

The Effect of Budget Participation, Organizational Commitment, Organizational Culture, and Budget Clarity Targets on Managerial Performance with Internal Control As Moderating Variable (Empirical Stud

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The Effect of Budget Participation, Organizational Commitment, Organizational Culture, and Budget Clarity Targets on Managerial Performance with Internal Control As Moderating Variable (Empirical Study on Regional Apparatus Organization (OPD) of West Tanjung Jabung Regency)

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ABSTRACT: This study aims to examine the relationship of the influence of budget participation, organizational commitment, organizational culture, and budget clarity targets on managerial performance with internal control as a moderating variable. Based on the results of statistical analysis through WarpPLS 7, it was found that only 3 variables had a significant positive effect, namely the variable Organizational Commitment, Organizational Culture and Budget Clarity Targets on Managerial Performance, while the Budget Participation Variable Organizational Commitment had no significant positive effect, while Internal Control was not proven as a variable. Moderation.

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Keywords: Budget Participation, Organizational Commitment, Organizational Culture, Budget Clarity Targets, Managerial Performance Internal Control.

I. INTRODUCTION

The state financial management system begins with the budget planning process and ends with financial management accountability. Budgeting is a process in budgeting and is a tool for accountability, management, and economic policy. As an instrument of economic policy, the budget serves as a planning tool, one of which is used to determine performance indicators (Soleman, 2012).

The audit opinion of the Supreme Audit Agency of the Republic of Indonesia (BPK RI) is a written statement or evidence whether a financial report has been presented fairly in various material aspects based on the evaluation of audit evidence obtained and audit findings. BPK's audit opinion is one of the benchmarks for the success of accountability in regional financial management. Local governments are led to continue to demonstrate that accountability and transparency in the management of regional finances lead to good governance and clean governance being achieved.

According to Retnowati (2016), local government is a party or part that carries out activities in all aspects of the government wheel in order to realize a clean government. There are four types of audit opinions issued or issued by the State Audit Board, namely 1) unqualified opinion (WTP), 2) qualified opinion (WDP), 3) unqualified (TW), and 4) not providing income (TMP).

Managerial performance is the result of work in quality, quantity, and timeliness achieved by an employee in carrying out his duties in accordance with the responsibilities given to him which is not only influenced by his ability and expertise at work, but is also greatly influenced by his work spirit. Most of the company's success is measured by its managerial achievements and performance (Arifin, 2012).

Based on the results of previous studies, there are many factors that can improve managerial performance, one of which is the budgeting process. The budgeting process can be done with several approaches, namely top-down (top-down approach), bottom-up (bottom-up approach) and participation. The choice of a budgeting approach is very dependent on the conditions and desires for the results to be achieved by the organization (Andison & Augustine, 2017). One form of budget preparation is budgetary participation, where budget participation is an important activity and involves various parties who have authority in budget preparation to prepare and evaluate various alternatives and budget objectives (Wulandari & Riharjo, 2016).

Organizational commitment is an encouragement from within the individual to do something in order to support the success of the organization and prioritize the interests of the organization over their own interests. Commitment is considered important for organizations because of its relationship with performance which assumes that committed individuals tend to develop greater efforts at work (Wulandari & Riharjo, 2016).

Success in managing an organization cannot be separated from organizational culture factors. Culture is the norms and values that direct the behavior of organizational members. Each member will behave in accordance with the prevailing culture in order to be accepted in the environment. Many things affect

organizational performance, so leaders must be able to maintain the factors that affect performance can be fulfilled to the fullest (Soleman, 2012).

The next factor that can affect managerial performance is the clarity of budget targets. According to (Suryani, 2020) the clarity of budget targets serves to measure the extent to which budget targets have been formulated specifically and clearly. Clarity of budget objectives is the most important thing in achieving organizational goals because it will determine the direction of an organization's goals. If the setting of budget targets is clearly stated, it will make it easier for those who are given responsibility for their achievements to account for the success or failure of the tasks for which they are responsible. . This causes budget implementers are not motivated to achieve the expected performance. In realizing good managerial performance, of course, it is supervised by internal control, so that the activities carried out are in accordance with the established rules. Basically, this research looks at the phenomena found in the Tanjung Jabung Barat Regional Government. Based on the background described previously, in this study, researchers are interested in conducting research with the title: "The Influence of Budget Participation, Organizational Commitment, Organizational Culture, and Budget Clarity Targets on Managerial Performance with Internal Control as a Moderating Variable (Empirical Study on OPD) West Tanjung Jabung Regency).

II. METHODOLOGY

The object to be examined in this study is the variables related to the research, namely budget participation, organizational commitment, organizational culture and leadership style which are independent variables. Work motivation as a moderating variable. Managerial performance is the dependent variable. The object of this research is the Regional Government of Tanjung Jabung Timur. type of data in this study is primary data in the form of respondents' perceptions of the variables used. Primary data were specifically collected by researchers to answer research questions (Indriantoro and Supomo, 2018).

The population in this study is the rank of Echelon III and IV in the Tanjung Jabung Barat Regional Government. Samples are population elements (Indriantoro and Supomo, 2018). The samples in this study were all offices in the Tanjung Jabung Barat district, as many as 20 offices, while the respondents occupied the ranks of echelon III and IV (secretary/head of unit and head of sub-division/head of sub-division/head of sub-unit/head of installation) with The aim is to provide a managerial performance assessment of the top manager (head of service) with the assumption that Echelon III is 3 people and Echelon IV is 5. So the total sample is 160 respondents, but the number that returns is 125 respondents.

The hypothesis in this study is as follows:

H1: Budget participation has a significant positive effect on managerial performance

H2: Organizational commitment has a significant positive effect on performance managerial

H3: Organizational Culture has a significant positive effect on managerial performance

H4: Budget Clarity Target has a significant positive effect on performance managerial

H5: Internal control is proven as a moderating variable in relation to the influence of budget participation, organizational commitment, internal control, and budget clarity targets on managerial performance

This study uses data processing techniques carried out using the WarpPLS Version 5 application program, which aims to examine the effect of the independent variable and the dependent variable as well as the mediating variable. In other words, path analysis is an extension of multiple linear regression analysis in which the use of regression analysis aims to estimate the causal relationship between variables (casual model) that has been determined previously based on theory. This study uses a confidence level of 5% or with a degree of 0.05. The last step of evaluating the structural model that must be done is to look at the significant P-value to find out the influence between variables based on the hypothesis built through the resampling procedure. To see the evaluation of the hypothesis, it can be seen from the output results of the WarpPLS application in the view path coefficients and P-value section. According to Ghazali and Latan, the significant values used are P-values of 0.10 (significance level = 10%), 0.05 (significance level = 5%) and 0.01 (significance level = 1%). This study uses a P-value of 0.05 (significance level = 5%)

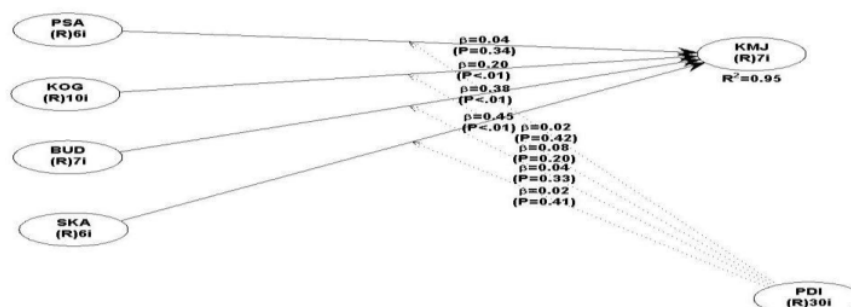
Testing the moderating effect in the WarpPLS 5.0 application can be done directly using the moderating link option menu, where it can be directly proven whether the research is moderating or not. To see the evaluation of the moderation test, it can be seen from the output of the WarpPLS application in the view path coefficients and P-value section, where it can be seen the multiplication between the independent variable and the moderating variable. According to Ghazali and Latan, the magnitude of the significant value used in determining moderation occurs with the condition that it is positive and the P-value is 0.10 (significance level = 10%), 0.05 (significance level = 5%) and 0.01 (significance level = 5%). level = 1%) adjusted for the level of

significance in each study. This study uses a P-value of 0.05 (significance level = 5%)

3. Result and Discussion

Based on the results of statistical processing using WarpPLS 7, the following results were obtained.

Figure 1



Based on the results of statistical processing through WarpPLS 7, it was found that only 3 variables had a significant positive effect, namely the variable Organizational Commitment, Organizational Culture and Budget Clarity Targets on Managerial Performance, while the Budget Participation Variable Organizational Commitment had no significant positive effect.

Referring to the research hypothesis, only 3 hypotheses were accepted, namely the H2, H3 and H4 hypotheses. For more details, it can be seen from the Path coefficients and P values table below.

Table 2

WarpPLS 7.0 - Path coefficients and P values

Close Help

Path coefficients

	PSA	KOG	BUD	SKA	PDI	KMJ	PDI*SKA	PDI*BUD	PDI*KOG	PDI*PSA
PSA										
KOG										
BUD										
SKA										
PDI										
KMJ	0.036	0.203	0.378	0.451			0.020	0.040	0.075	0.019
PDI*SKA										
PDI*BUD										
PDI*KOG										
PDI*PSA										

P values

	PSA	KOG	BUD	SKA	PDI	KMJ	PDI*SKA	PDI*BUD	PDI*KOG	PDI*PSA
PSA										
KOG										
BUD										
SKA										
PDI										
KMJ	0.345	0.009	<0.001	<0.001			0.411	0.327	0.196	0.416
PDI*SKA										
PDI*BUD										
PDI*KOG										
PDI*PSA										

Overall, the results of Path coefficients and P values can be described from each variable as follows:

Based on the statistical results, it can be seen that the Path coefficients of the budget participation variable are 0.036 and the P values of 0.45 are greater than 0.5. This means that hypothesis 1 is rejected. The statistical results show that the Path coefficients value of the organizational commitment variable is 0.203 and the P value is 0.009 meaning that the organizational commitment variable has a significant positive effect on managerial performance, so hypothesis 2 is accepted.

Referring to the statistical results, the path coefficient value of the organizational culture variable is 0.378 while the P value is 0.001. This means that it is acceptable. Statistical results show that the Path coefficients of organizational commitment variable are 0.451 and P values are 0.001 meaning that organizational variables have a significant positive effect on managerial performance, so hypothesis 4 is accepted.

Based on statistical results, it shows that the relationship between the variables of Internal Control in moderating between Budget Participation, Organizational Commitment, Organizational Culture, and Budget Clarity Targets on managerial performance can be obtained with P values above 0.05. So it means that the Internal Control variable is not proven as a moderating variable.

a. The relationship between budget participation and managerial performance

The results of the research on the relationship between budget participation variables and managerial performance did not prove to have an effect, this is in line with Siregar's research (2018). The results of his research show that there is no significant positive effect, in contrast to the research conducted by Manica and Hany (2016), the results of his research show a significant relationship between budget participation on managerial performance. From the results of the study, it can be explained that the parties who participate in making the budget can have a positive impact on managerial performance, but have not been able to improve managerial performance in the institution being studied.

b. The relationship of organizational commitment to managerial performance

This research is in line with the results of research conducted by Rianto and Setiawati (2019) and Widyawati and Sari (2017) where the results show that the relationship between organizational commitment variables has a significant effect on managerial performance. The results of this study indicate that high organizational commitment can have an impact on improving managerial performance at the institution.

c. The relationship of organizational culture to managerial performance

In line with the results of this study with Karsiati and Maknai (2014) that organizational culture has a significant positive influence on the company's managerial performance. The results of this study indicate that the higher the organizational culture, the higher the managerial performance of the agency.

d. The relationship between budget clarity goals and managerial performance

Wiprastini et al (2014) show that the target of budget clarity on managerial performance supports the results of this study. This means that clear budget targets and according to the needs of institutional activities can improve the managerial performance of the agency.

e. The relationship between Internal Control Variables in moderating between Budget Participation, Organizational Commitment, Organizational Culture, and Budget Clarity Targets on managerial performance.

The results of this study indicate that the Internal Control Variable is not proven to moderate the relationship between Budget Participation, Organizational Commitment, Organizational Culture, and Budget Clarity Targets on managerial performance. This means that the internal control carried out so far has not been optimal so that it has not been able to provide a strong influence in improving managerial performance.

IV. CONCLUSION

The results of this study can be concluded:

1. The budget participation variable has no significant positive effect on managerial performance so that H1 is rejected

1. Organizational commitment variable has a significant positive effect on managerial performance so that H2 is accepted

2. The organizational culture variable has a significant positive effect on managerial performance so that H3 is accepted

4. Budget clarity target variable has a significant positive effect on managerial performance so that H4 is accepted

5. Internal control variables are not proven to moderate the relationship between budget participation, organizational commitment, organizational culture and budget clarity targets on managerial performance

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