THE POTENTIAL OF BUDGET PARTICIPATION AND DALIHAN NATOLU LEADERSHIP STYLE TO IMPROVE COMMUNITY WELFARE IN THE TOBA CALDERA TOURISM GEOGRAPHY AREA

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ABSTRACT

Objective: This research analyzes the determinants of budgetary participation's effect on financial performance through Dalihan Natolu's leadership style in 4 districts in the Toba Caldera region and conducts a descriptive economic analysis of social and economic indicators in 7 districts post-Regional Autonomy and Fiscal Decentralization. Analyze village category development using the village development index (IDM) in 7 Toba Caldera districts. Estimating economic development parameters in 7 Toba Caldera districts in North Sumatra.

Method: This study uses a quantitative method with descriptive analysis. Descriptive statistical analysis in this study was carried out using frequency distribution analysis and inferential statistical analysis including: evaluation of the assumptions of the structure equation model (SEM), SEM analysis, model fit test and hypothesis testing. The data analysis technique in this study uses Partial Least Square (PLS). PLS is a Structural Equation Modeling (SEM) equation model with an approach based on variance or component-based structural equation modeling. This research was conducted in 4 (four) administrative districts located around the Lake Toba Tourism Area which in their kinship life absolutely adhere to the local wisdom of Dalihan Natolu, namely Toba Regency, Samosir Regency, North Tapanuli Regency, Humbang Hasundutan Regency.

Conclusion: This quantitative study's findings Budget Participation Factor also affects Financial Performance moderated by Dalihan Natolu's Leadership Style, as shown by t statistics > t table (3.961 > 2.032). To strengthen this analysis, you can also use the P Value, with the condition p < 0.05, which shows 0.000 < 0.05. In 2019, the Human Development Index in 7 Toba Caldera Region Regencies measured Life Expectancy (UHH), Average Length of Schooling (RLS), and Expenditure Per Capita. In 2019-2020, the Toba Caldera Region's Gross Regional Domestic Product (GRDP) is stable and led by Agriculture, Forestry & Fisheries, Wholesale and Retail Trade, and Industrial Management. Karo Regency has the highest HDI and Humbang Ha Anglean the lowest. The comparative IPD for that year increased in 7 Toba Caldera Region Regencies from 2014 to 2018. Toba Caldera districts' Human Development Index (IPM) increases somewhat with GRDP per capita.

Keywords: budgetary participation, financial performance, leadership style of Dalihan Natolu.

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O POTENCIAL DA PARTICIPAÇÃO ORÇAMENTÁRIA E DO ESTILO DE LIDERANÇA DALIHAN NATOLU PARA MELHORAR O BEM-ESTAR DA COMUNIDADE NA ÁREA GEOGRÁFICA DO TURISMO DE TOBA CALDERA

RESUMO

Objetivo: Esta pesquisa analisa os determinantes do efeito da participação orçamentária no desempenho financeiro através do estilo de liderança de Dalihan Natolu em 4 distritos na região de Toba Caldera e realiza uma análise econômica descritiva de indicadores sociais e econômicos em 7 distritos pós-Autonomia Regional e Descentralização Fiscal. Analise o desenvolvimento da categoria da aldeia usando o Índice de Desenvolvimento da Aldeia (IDM) em 7 distritos de Toba Caldera. Estimativa dos parâmetros de desenvolvimento econômico em 7 distritos de Toba Caldera, em Sumatra do Norte.

Método: Este estudo utiliza um método quantitativo com análise descritiva. A análise estatística descritiva neste estudo foi realizada utilizando análise de distribuição de frequência e análise estatística inferencial, incluindo: avaliação dos pressupostos do modelo de equação de estrutura (SEM), análise SEM, teste de ajuste de modelo e teste de hipóteses. A técnica de análise de dados neste estudo utiliza o Parcial Least Square (PLS). PLS é um modelo de equação de modelagem de equações estruturais (SEM) com uma abordagem baseada em variância ou modelagem de equações estruturais baseadas em componentes. Esta pesquisa foi realizada em 4 (quatro) distritos administrativos localizados em torno da Área de Turismo do Lago Toba que em sua vida de parentesco absolutamente aderir à sabedoria local de Dalihan Natolu, ou seja, Regência Toba, Regência Samosir, Regência Tapanuli Norte, Regência Humbang Hasundutan.

Conclusão: As conclusões deste estudo quantitativo Fator de Participação Orçamentária também afetam o Desempenho Financeiro moderado pelo Estilo de Liderança de Dalihan Natolu, como mostra a tabela t statistics > t (3.961 > 2.032). Para fortalecer essa análise, você também pode usar o Valor P, com a condição p < 0,05, que mostra 0,000 < 0,05. Em 2019, o Índice de Desenvolvimento Humano em 7 Regências da Região de Caldeira Toba mediu a Esperança de Vida (UHH), a Duração Média da Escolaridade (RLS) e as Despesas Per Capita. Em 2019-2020, o Produto Interno Regional Bruto (GRDP) da Região da Caldeira Toba é estável e liderado pela Agricultura, Silvicultura e Pesca, Comércio por Atacado e Varejo e Gestão Industrial. Karo Regency tem o HDI mais alto e Humbang Ha Anglean o mais baixo. O IPD comparativo para esse ano aumentou em 7 Regências da Região da Caldeira Toba de 2014 a 2018. O Índice de Desenvolvimento Humano (IPM) dos distritos de Toba Caldera aumenta um pouco com o PIB per capita.

Palavras-chave: participação orçamentária, desempenho financeiro, estilo de liderança de Dalihan Natolu.

1 INTRODUCTION

Development is a continuous process that involves all aspects of people's lives, including economic and social aspects, in order to improve the welfare of all levels of society, which is an absolute prerequisite for the survival of the country. Development
does not only aim at high economic growth, but must also include increasing people's welfare, reducing poverty, reducing unemployment and increasing human development (Arsyad, 1999).

The process of economic development of a country is inseparable from the participation of the regions in the territory of the country so that regional development is something that is important to do. The regional economic development mentioned above is a process in which the local government and its people manage existing resources and form a partnership model between the local government and the private sector to create new jobs and encourage the development of economic activities in the area (Arsyad, 1999).

In strengthening the role of the regions in regional economic development, the concept of regional autonomy is regulated in Law Number 23 of 2014 which states that regional autonomy is the rights, authorities and obligations of an autonomous region to regulate and manage its own affairs of government and the interests of the local community within the state system. Unitary Republic of Indonesia. The purpose of the concept of regional autonomy has 3 (three) main missions in its implementation, namely: a) Improving the quality and quantity of public services and people's welfare. b) Increasing efficiency and effectiveness in regional resource management. c) Strengthening and creating spaces for community participation in the development process (Tulus, 2019).

To increase the contribution of the strategic sector is carried out by strategic areas in areas that are the main prime movers as the main growth drivers/ One of which is the tourism area. Government Regulation (PP No. 26:2008) concerning the national spatial plan, the government of Indonesia stated the Lake Toba Area as a National Strategic Area in the tourism sector, hereinafter referred to as the National Tourism Strategic Area. The National Tourism Development Master Plan (2010) designates the Lake Toba area as a National Tourism Destination and as a prime tourism destination located in North Sumatra Province.

The establishment of the Lake Toba Region as a National Tourism Strategic Area, National Tourism Destination and Superior Tourism Destination in North Sumatra Province is expected to boost the pace of development of the surrounding districts.

The success of realizing regional autonomy certainly depends on the ability of the regions to manage their regional finances. Regional capabilities are seen from the
activities carried out by the Regional Government in finding, managing, and developing all the potential that exists in the regions to finance regional needs without having to rely on transfer funds provided by the central government (Syam & Zulfikar, 2022). Furthermore, local governments are able to balance regional revenues with regional expenditures. The ability of a region to manage its finances can be measured through the performance of local revenue, if income increases every year and is able to meet the needs of different regions, it can be said that it has been able to manage regional finances. Financial Condition is determined by the ability of an area to fulfil an obligation for prospering or serving a community. In this regard, there are three core dimensions to evaluate the Financial Condition they are environmental, institutional and financial dimensions. These three dimensions will be interconnected to produce a proper Financial Condition. By fulfilling all these dimensions, the government will be able to bring more stable Financial Condition (Usman et al., 2021).

Financial performance is an important thing to look at. The better the financial performance of an area, it can be said that the area has financial independence. Government financial performance is measured through performance indicators that play a role in evaluating financial performance, which influences budget decision making and monitoring government budget performance (Zuhri & Soleh, 2016).

<table>
<thead>
<tr>
<th>No</th>
<th>Nama Kabupaten</th>
<th>Effectiveness Ratio of PAD (%)</th>
<th>Efficiency Ratio of PAD (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Humbang Hasundutan</td>
<td>104.7 100.35 89.27 87.52 67.07</td>
<td>100 98 100 107 131</td>
</tr>
<tr>
<td>2</td>
<td>Toba Samosir</td>
<td>100.91 99.81 88.00 97.99 89.99</td>
<td>106 99 99 102 105</td>
</tr>
<tr>
<td>3</td>
<td>Tapanuli Utara</td>
<td>100.59 99.2 91.32 105.91 91.66</td>
<td>100 98 115 104 108</td>
</tr>
<tr>
<td>4</td>
<td>Simalungun</td>
<td>103.50 99.74 86.23 94.61 95.96</td>
<td>100 100 101 96 97</td>
</tr>
<tr>
<td>5</td>
<td>Dairi</td>
<td>77.87 96.42 89.79 94.69 95.16</td>
<td>103 98 98 92 100</td>
</tr>
<tr>
<td>6</td>
<td>Simalungun</td>
<td>97.11 101.01 89.33 98.48 100.32</td>
<td>103 97 100 98 96</td>
</tr>
<tr>
<td>7</td>
<td>Karo</td>
<td>113.35 91.60 91.94 99.35 95.41</td>
<td>93 107 105 101 80</td>
</tr>
</tbody>
</table>

Source: North Sumatra Central Bureau of Statistics, 2021

Based on the data above, it shows that there are several districts in the Toba Caldera region that have not been effective in maximizing their financial performance. It can be seen from the number of districts that have a PAD (Locally Generated Revenue) effectiveness ratio below 100%, which means that the realization of the PAD budget is not effective. Humbang Hasundutan Regency is one of the districts that is not optimal in
realizing their APBD (budget) where, every year the realization of APBD continues to decline. In 2019 the realization reached 100.35%, decreased in 2020 to 89.27% and in 2022 the realization of the reached lower to 67.07%. Besides that, the Toba Samosir district in 2019 - 2022 also did not maximize the realization of their APBD. Where, in 2020 the realization was only 88% and 2022 only 89.99%. In terms of managing budget realization, several district governments in the Toba Caldera region have not been effective in managing PAD considering that budget realization tends to be lower than the budget ceiling, meaning that budget allocations have not been optimal.

Based on the efficiency ratio, it shows that there are several districts in the Toba Caldera region that are not yet efficient in carrying out their financial performance. It can be seen from the number of districts that have an efficient PAD ratio above 100%, which means that the PAD budget is implemented inefficiently. Humbang Hasundutan Regency is one of the districts that is inefficient in realizing their PAD where, in 2021 the efficiency ratio for Humbang Hasundutan district PAD is 107% and in 2022 it is 131%. Besides that, North Tapanuli district in 2020 – 2022 was also not efficient in implementing their PAD budget. Where, in 2020 the efficiency ratio was 115%, 2021 was 104% and 2022 was 108%. This means that the performance efficiency ratio of district PAD in the Toba Caldera region is in the inefficient category because it is above 100%. This phenomenon proves that budget absorption and budget allocation in the districts in the Toba Caldera region have not been effective and efficient.

Besides, another problem that is often encountered in the implementation of budget absorption is the disproportionate absorption of the budget in the current fiscal year. Absorption of the budget at the beginning of the fiscal year in semesters I (January – June) and II (July – December) went sloping and almost stagnant. However, in the third and fourth quarters there was a very rapid increase. This has an impact on the lack of impact on economic growth, expansion of employment opportunities, and lack of support for regional development. Measuring financial performance is very important to see the effectiveness of local governments in managing regional finances. Financial performance does not only show how public money is managed or spent, but also shows that public money returns benefits to the community.

Optimization of budget performance is inseparable from participation in budget preparation. An organization, both the private sector and the government as a public sector organization, does not have an unlimited budget so that the budget preparation
process is important in a planning process. Planning itself is a foresight to see what actions should be taken in order to realize organizational goals. A budget is a statement of estimated results, expressed in financial form, to be achieved over a certain period of time, while budgeting is the process of preparing a budget. In addition, Mardiasmo, (2009) argues that the budget serves as a performance evaluation tool. Performance is evaluated based on the achievement of budget targets and the effectiveness of budget execution. Achieving the set budget targets shows good performance and vice versa. This shows that the role of organizational members is very important in the budgeting phase because the budget is inefficient and not results oriented, possibly deviating from the goals and previous.

Staf's involvement in budget participation cannot be separated from the leadership's role in motivating and guiding employees and the attitude of subordinates in carrying out tasks to achieve organizational goals. The success of a leader is influenced by his leadership style in leading his staf's. Developments in leadership theory have resulted in different leadership styles, all of which lead to increased organizational effectiveness. The right leadership style in an organization leads to an increase in organizational performance. The regional head's leadership style in this case can influence the development of a region, which can be seen from whether he adheres to a certain understanding or custom. (Blunt & Jones, 1997) leadership style which is influenced by values and culture will have a significant influence on organizational performance.

The Dalihan Na Tolu leadership style is one of the leadership style systems adopted by the Toba Batak indigenous people. Dalihan Na Tolu as a system of cultural values that provide guidelines for orientation, perception and definition of reality or reality. In practice, dalihan na tolu also regulates family relations between the three main elements in social life, namely somba marhula-hula (respect for the mother's family), elek marboru (friendly to sisters), and manat mardongan satubuha (go well with friends of the same clan).

2 THEORETICAL FRAMEWORK
2.1 BUDGET PARTICIPATION

Brownell, (1982) explains that participation is a process that involves individuals directly in it and has an influence on the preparation of budget goals whose achievements will be assessed and likely to be rewarded on the basis of achieving their budget goals.
Participation involves face-to-face interactions between individual superiors and subordinates to set a budget that is acceptable to both parties, and employees carry out the necessary activities starting from the initial preparation of the budget, negotiations, setting the final budget and revising the required budget. Indicators of participation in preparing the budget, namely the contribution to government finance in preparing the APBD, communication can achieve targets in preparing the budget and motivation to direct one's performance improvement towards the budget. The author uses indicators regarding participation in budget preparation (Dharmanegara, 2010). (Lastenia et al., 2023) The characteristics of the Results-Based Budgeting technique demonstrate why it is claimed to constitute a break from traditional budgeting by isolating and not defining the State's interventions. It proposes the design of actions based on the resolution of critical problems affecting the population and necessitates the participation of various actors who align their actions in that direction; and it is based on an integrated vision of planning and budgeting as well as the articulation of actions and actors for the achievement of results.

2.2 REGIONAL FINANCIAL PERFORMANCE

Conceptually, performance comes from English vocabulary “performance”, which means the result of work or work performance. Performance has a broader meaning, not only work, but includes how the work process takes place also. Performance is about doing the work and the results achieved from the work. Performance is about what is done and how to do it (Wibowo, 2013). Performance is the result of an evaluation of the work that has been done compared to the criteria that have been set together (Stephen et al., 2008). Financial performance can be concluded as a description of the financial condition of a company or the finances of an institution that can be measured in a certain way which can be in the form of the realization of income and expenditure prepared on an accrual basis that results in a conclusion about the success of the company or agency in managing finances (Mbado et al., 2023). Regional finance has an important meaning in the framework of implementing government and development activities by community services in the regions (Suprapto, 2006). Therefore, regional finance is endeavored to run efficiently and effectively. (Saftiana & Susantih, 2008) said local government financial performance is the ability of a region to explore and manage local financial resources in meeting their needs to support the running of the government
system, service to the community and regional development by not being completely dependent on the central government and having flexibility in using funds for the benefit of the local community within the limits determined by laws and regulations. (Perlin et al., 2022) Particularly with regard to innovation, existing correlations between mitigation practices and several regional performance aspects were found. There is evidence that reducing high budgeting can improve one's financial situation, reputation, and level of productivity. (Lastenia et al., 2023) The diagnostic data of the processes covered in the area of the study demonstrate that the construction of a management model greatly improves public works projects. The perspectives of individuals who are a part of the units themselves, such the managers, as well as those of other professionals provide this proof.

2.3 LEADERSHIP STYLE

Leadership is a form of management that involves managers most directly with subordinates to work together and through other people to achieve organizational goals. The behavior or leaders are interrelated with organizational behavior and effective leadership will play a dominant role and contribution in organizational life. always interact with the environment that is always changing continuously both in the internal environment, the external environment, and the global environment. Leadership is effective because the leadership style used describes a consistent combination of philosophy, skills, traits, and attitudes that underlie one's behavior. Traditional theories of development – which remained in place until the 1970s – considered development within the framework of economic growth, and traditional leadership was only profit-oriented. Current leaders have to find a balance between the individual pillars of sustainable development (environmental, social and economic goals), which are interrelated (Piwowar-Sulej & Iqbal, 2023). (Istikhoroh et al., 2023) The leadership and Human capital has an impact on innovation work behavior, transformational leadership has an impact on innovation work behavior, and transformational leadership improves the impact of human capital on innovation work behavior. (Purwanto et al., 2023)Engagement is positively and significantly impacted by both transformational leadership and job resources. Additionally, it has been demonstrated that work resources can moderate the impact of transformative leadership on engagement.
3 METHODS

This study uses a quantitative method with descriptive analysis. Descriptive statistical analysis in this study was carried out using frequency distribution analysis and inferential statistical analysis including: evaluation of the assumptions of the structure equation model (SEM), SEM analysis, model fit test and hypothesis testing. The data analysis technique in this study uses Partial Least Square (PLS). PLS is a Structural Equation Modeling (SEM) equation model with an approach based on variance or component-based structural equation modeling. (Ghozali & Latan, 2015), the purpose of PLS-SEM is to develop theory or build theory (prediction orientation). PLS is used to explain whether there is a relationship between latent variables (prediction). This research was conducted in 4 (four) administrative districts located around the Lake Toba Tourism Area which in their kinship life absolutely adhere to the local wisdom of Dalihan Natolu, namely Toba Regency, Samosir Regency, North Tapanuli Regency, Humbang Hasundutan Regency.

4 RESULT AND DISCUSSION
4.1 RESULT
4.1.1 Model of Test Result

PLS-SEM analysis consists of two sub-models, namely the measurement model or outer model and the structural model or inner model. OuterModel In testing the outer model, it aims to see the validity and reliability of a model. The analysis of this test will be seen from the influence of the Loading factor, Average Variance Extracted (AVE), and composite reliability.

Factor loading is the initial stage in testing the validity of a model, the condition for factor loading is that it must be > 0.7, so that the indicator is said to be valid. If it is not valid, it must be removed from the model (Husein, 2015). stated that construct indicators for the Budget Participation variable that did not meet the loading factor values were construct indicators X_P1, X_P6, X_7, X_9, X_10, X_P11, X_P12. The Dalihan Natolu Leadership Style (Z) variable which does not meet the loading factor value is the Z_P7 construct indicator. Financial Performance Variables (Y) that do not meet the loading factor values are construct indicators Y_P1, Y_P2, Y_P3, Y_P5, Y_P7. Provisions in the convergent validity analysis, if the loading factor value is not met then
the construct indicator is discarded and a convergent validity analysis is carried out again.
Can be seen in the following image:

Figure 1 Outer Loading

The cross loading parameter in assessing the average variance extracted value to
determine the validity level of each construct indicator for each variable is recommended
to be greater than 0.50 (> 0.50) (Ghozali & Latan, 2015). The results of the average
variance extracted analysis can be presented in the table below:

<table>
<thead>
<tr>
<th>Variabels</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Participation (X)</td>
<td>0.692</td>
</tr>
<tr>
<td>Dahlian Natolu Leadership Style (M)</td>
<td>0.691</td>
</tr>
<tr>
<td>Financial Performance (Y)</td>
<td>0.657</td>
</tr>
</tbody>
</table>

Sources: PLS Processing Data, 2023

Testing the reliability of each construct can also be carried out using Cronbach's Alpha, the provisions of the assessment are carried out through the rule of thumb, where the value of Cronbach's Alpha must be greater than 0.70 (> 0.70). The results of the data analysis show the following:
Table 3 Composite Reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Nilai</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Participation (X)</td>
<td>0.911</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Dahlian Natolu Leadership Style (M)</td>
<td>0.935</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Financial Performance (Y)</td>
<td>0.925</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Sources : PLS Processing Data,2023

Table 3 shows that the composite reliability value for all variables has a reliability construct value of > 0.70. So in this case the existence of the variable fulfills the requirements for use in the next analysis.

4.1.2 Structural Model (Inner Model)

The measurement is done by looking at the R-Square value. Where later it can be seen the level of variance to changes in the independent variable to the dependent variable. The results of the R-Square analysis can be presented in the table below:

Table 4. R-Square

<table>
<thead>
<tr>
<th>Variabel</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Performance (Y)</td>
<td>0.725</td>
</tr>
</tbody>
</table>

Sources : PLS Processing Data,2023

Table 4 shows the R-Square value for the Financial Performance variable of 0.725. It can be explained that the variance in the Budgetary Participation and Leadership Style variables of Dalian Natolu is able to explain the financial performance variable of 0.725 or 72.5%.

4.1.3 Hypothesis Test

Based on the results of data analysis using SEM-PLS in hypothesis testing, the following table can be presented:

Table 5 Hypothesis Test

<table>
<thead>
<tr>
<th></th>
<th>Original Sample</th>
<th>T Statistic</th>
<th>P Values</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>X → Y</td>
<td>0.693</td>
<td>10.766</td>
<td>0,000</td>
<td>Ha accepted</td>
</tr>
<tr>
<td>X → Z→Y</td>
<td>0.420</td>
<td>3.961</td>
<td>0,000</td>
<td>Ha accepted</td>
</tr>
</tbody>
</table>

Sources : PLS Processing Data,2023

The results of the hypothesis test of the Budget Participation Factor have an influence on Financial Performance based on the table showing that a t statistic value of 10.766 is obtained, while the t table value at a significant level of 5% is obtained at 2.032 based on a sample size of 31 respondents. So it can be concluded that the t statistic > t
The results of the hypothesis test on Budgetary Participation Factor on Financial Performance are moderated by Dahlian Natolu's Leadership Style. Based on the table above, it shows that a t-statistic value of 3.961 is obtained, while a t-table value at a significant level of 5% is 2.032 based on a sample size of 31 respondents. So it can be concluded that the t statistic > t table (3.961 > 2.032), to strengthen the results of this analysis can also use the P Value, provided that p < 0.05, based on the results of data analysis it shows a value of 0.000 < 0.05. The provisions reject H0 and accept Ha, so it is concluded that budgetary participation influences financial performance moderated by Dahlian Natolu's leadership style.

4.2 DISCUSSION

4.2.1 Effect of Budget Participation Factor on Financial Performance (X -> Y)

(Sulistyorini & Wigati, 2010), budget participation is a budgeting approach that allows leaders who are responsible for budget performance to participate in budget development. (Lestari, 2015) in (Herda Nengsy, 2019) budget participation is a process of collaboration through two or more participants in making decisions that have an influence on what will be decided by them in the future. From the above understanding, it can be concluded that budget participation is the involvement of middle and lower managers in the budgeting process in making a decision.

The results in this study are in line with the contingency theory which explains that there is nothing universally applicable to all organizations in everything. This means that in terms of preparing a budget in which many internal parties are involved the organization will produce a good budget. This can happen because it is the internal parties of the organization who understand how the actual state of the organization is. Likewise the regional apparatus organizations (sections) in the local government of the Toba Caldera district. The involvement of leaders in preparing the budget for each sections will of course produce a good budget and of course the needs of each sections. This is because they are the ones who understand how their own sections is. The creation of a good budget will certainly improve managerial performance in each sections, the better.
4.2.2 The Influence of Budget Participation Factors on Financial Performance Moderated by Dahlian Natolu's Leadership Style (X→M→Y)

The Batak cultural leadership style contains elements that have similarities with other regional cultures in Indonesia, there are even universal elements. The elaboration of the formulation includes many elements, such as customs, language, manners, rules of association, literature, art, aesthetics, mysticism, philosophy and anything that includes elements of culture in general. Dahlian Natolu is a leadership style adopted by the people in the Toba Caldera region.

Dalihan Natolu becomes important to study along with national development in various areas that intersect with the local culture of the Lake Toba area which in fact covers seven districts (Simalungun, North Tapanuli, Dairi, Karo, Humbang Hasundutan, Toba Samosir, and Samosir), with six Batak sub-tribes (anthropological terms): Pakpak, Karo, Simalungun, resolving disputes that occur in the Toba Batak community, this can be seen by the issuance of PP N. 10 1990 concerning the Dalihan Natolu customary institution which was enforced in all districts in Tapanuli (Sialaban & Pasaribu, 2020). This institution has the task of carrying out various businesses/activities in order to explore, maintain, preserve, and develop regional culture, including customs and arts for development purposes and are consultative in nature with the government.

Effective leadership will only be realized if it is carried out its function. The leadership function is directly related to the social situation in the life of the respective group/organization, which implies that every leader is inside and not outside that situation. The leader must try to be part of the social situation of the group/organization. Leaders who make decisions by taking into account the social situation of their group/organization, will be perceived as a joint decision which is also a shared responsibility in carrying it out. Thus it will open opportunities for leaders to realize leadership functions in line with the social situation they develop.

5 CONCLUSION

The findings of this research, the Budget Participation Factor has a significant and positive impact on Financial Performance. Furthermore, the findings indicate that the Budget Participation Factor has an impact on Financial Performance that is tempered by Dahlian Natolu's Leadership Style. This indicates that when it comes to the preparation of a budget in which a large number of internal parties in the company are involved, the
budget that is produced will be of high quality. This is a possibility due to the fact that the internal parties of the organization are the ones that have the most accurate understanding of the current situation of the organization.
REFERENCES


