

## THE EFFECT OF BUDGET PARTICIPATION, BUDGET PLANNING AND CLARITY OF BUDGET GOALS ON PERFORMANCE WITH ENVIRONMENTAL UNCERTAINTY AS MODERATING VARIABLES

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### ABSTRACT

A budget is needed in planning and controlling the finances of an organization. The budget is expected to be a framework for assessing the performance of a person or organization, including schools. In supporting the poor, the Indonesian government issued a *Bantuan Operasional Sekolah (BOS)* fund program. BOS funds are specifically intended to support school operational costs so that free services can be provided for all students who are classified as poor. The purpose of this study is to examine the effect of budget participation, budget planning, and clarity of budget objectives on school performance in Indonesia in the use of BOS funds from the government, as well as the effect of environmental uncertainty as a moderating variable. Data were obtained using questionnaires which were distributed to 114 respondents. The SEM (Structural Equation Modeling) with the SmartPLS 3.0 program was used for data analysis. The results show that budget participation, clarity of budget goals, and environmental uncertainty do not influence performance. Budget planning has a positive influence on performance. Environmental uncertainty does not moderate the influence of budget participation, budget planning and clarity of budget goals on performance. This study has implications for the government that the role of the school members who participate in the preparation of the budget, based on the School Based Management system, should be regulated. Specifically, the regulations should be clearly indicated in the Regulation of the Minister of Education and Culture of the Republic of Indonesia 2018 so that the participation of school members can increase school performance.

Keywords: Performance, Budget Participation, Budget Planning, Clarity of Budget Goals, Environmental Uncertainty.

### INTRODUCTION

Every citizen, whether rich or poor, able or disabled, has the same right to quality education. According to s. 11 of the *National Education System Act 2003 (Jkt)*, paragraph 1 states that: The Government and regional governments are obliged to provide services and facilities, and guarantee the implementation of quality education for every citizen, without discrimination. Paragraph (2) states that: The Government and government regions must guarantee the availability of funds for the implementation of education for every citizen aged seven to fifteen years of age. On this basis, the government organized several learning programs for the 9-year olds and 12-year olds. To help to materialise these programs, the Indonesian government is providing *Bantuan Operasional Sekolah (BOS)* funds.

The BOS funds is specifically aimed at supporting the schools' operational costs so that services can be free of charge for all students who have been classified as poor. The goal is to reduce the rate of poor students dropping out of their schools due to their inability to afford school fees. The BOS funds are meant to support this cause. However, the BOS funds are sometimes late in coming, thereby hindering school operations. There have been cases of insufficient BOS funds which had affected school operations. The existence of these problems is an interesting phenomenon to study. The question arises as to 'How do schools manage the BOS funds so that school operations can continue to run as they should?'

To ensure an efficient fund management, a good budget process is needed. Previous researchers (Nirwana, Usman, & Hasbiah, 2017) have examined this topic. They noted that budget participation has a positive influence on performance. Other studies (Stammerjohan, Leach, & Stammerjohan, 2015; Leach-López, Stammerjohan, Lee, & Stammerjohan, 2015) had observed that budget participation influenced performance. For instance, Kwarteng (2018) revealed that budget planning had a positive influence on performance while Nirwana et al. (2017), and Locke, Shaw, Saari, and Latham (1981), detected a direct relationship between goals that were clear and measurable with performance. Nirwana et al. (2017) and Zhang and Lv (2015) mentioned that environmental uncertainty is a factor that can strengthen or weaken performance. This was endorsed by Poulis and Wisker (2016), and Lin et al. (2014) who stated that environmental uncertainty directly influenced performance.

What previous researchers (Lin et al., 2014; Poulis & Wisker, 2016; Lin et al., 2014) did was to combine the indicators of the Environmental Uncertainty variables by dividing them into two main categories of technical uncertainty and market uncertainty. However, Poulis and Wisker (2016) divided the same into six categories: government and policy uncertainties, economic uncertainties, resources and services uncertainties, product and market demand uncertainties, level of competition uncertainties, and technology uncertainties. Even though there were some variations, the current study employs the following variables: technical uncertainties, market uncertainties, government and policy uncertainties, and technology uncertainties as indicators of environmental uncertainty. The other categories were not utilised because they were adapted to the research objectives. In this regard, the indicators will serve as the novelty of the present study. Data were obtained from questionnaires which were distributed to the participants and analysis was processed with the SEM SmartPLS 3.0 program.

Specifically, the aim of this study is to examine whether budget participation, budget planning, and clarity of budget goals, have any influence on performance when using environmental uncertainty as a moderating variable. The results of this study have practical implications for the government in evaluating regulations related to BOS funds. The results of this study also had implications for the schools receiving BOS funds that with clear and targeted budget planning, they could provide accountability to the government in a professional and transparent manner.

## LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### *Good Governance*

According to UNDP (United Nations Development Program) (2004), the definition of governance is the exercise of political, economic and administrative authority to manage state affairs at all levels. UNDP (2004), issued the principles of Good Governance in 9 principles as follows: Participation, Rule of Law, Transparency, Responsiveness, 5. Consensus Orientation, Equity, Effectiveness and Efficiency, Accountability, and Strategic Vision.

### *Bantuan Operasional Sekolah Funds*

According to the Ministry of Education and Culture (2017), BOS Funds are a government program which is basically to provide funding for non-personnel operating costs for basic education units as implementing compulsory education programs. The management of BOS funds has been determined using the School Based Management (SBM) system. SBM provides freedom in planning, managing, and supervising programs that are tailored to the conditions and needs of the school. However, the use of BOS is only for the sake of improving education services and there is no intervention or deduction from any party. According to (Cheong Cheng, 1993) School-based management means that the task of school management is determined according to the characteristics and needs of the school and therefore school members (in this case including the board of directors, supervisors, principals, teachers, parents and students, etc. ) has greater autonomy and responsibility for the use of resources in solving problems and carrying out effective teaching activities, and for long-term school development.

One indicator to measure fund management is Program Accountability (Soemantri, 2011: 160), namely: (1) The suitability of the program for funding from the funds obtained, with the needs of the community, is a consideration with the objectives set by considering alternative programs that provide optimal results in accordance with the needs of the community. (2) The program implementation of the funds provided, is the process of managing and implementing the budget focused on efforts to support the implementation of the programs and activities which are the priorities concerned and by taking into account the general principles of budget management. Accountability is a form of obligation to account for success or failure, the implementation of the organization's mission in achieving the goals and targets that have been set previously, through a media letter of accountability that is carried out periodically (Mardiasmo, 2009: 3).

### *Budget Participation*

Brownel & McInnes (1986) argues that budgetary participation is individual participation in the form of managerial behavior and activities during the budgeting process. According to (Kenis, 1979), budgetary participation is one of the characteristic dimensions of the budget. Budget participation is the process of involvement of managers in managing the budget for the company.

### *Budget Planning*

Planning is a process to determine appropriate future actions, through a sequence of choices taking into account available resources (Mahsun, 2013). Budget planning is the first step in the budget, followed by the budget preparation and implementation phase, which then makes the budget execution report to be accounted for. The focus of budget planning is the achievement of shared goals by utilizing or managing limited resources so that it is right on target, so that it can prioritize important programs and the objectives of budget formulation can be achieved.

### *Clarity of Budget Goals*

Goal Setting Theory (Goal Setting Theory) by Locke & Latham (2002) states that there is a direct relationship between clear and measurable goals and performance. This is so that goals become more effective than the summary of feedback needed that reveals employee progress in achieving organizational goals. If they don't know how progress is going, it will be difficult for them to adjust the level and direction of the effort in adjusting the performance strategy to match what is needed to achieve the goal.

According to (Kenis, 1979) argues that the clarity of budget goals describes the amount of the budget that is clearly and specifically stated, and is understood by the parties responsible for achieving the set budget targets. Clarity of budget goals is also one of the characteristic dimensions of the budget.

### *Environmental uncertainty*

Many factors affect organizational performance, not only influenced by individual performance or team performance, but also environmental factors both internal and external environment (Mahmudi, 2015: 21-22). External environmental factors include economic, social, political, security and legal factors. While internal environmental factors are leadership, organizational structure, strategies choice, technological support, organizational culture and organizational processes. (Lin et al., 2014), states that environmental uncertainty is a multifaceted construction consisting of technical and market uncertainties. While (Poulis & Wisker, 2016) determine environmental uncertainty based on six categories, namely: government and policy uncertainty, macroeconomic uncertainty, resource and service uncertainty, competition uncertainty, product and market demand uncertainty, and technology uncertainty.

### ***Hypotheses Development***

Brownell and McInnes (1983), and Kenis (1979) had argued that budget participation is where individuals participate in the form of behavioral and managerial activities during the budgeting process. The members participating in the preparation of the budgets tend to develop their sense of responsibility as they perform their duties in achieving certain targets for the budgets. Understanding how the budget process works is important for the members because if they do not know the process and its main objectives, the participants would face difficulties when attempting to fulfil their role as budget participants. Nirwana et al., (2017), Usman, Usman, and Sugianto, (2016), Yilmaz Karakoc and Özer, (2016) had noted that when the management participate in preparing budgets, they can become influenced by their responsibility to improve and achieve organizational goals. Based on this, the first hypothesis formulated is:

H1: Budget Participation has a positive influence on Performance.

The focus of budget planning is to achieve common goals by utilizing or managing limited resources. Doing so can help participants to be right on target, and to prioritize important programs so that specific objectives of the budgeting can be achieved. Mature budget planning also look at the manager's ability to achieve budget goals. Kwarteng (2018) had shown that Budget Planning influences management performance. Based on this, it is expected that budget planning can provide good accountability or good performance, hence the hypothesis formulated is:

H2: Budget Planning has a positive influence on Performance.

The goal setting theory (Locke et al., 1981) states that goal setting in the organization influences performance. One of the obvious forms of applying this goal-setting theory is by looking at the budget. According to Kenis (1979), the clarity of the budget target (clarity of budget goals) describes the amount of the budget that is stated clearly and specifically, and is understood by the parties responsible for achieving the set budget target. When this is clearly stated, it helps to determine the direction which the budget must achieve. Likewise, it enables those involved to take responsibility for the success or failure of the use of budgeted funds. Nirwana et al. (2017) noted that the clarity of budget objectives has a positive and significant influence on the performance. Thus, the hypothesis formulated is:

H3: Clarity of Budget Goals has a positive influence on Performance.

Lin et al, (2014) stated that environmental uncertainty is a multifaceted construction which consists of technical and market uncertainties. Likewise, Poulis and Wisker (2016) also mentioned that environmental uncertainty is based on six categories which include: government and policy uncertainty, macroeconomic uncertainty, resources and services uncertainty, competition uncertainty, product and market demand uncertainty, and technology uncertainty.

Since almost everything in our life and environment is uncertain, we need to anticipate the risks that may arise as we carry on with our daily lives. Doing so would enable us to be better prepared and so better in determining the controls needed as anticipation. Likewise, in preparing budgets, the risks imposed by environmental uncertainty are anticipated because they are related to the accountability of the use of funds. Poulis and Wisker (2016) have proven that perceived environmental uncertainty affects the performance of companies in the UAE and UK. Based on this evidence, the hypothesis thus formulated is:

H4: Environmental Uncertainty has a negative influence on Performance.

The number of parties involved in the implementation of the program increases the complexity of the budget fund allocation. This involvement is expected to increase the individual's sense of responsibility in realizing the budget goals so as to increase the program's accountability. In reality, however, there are external factors which also affect the implementation of the budget. For instance, Poulis and Wisker (2016), and Lin et al. (2014), had noted that environmental uncertainty can affect performance. Thus, it can be concluded that when budget participants pay attention to environmental uncertainty when preparing and implementing budgets, the program accountability or program performance also increases. Nirwana et al. (2017) had proven that environmental uncertainty moderates the effect of budget participation on apparatus performance. Based on this, the hypothesis thus formulated is:

H5: Environmental Uncertainty moderates the positive influence of Budget Participation on Performance.

A good plan aims to achieve the objectives of budgeting, and also to show transparency and accountability to the parties involved. Budget planners must therefore, pay attention to things that might occur later during the program implementation. Such things, must therefore be anticipated before they happen. Uncertainty can change the budget plan that was initially compiled, and this may affect the accountability of the drafters and the implementers of the budget programs. Therefore, it is imperative to pay attention to environmental uncertainty so that the quality of budget planning in terms of accountability/performance can be improved. Based on this the hypothesis thus formulated is:

H6: Environmental Uncertainty moderates the positive influence of Budget Planning on Performance.

The clarity of budget goals enables executors who are involved to develop appropriate strategies when implementing budget funds allocated by the government. One of the factors that executors need to consider when developing those strategies are external factors such as environmental uncertainty. Without doing so, budget goals may not be achieved optimally, even though the implementers had fully understood the budget goals. This helps to increase the program's accountability in meeting user needs. Nirwana et al.

(2017) had proven that environmental uncertainty moderates the effect of budget goals clarity on performance. Based on this, the hypothesis thus formulated is:

H7: Environmental Uncertainty moderates the positive influence of Clarity of Budget Goals on Performance.

**RESEARCH METHOD**

The data used in this study comprised primary data which were collected through the survey method. The population in this study comprised schools that received the BOS funds. They were retrieved based on the convenience sampling approach. The criteria enforced include:

- (1) High school/vocational school recipients of BOS funds in the Jakarta area,
- (2) Respondents were principals, vice principals, treasurers, heads of finance/administration /bureau heads and teachers involved in budgeting/managing of the BOS funds.

Researchers collected data using a questionnaire either electronically using google form or using physical documents by visiting respondents to schools that met the sample criteria. The physical questionnaires distributed were 150 questionnaires. However, only 114 questionnaires could be processed. The following is a table of data collection through distributing questionnaires:

**Table 1: Questionnaire Distribution Results**

Description	Amount
Physical questionnaires distributed	150
Non-returned questionnaire	(43)
Incomplete questionnaire	(7)
The questionnaire is filled out via google form	(14)
Total questionnaires that can be processed	114

Based on 114 questionnaires, here are the demographic data of the respondents:

- 1. As many as 54% of respondents are female and 46% are male.
- 2. As many as 83% of respondents came from private schools and 17% of respondents came from government schools.
- 3. As many as 19% of respondents have work experience between 1-5 years, 41% of respondents have work experience between 6-10 years, 12% of respondents have work experience between 11-15 years, 13% of respondents have work experience between 16-20 years , 10% of respondents had more than 20 years of working experience, and 4% of respondents did not provide an answer.

To test the hypothesis of causality in this study, the SEM with SmartPLS 3.0 program was utilized. Table 2 describes the indicators of each variable. The dependent variable in this study is Performance; it is proxied by Accountability. The independent variables comprised budget participation, budget planning, and the clarity of budget goals. The moderating variable was environmental uncertainty. All the variables were measured using the 5-point Likert scale. Accountability is measured using a Likert scale 1 to 5 (1- very inappropriate, 2 - not appropriate, 3 - quite appropriate, 4 - according, 5 - very appropriate). Budget participation, Budget Planning, Clarity of Budget Goals and Environmental Uncertainty are measured using the Likert scale 1 to 5 (1 - strongly disagree , 2 - disagree , 3 - doubt , 4 - agree , 5 - strongly agree ).

**Table 2: Variable Operationalization**

Variable	Indicator	Source
Performance (Accountability)	Accountability Program:	Soemantri, (2011)
	- Suitability of the program with needs.	
Budget Participation	- Budget implementation priority.	Effendi, (2017)
	- Involvement in budgeting.	
	- Provides requests, opinions and suggestions.	
Budget Planning	- Has influence on the final budget.	Kwarteng, (2018)
	- Clear purpose	
	- Evaluation of the previous budget	
	- There is a control system	
Clarity of Budget Goals	- Involvement of all parties	Kenis, (1979)
	- Clear budget goals	
	- Budget objectives are specific	
Environmental Uncertainty	- Understand / understand program priorities	Lin et al., (2014) dan Poulis & Wisker, (2016)
	- Technology changes	
	- Opportunities for technological development	
	- Technological innovation.	
	- Changes to student preferences and requests	
	- Introduction of new curriculum	
	- Opportunities for new students	
- Differences in preferences between old and new student.		
- Effect of government regulations		

**RESULTS****Measurement Model**

The measurement model was evaluated by looking at the reliability and validity values of the construct, the discriminant validity, as presented in Table 3.

**Table 3: Construct Reliability Result**

Variabel	AVE	Composite Reliability
BP	0,630	0,836
BPL	0,648	0,880
GC	0,803	0,925
BP*EU	1,000	1,000
BPL*EU	1,000	1,000
GC*EU	1,000	1,000
P	0,624	0,869

Notes: BP: Budget Participation, BPL: Budget Planning, GC: Clarity of Budget Goals, EU: Environmental Uncertainty, P: Performance (Proxied by Accountability).

Based on Table 3, it can be concluded that all the constructs fulfilled the reliability test. This study issued three constructs which did not meet the reliability requirements, namely: BP2, BPL6 and EU6. All the indicators fulfilled the convergent validity because there were no indicators with a loading factor below 0.5. Likewise the cross-loading value also showed good discriminant validity because the value of the square root of AVE is greater than the correlation value between the latent variables. Researchers have discarded five constructs which had failed to fulfill the validity, namely: ACC2, BP5, BPL5, GC1, and EU7.

**Structural Model**

Based on Table 4, the influence on Performance (P) can be traced to only the Budget Planning variable (BP), which has a p-value of 0.000, and a coefficient value of 0.396. In this regard, H2 was accepted. The other independent variables (Budget Participation, Clarity of Budget Goals, and also Environmental Uncertainty) showed no influence on performance because the p-value was greater than 0.05, and the t-statistical value was greater than 1.96. Hence, H1, H3, H4, H5, and H6 were rejected. The significance test results of the influence between variables can also be seen in Figure 1. The moderating constructs turned out to have no influence on performance, both for the variable, budget participation, budget planning and goal clarity. The adjusted R<sup>2</sup> value, as seen from Table 4, was noted to be 0.346. This means that the variability of the performance constructs can be explained by the variables - budget participation, budget planning, and the clarity of budget goals, by 34.6%. The remaining 65.4% can be explained by other variables outside of this study.

**Table 4: Results of Output Estimates**

Variable	Coefficient	t-statistic	p-value
BP – P	0,037	0,267	0,790
BPL – P	0,396	3,996	0,000
GC – P	0,168	1,098	0,273
EU – P	0,136	1,215	0,225
BP*EU – P	-0,119	0,907	0,365
BPL*EU – P	0,050	0,509	0,611
GC*EU – P	0,114	1,261	0,208
R square	0,389		
R square adjusted	0,346		

Notes: BP: Budget Participation, BPL: Budget Planning, GC: Clarity of Budget Goals, EU: Environmental Uncertainty, P: Performance (Proxied by Accountability).

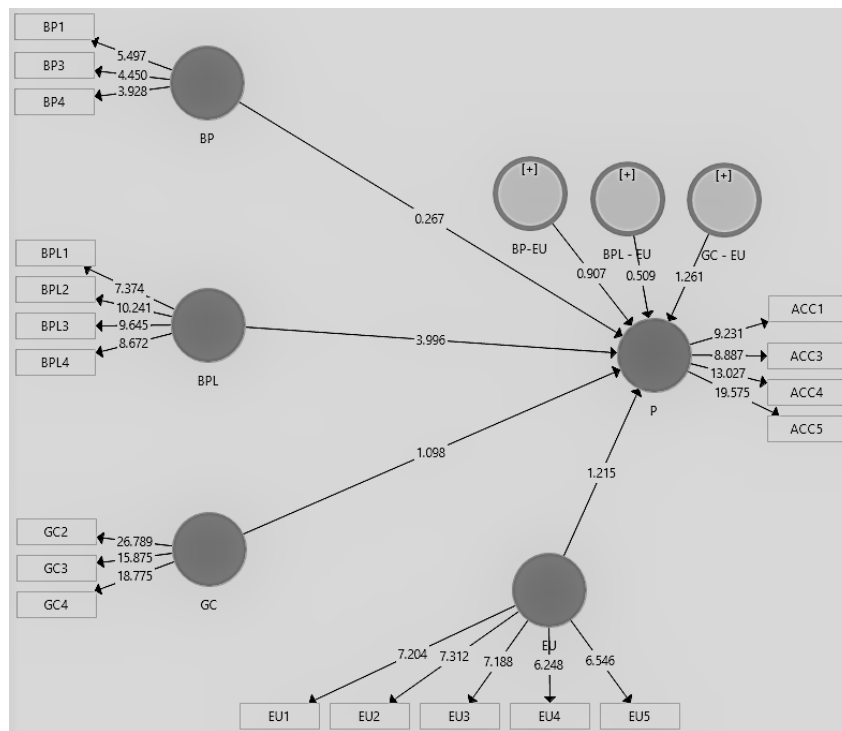


Figure 1: Structural Model Results

## DISCUSSION

### *The Influence of Budget Participation on Performance*

Based on table 4, the p-value of the variable budget participation is 0.790 greater than 0.05, meaning that budget participation has no influence on accountability. Supported by a t-statistic value of 0.267 which is smaller than 1.96. Based on Minister of Education and Culture Regulation No. 2018 concerning the Technical Guidelines for BOS, BOS funds are managed by the School Based Management (SBM) system. In the SBM system, according to (Cheong Cheng, 1993) states that school members including the board of directors, supervisors, principals, teachers, parents, students and others, have greater autonomy and responsibility for the use of resources in solving problems and carry out effective teaching activities, and for long-term school development. This means that the management of BOS funds has a high level of member participation, so this study examines whether the participation of school members can improve school performance, in this case how accountability is the management of BOS funds.

The results of this study, stated that the participation of school members did not affect the accountability of the management of BOS funds. The participation of school members is their involvement in budgeting, how input, opinions and suggestions from participants. Some of the participating parties included principals, treasurers, administrators, teachers, and of course with the approval of the school committee and parents of students, did not affect school accountability.

By referring to the Regulation of the Minister of Education and Culture of the Republic of Indonesia 2018, with the SBM system, it is expected that the involvement of the school members would be more efficient, transparent, and accountable because the process was managed professionally. Nevertheless, this needs to be examined further. The school members who were involved in the preparation of the BOS funds and in its implementation need to be further observed. The school members certainly understood the needs and conditions of each of the variables. Therefore, their input, opinions and suggestions would reflect the need of the students' requirement for a smooth education. However, it is unclear whether each of these participants made any significant contribution to the process or not. This implies that current conditions require some degree of flexibility and rapid adaptation. If the authority of flexible budgeting was not optimal, school accountability cannot be increased. The results of this study is consistent with the outcome of Leach-López et al. (2015) who noted that budgetary participation does not directly influence performance.

### ***The Influence of Budget Planning on Performance***

Based on table 4, the p-value of the budget planning variable is 0.000 less than 0.05, meaning that budget planning has an influence on accountability. Supported by a t-statistic value of 3.996 which is greater than 1.96. The coefficient of 0.396 states that the relationship of budget planning with accountability is positive. That the better planning in preparing the budget, will further increase the accountability of the use of BOS funds. Vice versa, if planning in budgeting is not good, then accountability becomes low.

Based on Minister of Education and Culture Regulation No. 2018 concerning Technical Guidelines for School Operational Assistance, the management of BOS funds with the SBM system provides freedom in planning, managing and monitoring the use of resources that are tailored to the needs. In the budget planning process, a number of things were evaluated, such as taking into account the various needs, prioritizing which programs should be implemented first, taking into account the ability of the budget manager, and ensuring the achievement of the goals or objectives of the use of funds. Schools that received the BOS funds were required to prepare a Medium Term Work Plan every four years, and the Annual Work Plan is used as a reference for annual activities. The School Activity and Budget Plan is also referred to as plans for the school development program for the subsequent year. Based on the results of this study, it appears that all these elements can increase the accountability of the management of the BOS funds. As a result, schools that received the BOS funds were expected to do the budget planning as well as possible, and to follow the regulated technical guidelines. The results of this study is in tandem with the outcome of Kwarteng (2018).

### ***The Influence of the Clarity of Budget Goals on Performance***

Based on table 4, the p-value of the variable clarity of budget goals is 0.273 greater than 0.05, meaning that the clarity of the budget goals does not affect accountability. Supported by a t-statistic value of 1.098 which is smaller than 1.96. Clarity of budget goals did not affect the accountability of the management of BOS funds. Basically, the use of the BOS funds is based on a set of criteria already determined by the government. The school has the authority to manage resources in accordance with the problems and needs, hence such budgeting should be made more flexible. However, it remains to be in the authority of the government who determines how the funds should be used.

Based on previous research (Nirwana et al., 2017), it appears that clear budget goals can improve performance. The clarity of the goals in using the funds can make managers more focused on spending or using the funds. However, in the study of the BOS funds, where the regulation on the use of funds is very clear, the clarity of the goals was not a factor that improved school performance. This outcome needs to be further examined so as to determine whether the use of the BOS funds is in accordance with the objectives and directives that had been prepared at the outset. If the preparation of the objectives was good, but the implementation was not in accordance with the objectives, it can give different results. On the other hand, other factors can also affect the results, for instance, whether the objectives set at the beginning can be adjusted in the current period when more urgent needs are needed. If we refer to the beyond budgeting system further, it can be said that the budget that was prepared at the beginning can change according to the conditions and circumstances. Based on this, budget managers need to be able to adjust the needs by focusing on what is more important than what was set as the initial goal, at the start of the budgeting. Therefore, it is important to take note of the current changing conditions so that the budgeting can be made in lieu of future occurrences. This preparation would make the budgeting system more appropriate.

### ***The Influence of Environmental Uncertainty on Performance***

Based on table 4, the p-value of the environmental uncertainty variable is 0.225 greater than 0.05, meaning that environmental uncertainty has no influence on accountability. Supported by a t-statistic value of 1.215 which is smaller than 1.96.

Environmental uncertainty consists of many factors, such as technological development, innovation, curriculum change, changes in student preferences, changes in government regulations, and others. This study emphasizes more on the change in the external environment, not the internal environment. The environment must change, so we as resource managers must be able to adjust to changes, including the management of BOS funds. In this study, it is assumed that environmental uncertainty can reduce school accountability.

Based on the results of this study, it turns out that changes in the environment have no influence on accountability. One of the characteristics of the SBM system, according to Cheong Cheng (1993), is that the use of its resources is autonomous; it is adapted to the needs of the school, and it is for resolving problems that can be addressed as soon as they occur. Efficacy in managing environmental problems provide positive benefits. This is thought to make the environmental change factor less influential in reducing the accountability/performance of the management of the BOS funds.

### ***Environmental Uncertainty on the Influence of Budget Participation and Performance***

Based on table 4, the p-value of the environmental uncertainty variable on the influence of budget participation and accountability is 0.365 greater than 0.05, meaning that environmental uncertainty does not moderate the influence of budget participation on accountability. Supported by a t-statistic value of 0.907 which is smaller than 1.96. When environmental uncertainty does not affect

accountability, and budget participation has no influence on accountability, this result is appropriate, that environmental uncertainty does not moderate the influence of budget participation on accountability.

Based on the results of this study, environmental uncertainty does not have any influence or does not moderate the influence of budget participation on accountability. This needs to be further investigated regarding the function of the participation of school members in budgeting. The system adopted by schools in managing BOS funds is the SBM system where the system emphasizes the participation of school members in preparing the budget, and also the implementation can be adjusted immediately according to the conditions of school needs in the field. Theoretically should the participation of school members increase accountability and environmental uncertainty reduce the influence of budget participation on accountability. However, the results of this study prove the opposite. This is presumably because the participation or participation of school members in budgeting is not optimal. There needs to be further qualitative research in order to obtain deeper analysis. School efforts in responding to environmental uncertainty related to their impact on budget participation on accountability are good. Environmental uncertainty does not lead to accountability. Environmental uncertainty does not lead to accountability school gets bad. The results of this study conflict with the results of the study (Nirwana et al., 2017).

#### ***Environmental Uncertainty on the Influence of Budget Planning and Performance***

Based on table 4, the p-value of the environmental uncertainty variable on the influence of budget planning and accountability is 0.611 greater than 0.05, meaning that environmental uncertainty does not moderate the relationship of budget planning to accountability. Supported by a t-statistic value of 0.509 which is smaller than 1.96.

Planning is one of the principles in budgeting. In conducting budget planning, of course evaluation and consideration is needed of factors of environmental uncertainty. Good planning is expected to provide results that are efficient, transparent, and accountable. Based on the results of this study, it was observed that environmental uncertainty does not weaken the influence of budget planning on performance. This evidence showed that the management of the BOS funds can still be maintained even though the environment is rapidly changing. In this regard, the technical guidelines for managing the BOS funds are still relevant. Neely, Bourne, and Adams, (2003) had noted that traditional budgets were not too responsive to the current environment that is competitive and turbulent. The SBM system can be said to lead to 'beyond budgeting' techniques that have a more flexible nature so that changes in the environment do not become obstacles.

#### ***Environmental Uncertainty on the Influence of the Clarity on Budget Goals and Performance***

Based on table 4, the p-value of the variable environmental uncertainty on the influence of clarity of budget goals and accountability is 0.208 greater than 0.05, meaning that environmental uncertainty does not moderate the influence of clarity on budget goals towards accountability. Supported by a t-statistic value of 1,261 which is smaller than 1.96. When environmental uncertainty has no influence on accountability, and the clarity of budget goals does not affect accountability, then this result is appropriate, that environmental uncertainty does not moderate the relationship of clarity of budget goals to accountability.

Permendikbud No.1 of 2018 has arranged technical instructions on the use of BOS funds. BOS funds are used for activities, such as library development, new student admission activities, extracurricular activities, and others. This study wants to test whether there are environmental uncertainties such as technological developments, the existence of innovations, changes in student preferences, curriculum changes, changes in government regulations can reduce the influence of clarity of budget goals on accountability to be achieved.

The result of this study indicate that environmental uncertainty did not affect/reduce the performance or accountability of the schools using the BOS funds. This is presumably due to the SMB system which was set by the government. It is a system that allows changes to be adjusted to the system according to the current environmental conditions. Uncertainty and changes are very volatile, but the SBM system can anticipate this because it has the relevant characteristics. It appears to suit the schools' needs. The flexible nature of this system enables it to respond to environmental changes well, hence it is very suitable for the BOS bugeting system.

#### **CONCLUSION**

This study found that only budget planning has a positive influence on performance. Budget participation has no influence on performance. The clarity of budget goals has no influence on performance. Environmental uncertainty has no influence on performance. Environmental uncertainty does not moderate the influence of budget participation on performance. Environmental uncertainty does not moderate the influence of budget planning on performance. Environmental uncertainty does not moderate the influence of the clarity on budget goals on performance.

The results of this study have practical implications for the government. It showed that the role of school members who participate in the budgeting, based on the SBM system. Therefore, their involvement should be regulated more specifically, in accordance with the Regulation of the Minister of Education and Culture of the Republic of Indonesia 2018 so that the participation of these school members can increase school performance or accountability for the use of BOS funds. Another practical implication is directed at those schools which received the BOS funds. These schools were expected to plan the budget in detail, clearly and on



target so that it can provide accountability to the government in a professional, transparent and accountable manner. Thus, the result derived can be used for a better preparation of the BOS budget.

Like all studies, the current study also faced some limitations. Firstly, the data collected were minimal and based on selective schools. Thus, generalizability is constrained. Secondly, data were obtained via the survey approach. This means that some responses in the questionnaire could be subjective, hence they involved some degree of data bias. Thirdly, sampling was only from the scope of Jakarta, so the results may not necessarily reflect the overall conditions of Indonesia, in general. Future research may find it useful to conduct a qualitative approach using in-depth interviews (focus group discussion) with the school members concerned. Given that the result of this study indicated that user participation does not affect the performance of the BOS funds, further research needs to be conducted so as to understand this variable more deeply.

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