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Driving Managerial Performance in Local Government: The Interplay of Budget Participation, Budget Target Clarity, Organizational Culture, and Organizational Commitment

Djoko Kristianto [1*], Eva Hidayati Safitri [2]

[1,2] Faculty of Economics and Business, Slamet Riyadi University, Surakarta, Indonesia
[1] djokokristianto@yahoo.co.id; [2] eva.hidayati@yahoo.co.id;
***corresponding Author :** djokokristianto@yahoo.co.id

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ABSTRACT

The effectiveness of management in public sector entities is vital for maintaining accountability in budget distribution and fulfilling regional strategic goals. This research intends to evaluate the impact of involvement in budget development, the transparency of budget goals, and organizational culture on the management efficacy of Regional Work Units (SKPDs), while also investigating the function of organizational commitment as a moderating factor. A quantitative methodology was employed through a survey technique utilizing a Likert-scale questionnaire, engaging 76 participants comprising authorities and pertinent personnel from SKPDs in Karanganyar Regency. The data underwent analysis by multiple linear regression and Moderated Regression Analysis (MRA) following the execution of conventional assumption checks. The findings from the multiple regression analysis demonstrate that involvement in budget design positively and significantly influences management performance ($t = 2.798$; $p = 0.007$). In contrast, the transparency of budget objectives ($t = 1.433$; $p = 0.157$) and organizational culture ($t = 0.900$; $p = 0.372$) exhibited no significant partial influence. Moreover, the findings from the MRA test indicated that organizational commitment does not serve as a moderating variable in the association between budget participation, clarity of budget objectives, or organizational culture and managerial performance (all interaction significance values $p > 0.05$). These results affirm that enhancements in managerial efficacy within local government bureaucracy are primarily influenced by the proactive engagement of civil servants in operational budget planning rather than solely by the clarity of formal objectives.

1. INTRODUCTION

Public-sector entities are progressively obligated to exhibit accountability, openness, efficiency, and efficacy in the administration of public resources. These anticipations have heightened the focus on the administrative competencies of government officials, especially those tasked with planning, budgeting, coordinating, and assessing public initiatives. In Indonesia, Regional Government Organizations (Organisasi Perangkat Daerah or OPD), historically referred to as Satuan Kerja Perangkat Daerah (SKPD), play a crucial role in converting regional development priorities into government programs and public services. Thus, the effectiveness of management in these entities is essential for the proper allocation of public resources and the attainment of governmental goals.

The efficacy of managerial performance in local government is not exclusively dictated by the presence of financial assets or established administrative protocols. The quality of executive decision-making, employee engagement, organizational circumstances, and the capacity to synchronize actions among organizational units also exert influence. Recent empirical study reveals that management effectiveness in local government is directly connected with behavioral and managerial factors. For example, Irianto et al. (2026), in their research of 26 government entities in Merauke Regency, showed that budget participation considerably increased managerial performance. Their research indicates that

engaging employees in the budgeting process can serve as a crucial behavioral tool for enhancing management efficacy in public-sector entities.

One key managerial mechanism is budgetary participation, which refers to the involvement of managers in budget development, discussion, and decision-making. Engagement allows managers to provide operational insights, articulate resource necessities, and affect budget distributions in alignment with the demands of their specific organizational divisions. In municipal governance, this engagement is especially crucial as administrators are directly accountable for executing initiatives and meeting financial objectives. Zeyn and Nuraeni (2023), analyzing SKPD in Subang Regency, showed that budgetary participation greatly influenced the functioning of local government entities. In a similar vein, Riyadh et al. (2023) investigated the correlation between budget participation and managerial efficacy, emphasizing the significance of organizational commitment in elucidating this connection.

Nonetheless, the beneficial impact of budgetary involvement should not be presumed to manifest consistently across various organizational contexts. Engagement can provide managers the chance to sway decisions, although its efficacy is contingent upon the translation of resultant budgetary choices into explicit duties and successful execution. Recent studies conducted by Irianto et al. (2026) underscore the significance of behavioral mechanisms, demonstrating that job satisfaction partially elucidates the connection between budget participation and managerial success. This discovery indicates that the outcomes of participation may encompass organizational and psychological factors that extend beyond mere formal engagement in budgeting.

A crucial factor influencing managerial effectiveness is the clarity of budget targets. Budget target clarity pertains to the degree to which financial goals, anticipated results, performance metrics, and resource obligations are articulated in a clear and comprehensible fashion. Clearly stated targets give managers with direction, assist the prioritizing of activities, and offer a basis for monitoring and evaluating performance. In local government organizations, ambiguous financial targets may generate uncertainty regarding program priorities, duties, and expected outcomes. On the other hand, explicit objectives can enhance cooperation and responsibility by assisting managers in comprehending necessary achievements and the optimal use of organizational resources.

Recent empirical studies in Indonesian local governance underscore the significance of financial attributes. Nugroho et al. (2021), analyzing local government agencies in Central Java, investigated budget participation, budget aim clarity, and managerial performance. Their findings suggested that both budget participation and budget target clarity positively benefited management performance, however budget target clarity did not significantly influence organizational commitment. This conclusion is particularly noteworthy since it demonstrates that the impact of budgeting procedures on performance and their links with employee attitudes may not necessarily follow comparable patterns.

Beyond budgeting techniques, organizational culture represents another crucial aspect that may influence managerial success. Organizational culture contains common values, beliefs, conventions, and behavioral expectations that shape how organizational members interact, make choices, and fulfill their tasks. In government organizations, organizational culture can influence the amount to which managers display accountability, collaboration, discipline, adaptability, and devotion to public-service objectives. A supportive organizational culture may encourage collaboration and cooperation across divisions, while an inflexible or poorly aligned culture may hinder managerial initiative and organizational effectiveness.

Recent findings from the public sector underscore the significance of corporate culture in influencing performance results. Fogalo and Abegaz (2026) discovered in their examination of the Batu Town Administration Office in Ethiopia that organizational culture markedly enhanced employee performance and commitment to the organization. Their research revealed that organizational commitment served as a partial mediator in the connection between organizational culture and employee performance. This study indicates that corporate culture might affect performance not solely via organizational procedures but also through employees' emotional connection to their organizations.

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Nevertheless, corporate culture by itself may not adequately guaranty that managers reliably convert organizational ideals into successful performance (Latunreng et al., 2022). The degree to which managers assimilate corporate ideals and exhibit a readiness to achieve group goals may be contingent upon their level of organizational commitment. Organizational commitment signifies the degree of employees' allegiance to their organization, alignment with its goals, and readiness to aid in its prosperity. In municipal government entities, dedicated managers may exhibit heightened accountability in executing programs, overseeing resources, orchestrating activities, and fulfilling organizational objectives (Latunreng et al., 2022; Sutrisno, 2019).

Recent empirical evidence underscores the significance of organizational commitment in the success of the public sector. Zeyn and Nuraeni (2023) discovered that organizational commitment has a substantial impact on the efficacy of local government entities in Subang Regency. Riyadh et al. (2023) also added organizational commitment into their analysis of budget participation and management performance, highlighting its importance in understanding the behavioral characteristics of managerial effectiveness. Moreover, Fogalo and Abegaz (2026) recognized organizational commitment as a significant factor linking corporate culture to employee performance.

Not with standing these advancements, a significant study question persists about the influence of organizational dedication on elucidating the connections between managing practices and managerial performance. Current research has investigated organizational commitment from several analytical perspectives, including its role as an independent variable, an intervening variable, or a mediator. Riyadh et al. (2023) investigated organizational commitment as a mediating factor in the correlation between budget participation and management effectiveness. Fogalo and Abegaz (2026) investigated its intermediary function in the connection between organizational culture and employee performance. These investigations yield significant proof concerning the significance of commitment; however, they do not explicitly determine if organizational commitment enhances the influence of budget participation, budget target clarity, and organizational culture on managerial performance when considered as a moderating factor.

This differentiation holds significance both philosophically and practically. Organizational commitment is anticipated to serve as a moderating variable that affects the intensity of the connection between organizational elements and managerial performance. Budgetary involvement can offer managers a chance to influence budgetary choices, although these chances may lead to enhanced performance results when managers are dedicated to the organization's goals. In a similar vein, explicit budget objectives can offer managerial guidance, whereas organizational dedication may motivate managers to intensify their efforts in reaching those objectives. A nurturing corporate culture can create common values and behavioral norms, whereas organizational commitment can enhance managers' readiness to implement these principles in practical management.

Recent research suggests that the correlations between budgeting procedures, organizational commitment, and performance may vary across different institutional settings. Nugroho et al. (2021) discovered that budget participation and the clarity of budget targets exhibited distinct correlations with organizational commitment, although both were favorably linked to managerial success. Furthermore, the 2026 research conducted by Irianto et al. illustrates that job satisfaction accounts for a portion of the correlation between budget participation and managerial efficacy. These results indicate that the effects of budgeting techniques on performance may be contingent upon the behavioral and organizational contexts in which they are applied.

This, the current research identifies organizational commitment as a moderating factor in the connections among budgetary involvement, clarity of budget targets, organizational culture, and managerial performance. This methodology contrasts with research that mainly investigates organizational commitment as a straightforward predictor or intermediary. The research aims to enhance comprehension of the circumstances in which budgeting procedures and organizational culture influence

managerial performance in local government entities by examining its moderating effect across three separate organizational factors.

The research is carried out within Indonesian local government entities, whose managerial duties encompass not just meeting financial objectives but also maintaining public accountability and successfully executing regional development initiatives. The results are anticipated to enhance the literature on public-sector management by broadening recent empirical dialogs about budgeting, organizational culture, and commitment. From a pragmatic standpoint, the research could aid local government officials in establishing more inclusive budgeting procedures, enhancing the transparency of budget objectives, fortifying organizational culture, and cultivating organizational dedication as they strive to elevate managerial efficacy.

Prior research has thoroughly investigated the connections among budgeting methods, organizational elements, and managerial performance; yet, the empirical results are still ambiguous, especially about the influence of organizational commitment on these linkages. Recent research indicates that involvement in budgeting enhances managerial effectiveness within public-sector entities. Zeyn and Nuraeni (2023) discovered that budgetary involvement had a substantial impact on the efficacy of local government entities in Indonesia, whereas Riyadh et al. (2023) emphasized the importance of organizational commitment in the correlation between budget participation and managerial effectiveness. In a similar vein, Nugroho et al. (2021) indicated that involvement in budgeting and the clarity of budget objectives had a beneficial impact on managerial performance within local government entities. Nonetheless, their results also suggested that the correlations between budgeting procedures and organizational commitment were not uniformly reliable. These findings indicate that the impact of budgeting methodologies on management efficacy may be contingent upon supplementary organizational and behavioral factors.

A subsequent research deficiency pertains to the conceptual framework of organizational commitment in earlier investigations. Contemporary studies have generally regarded organizational commitment as an autonomous variable, a moderating variable, or a mediator. Riyadh et al. (2023) investigated organizational commitment as a mediating factor in the correlation between budget participation and management efficacy. In the interim, Fogalo and Abegaz (2026) examined its intermediary function in the connection between organizational culture and employee performance inside a public-sector entity. While these studies offer significant understanding of the behavioral dynamics linking organizational conditions to performance, they do not comprehensively clarify if organizational commitment amplifies or diminishes the impact of budgetary participation, budget target clarity, and organizational culture on managerial performance. Empirical evidence investigating organizational commitment concurrently as a moderator across these three connections is notably scarce.

Moreover, prior studies have frequently analyzed budgetary procedures and organizational elements in isolation, leading to a disjointed comprehension of the aspects influencing management performance in local government entities. Budgetary involvement and the clarity of budget objectives serve as formal management control instruments, whereas organizational culture embodies the informal values and behavioral standards that shape managerial actions. These elements may interact in determining managerial performance, particularly in public-sector institutions characterized by hierarchical structures, accountability requirements, and complicated administrative tasks. Recent findings by Irianto et al. (2026), which demonstrate the role of job satisfaction in explaining the relationship between budget participation and managerial performance, further suggest that organizational and behavioral conditions should be incorporated into analyses of managerial performance.

Based on these inadequacies, the present study provides an integrated framework that evaluates the effects of budgetary involvement, budget objective clarity, and organizational culture on management performance, with organizational commitment serving as a moderating variable. Unlike prior studies that generally conceive organizational commitment as a direct predictor or mediating mechanism, this study

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analyzes whether organizational commitment increases the links between three independent organizational factors and management performance. This approach is designed to enrich the existing literature by giving a more thorough understanding of the connection between formal budgeting procedures, organizational culture, and employee commitment within Indonesian local government organizations. The results could provide actionable insights for local government officials in crafting participatory budgeting frameworks, defining explicit fiscal goals, enhancing organizational culture, and cultivating organizational dedication to elevate management efficacy.

2. METHOD

This research uses a quantitative type with a survey method (Creswell, 2014), regarding Budget Preparation Participation,Clarity of Budget Targets, Organizational Culture on SKPD Managerial Performance with Organizational Commitment as a Moderating Variable on performancemanagement of SKPD of Karanganyar Regency.

The types of data used in this study are (Nurhasanah & Vikaliana, 2021).

1. Qualitative Data, the qualitative data in this study is in the form of a descriptionRegional Work Units of Karanganyar Regency
2. Quantitative Data, the quantitative data in this study are Regional Work Units of Karanganyar
3. Regency Respondents' responses regarding Budget Preparation Participation, Clarity of Budget Targets
4. Organizational Culture on SKPD Managerial Performance with Organizational Commitment as a
5. Moderating Variable which will be quantified using a Likert scale.

The data sources used in this study are primary data. Primary data is data obtained directly from the object being studied. This research data was obtained directly from consumers, through questionnaires given to respondents.

The population in this study isleaders and memberswhich is included in Regional Government Work Unit. As many as 76 respondent, the next questionnaire that can be used in this research comes from respondents and can then be used in this research.The purpose of this research is to analyze The Influence of Budget Preparation Participation, Clarity of Budget Targets, Organizational Culture on SKPD Managerial Performance with Organizational Commitment as a Moderating Variable. The type of research that will be carried out uses a quantitative descriptive method. The population and sample areUnit WorkRegional Devices (SKPD Karanganyar Regency in Central Java. The data source is primary data, namely data collected directly from respondents through questionnaire answers. The regression requirement test is carried out through the Classical Assumption test consisting of multicollinearity test, heteroscedasticity test, autocorrelation test and normality test. The data analysis technique uses multiple linear regression analysis and Moderating. Hypothesis testing is carried out using the t test using a significance level of 5%. The F test aims to test the accuracy of the model. The coefficient of determination test aims to determine the percentage contribution of the influence of all independent variables on the dependent variable (Santosa, 2018).

3. RESULTS AND DISCUSSION

Results

Tables below shov the validity of each variable. Table 1 show the validity test of Budget Participation (X1).

Table 1. Validity Test of Budget Participation Variable(X1)

Questionnaire Items	*ρ-value*	Criteria	Information
X1.1	0,000	α = 0.05	Valid
X1.2	0,000	α = 0.05	Valid
X1.3	0,000	α = 0.05	Valid
X1.4	0,000	α = 0.05	Valid
X1.5	0,000	α = 0.05	Valid
X1.6	0,000	α = 0.05	Valid

Source: Processed primary data, 2025

Table 1 above shows that the questionnaire items X1.1 to X1.6 obtained a significance value (ρ-value) = 0.000 < 0.05, so all questionnaire items for the financial literacy variable are valid.

Table 2. show the validity test of the Clarity of Budget Target variable (X2).

Questionnaire Items	*ρ-value*	Criteria	Information
X2.1	0,000	α = 0.05	Valid
X2.2	0,000	α = 0.05	Valid
X2.3	0,000	α = 0.05	Valid
X2.4	0,000	α = 0.05	Valid
X2.5	0,000	α = 0.05	Valid
X2.6	0,000	α = 0.05	Valid

Source: Processed primary data, 2025

The Table 2 above shows that the questionnaire items X2.1 to X2.6 obtained a significance value (ρ-value) = 0.000 < 0.05, so all questionnaire items for the financial literacy variable are valid.

Table 3. show the validity test of the Clarity of Budget Target variable (X3).

Questionnaire Items	*ρ-value*	Criteria	Information
X3.1	0,000	α = 0.05	Valid
X3.2	0,000	α = 0.05	Valid
X3.3	0,000	α = 0.05	Valid
X3.4	0,000	α = 0.05	Valid
X3.5	0,000	α = 0.05	Valid
X3.6	0,000	α = 0.05	Valid
X3.7	0,000	α = 0.05	Valid
X3.8	0,000	α = 0.05	Valid
X3.9	0,000	α = 0.05	Valid
X3.10	0,000	α = 0.05	Valid
X3.11	0,000	α = 0.05	Valid

Source: Processed primary data, 2025

The Table 3 above shows that the questionnaire items X3.1 to X3.11obtained a significance value (ρ-value) = 0.000 < 0.05, so all questionnaire items for the product innovation variable are valid.

Table 4. below show the validity of variable Z- the organizational commitment.

Questionnaire Items	*ρ-value*	Criteria	Information
Z.1	0,000	α = 0.05	Valid
Z.2	0,000	α = 0.05	Valid
Z.3	0,000	α = 0.05	Valid
Z.4	0,000	α = 0.05	Valid

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Z.5	0,000	α = 0.05	Valid
Z.6	0,000	α = 0.05	Valid
Z.7	0,000	α = 0.05	Valid
Z.8	0,000	α = 0.05	Valid
Z.9	0,000	α = 0.05	Valid

Source: Processed primary data, 2025

The Table above shows that the questionnaire items Z.1 to Z.9 obtained a significance value (ρ-value) = 0.000 < 0.05, so all questionnaire items for the network collaboration variable are valid.

Table 5. below shows the validity results of the Managerial Performance variable (Y).

Questionnaire Items	*ρ-value*	Criteria	Information
Y.1	0,000	α = 0.05	Valid
Y.2	0,000	α = 0.05	Valid
Y.3	0,000	α = 0.05	Valid
Y.4	0,000	α = 0.05	Valid
Y.5	0,000	α = 0.05	Valid
Y.6	0,000	α = 0.05	Valid
Y.7	0,000	α = 0.05	Valid
Y.8	0,000	α = 0.05	Valid

Source: Processed primary data, 2025

Table 5 above shows that questionnaire items Y.1 to Y.8 obtained a significance value (ρ-value) = 0.000 < 0.05, so all questionnaire items for financial performance variables are valid.

Table 6. below show the realibity of all research variables.

Reliability Statistics

Variables	*Cronbach's Alpha*	Critical Value	Status
Budget Participation	0.857	0.60	Reliable
Clarity of Budget Targets	0.943	0.60	Reliable
Organizational culture	0.927	0.60	Reliable
Organizational Commitment	0.694	0.60	Reliable
Managerial Performance	0.884	0.60	Reliable

Source: Processed primary data, 2025

The classical assumption test consist of normality tes, multicollinearity test, and heterocedasticity test.

Table 7. shows the results of normality test.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		76
Normal Parameters a,b	Mean	.0000000
	Standard Deviation	381074899
Most Extreme	Absolute	.099
Differences	Positive	.064
	Negative	-.057
Test Statistics		.099
Asymp. Sig. (2-tailed)		.430

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Processed primary data, 2025

Table 8. shows the multicollinearity test results

Coefficients a		
	Collinearity Statistics	
Model	Tolerance	VIF
1 (Constant)		
Budget participation	.827	1,209
Clarity of Budget Targets	.593	1,686
Organizational culture	.453	2,206
a. Dependent Variable: FINANCIAL PERFORMANCE Y)		

Source: Processed primary data, 2025

The results show that the tolerance value for variable X1 = 0.827, X2 = 0.593, X3 = 0.453a > 0.10 and the VIF value for variable X1 = 1.209, X2 = 1.686, X3 =2.206< 10, this indicates that there is no multicollinearity or the regression model passes the multicollinearity test.

The heteroscedasticity test aims to test whether in a regression model there is an unequal variance from one residual observation to another. This test uses the Glejser Test method by regressing independent variables to their residual absolute values (AbsUn). The regression model is declared free of heteroscedasticity if the significance value (Sig.) is above the threshold of 0.05 (α = 5%).

Table 11. Results of heteroscedasticity test

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,399	2,921		.479	.634
	Budget Participation	-.167	.085	-.253	-1,966	.054
	Clarity of Budget Targets	.162	.100	.262	1,615	.111
	Organizational culture	.023	.085	.044	.271	.787
a. Dependent Variable: AbsUn						

Based on the results of the Glejser regression above, all independent variables had significance values greater than 0.05 (X1 = 0.054; X2 = 0.111; X3 = 0.787). Thus, it can be concluded that no indication or symptom of heteroscedasticity was found in the research model, so that the assumption of homogenedasticity in classical linear regression is fulfilled.

Table 12 indicates how strong the correlation between the free variables is simultaneously with the bound variables, as well as the proportion of the contribution of variation that the regression model is able to explain.

Table 12. Multiple Linear Regression Test

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	
1	.524a	.274	.240	4,179	
a. Predictors: (Constant), Organizational Culture, Budget Participation,					

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Clarity of Budget Goals

R value (Correlation Coefficient): 0.524 indicates a correlation or linear relationship in the medium/strong category between the three independent variables simultaneously with the SKPD Managerial Performance that:

1. R Square Value (Determination Coefficient): 0.274 (27.4%). This reflects that 27.4% of the variation in Managerial Performance can be explained by variations in Budget Participation, Clarity of Budget Goals, and Organizational Culture, while the remaining 72.6% is explained by other factors outside this research model.
2. Adjusted R Square Value: 0.240 (24.0%), which is the value of determination that has been adjusted to the degree of freedom and number of predictors in the model.

The F test (Table 13) aims to evaluate the feasibility of the regression model (goodness of fit) and prove whether all independent variables simultaneously or together have a meaningful influence on the dependent variables.

Table 13. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	416,118	3	138,706	7,943	.000b
	Residual	1100.181	63	17,463		
	Total	1516.299	66			

a. Dependent Variable: Managerial Performance
b. Predictors: (Constant), Organizational Culture, Budget Participation, Clarity of Budget Goals

The ANOVA test produced a calculated F value of 7.943 with a significance value of 0.000 ($p < 0.05$). Since the significance value is much smaller than 0.05, it can be concluded that the multiple linear regression model fits (suitable for use) and the variables of Budget Participation, Clarity of Budget Goals, and Organizational Culture simultaneously have a significant effect on SKPD Managerial Performance.

Partial tests (t-tests) in Table 14 are used to prove the influence of each independent variable individually on the bound variable, as well as to formulate mathematical equations for multiple linear regression estimates.

Table 14. Partial t Test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,027	5,235		1,724	.090
	Budget Participation	.425	.152	.323	2,798	.007
	Clarity of Budget Targets	.257	.179	.209	1,433	.157
	Organizational culture	.138	.153	.131	.900	.372

Partial t-Test interpretation :

1. Budget Participation (X1): Coefficient B = 0.425, t calculation = 2.798, and Sig. = 0.007 (< 0.05). This means that Budget Participation has a positive and significant effect on SKPD's Managerial Performance. The involvement of apparatus in the budget formulation process realistically increases the effectiveness of managerial performance.
2. Clarity of Budget Objectives (X2): Coefficient B = 0.257, t calculation = 1.433, and Sig. = 0.157 (> 0.05). This means that Clarity of Budget Objectives does not have a statistically significant influence on SKPD's Managerial Performance.

3. Organizational Culture (X3): Coefficient B = 0.138, t calculation = 0.900, and Sig. = 0.372 (> 0.05). This means that Organizational Culture does not have a significant effect on SKPD's Managerial Performance.

Table 15 presents the explanatory power of the model after including the moderation interaction variable between the Organizational Commitment (Z) and the independent variables (X1*Z, X2*Z, and X3*Z).

Table 15. MRA Regression Test

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.538a	.289	.218	4,239
a. Predictors: (Constant), X3*Z, Budget Participation, Clarity of Budget Goals, Organizational Culture, X1*Z, X2*Z				

The change in R and R Square Coefficients: The correlation value of R increased from 0.524 to 0.538, and R Square increased slightly from 0.274 to 0.289 (an increase of 0.015 or 1.5%). Although the R Square increased slightly, the value of the Adjusted R Square decreased from 0.240 (main model) to 0.218 (moderation model). This decrease statistically proves that the addition of 3 interaction variables (X1*Z, X2*Z, X3*Z) does not increase the efficiency and explanatory power of the model, but rather provides a penalty due to the increase in insignificant variables. ANOVA assays on MRA models (Table 16) were used to ascertain the feasibility of the overall regression model after involving all major factors and variables of moderation interactions

Table 16. ANOVA of MRA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	438,313	6	73,052	4,066	.002b
	Residual	1077,986	60	17,966		
	Total	1516.299	66			
a. Dependent Variable: Managerial Performance						
b. Predictors: (Constant), X3*Z, Budget Participation, Clarity of Budget Goals, Organizational Culture, X1*Z, X2*Z						

The moderation regression model obtained a calculated F value of 4.066 with a significance level of 0.002 ($p < 0.05$). These results show that the combination of free variables and simultaneous moderation interaction variables is still fit and significant in explaining the Managerial Performance of SKPD.

However, confirmation of whether Organizational Commitment really plays a role as a moderating variable is determined by the partial t-test in Table 17, where the three significance values of the interaction (X1*Z = 0.372; X2*Z = 0.737; X3*Z = 0.317) are all > 0.05. This proves that Organizational Commitment is not a moderation variable.

Discussion

The Influence of Budget Preparation Participation and Budget Target Clarity on Organizational Commitment as a Moderating Variable in SKPD: An Agency Theory Perspective,Based on the Agency Theory framework, the relationship between the local government (principal) and the ranks of civil servants in the Regional Work Units (SKPD) (agents) is a contractual relationship that has the potential to give rise to conflicts of interest. The principal aims to maximize public welfare through budget efficiency and effectiveness, while the agent tends to have personal interests such as ease of work, securing a position, or even creating budgetary slack to ensure targets are easily achieved. In this context, participation in budget preparation, clarity of budget targets, and organizational commitment play a crucial role. Budget Participation and Clarity of Budget Targets as Control Mechanismsl, dFrom the perspective of Agency Theory, budgetary participation can be considered as a mechanism to reduce

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information asymmetry and overcome the problem of fraudulent behavior (moral hazard). Budget Participation: When managers and staff at local government agencies (SKPD) are involved in the budgeting process, they can provide more accurate and detailed information about real needs and operational constraints in the field. This helps principals (SKPD leaders and local governments) make more informed budget allocations. However, Agency Theory also warns of risks. Rational agents can exploit this participation to create budgetary leeway or "soft" budgets for personal gain. In other words, participation can be a double-edged sword: on the one hand, it reduces information asymmetry, on the other, it can potentially trigger opportunistic behavior.k.Clarity of Budgetary Goals: Clarity of budgetary goals serves as an explicit contracting mechanism. Clear and measurable goals (e.g., through Key Performance Indicators) reduce ambiguity and make it easier for principals to monitor agent performance. This directly reduces the problem of moral hazard because agent performance can be objectively evaluated against established targets. If targets are unclear, agents have more room to justify poor performance or conceal inefficiencies.

The Role of Organizational Commitment as a Moderating Variable, this is where organizational commitment plays a crucial role as a moderating variable. Organizational commitment refers to a strong psychological bond between an individual and an organization, where the individual feels pride, loyalty, and a desire to contribute to the organization. Moderating the Relationship between Budget Participation and Agency Participation: Agency theory assumes that agents are driven by self-interest. However, this assumption can be relaxed by non-financial factors such as organizational commitment. When organizational commitment is high, budget participation is no longer viewed solely as an opportunity to create budgetary slack. Instead, this participation will be used constructively by agents to provide honest and accurate information. Committed agents will recognize that budget success is the success of the organization, which ultimately benefits them. Thus, organizational commitment will strengthen the positive relationship between budget participation and managerial performance/SKPD performance.

Several empirical studies, such as those conducted by Annisa, Sariningsih, & Luthfi (2020), found that budgetary participation has a positive and significant effect on managerial performance. However, other studies, such as Putri & Novita (2020), specifically show that organizational commitment acts as a moderating variable that strengthens this relationship, where the positive effect of budgetary participation is more pronounced in managers with high commitment. This research challenges the basic assumption of Agency Theory, which only views agents as opportunists. Moderation of the Relationship between Budget Goal Clarity: Similar to participation, organizational commitment also strengthens the effectiveness of budget goal clarity. Clear budget targets are a formal control mechanism designed by the principal. However, without commitment, agents may simply meet targets "formally" or "on paper" without striving for actual substantial performance. In contrast, highly committed agents internalize these targets as part of their responsibilities. They not only achieve targets but also strive to exceed them because they feel a moral obligation to the organization. Thus, organizational commitment makes the control mechanism (goal clarity) more effective and efficient.

Empirical studies such as those Candrakusuma & Jatmiko (2017) show that clarity of budget targets has a positive and significant impact on regional government agency (SKPD) performance. The moderating role of organizational commitment in this relationship has also been extensively researched and often shows positive results. Highly committed managers are more likely to achieve and even exceed established budget targets because these targets align with their personal values and goals within the organizational context.

4. CONCLUSION

Empirically, this study concludes that only participation in budgeting has been proven to have a positive and significant effect on the managerial performance of SKPD (p=0,007). On the other hand, the clarity of budget goals (p=0,157) and organizational culture (p=0,373) does not show a significant influence. In addition, organizational commitment has not been proven to play a role as a moderating variable in the relationship between the three independent variables on managerial performance. From the of agency theory, these findings confirm that the active involvement of apparatus in budgeting functions effectively as a control mechanism to reduce information asymmetry. Thus, the optimization of managerial performance in the public sector is more determined by the space for real participation for apparatus in operational budget planning than by the clarity of administrative targets or affective commitments alone.

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