THE INFLUENCE OF THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE, ACCOUNTABILITY ACCOUNTING AND BUDGETING PARTICIPATION ON THE COMPANY PERFORMANCE IN PDAM SURAKARTA

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Abstract: This study aims to examine the effect of implementing good corporate governance, accountability, and mitigation planning on company performance in PDAM Surakarta City. The sampling method used purposive sampling method. Data collection techniques using questionnaires. The analysis used in this research is descriptive statistical analysis, validity and reliability test which are processed using the Statistical Package for Social Science (SPSS) Version 23. The result of the study show that variables of good corporate governance, accountability accounting and budgeting participation have an effect on company performance.

Keyword: good corporate governance, accounting per responsibility, budget sensitivity, company performance.

1. Introduction

PDAM is one of the regional original revenues. In carrying out its duties, PDAM must have good performance support. To improve the performance of this company, the company needs to implement several things including implementing good corporate governance, accountability accounting and participation in budgeting.

According to Mangkunegara (2013) performance is the result of work in quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given. Company performance or company performance is a result achieved by the company in a certain period. Measurement and assessment of financial performance are interconnected with each other.

Good corporate governance is a set of rules, laws and principles that must be fulfilled so that company performance can increase efficiently, producing long-term sustainable assets for shareholders and the surrounding community (World Bank).

Accountability accounting is a system that measures the results achieved by each responsibility center according to information that has been determined by managers to operate responsibility centers (Hansen and Mowen, 2013).

Budgeting participation is a process in budgeting that involves all employees at all levels in an organization (Sri Rahayu and Andry (2013)).

These three things if implemented properly will be able to significantly improve the company's performance so that it can serve the clean water needs of the people of Surakarta city to the fullest.

This study aims to determine the influence of the implementation of good corporate governance, accountability accounting and participation in budgeting significantly on company performance in PDAM Surakarta.

Framework
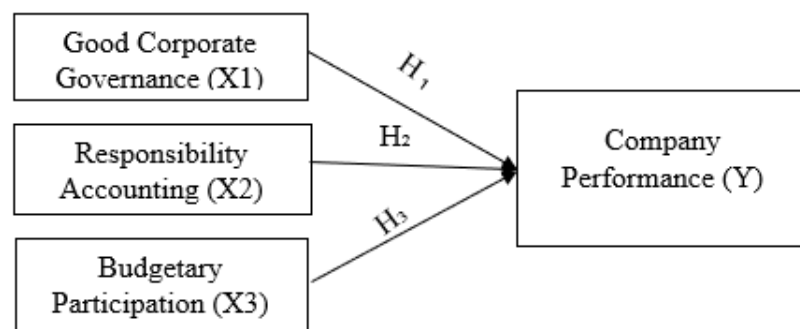
Hypothesis

H_1: good corporate governance has a significant effect on company performance

H_2: responsibility accounting has a significant effect on company performance

H_3: participation in budgeting has a significant effect on company performance

2. Research methods

The population in this study were all PDAM Surakarta City employees, totaling 284 people and the sample consisted of 50 people who were taken using a purposive sampling method. Data collection was taken with a questionnaire conducted for 10 days. The analysis used is the validity test and reliability test. The classic assumption test uses the normality test, multicollinearity test and autocorrelation test. Model feasibility test using simultaneous significance test or f test. the latter was tested by using multiple linear regression analysis, t test and r^2 test.

3. Results and Discussion

Results

a. Test Data Analysis

1. Validity Test

X1 Validity Test

Question Items	R Calculate	R Table	Description
X1.1	0,826	0,279	Valid
X1.2	0,847	0,279	Valid
X1.3	0,931	0,279	Valid
X1.4	0,909	0,279	Valid
X1.5	0,941	0,279	Valid

Source: processed data (2023)

All questions on variable X1 or good corporate governance are valid.

X2 Validity Test

Question Items	R Calculate	R Table	Description
X2.1	0,933	0,279	Valid
X2.2	0,829	0,279	Valid
X2.3	0,902	0,279	Valid
X2.4	0,932	0,279	Valid
X2.5	0,893	0,279	Valid

Source: processed data (2023)

All questions on variable X2 or responsibility accounting are valid.

X3 Validity Test

Question Items	R Calculate	R Table	Description
X3.1	0,761	0,279	Valid
X3.2	0,907	0,279	Valid
X3.3	0,811	0,279	Valid
X3.4	0,931	0,279	Valid
X3.5	0,822	0,279	Valid

Source: processed data (2023)

All questions on variable x3 or participation in budgeting are valid.

Y Validity Test

Question Items	R Calculate	R Table	Description
Y.1	0,727	0,279	Valid
Y.2	0,671	0,279	Valid
Y.3	0,586	0,279	Valid
Y.4	0,585	0,279	Valid
Y.5	0,622	0,279	Valid

Source: processed data (2023)

All questions on variable y or company performance are valid.

2. Reliability Test

Reliability Test

Critical	Cronbach's Alpha	R Variable	Description
X1	0,824	0,60	Reliable
X2	0,785	0,60	Reliable
X3	0,818	0,60	Reliable
Y	0,751	0,60	Reliable

Source: processed data (2023)

All variables in this study are reliable.

b. Classical Assumption Test

1. Normality Test

Normalitiy Test

	Unstandardized Residual
Test Statistic	0,065
Asymp. Sig. (2-tailed)	$0,200^{c,d}$

Source: processed data (2023)

The regression equation in this study is normally distributed.

2. Multicollinearity Test

Multicollinearity Test

Model	Collinearity Statistics		Description
	Tolerance	VIF	
X1	0,645	1,549	There is no multicollinearity
X2	0,578	1,729	There is no multicollinearity
X3	0,629	1,591	There is no multicollinearity

Source: processed data (2023)

From the table above the data tolerance value is greater than 0.10 and VIF is less than 10 so that the data is free of multicollinearity.

3. Autocorrelation Test

Autocorrelation Test

Variable	Durbin-Watson	Description
Company Performance	2,129	No Autocorrelation Occurs

Source: processed data (2023)

In this study, all variables were free from autocorrelation problems because the Durbin-Watson values were between dU and 4-dU.

c. Model Feasibility Test (F Test)

Simultaneous Significance Test (F Test)

Model	Mean Square	F	Sig
Regression	72,663	32,760	0,000[b]
Residual	2,218		
Total			

Source: processed data (2023)

The significance value is 0.000 <0.05 simultaneously, the independent variable has a significant effect on the dependent variable.

d. Hypothesis Testing

1. Multiple Linear Regression Analysis Test

$$KP = 8{,}481 + 0{,}193 \, GCG + 0{,}294 \, AP + 0{,}165 \, AP + e$$

Information:

KP	= Company Performance
GCG	= Good Corporate Governance
AP	= Accountability Accounting
PPA	= Participation in Budgeting

From the above equation, the following results are obtained:

a. A constant value of 8.481 means that if the independent variable has a constant value then the dependent variable has a value of 8.481.

b. The value of the regression coefficient for good corporate governance is 0.193, so if good corporate governance increases by 1 unit, the company's performance will increase by 0.193.

c. The value of the regression coefficient of responsibility accounting is 0.294, so if responsibility accounting increases by 1 unit, the company's performance will increase by 0.294.

d. The value of the regression coefficient for budgeting participation is 0.165, so if participation in budgeting increases by 1 unit, the company's performance will increase by 0.165.

2. Partial Test (T Test)

Partial Test (T Test)

Variable	Coefficients	T Count	T Table	Sig	Description
(Constant)	8,481	6,085		0,000	
X1	0,193	3,133	2,008	0,003	Influential
X2	0,294	3,865	2,008	0,000	Influential
X3	0,165	2,243	2,008	0,030	Influential

Source: processed data (2023)

The calculated T value of all independent variables > T table and its significance value > 0.05 so that all independent variables in this study have a significant effect on the dependent variable.

3. The Coefficient of Determination Test (Statistical Test R²)

The Coefficient of Determination Test (Statistical Test R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,825[a]	0,681	0,660	1,489

Source: processed data (2023)

Adjusted R Square value of 0,660 The independent variable on the dependent variable is 66% and the remaining 34%.

Discussion

1. The effect of good corporate governance on company performance

Based on the results of multiple linear regression analysis, it was found that the regression coefficient value for the good corporate governance variable was positive, namely 0.193 and for the t test, a significance value of 0.003 <0.05 was obtained, so that H1 was accepted. This shows that good corporate governance influences company performance.

2. Effect of Responsibility Accounting on company performance

Based on the results of multiple linear regression analysis, it was found that the regression coefficient value for the responsibility

accounting variable is positive, which is equal to 0.294 and for the t test, a significance value of 0.000 <0.05 is obtained, so H2 is accepted. This shows that responsibility accounting has an effect on company performance.

3. The effect of budgetary participation on company performance

Based on the results of multiple linear regression analysis, it was found that the regression coefficient value for the budgeting participation variable is positive, which is equal to 0.165 and for the t test, a significance value of 0.030 <0.05 is obtained, so H3 is accepted. This shows that participation in budgeting has an effect on company performance.

4. Conclusion

Conclusion

Significantly and simultaneously, the independent variable has a positive effect on the dependent variable

Suggestion

a. In future research it is expected to add other independent variables because there may be other variables not included in this study which may have an influence on company performance such as compensation, work discipline and work culture.

b. In future studies it is recommended to increase the number of research samples to be used in research.

c. PDAM is expected to improve the company's performance in order to be able to serve and fulfill the clean water needs in Surakarta City to the fullest.

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