

ABSTRACT

This study aims to analyze the mediating role of organizational commitment and perception of innovation in explaining the relationship between budgetary participation and managerial performance among echelon IV officials in vertical work units of the Directorate General of Treasury (DGT). Using a quantitative approach with Partial Least Squares Structural Equation Modeling (PLS-SEM) through SmartPLS 3.0, this research involved 113 respondents selected through purposive sampling technique. Data were collected using questionnaires and analyzed through bootstrapping procedures to test the mediation effects.

The results indicate that: (1) budgetary participation has a positive and significant effect on managerial performance; (2) organizational commitment serves as a partial mediator in the relationship between budgetary participation and managerial performance; and (3) perception of innovation serves as a partial mediator in the relationship between budgetary participation and managerial performance. These findings suggest that budgetary participation not only directly improves managerial performance but also indirectly enhances it through strengthening organizational commitment and fostering innovative attitudes. The practical implications emphasize the importance of substantive budgetary participation mechanisms to reinforce commitment and innovation culture, ultimately contributing to the effectiveness of state treasury management.

Keywords: *Budgetary Participation, Managerial Performance, Organizational Commitment, Perception of Innovation, Mediation Analysis, PLS-SEM*

