingent upon employees' active involvement and engagement. Therefore, employees within the Jayapura Port Authority Office are expected to make more significant contributions through active participation and fulfilling their respective roles, particularly in financial management. To be accountable to stakeholders, the Jayapura Port Authority Office must allocate budgets strategically, effectively, efficiently, and productively to achieve optimal performance. The implementation of performance-based budgeting, as mandated in Law No. 17 of 2013, has yet to be fully optimized. This is evident from the budget preparation process, which uses the previous year's budget as a guide. The Jayapura Main Port Authority Office utilizes financial management performance accountability to evaluate the success level of budget preparation, implementation, and realization stages. These stages must be executed accurately. Responsibility entails a full review of reporting, encompassing both prosperous and poor aspects of its implementation.

Budgeting is closely intertwined with accounting. Accounting is a service activity that provides quantitative data, mainly financial information, from economic company units(Gardi et al., 2021). Accounting data is a primary resource used in the process of budget development. Accounting is valuable because it offers historical and current financial data that is essential for analyzing and creating organizational plans (Grundy et al., 2022). Participating in budget planning will enhance the accountability and efficiency of all organizational members. A leader can effectively communicate innovative concepts to subordinates, motivating the firm to attain its objectives successfully (Haydarov, 2020). An associate will share all available information with their superiors, ensuring that everyone in the organization is involved in the budgeting process. This will lead to more accurate decision-making and alignment with organizational objectives. Engaging in budgeting can enhance the performance of individual work units, hence improving the Jayapura Main Port Authority Office's overall performance, particularly in financial management.

Civil servants with high competence must be encouraged to participate in budgeting and managerial positions at the Jayapura Main Port Authority Office. Competent civil servants (PNS) can enhance the efficiency and effectiveness of financial management performance at the Jayapura Main Port Authority Office, positively impacting state financial management. Wibowo (2013) defines competence as the capacity to effectively execute a job or task, drawing upon one's abilities and knowledge and complemented by the necessary work attitude demanded by the role. The government requires skilled and competent individuals, particularly for positions, as stated in Article 17, paragraph (2) of Law Number 43 of 1999. This law emphasizes that the appointment of civil servants to a position should be based on the principles of professionalism: their competence, work performance, and designated rank level.

The Jayapura Main Port Authority Office requires participation in budgeting and managerial duties and competencies for effective financial management. As cited in Natalia (2010), Mintzberg categorizes management jobs into interpersonal, informational, and decision-making roles. In the interpersonal position, a superior is responsible for leading, directing, and motivating subordinates. They also liaise between the work unit and internal and external parties. In an information role, a superior must effectively communicate the information they receive to their subordinates. As a decision-maker, they must identify optimal solutions to problems that develop within their work unit. Issues frequently emerge in the realm of budgeting, including challenges related to participation, budget shortfalls, budget accuracy, performance, and other factors. These issues have garnered significant attention from researchers, particularly in behavioral accounting. The studies encompass research undertaken by (Kenis, 1979; Brownell and McInnes, 1986; Indriantoro, 1993; Haryanti & Nasir, 2002; Sinambela, 2003). Murwaningsari, (2008) researched the correlation between budget participation and management performance.

Several previous studies have examined participation in budgeting in private sector organizations that are generally business or profit oriented (Hanny, 2013; Kewo, 2014). The results of research (Eker, 2007; Herminingsih, 2009) show that participation in budgeting positively affects managerial performance. Research (Pramesthiningtyas, 2011; Wardhani, 2011; Sari, 2013) found evidence that budget participation does not directly affect organizational performance, producing inconsistent results. Research conducted in private sector organizations may be treated differently in public sector organizations. This is because there are fundamental differences between the two. The difference is that public sector organizations are not profit-oriented, while private sector organizations are profit-oriented. Septrya (2013) examines the impact of manager involvement in budgeting on performance. The findings of this study indicate that managers have a beneficial influence on improving performance. The results of this study contradict previous research conducted by (Jamil & Refi, 2021), which shows that managerial roles have no significant effect on organizational performance. Research examining the impact of competence on the performance of financial managers has been conducted by (Manaroinsong, 2011; Satriyo, 2011; Safwan et al., 2014). The research focuses on local government, explicitly testing its impact on the effectiveness of financial management at the local level. This study attempts to re-examine these factors using a diverse research sample in response to the conflicting results reported in studies conducted in private sector companies and local governments. The research was conducted by collecting samples from public sector companies under the central government's jurisdiction, explicitly focusing on the Jayapura Main Port Authority Office.

The fundamental theoretical framework of this paper is agency theory. According to the agency theory proposed by (Jensen & Meckling, 1976; Hendriksen, 2005; Scott, 2003), the relationship between the people and the government can be characterized as an agency relationship. This means the connection is formed through a contract in which the people act as the principal and the government acts as the agent. The purpose of this relationship is for the government to provide services that benefit the people. To oversee government actions and ensure that the interests of the people and the government are in line, the people must demand that the government provide regular financial reports to account for the management of resources entrusted to them. The government's financial statements enable the legislature to evaluate and oversee the government's performance in enhancing the well-being of the people.

Prospect Theory, created by Hahnerman & Tversky in 1979, enables individuals to make judgments when faced with risky options, such as those related to financial matters.

Prospect Theory elucidates the cognitive process by which individuals assess potential costs and advantages. An individual will choose to endorse and actively participate by evaluating the possible outcomes as either significant losses or gains. An individual will assess the worth (utility) by considering the possibilities and their corresponding probabilities and then select the alternative with the more excellent utility. Participation in budgeting refers to the involvement of individuals in the process of preparing a budget and their ability to impact the aim of the budget. Implementing participatory budgeting at the Jayapura Main Port Authority Office will enhance the accountability and efficiency of financial management among all employees. Mahmudi (2013) defines budget participation as the active engagement of employees and leadership in budget preparation. Participatory budgeting can enhance the motivation and accountability of the personnel and executives at the Jayapura Main Port Authority Office in attaining budget objectives. In contrast, budgets that do not involve active participation can detrimentally affect the motivation and dedication of those responsible for implementing the budget, hindering their ability to meet budget goals. (Eker, 2007; Herminingsih, 2009; Nimphar, 2009; Hanny, 2013; Kewo, 2014) did research on budgeting involvement. Compelling evidence indicates that participation in budgeting has a beneficial impact on managerial performance. These findings suggest that active participation in budgeting will enhance the performance of financial management.

H_1: Participation in budget preparation affects Financial Management Performance.

Within the realm of financial management, the budget holds significant importance. Mardiasmo (2009) asserts that the budgeting phase has a substantial reputation as an inefficient and non-performance-driven budget for financial management that might undermine the prepared plans. The budget is a strategic blueprint that enables the business to accomplish its objectives effectively. Anthony & Govindarajan, (2008) affirmed the necessity of meticulous budget preparation, including managers' participation at all organizational levels. Within the Jayapura Main Port Authority Office, the managerial role in budgeting is crucial for achieving an efficient budget. This ensures that budget allocations align with the necessary priorities and supports the management of public funds based on the principle of value for money. Managerial roles facilitate the attainment of efficient and effective performance and governance processes. (Rohman, 2007; Septrya, 2013) researched executive functions, which provided further evidence supporting the beneficial correlation between administrative positions in budgeting and financial management performance. The findings indicate a positive correlation between the effectiveness of managerial involvement in budgeting and the level of financial management performance.

H_2: Managerial roles affect financial management performance.

Competencies refer to employees' most advantageous qualities, which contribute to their success (Kessler, 2011). Competence refers to the individual attributes of a worker that empower them to attain the desired level of performance. These human factors encompass characteristics, motivations, value systems, attitudes, knowledge, and skills. Competence in these areas will guide one's conduct, determining one's performance in financial management. The proficiency of employees, particularly financial managers at the Jayapura Main Port Authority Office, is crucial for the government to achieve good governance effectively. Competence is a fundamental aspect of individuals' traits that guides their behavior and thinking. Strong individual competence enables employees to be more accountable and effectively fulfill their tasks, enhancing financial management performance at the Jayapura Main Port Authority Office. Manaroinsong (2011; Satriyo, 2011; Safwan et al., 2014) researched competency. They discovered evidence indicating a strong and meaningful correlation between competency and the performance of financial management in local government.

H_3: Competence affects Financial Management Performance.

Research Design and Method

This study is quantitative research conducted at the Jayapura Main Port Authority Office, with 39 research respondents recruited through the purposive sample approach. Respondents were selected based on the study's goals and objectives, explicitly targeting financial planners and managers. This included staff members involved in implementation, heads of subdivisions and sections, and heads of regions and offices at the Jayapura Main Port Authority Office. This study utilizes primary data acquired through the dissemination of questionnaires containing statements. The purpose is to identify indicators of participation in budgeting, managerial positions, and competencies that impact the financial management performance at the Jayapura Main Port Authority Office.

The methodology employed in this study is multiple linear regression analysis for data analysis. Multiple linear regression analysis examines the impact of multiple independent variables on the dependent variable. Based on this study's issues, goals, conceptual framework, and hypotheses, it is possible to formulate a general regression equation.:

$$\mathbf{KPK} = \beta 0 + \beta 1PPA + \beta 2PM + \beta 3Komp + e$$

Information:

KPK	= Financial Management Performance
β0	= Constant
PPA	= Budgeting Participation
PM	= Managerial role
Komp	= Competence
β1	= Regression coefficient of budget preparation participation
β2	= Regression coefficient of managerial role

β3 = Competency regression coefficient
e = Residual error

Table 1. Variable Operational Matrix

Variable	Variable Dimensions	Variable Measurement Indicator
Financial Management Performance	Financial Management Performance is a work achievement achieved in realizing the targets that have been set.	• Achievement of work targets • Accuracy and appropriateness of results • Tingkat pencapaian program • Conformity of budget realization with budget • Achievement of budget efficiency • Employee behavior in performance.
Budgeting Participation	Participation in budgeting is individuals' level of involvement and influence in the budgeting process.	• Participation in budget preparation • Budgeting satisfaction • The need to give opinions • Willingness to give opinions • The amount of influence on the final budget setting • Frequent requests from superiors for opinions.
Managerial role	A managerial role is performed by managers/leaders to encourage and motivate their subordinates to achieve organizational goals.	• Interpersonal role • The role of information • Decision-making role
Competence	Kompetensi merupakan pengetahuan, pemahaman, keterampilan, dan kemampuan dan perilaku yang berhubungan dengan pekerjaan	• Knowledge • Skill • Atittude

Results and Discussion

Statistical Result

The level of individual involvement and impact in the budgeting process is reflected in the participation in budgeting at the Jayapura Main Port Authority Office. The poll results indicate a consensus among respondents. This suggests that involvement in the budgeting process is highly valued, particularly in terms of active engagement and submitting budget ideas that align with the specific needs of each work unit. The respondents also view managerial roles, which involve the actions taken by managers and leaders to inspire and incentivize their subordinates, as positive. This indicates a significant level of concurrence with the management position indicator. Leaders are seen as proficient in issuing commands, providing guidance, overseeing, and inspiring their subordinates. They are also skilled at facilitating and organizing activities within and outside their organization. Moreover, the survey results indicate that respondents hold favorable attitudes toward the competency of employees in financial management. This demonstrates that employee proficiency is highly regarded, particularly in their capacity to collaborate with colleagues and their knowledge of the increasing obligations that come with the weight of assigned duties. The respondents also felt the financial management performance of the Jayapura Main Port Authority Office was commendable. Efficient budget implementation is characterized by adherence to cost standards, compliance with the Budget Implementation List (DIPA), and transparent and accountable accounting practices in line with operational instructions for activities (POK).

Table 2. Descriptive Statistical Analysis of Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Budgeting Participation	39	5	7	5.95	0.576
Managerial Role	39	5	7	6.32	0.486
Competence	39	6	7	6.14	0.328
Financial Management Performance	39	4	7	5.90	0.519
Valid N (listwise)	39				

The accuracy and relevance of questions or assertions in a questionnaire substantially influence the research process. To determine validity, the assessment examines the association between the individual statement items' scores and the construct or variable's overall score. The product-moment correlation is a statistical tool employed to assess the validity of questions or statements. Conclusions are derived by comparing the significance value with the predetermined significance level of 5%. Conversely, dependability refers to the enduring and consistent nature of a measuring instrument's score over time. The distinction between validity and reliability resides in their respective focuses; reliability pertains to matters of consistency, whereas validity pertains to issues of accuracy. A questionnaire is deemed reliable when an individual's responses to inquiries exhibit consistency or stability over some time.

Table 3 demonstrates that the construct of answers to statements and statement items on each research variable exhibits high reliability and consistency. The Cronbach's alpha score, ranging from 0.711 to 0.776, surpasses the threshold of 0.6, indicating a satisfactory level of reliability. Thus, after conducting validity and reliability tests, it can be inferred that all research variables, such as budgeting participation, managerial role, competence, and financial management performance, have demonstrated both validity and reliability.

The study employed multiple regression analysis, incorporating four traditional assumption tests: normality testing, multicollinearity testing, heteroscedasticity testing, and autocorrelation testing. Multiple regression analysis examines the relationship between variables in the study. An effective regression model requires data that follows a normal or nearly normal distribution. To determine the normality of the data distribution, a simple method is to examine the histogram, which compares the observed data with a distribution that closely resembles a normal distribution. However, relying on the histogram might be deceptive, mainly when dealing with limited sample numbers. An alternative and more dependable approach involves utilizing a probability plot (P-Plot) distribution curve, which allows for a comparison between the cumulative distribution of the observed data and the cumulative distribution of the normal distribution.

Table 3. Validity and Reliability Test Results

Variable	Code	r-calculated	Cronbach's Alpha	Info
Budgeting Participation	BP.1	0.655	0.711	Valid dan reliable
	BP.2	0.664		Valid dan reliable
	BP.3	0.645		Valid dan reliable
	BP.4	0.485		Valid dan reliable
	BP.5	0.706		Valid dan reliable
	BP.6	0.838		Valid dan reliable
	BP.7	0.840		Valid dan reliable
	BP.8	0.830		Valid dan reliable
	BP.9	0.809		Valid dan reliable
	BP.10	0.648		Valid dan reliable
Managerial Role	MR.1	0.617	0.776	Valid dan reliable
	MR.2	0.697		Valid dan reliable
	MR.3	0.733		Valid dan reliable
	MR.4	0.861		Valid dan reliable
	MR.4	0.825		Valid dan reliable
	MR.4	0.848		Valid dan reliable
	MR.4	0.895		Valid dan reliable
	MR.8	0.866		Valid dan reliable
	MR.9	0.776		Valid dan reliable
	MR.10	0.428		Valid dan reliable
Competence	Comp.1	0.550	0.755	Valid dan reliable
	Comp.2	0.582		Valid dan reliable
	Comp.3	0.705		Valid dan reliable
	Comp.4	0.796		Valid dan reliable
	Comp.5	0.796		Valid dan reliable
	Comp.6	0.684		Valid dan reliable
	Comp.7	0.750		Valid dan reliable
	Comp.8	0.673		Valid dan reliable
	Comp.9	0.585		Valid dan reliable
	Comp.10	0.459		Valid dan reliable
	Comp.11	0.624		Valid dan reliable
	Comp.12	0.734		Valid dan reliable
	Comp.13	0.738		Valid dan reliable
	Comp.14	0.798		Valid dan reliable
	Comp.15	0.771		Valid dan reliable
	Comp.16	0.494		Valid dan reliable
Financial Management Performance	FMP.1	0.713	0.767	Valid dan reliable
	FMP.2	0.654		Valid dan reliable
	FMP.3	0.822		Valid dan reliable
	FMP.4	0.707		Valid dan reliable
	FMP.5	0.695		Valid dan reliable
	FMP.6	0.720		Valid dan reliable
	FMP.7	0.564		Valid dan reliable

The data is considered normal if the p-plot distribution pattern exhibits a straight line that aligns with the diagonal line. If the points are distributed symmetrically around the diagonal line and align with the direction of the diagonal line, the regression model satisfies the normality assumption. On the other hand, if the points deviate significantly from the diagonal line and do not align with its direction, the regression model fails to meet the normality condition.

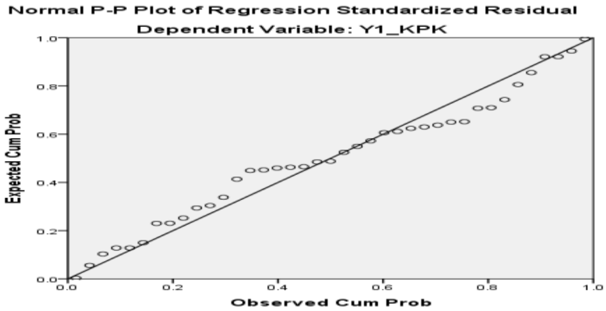

Figure 1. Normality Test Results
Source: SPSS Output (2022)

The normal P-plot graph, depicted in Figure 1, illustrates the dispersion of points around the diagonal line, which aligns with the direction of the diagonal line. This indicates that the regression model satisfies the condition of normality. In addition, a multicollinearity test is conducted to identify indications of association between independent variables by examining the tolerance value and variance inflation factor (VIF). These two measurements indicate the extent to which other factors account for independent variables. In an optimal regression model, the independent variables should exhibit no connection. If the tolerance value is below 0.10 and the VIF (variance inflation factor) exceeds 10, it indicates the presence of multicollinearity among the variables in the regression model, and vice versa. The results of the tolerance value computation, as presented in Table 4, indicate that all independent variables have a value beyond 0.10. Similarly, the VIF value for all independent variables is below 10. The regression model in this study demonstrates that there is no issue of multicollinearity, therefore making it appropriate for utilization.

Table 4. Multicollinearity Test Results

Coefficients[a]

Variable	Tolerance	VIF
Budgeting Participation	0.604	1.656
Managerial Role	0.683	1.464
Competence	0.721	1.387

a. Dependent Variable: Financial Management Performance
Source: SPSS Output (2022)

Additionally, a heteroscedasticity test is conducted to see whether there is a disparity in variance across the residuals of different observations in the regression model. A discernible pattern on the scatterplot graph distinguishes heteroscedasticity. Heteroscedasticity occurs when the dots form a specific regular practice, such as a wavy pattern. Heteroscedasticity is absent when there is no discernible pattern in the dispersion of bubbles both above and below zero on the Y-axis. The scatterplot in Figure 2 exhibits no discernible pattern, such as waviness, widening, or narrowing. Instead, it shows a spread of data points and below the zero value on the Y-axis. Therefore, it can be inferred that the regression model does not display heteroscedasticity and can be considered homoscedasticity.

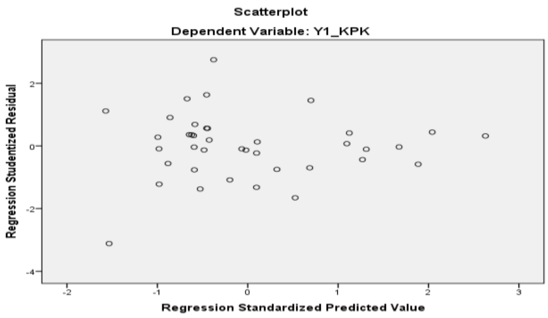

Figure 2. Heteroscedasticity Test Results
Source: SPSS Output (2022)

The subsequent step involves performing an autocorrelation test on the research model to ascertain the presence of a link between confounding mistakes occurring in a specific period (t) and those occurring in the preceding period (t-1). The Durbin-Watson (DW) test can be used to perform the autocorrelation test. Autocorrelation is absent when the DW value falls between the range of -2 and +2. The autocorrelation test findings in Table 5 indicate that the Durbin-Watson (DW) value is 1.520, which falls within the range of -2 to +2. Hence, the regression model employed does not exhibit autocorrelation.

Table 5. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.624[a]	0.389	0.337	2.869	1.520

a. Predictors: (Constant), Competence, Managerial Role, Budgetary Participation
b. Dependent Variable: Financial Management Performance
Source: SPSS Output (2022)

Table 6. Regression Analysis Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-0.209	9.191		-0.023	0.982
	Budgeting Participation	0.005	0.104	0.009	0.051	0.960
	Managerial Role	0.013	0.114	0.018	0.115	0.909
	Compe tence	0.412	0.105	0.612	3.931	0.000

a. Dependent Variable: Financial Management Performance
Source: SPSS Output (2022)

Based on table 6, the regression equation in this study is:

$$FMP = -0.209 + 0,005\ BP + 0,013\ MR + 0,412\ Comp$$

The equation reveals that all three independent variables, namely involvement in budgeting participation, managerial roles, and competence, exhibit a positive value, showing that all three variables significantly impact financial management performance. The constant weight of -0.209 signifies that even without all independent variables (value = 0), there is still a negative financial management performance of -0.209. The regression coefficient of 0.005

for participation in budget planning suggests a beneficial impact of budgeting participation on financial management performance. Therefore, a change in participation of 1 unit will result in a corresponding change in performance of 0.005 units. Similarly, the regression coefficients for managerial positions (0.013) and competencies (0.412) demonstrate a favorable impact on financial management performance.

In addition, the coefficient of determination (R square) test is conducted to evaluate the extent to which the independent variable can account for the variance in the dependent variable. The coefficient of multiple determination (R square) quantifies the proportion of the independent factors' combined impact on the dependent variable. The R square value varies from 0 to 1.

Table 7. Determination Coefficient Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.624[a]	0.389	0.337	2.869

a. Predictors: (Constant), Competence, Managerial Role, Budgetary Participation

Source: SPSS Output (2022)

The multiple correlation coefficient (R) is 0.624, indicating a strong positive association between the dependent and independent variables, as it is close to one. Table 7 reveals that the adjusted R Square value is 0.389 or 38.9%. This indicates that the independent variables, namely participation in budgeting, managerial roles, and competencies, can explain 38.9% of the dependent variable, which is financial management performance at the Jayapura Main Port Authority Office. The remaining 61.1% is attributed to other variables not considered in this study.

Table 8. Simultaneous Test Results (F-Test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	183.423	3	61.141	7.430	.001[b]
	Residual	288.013	35	8.229		
	Total	471.436	38			

a. Predictors: (Constant), Competence, Managerial Role, Budgetary Participation

b. Dependent Variable: Financial Management Performance

Source: SPSS Output (2022)

Table 9. Overview of Research Results.

No	Hypothesis	Sig.	Decision
1	Budget Participation has a positive and significant effect on financial management performance.	0.960	Rejected
2	Managerial roles have a positive and significant effect on financial management performance.	0.909	Accepted
3	Competence has a positive and significant effect on financial management performance	0.000	Accepted

According to the test results in Table 8, the F-count value has a magnitude of 7,430 and a significance value of 0.001. By utilizing a confidence level of 95% or a significance level of 5% and degrees of freedom df1 and df2, The F-calculated value of 7.430 exceeds the F-table value of 3.26 at a significance level of 0.001, which is lower than 0.05. The simultaneous influence of budget preparation participation, managerial positions, and competencies on financial management performance characteristics has been established as the conclusion.

Discussion

The results of testing the first hypothesis show that participation in budgeting has no significant effect on the financial management performance of the Jayapura Main Port Authority Office. Participation in budgeting is still relevant and can be applied to the budgeting process at the Jayapura Main Port Authority Office. It can be seen from the positive partial test results, but other factors cause the effect to be insignificant, for example, in equipment and machinery procurement activities. The leadership directly determines decisions regarding procurement proposals that are material in value. In this case, the involvement of subordinates is relatively tiny; aides are only involved in the procurement process, so according to the author, this behavioral factor causes participation in budgeting to have no significant effect. On the other hand, budget accountability is only measured based on budget absorption, namely the comparison of the budget ceiling with budget realization. Participation in budgeting is defined as individuals' level of involvement and influence in the budgeting process. When a goal or standard designed in a participatory manner is approved, then everyone will be serious about the purpose or standard set, and the individual will have a sense of responsibility to achieve it because they are involved in its preparation. This means that if everyone (employee) is engaged or interested in the budgeting process, the budget target or goal will be easy to achieve, which will improve financial management performance at the Jayapura Main Port Authority Office. The results of this study align with the results of research conducted by (Pramesthiningtyas, 2011; Wardhani, 2011; Wardhani, & Sari, 2013), which found that participation in budgeting has no direct effect on managerial performance in financial management.

This study found that managerial roles did not significantly affect the financial management performance of the Jayapura Main Port Authority Office. The managerial role does not have a significant effect because the budget is already contained in the Budget Implementation Lists of the Jayapura Main Port Authority Office, according to the operational instructions for activities, and there is a financial management team that is directly involved in the process of implementing budget activities for one period. Government financial management must be professional, transparent, accountable, efficient, and practical, starting with planning, leadership, utilization, and supervision. This study's results align with the results of research conducted by Baihaqi (2012), where the results showed that managerial roles had no significant effect on financial management performance.

Financial managers at the Jayapura Main Port Authority Office have high competence to improve work efficiency and effectiveness in achieving financial management performance, which will positively affect state financial management. The hypothesis testing results indicate that financial managers at the Jayapura Main Port Authority Office have good knowledge, skills, and behavior. They understand the theories and rules related to work, can cooperate and communicate, and comply with the norms in the work environment so that it can improve financial management performance at the Jayapura Main Port Authority Office. This study's results align with research results (Manaroinsong, 2011; Satriyo, 2011; Safwan et al., 2014), which state that competence positively and significantly affects government financial management performance.

Conclusions

The study's findings indicate that involvement in budgeting substantially impacts the financial management performance at the Jayapura Main Port Authority Office. While involvement remains pertinent and holds favorable significance in the partial test, other factors, such as leadership decisions, directly impact equipment acquisition activities, rendering the effect negligible. Hence, it is imperative to consider the participation of subordinates in the budgeting process to enhance the performance of financial management. Furthermore, it is worth noting that managerial positions substantially influence financial management's success, with the budget being governed by the Budget Implementation List (DIPA) and managed by a financial management team for a specific duration. Hence, the research emphasizes the necessity of professionalism, transparency, accountability, efficiency, and effectiveness in managing government finances.

Conversely, the Jayapura Main Port Authority Office has a high rating of personnel competency, which can enhance job efficiency and effectiveness in producing commendable financial management performance. Proficiency, expertise, and conduct in the field benefit the management of state finances. It is implied that implementing competency development strategies and programs is necessary to guarantee enhanced comprehension and performance. Hence, future studies should conduct a more comprehensive investigation into the determinants of participation in budget preparation, explore alternative approaches to decision-making in equipment procurement, and enhance managerial roles by focusing on specific aspects that can improve financial management performance. Furthermore, additional studies might investigate specific measures for enhancing personnel competencies to attain maximum financial management objectives.

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