

## Analysis of Organizational Commitment and Leadership Style as Moderation Variables in Achieving Managerial Performance

Aida Nahar\*

Nahdlatul Ulama Islamic University, Indonesia, [aida@unisnu.ac.id](mailto:aida@unisnu.ac.id)

\*Corresponding author

### Abstract

This study aims to analyze the moderating variables that affect the managerial performance of furniture companies in Jepara district. Managerial performance is achieved if the planning involves the participation of employees. Management and employees jointly design company plans. Therefore, this study examines whether budgetary participation affects managerial performance. In addition, the moderating variables of organizational commitment and leadership style were investigated in this study to strengthen the influence of budgetary participation on managerial performance. The population of this study was managers and employees of furniture companies in Jepara district, amounting to 77,817. The sampling technique was random sampling method and the technique of data analysis used moderated regression analysis. The result reveals that managerial performance is influenced by budgetary participation if there is organizational commitment and depends on the company's leadership style.

**Keywords:** Budgetary participation; Organizational commitment; Leadership style; and managerial performance

## Analisis Komitmen Organisasi dan Gaya Kepemimpinan Sebagai Variabel Moderasi dalam Pencapaian Kinerja Manajerial

### Abstrak

Penelitian ini bertujuan untuk menganalisis variabel moderasi yang mempengaruhi kinerja manajerial perusahaan mebel di kabupaten Jepara. Kinerja manajerial tercapai jika perencanaan melibatkan partisipasi karyawan. Manajer dan karyawan bersama-sama merancang rencana perusahaan. Oleh karena itu, penelitian ini mengkaji apakah partisipasi penyusunan anggaran berpengaruh terhadap kinerja manajerial. Selain itu, komitmen organisasi dan gaya kepemimpinan diteliti dalam penelitian ini untuk menguji apakah dapat memperkuat pengaruh partisipasi anggaran terhadap kinerja manajerialnya. Populasi dalam penelitian ini adalah manajer dan karyawan perusahaan mebel di kabupaten Jepara yang berjumlah 77.817 orang. Teknik pengambilan sampel menggunakan metode random sampling dan teknik analisis data menggunakan analisis regresi moderasi. Hasil penelitian ini adalah efektivitas bisnis dipengaruhi oleh partisipasi anggaran jika ada komitmen organisasi dan tergantung pada gaya kepemimpinan perusahaan

**Kata kunci:** Partisipasi Anggaran, Komitmen Organisasi, Gaya Kepemimpinan, dan Kinerja Manajerial

---

**History:** Received: 2 February 2022 Revised: 24 August 2022 Accepted: 13 September 2022

**Citation (APA 6<sup>th</sup>):** Nahar, A., (2022). Analysis of Organizational Commitment and Leadership Style as Moderation Variables in Achieving Managerial Performance. *Jurnal Economia*, 18(2), 172-185. <https://doi.org/10.21831/economia.v18i2.47800>

---

## INTRODUCTION

Indonesia is one of the largest furniture exporting countries in the world (Arifin, 2021; RI, 2020). Furniture export is recorded to dominate up to 72,8% or US\$ 2.28 billion. Data

from the Indonesian Exporters directory shows that the largest exporter is from Central Java, which consists of 409 exporters or 44% of total exporters in Indonesia. Of the 409 exporters, Jepara, one of regencies in Central Java, has the most exporters or there are 201 exporters (49% from the total amount). In 2020, the export value of Jepara Regency furniture was recorded at USD 117,03 million. This figure shows a decrease from 2019 which was able to reach USD 186,85 million. One of the reasons for the decline was the spread of the corona virus disease (Covid 19) which has an impact on various aspects, including micro, small, medium, and even large companies (Putra, 2021). This decline must be responded by the company to survive. Various efforts should be made to keep the company effective.

Organizational effectiveness is one measure of a company's performance. Organizational effectiveness is a level of success achieved by organizational leaders with their employees or company resources in achieving organizational goals (Ashraf & Kadir, 2012). A measure of the goal's achievement is by looking at the involvement of the company's human resources. One of the measuring tools for achieving organizational effectiveness is managerial performance (Zahro & Januarti, 2016).

Managerial performance is a periodic assessment of the effectiveness of an organization, part of the organization, and its personnel based on predetermined goals, standards, and criteria (Sumarno, 2005). Managerial performance can be referred to as employee performance or work performance, where employee performance is the work of an employee during a certain period compared to various possibilities, such as standards, targets, or criteria that have been determined in advance and have been agreed upon.

Managerial performance is based on management functions which include planning, investigation, coordination, evaluation, supervision, staff selection, negotiation, and representation (Suardana & Suryanawa, 2010). In terms of planning, management determines the work that must be carried out by the group to achieve the goals outlined. In organizing function, management divides the components of activities needed to achieve goals into groups, organizes tasks into unit groups, and determines the groups authority or organizational units. The actuating function includes activities carried out by a manager to initiate and continue the activities determined by the planning and organizing elements so that goals can be achieved. The staffing function is a manager's function in getting, placing, and retaining members in positions required by the work of the organization concerned.

The directing function is a manager's function in providing direction to subordinates so that they become knowledgeable employees and will work effectively towards the foundations set by the company. Meanwhile, the controlling manager function includes the continuation of the task to see whether activities are carried out according to plan. Performance appraisal is based on an assessment of human behavior in carrying out the roles they play in the organization. This is because an organization is operated by human resources. Assessment of organizational effectiveness will be based on periodic assessments of the managers' and employees' behavior according to established goals, standards, and criteria.

One of the assessments of organizational effectiveness is seen from the achievement of plans or budgets with implementation. For the budget to be achieved and implemented, it should involve managers or employees in preparing a budget or planning. Therefore, managerial performance is achieved by involving human resources, namely leaders and subordinates or their employees in budgeting (Ashraf & Kadir, 2012). Involvement in budgeting is also known as budgetary participation. It is an approach that generally can improve performance, which in turn increases organizational effectiveness (Zahro & Januarti, 2016). This is because performance is assessed based on the achievement of budget targets and the efficiency of budget execution. In business companies, budget implementers receive compensation in the form of bonuses if they can meet or exceed the target and receive punishment if they are unable to meet the target. Andriani (2018) states that managerial performance is said to be effective if the budget objectives can be achieved and subordinates have the opportunity to be involved or participate in budgeting.

The budget is an element of the management control system that functions as a planning and control tool so that managers can carry out organizational activities more effectively and efficiently (Wulandari & Sujana, 2013). The budget as a planning tool is an activity plan consisting of some targets to be achieved by departmental managers of a company in carrying out a series of certain activities in the future. Meanwhile, the budget as a control tool provides a detailed plan for the company's income and expenses so that the expenditures made can be accounted for. Without a budget, companies cannot control spending. The budget is also used as a working guide so that the preparation process requires a good budget organization, the right approach, and budget simulation models that can improve performance at all levels of management within the organization or its managerial performance.

The achievement of budget targets and the efficiency with which an organization's budget is executed are used to evaluate managerial performance. The budget prepared with the participation of company resources will have an impact on increasing company performance which ultimately increases organizational effectiveness (Zahro & Januarti, 2016). Effectiveness in achieving managerial performance is measured by the achievement of a budget that provides opportunities for employees of the organization to be involved or participate in budgeting. As the result of Andriani (2018), it found that budgetary participation can increase organizational effectiveness as seen from its managerial performance.

The budgeting process can be carried out with several approaches, namely top-down approach, bottom-up approach, and participation (Suardana & Suryanawa, 2010). The top-down budgeting approach is carried out by planning and the amount of the budget has been determined by the superior or the holder of the budget authority so that subordinates or budget implementers only do what has been prepared. In this case, if the preparation of the budget is only based on the will of the superior without involving the participation of subordinates, it can cause difficulties for subordinates to achieve it. On the other hand, if budgeting is carried out using a bottom-up system according to the wishes of subordinates, it can also lead to the low achievement of optimal targets. So, to achieve the target

optimally, the participation of subordinates in budgeting will be very much needed because they will provide known local information. Subordinates can discuss or reveal personal information that may be included in the budget as a basis for evaluation in this way.

Budgetary participation is a collaborative process in decision-making involving two or more groups that affect future decision-making (Himawan & S, 2010). Subordinates are more inclined to compromise on budget targets that they believe can be met if they are involved in budgeting. This is in line with the research by Almasi, Palizdar, & Parsian (2015); Giusti, Kustono, & Effendi (2018); Moheri & Arifah (2015); Sinen (2020); Zonatto, Nascimento, Lunardi, & Degenhart (2020) which found that Budgetary participation and the managerial performance had a favorable and significant link. On the other hand, researches conducted by Jatmiko, Laras, & Rohmawati (2020) and Sumarno (2005), show that there is no significant effect between budgetary participation and managerial performance.

One solution to the differences in research results or inconsistencies in research results is usually done using a contingency approach (Pakpahan, Astuti, & Hani, 2018). This approach gives an idea that the relationship between budgetary participation and managerial performance is thought to be influenced by conditional factors or variables. One of the conditional variables is the moderating variable. Moderating variable is a variable that has an influence to strengthen or weaken the relationship between the independent variable and the dependent variable (Liana, 2009). The moderating variables used in this study are organizational commitment and leadership style

Organizational commitment is an encouragement from within the individual to do something to support the success of the organization following its goals and prioritize the interests of the organization over its interests (Pakpahan et al., 2018). The existence of organizational commitment to a company is very necessary. The organizational commitment will directly or indirectly facilitate the company in achieving the targets set by the company. Efforts to direct employees who already have confidence that the goals or objectives of the organization must be achieved. Owners, managers, and employees will work together to achieve organizational goals. This can be done if you have a strong organizational commitment. So, with a strong organizational commitment, it can support the achievement of company effectiveness which in this study is measured by its managerial performance.

Organizational commitment can strengthen the influence of budgetary participation on managerial performance. In line with the research conducted by Pakpahan et al. (2018), it shows that the organizational commitment factors moderate the connection between budgetary involvement and management performance. However, Soleiman & Thalib (2021) and Suardana & Suryanawa (2010) found that organizational commitment cannot modify the association between budgetary involvement and management performance.

In addition to organizational commitment, leadership style is also used as a moderating variable in the relationship between budgetary participation and managerial

performance. Leadership is the process of directing, guiding, and influencing the thoughts, feelings, actions, and behavior of others to move towards certain goals (Baihaqi, 2010). Leadership plays a very important role in organizational management. Leadership is needed by everyone because in humans' certain limitations eventually arise the need to lead and to be led. The embodiment of the behavior of a leader regarding his ability to lead is called a leadership style.

Leadership style is employed as a moderating variable in the association between budgetary involvement and managerial success, in addition to organizational commitment. Leadership style is a behavioral norm used by a person when that person tries to influence the behavior of others (Mattayang & Artikel, 2019). Leadership style is also said to be a way for the leader to influence other people or his subordinates so that the person wants to do the leader's will to achieve organizational goals even though personally it may not be liked. Sumarno (2005); Triseptya (2017) and Klaorina & Suprasto (2019) researched leadership style variables, finding that leadership style moderates the connection between budgetary involvement and management success. However, this research does not support research conducted by Andika (2019) which shows that leadership style does not moderate the relationship between budgetary participation and managerial performance.

Furniture companies are the dominant aspect for the people of Jepara which must maintain its effectiveness to survive and compete with other companies. During a Covid pandemic like this, there needs to be a handling model to maintain company effectiveness. Therefore, originality in this study is a model for improving managerial performance of furniture companies in Jepara district. The managerial performance improvement model has been carried out by analyzing the moderating variables that affect managerial performance. So, the purpose of this study is to analyze the moderating variables that affect the managerial performance of furniture companies in Jepara district.

### **Relationship between Budgetary Participation and Managerial Performance**

Budgetary Participation is a process that involves individuals in determining the budget objectives for which they are responsible (Paryati, 2021). Participation can be interpreted as a joint decision-making process by two or more parties that have a future impact on the decision-maker. With the budgetary participation, managers feel involved and must be responsible for the implementation of the budget so that it is hoped that managers can make better budgeting and company goals can be achieved. The achievement of goals is the main goal that is expected to be achieved by the company which is one of the measures of managerial performance. The higher the involvement of managers and employees in budgeting, the higher the managerial performance. Conversely, the smaller the participation of managers and employees in preparing the company's budget, the lower the managerial performance. This is supported by Mah'd, Al-khadash, Idris, & Ramadan (2013) and Suardana & Suryanawa (2010) who say that budgetary participation has a positive and significant effect on managerial performance. Based on the existing explanation, the following hypothesis is proposed:

**H1:** Budgetary participation has a positive and significant effect on managerial performance.

### **Relationship among Organizational Commitment, Budgetary Participation and Managerial Performance**

Organizational commitment is a condition where individuals have trust, attachment, and a feeling of belonging to the company so that the individual will be more concerned with the interests of the company than his interests. It is in line with the hierarchy of needs theory in which a person whose self-actualization needs are met will feel useful for the company and he will be motivated to be able to behave in the best way for the company. Therefore, s/he will try to achieve the goals that have been set. Strong organizational commitment within the individual will cause individuals to strive to achieve organizational goals following the goals and interests of the organization (Pakpahan et al., 2018) and will have a positive outlook and try to do their best for the benefit of the organization. Individuals with a high level of dedication are more concerned about the organization's fate and strive to improve its direction. Thus, organizational commitment will support the role of providing budgetary participation for managerial performance. This is supported by Pakpahan et al. (2018) who said that organizational commitment strengthens the effect of budgetary participation on managerial performance. Based on the existing explanation, the following hypothesis is proposed:

**H2:** Organizational commitment moderates the relationship between budgetary participation and managerial performance.

### **Relationship among Leadership Style, Budgetary Participation and Managerial Performance**

Leadership is the process of directing, guiding, and influencing the thoughts, feelings, actions, and behavior of others to be moved towards certain goals (Baihaqi, 2010). Leadership plays a very important role in organizational management. Leadership style is a leader's way of influencing other people/subordinates so that the people wants to do the leader's will to achieve organizational goals even though personally it may not be liked (Trisnaningsih, 2007). Leadership style can affect the way managers work because leadership style contains an understanding as a manifestation of the behavior of a leader regarding his ability to lead. A leadership style that views it as important to involve managers and employees in financial and non-financial planning, will make it easier for leaders to achieve company goals. Therefore, the leadership style will strengthen the relationship between budgetary participation and the company's managerial performance. Triseptya (2017) supports this idea, in which she claims that leadership style moderates the impact of budgetary participation on management performance. Based on the existing explanation, the following hypothesis is proposed:

**H3:** Leadership style moderates the relationship between budgetary participation and managerial performance.

## **METHOD**

This study covered the variables of budget participation, organizational commitment, leadership style, and managerial performance. Budget participation is a level of how far the involvement and influence of individuals (managers) in the budget preparation process (Andika, 2019). The indicators of budget participation used research by Milani (1975) which consist of the involvement of managers in the budgeting process, the superior's reasons for revising the proposed budget, the frequency of giving suggestions and opinions, the influence of managers in the final budget, the importance of the contributions made and the frequency of submission of opinions.

Organizational commitment is a condition in which individuals have trust, attachment, and a sense of belonging to the company so that the individual will prioritize the interests of the company over personal interests. Indicators of measuring organizational commitment consist of the ability to work above average, pride in the workplace organization, willingness to do all work, suitability of individual values with organizational values, pride in being part of the organization, organizational influence in achievement, satisfaction in choosing an organization in achievement, concern for the future of the organization and employees' assessment of the organization (Andriani, 2018; Mowday, Steers, & Porter, 1979). Leadership style is the degree of relationship between managers of each department and their co-workers (Triseptya, 2017). Indicators of measuring leadership style consist of decisions, perspectives, communicating goals, and giving awards (Nugroho, 2015). The last variable is the managerial performance which is the performance or achievement of employees during a certain period compared to targets, standards, or criteria that have been mutually agreed upon. Measurement indicators of managerial performance consist of planning, investigation, coordination, evaluation, supervision, staffing, negotiation, representation, and overall average performance (Andriani, 2018; Mahoney, 1963).

Planning is applied in determining goals, objectives, policies, and actions. The investigation is applied to the act of gathering and preparing information, usually in the form of reports, records, and accounts. Coordination is evidenced by exchanging information with employees within the organization and outside the organization. Evaluation is carried out by evaluating and assessing proposals, reports, and performance. Staffing is carried out by maintaining subordinates in the unit. Negotiations are evidenced in the performance of purchases, sales, contracts for goods and services. Then, representation is defined as the act of delivering information about the vision, mission, and activities of the organization using socialization, speeches to outsiders.

This research questionnaire used a five-point Likert scale, with a scale of 1 indicating very low participation, or commitment, or leadership style, while a scale of 5 indicating a very high level of participation, or commitment or leadership style, or performance. For managerial performance variables, this study used a range of scales. A scale of 1 to 2 indicates below-average performance, a scale of 3 indicates average performance, and a scale of 4 to 5 indicates above-average performance.

The population of this study was the managers and employees of manufacturing companies in Jepara district consisting of 77,817 (Jepara in figures, 2017). Determination of the number of samples used the Slovin formula with a standard error of 10%. From the results of the calculation of the Slovin formula, the sample in this study amounted to 100. The sampling technique used the random sampling method. Data analysis techniques in this study employed moderated regression analysis.

## **FINDING AND DISCUSSION**

This research was conducted by distributing questionnaires as many as 150 questionnaires. Of the total number of questionnaires that were returned, there were 120 and the complete data that could be used for data processing were 100 questionnaires. The response rate of managers and employees who work in Jepara district furniture companies in filling out questionnaires is 80%.

Managers and employees of furniture companies who filled out the questionnaires in this study were 69% men with the majority aged between 31-35 years. The age of the respondent is at least 21 years and the highest is over the age of 45 years. The majority of respondents' education is high school graduates. The majority of respondents' tenure is less than 5 years or 65%. A working period of over 10 years is only 15%. The positions of the majority of respondents are production managers and employees who work in the production department. Only 17% of respondents work in the marketing sector, only 20% in finance, and only 6% in personnel.

Based on the respondent's data, descriptive statistics are presented in table 1.

Table 1. *Descriptive Statistics*

Variables	N	Minimum	Maximum	Mean	Standard Deviation
Budgetary Participation	100	12	30	21,76	5,463
Organizational Commitment	100	19	44	29,02	6,254
Leadership Style	100	6	16	13,36	2,672
Managerial Performance	100	19	52	31,05	7,827

Budgetary participation has an average value of 21.76, with a minimum value of 12 and a maximum of 30. The minimum value indicates that the respondents answered the score of 2 which generally responded 'not important' or 'never involved'. Meanwhile, the maximum value of budgeting participation means that respondents' answers to budgetary participation are important or very often involved in budgeting.

Organizational commitment has an average value of 29.02 with a minimum value of 19 and a maximum value of 44. Leadership style has an average value of 13.36 with a minimum value of 6 and a maximum value of 16. It means that most of the respondents



answered that the leaders emphasize the importance of the task, influence the way perspective in solving work problems, and communicates goals. In addition, the leaders provide opportunities for employees to be creative in carrying out their duties, and they give rewards for employees who have good performance.

Table 2. *Test results of Data validity*

No	Variable	Pearson Correlation	Sig. (2-tailed)	Conclusion
1	Budgetary participation	0.805 – 0,883	0.000	Valid
2	Organizational Commitment	0,621 – 0.806	0.000	Valid
3	Leadership Style	0.683 – 0,756	0.000	Valid
4	Managerial performance	0,654 – 0,837	0.000	Valid

Managerial performance has an average value of 31.05 with a minimum value of 19 and a maximum value of 52. This means that most respondents answered that the respondent's company work system consists of planning, investigation, coordination, evaluation, supervision, staff selection, negotiation, and company activities in meetings with other companies, internal meetings as well as with the general public.

Table 3. *Test results of Data Reliability*

No	Variable	Cronbach's Alpha	Value Limit Cronbach's Alpha	Value Limit Cronbach's Alpha
1	Budgetary participation	0,919	0.600	Reliable
2	Organizational Commitment	0,777	0.600	Reliable
3	Leadership Style	0,795	0.600	Reliable
4	Managerial performance	0,781	0.600	Reliable

The question instrument in this research is valid and reliable. The validity test is presented in table 2 and the reliability test is presented in table 3. In addition to the results of the classical assumption test, the research data has been normally distributed, which is indicated by the asymp data. Sig (2 tailed) of 0.072. Besides the results of the classical assumption test, the data of this study were normal, free of multi-collinearity, free of heteroscedasticity, and free of autocorrelation. The results of the regression in this study are presented in table 4.

SPSS test results show that the influence of budgetary participation on managerial performance obtained a p-value of 0.775. The test results show that it is not significant or the first hypothesis is rejected. This means that budget participation does not affect the managerial performance of the Jepara district furniture company.

The significance value for testing the moderating variable of organizational commitment on the association between budgetary involvement and management

performance was 0.000. These results indicate that the second hypothesis is accepted. This suggests that organizational commitment boosts budget participation's impact on management performance.

Table 4. *Hypothesis Testing*

Hypothesis	Estimate	P-value	Decision
H1	Budget participation affects managerial performance	0.775	Rejected
H2	Organizational commitment strengthens the relationship between budget participation and managerial performance	0.000	Accepted
H3	Leadership style strengthens the relationship between budget participation and managerial performance	0.006	Accepted

Moreover, the results of testing the leadership style variable on the relationship between budget participation and managerial performance obtained a significance value of 0.006. These results indicate that the third hypothesis is accepted. This suggests that the impact of budgetary participation on management performance is amplified by leadership style.

### **Discussion**

Organizational effectiveness as proven by the managerial performance of the Jepara district furniture company is not influenced by the budgetary participation of managers or employees. This means that the involvement of managers or employees does not guarantee that the company's managerial performance will increase. The more often managers or employees are involved in budgeting, it does not always indicate better managerial performance. On the other hand, the less or no involvement of managers or employees in budgeting is not the cause of poor managerial performance.

Based on some samples in this study, it reveals that managers and employees are not involved in preparing the company's budget, but the managerial performance of the company is above average. Conversely, some managers and employees are involved in preparing the budget, their performance is also above average. This means whether or not managers or employees are involved in budgeting, it does not affect the company's managerial performance. Most of the managers and employees reveal that the owners themselves are the ones who make up the budget. They actually know the potential of the company so that the target can be achieved. Most of the Jepara district furniture companies do not make budget preparations. All activities are controlled by the owners of the companies. This study is in line with the researches conducted by Jatmiko et al. (2020); Milani, 1975 and Sumarno (2005) who found that budgetary participation did not affect managerial performance.

The link between budgetary involvement and managerial performance is strengthened by organizational commitment. Budget participation can affect managerial

performance if there is an organizational commitment to both owners, managers, and even employees. This is reinforced by interviews with most managers and employees who reveal that the company's interests are more important than personal interests. Managers or employees give everything to make the company successful. In addition, there is a sense of pride in the managers and employees of the company. Managers and employees accept almost every type of job assignment to stay with the company. This is because they believe that their company is the right company for them to work for. The concern of managers and employees for the future of the company is enormous. For them, the company provides the best opportunity to improve managerial performance.

The findings of this study show that high organizational commitment causes individuals to care about the organization's fate and to try to steer it in a better path. Thus, budgetary participation accompanied by high organizational commitment in individual employees will be able to improve managerial performance. This is following Pakpahan et al. (2018)'s research which shows that organizational commitment has a positive and significant moderating effect on the relationship between budgeting and the company's managerial performance. It means that if the interaction of high budgetary participation is accompanied by high organizational commitment owned by managers and employees, it can improve managerial performance.

The third hypothesis's second moderation test reveals that leadership style strengthens the link between budgetary involvement and management performance. A good leadership style will emphasize employees to work as well as possible in carrying out their main duties and functions. High budgetary participation accompanied by a good leadership style will affect the company's managerial performance.

Leaders have the responsibility to create conditions that stimulate employees to achieve the goals that have been determined by the company. Leadership style is a reflection of one's ability to influence individuals or groups. A leader must be able to maintain harmony between the fulfillment of individual needs with individual direction on organizational goals. An effective leader is a leader who recognizes the important strengths possessed by individuals or groups, and is flexible in the approach used to improve the performance of the entire organization.

Most of the employees in the sample companies in this study revealed that leaders often emphasize the importance of tasks and ask employees to carry out their duties as well as possible. Leaders also influence their perspective on solving work problems, as well as communicating goals and providing opportunities for employees to achieve things in their way. In addition, their leaders always appreciate and praise employees who perform well.

The findings of this study corroborate those of Klaorina & Suprasto (2019), who discovered that leadership style influences the relationship between budgetary involvement and managerial performance. It means the presence of high budgetary participation accompanied by a leadership style that cares about employees will affect the company's managerial performance.

## **CONCLUSION**

Budget involvement, when controlled by organizational dedication and leadership style, has an impact on a furniture company's effectiveness. Partially, budgetary participation does not affect the effectiveness of the company which in this study is seen from managerial performance. This means that budgetary participation cannot make a real contribution to the effectiveness of the company. However, budgetary participation can affect the effectiveness of the company if it is strengthened by organizational commitment.

Organizational commitment moderates the relationship between budgetary participation and managerial performance. This means that budgetary participation with high organizational commitment possessed by employees can improve managerial performance. In addition to organizational commitment, budgetary participation can affect the effectiveness of the company if it is strengthened by the leadership style. The association between budgetary participation and managerial performance is moderated by leadership style. This means that budgetary participation followed by a good leadership style can improve managerial performance.

This research contributes to efforts to increase the effectiveness of furniture companies in Jepara Regency. The most important thing that needs to be a concern for furniture entrepreneurs in Jepara Regency is to foster organizational commitment for managers and employees so that company effectiveness is achieved. In addition, entrepreneurs must apply a leadership style that always emphasizes the importance of tasks and their implementation, influences management's perspective in problem solving, communicates goals and provides opportunities for managers and employees to be creative in solving tasks and problems, and appreciates and praises employees who have good performance.

Most of the management of furniture companies in Jepara Regency is centralized in the owners or managers. This can be a reference for further research in order to take the dependent variable other than budgetary participation. These variables include locus of control, total quality management, emotional maturity, and self-confidence. In addition, this research only focuses on furniture companies in Jepara Regency. Further research is recommended to expand other business sectors and expand its territory.

## **REFERENCES**

- Almasi, H., Palizdar, M. R., & Parsian, H. (2015). Budgetary participation and managerial performance : The impact of information and environmental volatility Budgetary participation and managerial performance : The impact of information and environmental volatility. *Management Science Letters*, 5(July), 843–854. <https://doi.org/10.5267/j.msl.2015.7.001>
- Andika, P. P. (2019). Partisipasi Anggaran, Komitmen Organisasi dan Kinerja Manajerial dengan Gaya Kepemimpinan dan Budaya Organisasi sebagai Pemoderasi. *JRAP: Jurnal Riset Akuntansi Dan Perpajakan*, 6(2), 13–22.
- Andriani, R. (2018). Pengaruh Budgetary Goal Characteristics terhadap Kinerja Manajerial dengan Budaya Organisasi dan Komitmen Organisasi sebagai Variabel

Moderating. *Cano Ekonomos*, 7(2).

- Arifin, S. (2021). *Strategi UKM Menembus Ekspor* (Vol. 15). Jepara: Unisnu Press.
- Ashraf, G., & Kadir, S. bte A. (2012). A Review on the Models of Organizational Effectiveness: A Look at Cameron ' s Model in Higher Education. *International Education Studies*, 5(2), 80–87. <https://doi.org/10.5539/ies.v5n2p80>
- Baihaqi, M. F. (2010). *Pengaruh Gaya Kepemimpinan terhadap Kepuasan Kerja dan Kinerja dengan Komitmen Organisasi sebagai Variabel Intervening*. Universitas Diponegoro.
- Giusti, G., Kustono, A. S., & Effendi, R. (2018). Pengaruh Partisipasi Anggaran Terhadap Kinerja Manajerial dengan Komitmen Organisasi dan Motivasi Sebagai Variabel Intervening. *E-Journal Ekonomi Bisnis Dan Akuntansi*, V(2), 121–128.
- Himawan, A. kukuh, & S, A. I. (2010). Pengaruh Komitmen Organisasi, Gaya Kepemimpinan dan Job Relevant Information (JR) terhadap Hubungan Partisipasi Anggaran dan Kinerja Manajerial ( Studi Empiris pada BPR di Kota Semarang ). *AKSES: Jurnal Ekonomi Dan Bisnis*, 5(9), 65–79.
- Jatmiko, B., Laras, T., & Rohmawati, A. (2020). Budgetary Participation , Organizational Commitment , and Performance of Local Government Apparatuses. *Journal of Asian Finance, Economics and Business*, 7(7), 379–390. <https://doi.org/10.13106/jafeb.2020.vol7.no7.379>
- Klaorina, M. I., & Suprasto, H. B. (2019). Effect of Consideration Leadership Style on Budget Participation Relationship and Managerial Performance. *International Research Journal of Management, IT & Social Sciences*, 6(5), 60–64.
- Liana, L. (2009). Penggunaan MRA dengan Spss untuk Menguji Pengaruh Variabel Moderating terhadap Hubungan antara Variabel Independen dan Variabel Dependen. *Jurnal Teknologi Informasi DINAMIK*, XIV(2), 90–97.
- Mah'd, O., Al-khadash, H., Idris, M., & Ramadan, A. (2013). The Impact of Budgetary Participation on Managerial Performance: Evidence from Jordanian University Executives. *Journal of Applied Finance & Banking*, 3(3), 151–174.
- Mahoney, T. A. (1963). *Development of managerial performance: A research approach*. Cincinnati: South-western Pub. Co.
- Mattayang, B., & Artikel, I. (2019). Tipe dan gaya Kepemimpinan: Suatu Tinjauan Teoritis. *Jemma: Jurnal of Economic, Management and Accounting*, 2(4), 45–52.
- Milani, K. (1975). The Relationship of Participation in Budget-Setting to Industrial Supervisor Performance and Attitudes: A Field Study. *The Accounting Review*, 50(2), 274–284.
- Moheri, Y., & Arifah, D. A. (2015). Pengaruh partisipasi anggaran terhadap kinerja manajerial. *EKOBIS*, 16(1), 86–93.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The Measurement of Organizational Commitment. *Journal of Vocational Behavior*, 14, 224–247.
- Nugroho, C. A. (2015). *Pengaruh Gaya Kepemimpinan dan Disiplin Kerja terhadap Kinerja Pegawai Dinas Pariwisata DIY*. Universitas Negeri Yogyakarta.
- Pakpahan, D. R., Astuti, W., & Hani, S. (2018). Pengaruh Partisipasi Anggaran Terhadap Kinerja Manajerial dengan Komitmen Organisasi sebagai Variabel Moderating pada PT Pinang Witmas Sejati Palembang. In *KNAPPPTMA* (pp. 86–99).

- Paryati, R. (2021). Role of Organizational Commitment in Mediating between Budget Participation and Managerial Performance. *Jurnal Administrare: Jurnal Pemikiran Ilmiah Dan Pendidikan Administrasi Perkantoran*, 8(1), 105–118.
- Putra, I. R. . (2021). Ekspor Mebel Jepara Anjlok Akibat Pandemi Covid-19. Retrieved December 5, 2021, from <https://www.merdeka.com/uang/ekspor-mebel-jepara-anjlok-akibat-pandemi-covid-19.html>
- RI, K. B. (2020). Indonesia, One of The Largest Furniture Exporter. Retrieved from <https://kemlu.go.id/maputo/id/news/8847>
- Sinen, K. (2020). Partisipasi Penganggaran Terhadap Kinerja Manajerial Dengan Keadilan Prosedural dan Goal Commitment sebagai Variabel Moderasi. *Bongaya Journal for Research in Accounting*, 3(3), 31–39.
- Soleiman, I. D., & Thalib, S. B. W. (2021). The Effect of Budget Participation on Managerial Performance with Organizational Commitment and Motivation as Moderating Variables (Empirical Study at the Local Government Work Unit Office of Ende Regency). In *Proceedings of the 3rd International Conference on Banking, Accounting, Management and Economics (ICOBAME 2020)*.
- Suardana, K. J., & Suryanawa, I. K. (2010). Pengaruh Partisipasi Penyusunan Anggaran pada Kinerja Manajerial dengan Komitmen Organisasi Sebagai Variabel Moderasi. *Jurnal Ilmiah Akuntansi Dan Bisnis*, 5(1).
- Sumarno, J. (2005). Pengaruh Komitmen Organisasi dan gaya Kepemimpinan terhadap Hubungan antara Partisipasi Anggaran dan Kinerja Manajerial. *Jurnal Bisnis STRATEGI*, 14(2).
- Triseptya, G. N. (2017). Pengaruh Partisipasi Anggaran, Komitmen dan Budaya Organisasi terhadap Kinerja Manajerial dengan Gaya Kepemimpinan sebagai Variabel Moderating. *SEIKO: Journal of Management & Business*, 1(1), 34–45.
- Trisnaningsih, S. (2007). Independensi auditor dan komitmen organisasi sebagai mediasi pengaruh pemahaman Good Governance, Gaya Kepemimpinan dan Budaya Organisasi terhadap Kinerja Auditor. In *Simposium Nasional Akuntansi X* (pp. 1–56). Makassar.
- Wulandari, N. K. I., & Sujana, I. K. (2013). Pengaruh Partisipasi Anggaran, Kepuasan Kerja dan Kinerja Manajerial di PT (Persero) Angkasa Pura I Ngurah Rai Bali. *E-Jurnal Akuntansi Universitas Udayana*, 1(4), 54–73.
- Zahro, H., & Januarti, I. (2016). Pengaruh Partisipasi Anggaran Terhadap Kinerja Manajerial dengan Persepsi Keadilan Anggaran dan Komitmen Tujuan Anggaran sebagai Variabel Intervening. *Jurnal Akuntansi Dan Auditing*, 13(2), 125–154.
- Zonatto, V. C. da S., Nascimento, J. C., Lunardi, M. A., & Degenhart, L. (2020). R evista de A dministração C ontemporânea Journal of Contemporary Administration Effects of Budgetary Participation on Managerial Attitudes , Satisfaction , and Managerial Performance. *Journal of Contemporary Administration*, 532–549.