

## Analysis of the Influence of Organizational Commitment and Budget Participation on Managerial Performance

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### Abstract

This study aims to: (1) analyze the partial influence of organizational commitment on managerial performance. (2) analyze the partial influence of budget participation on managerial performance. Using a quantitative method with 120 respondents who were surveyed and analyzed using the SPSS data processing application. The research results show that: (1) Organizational commitment partially influences managerial performance. (2) Budget participation partially influences managerial performance.

### Keywords:

Organizational Commitment; Budget Participation; Managerial Performance.

## 1. INTRODUCTION

Managerial performance is a crucial aspect of an organization, as it can significantly influence the success or failure of the organization. Effective managers can increase productivity, efficiency, and the quality of work, enabling them to reach their organizational objectives. On the other hand, managers who are not effective can cause a decline in organizational performance, loss of market share, and even failure. The meaning of performance management is that it is an essential aspect because good performance leads to increased success for a company. According to Mardiasmo (2022), measurement performance is not limited to financial information alone, but also encompasses non-financial information. The performance of the government apparatus is a system-purposeful evaluation that helps in assessing strategic achievements using both financial and non-financial indicators. Evaluate the performance of this apparatus by considering how far they can follow the timetable, compilation budget, efficiency in using the budget, and the results of the projects they run. Several factors influence managerial performance, including commitment, organization, participation, and budget.

Commitment organization is a condition where an individual has trust, attachment, and feelings towards the organization, such that the individual prioritizes the organization's interests over their own. Luthans (2019), organizations most frequently interpret commitment as "a strong desire for the organization, a strong desire for the member organization, a strong desire to try hard in accordance with the organization's desires, a specific belief, and acceptance of the organization's values and goals". Commitment organization, according to Robbins (2019), is "a state where team member links himself to the organization and its targets as well as hopes to maintain membership in the organization". With a strong commitment to existence, they will work hard, be sincere in carrying out their work, and be happy and caring towards organizing the workplace. This will cause improvement in performance because there is a belief that a government's vision and mission can be achieved through contributions. Commitment organization is encouragement from within the individual to take action and support success in accordance with set goals and prioritized organizational interests. Research results from Kristiani et al. (2018), Saputra (2019), and Hasanudin & Budiharjo (2021) indicate that a committed organization has a significant and positive influence on performance. However, this differs from the results of research by Julindrastuti & Karyadi (2023), which suggest that commitment to the organization does not influence team member performance.

A budget is something planned in detail, as stated formally in size, quantity, usually in monetary units (planning finance), for the acquisition and use of resources by an organization (Yuwono, 2005). Other sources state, "a budget can also be stated as a statement about the estimate to be made achieved during a specific period of time (Nordian et al, 2014). Participation is considered the best means

of actualization for workers within a framework of self-determination, where they take responsibility for their assigned tasks. Participation in the budgeting process is a shared decision-making process involving two or more parties, where the decision will have a future impact on the organization. Supomo & Indrianto (2001) stated that "participation in compilation budget is a process where individuals involved in the preparation of budget targets evaluate their performance and obtain an award based on the budget targets." Participation in the compilation budget is believed to be capable of fostering a more interactive relationship between leaders and subordinates. The drafting process budget, involving various work units within an agency, becomes crucial. Previously, the approach to budgeting was done in a top-down manner, where planning and allocation budgets were already determined by superiors or the party that holds authority, so that subordinates or implementers only operated within what had been planned. If the preparation budget is based solely on willpower without participation from subordinates, it can make achieving the goal difficult.

On the other hand, if a budget is arranged in accordance with the desires of subordinates, it can reduce their motivation to achieve optimal targets. Involvement in the compilation budget allows the party to provide information relevant to the local area. This will enable them to communicate necessary and possible information, which can become the basis for evaluation in a standard or budget. Without existence, participation, an individual will struggle to reach their objective because they lack understanding of the meaning and importance of the objective (Muhsin & Dwita, 2022). Research conducted by Saputra (2019) and Rahmiwati & Ariany (2023) indicates that the participation budget has a significant influence on performance. However, it differs from the results of research by Ismail & Mamulati (2020), which show that participation in the compilation budget has a positive influence; however, there is no significant impact on performance. On the other hand, there are results from different research studies, such as those by Purwati & Marlina (2021), indicating that participation in the compilation budget is not influential on performance.

Therefore, research is conducted for review, to influence, analyze, and commit to organization and participation, as well as to inform budget to performance, in managerial terms. To clarify the difference in results of previous studies, the following table serves to research the gap.

Table 1. Research gap

Information	Research result	Researcher, Year
Influence the organization's commitment to performance management.	Influential, positive, and significant	Kristiani et al. (2018); Saputra (2019); Hasanudin & Budiharjo (2021)
	No effect	(Julindrastuti & Karyadi, 2023)
Influence the participation budget on performance management	influential significant	Saputra (2019); Rahmiwati & Ariany (2023)
	Influential positive	Ismail & Mamulati (2020)
	No effect	Purwati & Marlina (2021).

Source: Research previously

Based on the table 1 research gap above, it can be observed that the results of a previous study on factors influencing behavior management in finance students reveal an existing difference in results and context. Differences in results study the causes of variations in characteristics of respondents, social environment, as well as factors related to different cultures and economies in each study.

Commitment, Organization, and Participation Budget also affect managerial performance simultaneously: Commitment, organization, and participation budget can influence managerial performance in conjunction with methods to increase motivation, dedication, awareness, and responsibility among team members. This study aims to analyze the influence, either partial or simultaneous, of organizational commitment and participation budget on managerial performance.

Commitment organization is a condition where an individual has trust, attachment, and feelings towards the organization, such that the individual prioritizes the organization's interests over their own. With a strong commitment to existence, they will work hard, be sincere in carrying out their work, and be happy and caring towards organizing the workplace. This will cause improvement in performance because there is a belief that a government's vision and mission can be achieved through contributions. A strong organization can influence the performance of individuals and organizations in a positive way, such as: (1) increasing motivation and willingness to work hard, (2) increasing the quality and productivity of work. (3) Improve the ability of individuals and organizations to face challenges and (4) improve work satisfaction and individual loyalty. On the other hand, a weak organization can influence the performance of individuals and organizations negatively, such as: (1) reducing motivation and willingness to work hard. (2) Lower quality and productivity of work. (3) Improve the level of errors and accidents at work. (4) Improve turnover and absenteeism rates for individuals. In the context of this organization, there is a need to increase commitment to the organization with the method: (1) - Increase communication and transparency. (2) Improve the chance of a successful career development. (3) Improve awards and recognition. (4) Increase the comfort and

support of the environment. Research results from Kristiani et al. (2018), Saputra (2019), and Hasanudin & Budiharjo (2021) indicate that a commitment to an organization is a significant and positive influence on performance. H 1: Commitment Organization Influential on Managerial Performance

The participation budget is a critical case in point for manager involvement, or leaders and subordinates participating in preparing the budget, which can influence the objective budget from the center's accountability (Ikhyannuddin, 2021). In a participation budget, management at the lower level is given the chance to be involved and influence the process of compiling it—someone who participates in taking initiative and realizing creativity (Muhsin & Dwita, 2022). Additionally, the participation budget serves as a means for participants to understand their role and can help them improve their performance by knowing the budget target. Research conducted by Saputra (2019) and Rahmiwati & Ariany (2023) indicates that the participation budget has a significant influence on performance. H2: Budget participation affects managerial performance.

## 2. RESEARCH METHOD

Types of research: This focuses on analyzing reasons or consequences, relationships, or correlations between known variables as part of a quantitative analysis study. The goal is to understand the impact or influence of one variable on others. Research location implemented at the "X" Regency Service, Pekalongan, Central Java. Type of data required in the study: This is primary data. In this research, the primary data collection apparatus is the government of the Regency of Pekalongan, utilizing a questionnaire method provided by the researcher. The designed questionnaire uses a 5-point Likert scale. The sample size is as large as the population, which consists of 47 people. In this study, the sample and population are the same organizational unit within the Work Unit Regional government apparatus of Regency Pekalongan. Variables in research: This includes an independent variable consisting of commitment, organization, and participation budget, as well as dependent variables that are performance and managerial. Data analysis tools in research include SPSS version 26, which utilizes Test Data Validity (Validity Test, Reliability Test, Assumption Test), classical tests (Normality Test), and Hypothesis Tests (t-test, F-test, R<sup>2</sup>-test, or Coefficient Determination).

## 3. RESULTS AND DISCUSSION

### 3.1. Results

#### 3.1.1. Validity Test

Table 2. Validity Test Results

Question Items	calculated value > R- table value (0.2403)
X 1.1	0.369
X 1.2	0.483
X 1.3	0.256
X 1.4	0.334
X 2.1	0.442
X 2.2	0.418
X 2.3	0.354
X 2.4	0.427
Y 1.1	0.715
Y 1.2	0.509
Y 1.3	0.648
Y 1.4	0.636

Source: Researcher Processed Data, 2025

The decision-making method used in this test, namely statement/questionnaire data, can be considered valid when the calculated r-value is greater than the r-table value. In the statement item variable X1, namely commitment organization, all r counts are greater than the r table, so it is stated that all statement items X1 are valid. In the statement items variable X2, namely participation budget, all r count > r table, so that it is said that all statement items X2 are valid. Finally, regarding the statement items variable Y, specifically performance managerial, all r counts are greater than the r table value, indicating that all items of statement Y are valid. Furthermore, it was concluded that all statement items (totalling 12 statements) used in Study No. There is a problem due to the fact that not all items are valid.

### 3.1.2. Reliability Test

Table 3. Reliability Test Results Per Variable

Variables	Cronbach Alpha Value
Commitment Organization (X1)	0.756
Participation Budget (X2)	0.779
Managerial Performance (Y)	0.757

Source: Researcher Processed Data, 2025

The table shows that the Cronbach's Alpha values for the above variables exceed the criteria for instrument reliability, specifically, a Cronbach's value greater than 0.60, indicating that all statements about arrangement variables can be declared highly reliable.

### 3.1.3. Normality Test

Table 4. Normality Test Results  
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		47
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Standard Deviation	1,36602851
Most Extreme Differences	Absolute	,054
	Positive	,048
	Negative	-,054
Test Statistics		,054
Asymp. Sig. (2-tailed)		,219 <sup>d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

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

According to the output table, the p-value is 0.219, which is greater than 0.05 ( $0.219 > 0.05$ ). Therefore, based on the the decision of the base normality test, it was concluded that the questionnaire data have a normal distribution. With these assumptions, normality has been fulfilled.

### 3.1.4. Multicollinearity Test

Table 5. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Commitment Organization (X1)	0.546	1,850
	Participation Budget (X2)	0.538	1,817

a. Dependent Variable: Managerial Performance (Y)

The table shows that the independent variables consist of commitment organization (X1) and participation budget (X2), which have tolerance values above 0.1 and VIF values below 10. This indicates that there is no multicollinearity between variables in the research data, ensuring their independence in the regression model; thus, they can be used in the study.

### 3.1.5. Multiple Linear Regression Test

Table 6. Multiple Linear Regression Test Results

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		2,468	,260
	Commitment Organization (X1)	0.421	3,264	,000
	Participation Budget (X2)	0.518	2,196	,001

Based on the output table above, the equality is obtained.

$$Y = b_1 X_1 + b_2 X_2 + e$$

$$Y = 0.421 X_1 + 0.518 X_2 + e$$

### 3.1.6. F Test

Table 7. Results of Model Feasibility Test (F Test)

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	348,534	2	69,707	46,895	,000 <sup>b</sup>
	Residual	222,058	45	2,037		
	Total	570,592	47			

a. Dependent Variable: Managerial Performance (Y)

b. Predictors: (Constant), Participation Budget (X2), Commitment Organization (X1)

From the table, it is evident that the p-value of 0.000 is smaller than 0.05, indicating that the multiple linear regression model is suitable for predicting variables dependent specifically on managerial performance.

### 3.1.7. Coefficient Test Determination

Table 8. Results of the Determination Coefficient (R2) Test

Model Summary	
Model	Adjusted R Square
1	0.693

a. Predictors: (Constant), Participation Budget (X2), Commitment Organization (X1)

The table shows that statistically significant variables dependent on performance, as explained by Managerial variables, are commitment, organization, and participation budget, which account for 69.3%. The remaining 30.7% can be influenced by other factors not found in this model.

### 3.1.8. t-test

Based on Table 6 above, where the t-count exceeds the t-table. T- table obtained of (n-k-1) n, which is the amount of sample obtained, k, which is the number of variables free so that we can obtain the t-table amounting to 1.68023. It can be concluded that the t-count range table is larger than the t-table, indicating that the t-test was successful and had an effect. Moreover, the following explanation of every variable is as follows:

- From the results of the t-test in the table, it is seen that the variable 'commitment organization' (X1) has a t-count of 3.264, a mark significance of 0.000, and a coefficient of 0.546. The resulting relevance value is the smaller of 0.05. This means that H1 is accepted, indicating a positive relationship between commitment to organization (X1) and managerial performance (Y).
- From the results of the t-test in the table, it can be seen that the variable participation budget (X2) has a t-count of 2.196, a p-value of 0.001, and a coefficient of 0.518. The resulting relevance value is the smaller of 0.05. This means that H2 is accepted, which indicates that the participation budget (X2) has a positive effect on managerial performance (Y).

## 3.2. Discussion

### 3.2.1. Influence Commitment Organization on Managerial Performance

From the results of the t-test in the table, it is seen that the variable 'commitment organization' has a t-count of 3.264, a mark significance of 0.000, and a coefficient of 0.546. The resulting relevance value is the smaller of 0.05. This means that H1 is accepted, which indicates that a commitment organization is influential, positive, and significant to managerial performance. In other words, if an individual or organization has a strong commitment to the organization, then they will be more motivated to work hard, increase the quality and productivity of their work, and achieve the organization's objectives. In this context, a positive and significant effect means that the connection between commitment, organization, and performance is strong and meaningful, and it does not occur by coincidence. That is, commitment organization is not the only factor affecting performance, but is one of the critical and influential factors that are significant. Individuals or organizations that have a high commitment to their organization tend to perform better. A commitment to improvement can enhance performance in both individuals and organizations. Commitment to the organization is one of the critical factors in increasing individual or organizational performance. Research from Kristiani et al. (2018), Saputra (2019), and Hasanudin & Budiharjo (2021) states that a committed organization is influential and has a positive and significant impact on performance.

### 3.2.2. Influence Participation Budget on Managerial Performance

From the results of the t-test in the table, it can be seen that the variable participation budget (X2) has a t-count of 2.196, a p-value of 0.001, and a coefficient of 0.518. The resulting relevance value is the smaller of 0.05. This means that H2 is accepted, indicating that the participation budget has a positive and significant

impact on managerial performance. In other words, if an individual or organization involved in the process of drafting a budget has control over it, then they will be more motivated to work hard, increase quality and productivity, and reach their organizational objectives. In the context of "influential and positively significant," it means that the connection between participation budget and performance is strong and meaningful, and no coincidence occurs. That is, participation budget is not the only factor affecting performance, but is one of the critical and influential factors that are significant. Individuals or organizations involved in the budgeting process perform better. Participation in an improvement budget can increase performance for an individual or organization. A participation budget is one of the critical factors in enhancing performance for an individual or organization. Research conducted by Saputra (2019) and Rahmiwati & Ariany (2023) states that the participation budget has a positive and significant influence on performance. However, the research results differ from those of Ismail & Mamulati (2020), which show that participation in the compilation budget is positively influential, but not significantly related to performance. On the other hand, there are results from different research studies, such as those by Purwati & Marlina (2021), indicating that participation in the compilation budget is not influential on performance.

Implications Practical from Commitment Organization and Participation Budget on Managerial Performance is Commitment organization and participation budget can increase performance managerial with method increase awareness and responsibility answer manager to organization, commitment organization and participation budget can increase efficiency with method reduce costs and increase productivity, commitment organization and participation budget can increase satisfaction team member with method increase awareness and responsibility answer team member to organization and commitment organization and participation budget can increase success organization with method increase performance managerial and efficiency.

## 4. CONCLUSION

From the results as well as the discussion, the author's conclusion from the study has described this:

- a. Commitment organization in a way that involves partial ownership, with a positive and significant impact on managerial performance.
- b. Participation budget involves partial ownership and has both positive and significant influences on managerial performance.
- c. Performance Managerial explained variables, independent of commitment, organization, and participation, with a budget of 69.3%, and the remaining 30.7% can be influenced by other factors not accounted for in this model.

### Recommendation Practical

- a. The organization must increase its commitment by using methods to increase awareness and responsibility among team members.
- b. The organization must increase participation in the budget by increasing awareness and responsibility for team members to answer questions about the budget.
- c. The organization must increase leadership by increasing awareness and responsibility, and report to the manager of the organization.
- d. The organization must increase communication to increase awareness and responsibility among team members and report to the organization.
- e. The organization must increase cultural organization by using methods to increase awareness and responsibility among team members within the organization.

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