

Research article

Budget Participation and Organizational Commitment as Moderating Variables in Indonesian Construction Companies

Leny Irma Yanti and Heri Widodo

Universitas Muhammadiyah Sidoarjo, Sidoarjo, Indonesia

ORCIDHeri Widodo: <https://orcid.org/0000-0001-5325-7721>**Abstract.**

This study determines the effect of budgetary participation on managerial performance with organizational commitment as a moderating variable in the GAPENSI company. A sample of 39 members of the company was selected using a saturated sampling technique for answering the research questions. Data were analyzed using the Partial Least Square regression. The results showed that while budget participation affected the managerial performance at the GAPENSI company, organizational commitment did not affect the relationship between budget participation and managerial performance at the GAPENSI company.

Keywords: managerial performance, budget participation, organizational commitment

Corresponding Author: Heri

Widodo; email:

heriwidodo@umsida.ac.id**Published:** 01 August 2022Publishing services provided by
Knowledge E Leny Irma Yanti and Heri

Widodo. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the VCOSPILED 2021 Conference Committee.

1. Introduction

Budget participation in a company or organization is very important for managers or subordinate employees who have an important role in preparing the budget. Managerial performance becomes a work benchmark for company managers by how the company managers perform, which is assessed directly by the company and subordinate employees. The better the role of managers in a company, the better the company. In accordance with the demands of the company, the increasing quality of work can be seen by company managers, therefore the management and development of individual performance in the company is very important because performance management and performance development will be able to encourage, build and develop company effectiveness optimally in its role [1]. Participatory budgeting is carried out with a managerial approach that is considered to be able to contribute to improving organizationally effectively by increasing organizational performance, either managerially or individually. But sometimes in fact it often shows an unclear relationship between managerial performance and participatory budgeting so that this phenomenon is also a source of interest for researchers to investigate further. Before taking the topic of the existing problems, the researcher conducted an analysis of the research results from several

 OPEN ACCESS

research journals by previous studies that were relevant to the existence of research on budget participation, managerial performance and organizational commitment in accordance with the results of the analysis carried out. gives inconsistent results from several reference results in previous research, from the topic different results such as, for example, as revealed by [2] stating that budget participation has an influence on managerial performance while in research revealed by [3] stated that budget participation does not there is an influence on managerial performance, then research [4] states that budget participation has an effect on managerial performance, then the next inconsistency of results is the research result proposed by [2] which defines the results of organizational commitment as moderating variable the influence of the budget participation variable on managerial performance while the results of research conducted by [5] stated the results that there was an insignificant effect between Organizational Commitment on Budget Participation and Managerial Performance, the research revealed by [6] also gave results that the moderating variable of organizational commitment has a positive and significant effect on the relationship between budget participation and managerial performance then the results of budget participation also have an indirect effect on managerial performance through organizational commitment as evidenced by research by [7] in accordance with the differences in the results of this study which became the research interest in taking the title With different results, it is necessary to re-examine the effect of budget participation on managerial performance with organizational commitment as a moderating variable. The purpose of establishing this company is to seek profit and provide services to the public. The entire stock of this company is to carry out all these business activities in order to run smoothly, it is needed in a plan called a budget. In compiling a budget, it requires participation from both upper and lower levels. In connection with the results of the background problems that have been described, the researchers are interested in taking the title of the study with the title "The Effect of Budget Participation on Managerial Performance With Organizational Commitment as a Moderating Variable in the GAPENSI company"

2. Research Methods

2.1. Type of Research

The approach used in this research is quantitative. According to [8] the use of research methods with a broader basis so that it can be used to examine objects from samples that have been determined in the collection and the statistical nature of this research

2.2. Research sites

This research was conducted at the Indonesian Construction Entrepreneurs Movement (GAPENSI) in Sidoarjo. The reasons for choosing the research location adequately represent the problems that often occur related to the expected development project implementation budget with good development management by construction companies.

2.3. Variable Indicator

TABLE 1: Variable Indicator.

No.	Variabel Yang Digunakan	Indikator	Skala	Sumber
1	Partisipasi Anggaran (X)	Keterlibatan dalam penyusunan anggaran Pengaruh terhadap penetapan anggaran Pentingnya usulan anggaran Kelogisan dalam anggaran	Likert	Sinaga[9]
2	Kinerja Manajerial (Y)	<i>Planning</i> (Kinerja Perencanaan) <i>Investigating</i> (Kinerja Investigasi) <i>Coordinating</i> (Kinerja Pengkoordinasian) <i>Evaluation</i> (Kinerja Evaluasi) <i>Monitoring</i> (Kinerja Pengawasan) <i>Staffing</i> (Kinerja Pengaturan Staf) <i>Negotiating</i> (Kinerja Negosiasi) <i>Representating</i> (Kinerja Perwakilan)	Likert	Kurnianingsih & Indriantoro[10]
3	Komitmen Organisasi (Z)	Komitmen Afektif Komitmen Berkelanjutan Komitmen Normatif	Likert	Bangun[11]

Source: Processed Data, 2021

2.4. Population and Sample

The population is all research objects/subjects, as a measurement of the existing phenomena, the population taken by the population in this study are members of the GAPENSI company in Sidoarjo as many as 39 companies incorporated in the GAPENSI company.

The sample in this study is a complete GAPENSI company in Sidoarjo totaling 39 companies that have complete address data.

2.5. Data Types and Sources

The data used in this research is sourced from primary data, primary data is data obtained directly without going through any media. Primary data in this research is research questionnaires distributed to company managers.

2.6. Data collection technique

Data obtained by using research questionnaires about respondents' answers obtained from distribution to company managers who were sampled with members of the GAPENSI company can be accessed on the website of the construction company (GAPENSI) <https://gapensi.or.id/members> of the construction company which is in Sidoarjo.

1. Analysis Techniques

In this research, an analytical tool with PLS (Partial Least Square) is used, with partial least squares analysis to reveal the previously described hypothesis so that the hypothesis can be proven to answer the existing problem formulation. Analysis to support hypothesis testing is carried out by testing, among others:

1. Outer Model Test

This analysis (outer model) is used so that it is known that the estimated model is worth observing and used for measurements or the data can be ascertained to be valid and reliable, in the analysis of the outer model it explains that there is a relationship between the indicators owned by the latent variable, [12].

1. Inner Model Analysis

[12]. The changing value of r square indicates that the independent variable has a substantive effect on the dependent variable. In addition, the Partial Least Square model is carried out by evaluating the value of q square in order to know how well the estimation parameter model is.

1. (a) Hypothesis testing

Hypothesis using an error rate level (significance) of 5 percent (0.05) using a significance level of 5%, it is expected that the level of confidence to reach 95% in knowing the truth of the hypothesis is used with a comparison of 0.05 (0.05).

3. Results and Discussion

3.1. Analysis Results

In this study, the evaluation of the measurement model was carried out by analyzing and testing after all data was entered with the results obtained, namely convergent validity, discriminant validity and cronbach's negligent reliability testing. Evaluation of the relationship between indicators and constructs is a measurement in evaluating this model.

1. Outer Model Analysis

Evaluation of the measurement model is carried out by analyzing and testing after all data is entered with the results obtained, namely convergent validity, discriminant validity and cronbach negligent reliability testing, outer model analysis consists of:

1. Convergent Validity

Convergent Validity through its analysis of the value of the loading factor comparison to the lowest value of 0.6 in table 2 below:

In table 4.2, after elimination, the data is considered to have met the requirements, namely the loading factor value exceeds 0.6 (>0.6) and the AVE value exceeds 0.5 (>0.5). So the data from budget participation, managerial performance and organizational commitment are considered to have good validity.

1. Discriminant Validity

Discriminant validity can be seen in Cross Loading between indicators and constructs. Discriminant validity is used by making an assessment of the cross loading of its relationship to the constructs observed in table 3 below:

In accordance with table 2, it is known that the cross loading value of the relationship of the indicator correlation to the construct is higher than the correlation value of the indicator to other constructs, so it can be ascertained that the model in this structure is valid so that the discriminant validity conditions are met.

TABLE 2: Convergent Validity.

Variabel	Item	Loading	AVE
Efek Moderasi 1	P.A_X*K.O_Z	1.158	1.000
Kinerja Manajerial Y	<i>Coordinating</i>	0.668	0.555
	<i>Evaluation</i>	0.661	
	<i>Investigating</i>	0.848	
Komitmen Organisasi Z	K.A 1	0.834	0.529
	K.A 2	0.718	
	K.B 1	0.715	
	K.B 2	0.719	
	K.N 1	0.675	
	K.N 2	0.692	
Partisipasi Anggaran X	Kelogisan	0.748	0.604
	Keterlibatan	0.714	
	Monitoring	0.669	
	Negotiating	0.673	
	Penetapan	0.768	
	<i>Representating</i>	0.848	
	<i>Staffing</i>	0.815	
	Usulan	0.870	

Source : *Output Smart PLS (2021)*

3.2. Reliability Test

So that the data can be ascertained in a reliable condition, the Cronbach Alpha test is carried out and the construct reliability can be seen in table 4 below:

The Cronbachs Alpha value is more than 0.7 so it can be concluded that it is reliable, meaning that the variables that budget participation, managerial performance and organizational commitment have high reliability.

The modeling of the outer model is presented in the following structural Figure 1:

3.3. Inner Model Analysis

The inner model was analyzed by R-square analysis. To find out the influence of the budget participation variable on managerial performance with organizational commitment as the moderating variable, the analysis of the inner model is presented in table 5 below:

The value of the contribution of the variance of the data by the budget participation construct to managerial performance with organizational commitment as a moderating

TABLE 3: Discriminant Validity Cross Loading.

Item	Efek Moderasi 1	Kinerja Manajerial Y	Komitmen Organisasi Z	Partisipasi Anggaran X
<i>Coordinating</i>	-0.079	0.668	0.293	0.394
<i>Evaluation</i>	0.158	0.661	0.424	0.502
<i>Investigating</i>	-0.043	0.848	0.498	0.412
K.A 1	0.216	0.586	0.834	0.364
K.A 2	0.161	0.513	0.718	0.162
K.B 1	0.364	0.298	0.715	0.266
K.B 2	0.235	0.315	0.719	0.208
K.N 1	-0.196	0.244	0.675	-0.023
K.N 2	0.168	0.484	0.692	0.388
<i>Kelogisan</i>	0.005	0.439	0.304	0.748
<i>Keterlibatan</i>	0.060	0.500	0.292	0.714
<i>Monitoring</i>	0.005	0.669	0.440	0.515
<i>Negotiating</i>	0.134	0.673	0.472	0.502
P.A_X*K.O_Z	1.000	0.009	0.237	0.133
Penetapan	0.215	0.479	0.150	0.768
<i>Representating</i>	-0.043	0.848	0.498	0.412
<i>Staffing</i>	-0.100	0.815	0.483	0.573
Usulan	0.125	0.573	0.327	0.870

Source : Output Smart PLS (2021)

TABLE 4: Cronbach Alpha and Construct Reliability.

	Cronbach Alpha	Reliabilitas Konstruk
Efek Moderasi 1	1.000	1.000
Kinerja Manajerial (Y)	0.863	0.896
Komitmen Organisasi (Z)	0.824	0.870
Partisipasi Anggaran (X)	0.779	0.859

Source : Output Smart PLS (2021)

TABLE 5: Rsquare test.

	R-Square	Adjusted R Square
Kinerja Manajerial (Y)	0.609	0.575

Source : SmartPLS Data Processing Results, 2021

variable is 60.9% while 49.1% can be explained by other constructs that are not included in this study and were not examined in this study.

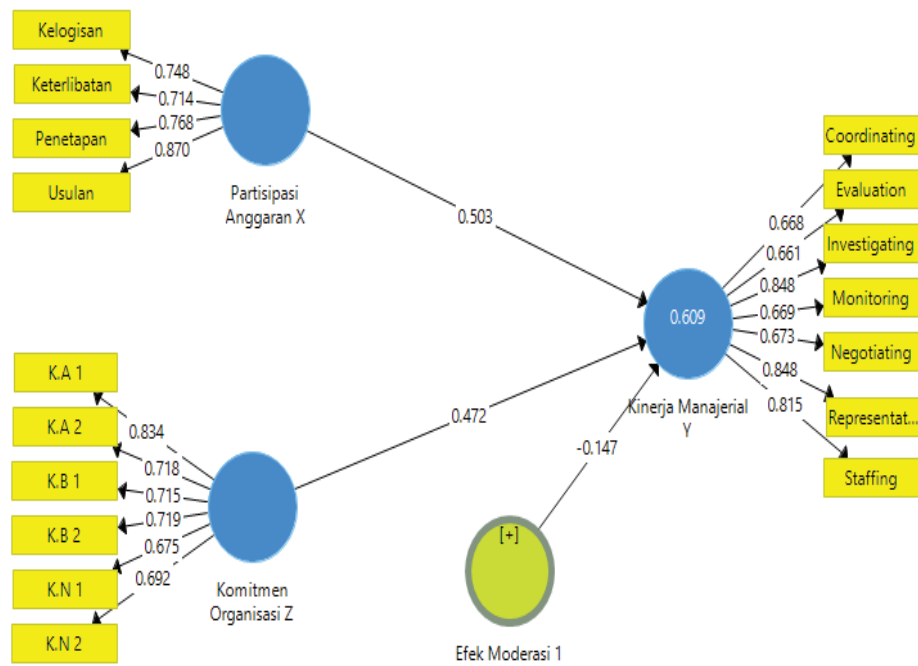


Figure 1: Structural Model Outer Model. Source : SmartPLS Data Processing Results.

3.4. Hypothesis Testing Analysis.

The hypothesis in this study was tested by analyzing the comparison of the significance value of the P value. If the P value exceeds 0.05, the hypothesis in this study is declared to have no significant effect and vice versa, according to the results of testing with bootstrapping Figure 2 below:

Path Coefficients with Botstraping SmartPLs gives the results presented in table 6 below:

TABLE 6: Botstraping Smart PLS.

	Original sam- ple (O)	Sample Mean (M)	Standart Error (STERR)	T Statistics (O/STERR)	P Value
Efek Moderasi 1 -> Kinerja Manajerial (Y)	-0.147	-0.153	0.103	1.417	0.157
Komitmen Organ- isasi (Z) -> Kinerja Manajerial (Y)	0.472	0.490	0.118	4.011	0.000
Partisipasi Anggaran (X) -> Kinerja Manajerial (Y)	0.503	0.509	0.134	3.746	0.000

Source : Olah Data SmartPLS, 2021

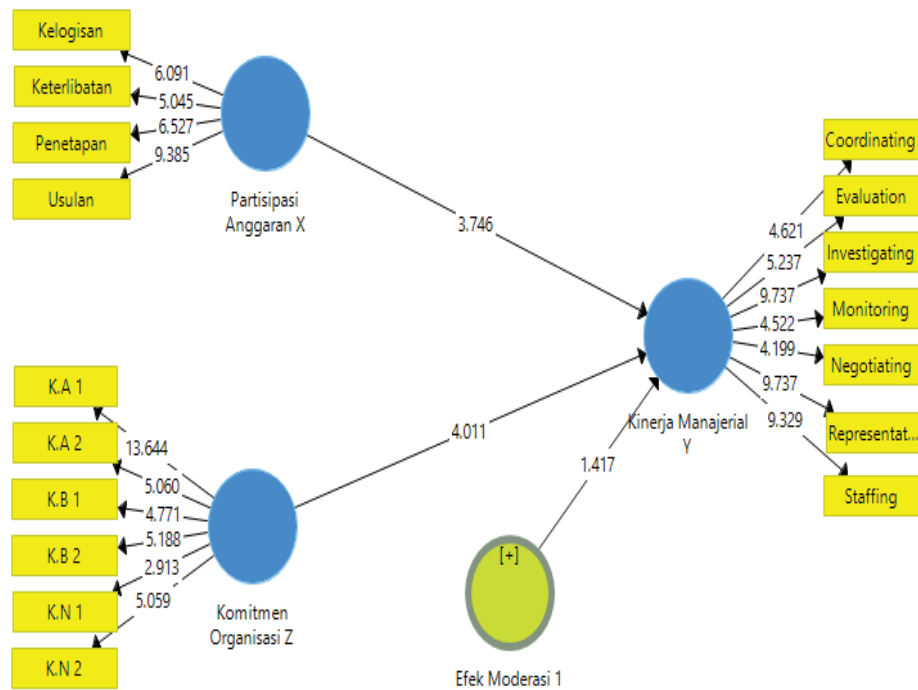


Figure 2: Smart PLS Data Processing Output. Source : SmartPLS Data Processing, 2021.

1. Test the first hypothesis "The Influence of Budget Participation on Managerial Performance"

The budget participation test construct on managerial performance has a T statistical value of 3.746, exceeding the t table value of 1.96 (T statistic 3.746 > T table 1.96) and the P Value of 0.000 the value exceeds 0.05 (P Value 0.000 < T table 0.05), from The results of the analysis can be concluded that budget participation has an influence on managerial performance. This means that the first hypothesis which states that budgetary participation affects managerial performance is acceptable.

1. Hypothesis test II "The Influence of Organizational Commitment on the Relationship between Budget Participation on Managerial Performance".

The moderating effect construct 2 from the relationship test between constructs (interaction construct between budget participation and organizational commitment as a moderating variable) was not able to influence budget participation. The T statistic value in the above test is 1.417, less than the t table value of 1.96 (T statistic 1.417 < T table 1.96) and the P Value of 0.157 the value exceeds 0.05 (P Value 0.900 > T table 0.05), from the results of the analysis it can be concluded namely organizational commitment is not able to influence the relationship between budget participation on managerial performance in the company GAPENSI. Hypothesis 2 cannot be accepted.

4. Discussion

4.1. The Effect of Budget Participation on Managerial Performance

According to the results of the analysis, it can be concluded that the company's performance can be influenced by the performance of research results showing the effect of budget participation on managerial performance. This result shows a positive value which means that the relationship of influence strengthens the effect of budget participation on managerial performance, this result is in accordance with the opinion of Kamilah[2] which shows the results that budgetary participation affects managerial performance. The budget can be used for control systems in the measurement of managerial performance. As an effort to prevent functional and dysfunctional impacts, behavior or attitudes in budgeting by members of the organization are needed to involve management at lower levels, this means that in improving organizational performance, budgetary participation can assess managerial performance to improve performance[13]. Budget participation owned by managers, managers will have a high understanding of the accuracy of budget goals, this is because the performance of managers is determined based on the budget targets that have been achieved, thus managers will be serious in preparing budgets. When a budget is proposed, it will indirectly shape the information obtained during budget preparation and then the budget is used to coordinate reports as a direction so that the budget can be led to be developed by managers so that the budget that is intended can be clearly realized by company managers so that with the accuracy of the budget, it is hoped that the objectives and accuracy of the budget that has been prepared can be achieved.

4.2. The effect of organizational commitment in the relationship between budget participation on managerial performance in GAPENSI companies.

The results of the study show that there is no influence of the influence of organizational commitment in the relationship between budget participation on managerial performance at the GAPENSI company. Moderating effect 1 in this study is not a variable that cannot moderate purely this is because there is no influence between moderating effect 1 on managerial performance. The negative coefficient value of the moderating effect variable on managerial performance is -0.147 which indicates a negative relationship. Thus, it can be concluded that organizational commitment weakens the relationship between budget participation and managerial performance in GAPENSI companies. These results are consistent with previous research proposed by Fauziah and Hidayah[5] which gives the result that organizational commitment has

no significant effect on budget participation and managerial performance. In this study organizational commitment was unable to moderate the relationship between budgetary participation and managerial performance due to a lack of existing commitment. This is because organizational commitment to achieving organizational goals has not been implemented, one of which the role of managers often shows a lack of pride in being part of an organization that has been raised so that there is a sense of wanting to leave this organization because working in an organization requires great sacrifices but is not ready to work in an organization. other organizations because it is not as expected, this results in a lack of organizational commitment to budgeting participation, so managerial performance is also reduced. In accordance with this low organizational commitment, this will have an impact on managerial performance working in an organization because the clarity of the budget is not measurable so that low commitment will slow down the goals of the organization that have been set because organizational commitment is the level of willingness to identify itself. and actively participate in the organization which is characterized by a desire to maintain membership in the organization, belief in and acceptance of the values and goals of the organization, as well as a willingness to work as much as possible for the benefit of the organization

5. Conclusion

In the current research, research from the basis of the analysis of the temporary presumption test that has been carried out to answer has been discussed in the discussion that has been put forward from the results of hypothesis testing through the smartPLS application described, among others: 1) in the GAPENSI company managerial performance is able to be influenced by budget participation in research conducted provides results that strengthen the relationship between budgetary participation and managerial performance, 2) in the GAPENSI company, the relationship between budget participation and managerial performance is not able to be moderated by organizational commitment.

6. Thank-You Note

1. (a) i. A. Praise be to Allah swt who has given His guidance and grace because with this the author is given smooth sustenance, health and mind so that this research can be completed on time
- B. To my beloved parents, father and mother, who have given much support in the form of material and morals who have continued to

pray for the author so that this research can be carried out well and a bachelor's degree in accounting can be taken immediately.

C. to all parties at the University where the author studied, namely at the Muhammadiyah University of Sidoarjo, especially to the guardian lecturer of the Accounting Department B1, supervisors and other lecturers who always provide suggestions and criticisms so that this research can provide benefits both theoretically and empirically in the academic world .

D. To my friends in 2017 who have never stopped giving encouragement and motivation so that this research can be completed as soon as possible.

References

- [1] Lubis SH. Kinerja manajerial pada Pt. Pelabuhan Indonesia I (Persero) medan skripsi Oleh. Universitas Medan Area Medan Kinerja Manajerial Pada PT; Medan, 2019.
- [2] Kamilah F, Taufik T, Darlis E. Pengaruh partisipasi anggaran terhadap kinerja manajerial dengan komitmen organisasi dan gaya kepemimpinan sebagai variabel moderating (Studi empiris pada rumah sakit di pekanbaru). *Sorot*. 2013;8(2):105-119. <https://doi.org/10.31258/sorot.8.2.2354>
- [3] Ermawati N. Pengaruh partisipasi anggaran terhadap kinerja manajerial dengan motivasi kerja sebagai variabel pemoderasi (Studi kasus Skpd Kabupaten Pati). *Jurnal Akuntansi Indonesia*. 2017;6(2):141-156. <https://doi.org/10.30659/jai.6.2.141-156>
- [4] Y Yunita. Pengaruh partisipasi penyusunan anggaran terhadap kinerja manajerial: Komitmen organisasi dan kecukupan anggaran sebagai variabel kontinjen (studi kasus pada Universitas Dian Nuswantoro Semarang). *Diponegoro Universitas Institutional Repository*. 2009;2000:1–36.
- [5] Fauziah FE, Hidayah N. Pengaruh partisipasi anggaran terhadap kinerja manajerial dengan komitmen organisasi sebagai variabel moderating. *Jurnal Dinamika Ekonomi & Bisnis*. 2010;7(1):57–79.
- [6] Putri Y, Novita N. Pengaruh partisipasi dan komitmen organisasi terhadap kinerja manajerial: Komitmen organisasi sebagai variabel moderating. *Jurnal Aplikasi Akuntansi*. 2020;4(2):176–196. <https://doi.org/10.29303/jaa.v4i2.55>
- [7] Yuyetta ENA, Setiadi H. Pengaruh partisipasi anggaran terhadap kinerja manajerial melalui komitmen organisasi dan budget emphasis sebagai variabel intervening

(Studi kasus pada SKPD Pemerintah Kabupaten Boyolali). *Diponegoro Journal of Accounting*; 2013; 2(4); 95–208.

- [8] S Sugiyono. *Metode penelitian kombinasi (mix methods)*. Bandung: Alfabeta; 2015.
- [9] Sinaga A. *Perkembangan UKM di hambat birokrasi perizinan*. 2013. Available from: <http://economy.okezone.com>; MNC Media; Jakarta
- [10] Kurnianingsih R, Indriantoro N. Pengaruh sistem pengukuran kinerja dan sistem penghargaan terhadap keefektifan penerapan teknik total quality managemen. *Jurnal Riset Akuntansi Indonesia*; 2013;4:28–43.
- [11] Bangun W. *Manajemen sumber daya manusia*. Jakarta: Erlangga; 2013.
- [12] Abdillah W, Jogiyanto J. *Partial Least Square (PLS) alternatif structural Equation Modeling (SEM) dalam penelitian bisnis*. 1st ed. Yogyakarta: Andi; 2015.
- [13] Sardjito B, Muthaher O. Pengaruh partisipasi penyusunan anggaran terhadap kinerja aparat pemerintah daerah: Budaya organisasi dan komitmen organisasi sebagai variabel moderating. *Simposium Nasional Akuntansi X*, Makassar.