MIKAILALSYS
Journal of Multidisciplinary Sciences

e-ISSN : 2987-2286
p-ISSN : 2987-3924
Index: Harvard, Boston, Sydney, Copernicus, Sinta 4, Scilit, Semantic, Google, etc

https://doi.org/10.58578/mikailalsys.v4i3.12092

The Effect of Work Motivation and Organizational Commitment on Employee Performance with Budget Adequacy as a Moderating Variable at the Customs and Excise Office

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Submitted:	Revised:	Accepted:	Published:
Aug 2, 2026	Aug 30, 2026	Sep 11, 2026	Sep 16, 2026

Abstract

Employee performance in public organizations is shaped not only by resource availability but also by psychological and organizational factors. However, the extent to which budget adequacy strengthens the effects of work motivation and organizational commitment on employee performance remains insufficiently understood, particularly within customs and excise institutions. This study examines the effects of work motivation and organizational commitment on employee performance and evaluates the moderating role of budget adequacy at the Kediri and Madiun Customs and Excise Offices. A quantitative explanatory design was employed, with data collected through questionnaires from 122 employees selected using census sampling. The data were analyzed using partial least squares structural equation modeling (PLS-SEM). The findings demonstrate that work motivation and organizational commitment have positive and significant effects on employee performance, with organizational commitment emerging as the strongest predictor. By contrast, budget adequacy has no significant direct effect on employee performance and does not moderate the relationship between work motivation and employee performance or between organizational commitment and employee performance. These findings indicate that psychological and organizational factors are more influential than budget adequacy in explaining employee performance within the examined public organizations. The study contributes to the literature on public-sector human resource management by clarifying the limited direct and moderating roles of budget adequacy. Accordingly, management should prioritize strengthening organizational commitment and sustaining employee motivation while maintaining adequate budgetary resources as operational support.

Keywords: Budget Adequacy; Employee Performance; Organizational Commitment; Public Organization; Work Motivation

INTRODUCTION

The Directorate General of Customs and Excise (DJBC) is a vertical unit under Indonesia's Ministry of Finance with a strategic mandate to facilitate trade and industry, protect society from smuggling and illicit trade, and optimize state revenue. These responsibilities place human resources at the center of effective service delivery, regulatory enforcement, and revenue collection. Within the organizational structure of the DJBC, the East Java II Regional Office in Malang supervises seven Customs and Excise Supervision and Service Offices, including the Kediri and Madiun offices examined in this study. The complexity of their supervisory, service, and administrative responsibilities requires employees to perform their duties effectively, accountably, and consistently with organizational targets.

Employee performance is particularly important because the effectiveness of public organizations depends not only on formal procedures and organizational systems but also on employees' ability to execute their assigned responsibilities (Marlinawati, 2025). Performance generally refers to the degree to which individuals successfully accomplish tasks and achieve predetermined objectives (Gibson, 2011). Within the Ministry of Finance, performance management is designed around objective, measurable, accountable, participatory, and transparent processes aimed at improving organizational achievement. Empirical records from the East Java II Regional Office indicate that the Madiun and Kediri Customs and Excise Offices consistently received an "Excellent" organizational performance rating from 2023 to 2025, although their performance scores varied across the period. This condition suggests that high organizational achievement does not eliminate the need to identify factors capable of sustaining and improving employee performance over time.

Work motivation represents one internal factor that is theoretically associated with employee performance. Employees with strong work motivation are more likely to devote greater effort, energy, and capability to fulfilling their responsibilities (Sanjaya et al., 2025). Motivation also directs employee behavior toward the achievement of organizational objectives (Mangkunegara, 2017). Empirical evidence from Muliadi (2025) demonstrates a positive and significant relationship between work motivation and employee performance. Similarly, Assidiqi & Hapsari (2024) found that motivation, together with the work environment and organizational culture, significantly influences employee performance. However, the relationship is not consistently supported across studies, as Madyoningrum & Azizah (2022) reported that work motivation did not have a positive effect on employee performance. These inconsistent findings indicate that the contribution of motivation to performance may depend on the organizational context and the resources available to employees.

Organizational commitment constitutes another important psychological factor influencing employees' relationship with their organization. It reflects the extent to which employees identify with organizational values and objectives, develop an attachment to the organization, and intend to remain as organizational members (Meyer & Allen, 1991). Employees with stronger commitment are generally expected to demonstrate greater loyalty and willingness to contribute to organizational objectives. Pardamean (2022) found that organizational commitment positively affects employee performance through work motivation. Wulandari et al. (2026) similarly reported that affective commitment has a positive and significant effect on human resource performance. Meanwhile, Makumbe (2025) demonstrated that organizational commitment mediates part of the relationship between talent management practices and employees' intention to remain in an organization. These findings indicate that organizational commitment extends beyond employee retention and may also influence work behavior and performance outcomes.

Nevertheless, psychological factors alone may not be sufficient to generate optimal performance when organizational resources are inadequate. In public-sector organizations, budgetary resources are particularly important because they support operational activities, workplace facilities, employee development, and the achievement of organizational targets. From a management control perspective, alignment between budget planning and realization is essential for ensuring that organizational resources are properly controlled and utilized (Napitupulu et al., 2021). Aziza et al. (2021) found that budget adequacy and internal control positively and significantly affect local government performance. In contrast, Astuti & Mulya (2019) reported that budget adequacy had a positive but insignificant effect on managerial performance. Such divergent findings suggest that budget adequacy remains an important empirical issue, particularly within public organizations characterized by complex responsibilities and changing resource constraints.

The relevance of budget adequacy became increasingly apparent following the implementation of government expenditure-efficiency policies in 2025. Presidential Instruction of the Republic of Indonesia Number 1 of 2025 required efficiency measures in the implementation of the national and regional budgets, resulting in adjustments to ministry and agency expenditures. Similar adjustments occurred at the Kediri and Madiun Customs and Excise Offices, as reflected in their revised budget allocations in 2025. Although expenditure efficiency is necessary to promote more effective resource utilization, reductions in available resources may create challenges when employees are expected to maintain performance targets with more limited support. Under such circumstances, budget adequacy should not be viewed merely as a financial input but also as a condition that may determine whether employee motivation and organizational commitment can be translated effectively into actual performance. Nouri & Parker (1998) found that perceived budget adequacy is positively associated with organizational commitment and performance.

Previous studies have examined relationships among work motivation, organizational commitment, budget adequacy, and performance, but these variables have generally been investigated through direct relationships or through different mediation and moderation mechanisms. Widarko & Anwarodin (2022), for instance, examined the relationship between work motivation and organizational culture and employee performance using organizational citizenship behavior as a mediating variable. Anggadini et al. (2021) investigated budget participation and organizational commitment in relation to employee performance, while Hidayah et al. (2019) examined budget adequacy and organizational commitment in relation to local government performance with internal control as a moderating variable. Marsudiyanto (2025) and Octama et al. (2024) also examined the relationship between budget adequacy or organizational commitment and performance. However, empirical research that simultaneously positions work motivation and organizational commitment as internal determinants while examining budget adequacy as a condition that may strengthen or weaken both relationships remains limited.

The research gap addressed in this study therefore concerns the limited integration of employees' psychological factors and organizational resource conditions in explaining performance within public-sector organizations, particularly the DJBC. Previous studies have produced inconsistent findings regarding the effect of work motivation and budget adequacy on performance, while the relationship between organizational commitment and performance has been examined through diverse analytical mechanisms. This situation creates an opportunity to examine whether employee performance is determined not only by the level of motivation and commitment but also by the extent to which available organizational resources enable these internal factors to be translated into effective work behavior. Armstrong & Baron (1998) conceptualized performance as being shaped through the interaction of individual capability, motivation, and organizational support. This perspective provides a relevant theoretical basis for explaining why the effect of employees' internal drive may vary according to the level of organizational support available to them.

The novelty of this study lies in developing an empirical model that positions budget adequacy as a moderating variable in the relationships between work motivation and organizational commitment and employee performance. Accordingly, the study does not merely examine whether work motivation, organizational commitment, and budget adequacy directly affect performance, but also investigates whether the availability of sufficient financial resources strengthens or weakens the effects of the two internal employee factors. This framework is further supported by the Resource-Based Theory, which emphasizes the strategic importance of organizational resources and the ability to manage them effectively in achieving organizational outcomes (Barney, 1991). In this study, budget adequacy is conceptualized as a form of organizational resource support that may determine the extent to which employee motivation and commitment can be converted into work performance. By examining the Kediri and Madiun Customs and Excise Offices amid changes in government expenditure policy, this study offers an empirical perspective on the interaction between human factors and organizational resources in the public sector.

Based on this rationale, the present study focuses on the effects of work motivation and organizational commitment on employee performance, with budget adequacy serving as a moderating variable at the Kediri and Madiun Customs and Excise Offices. Specifically, the study aims to empirically examine the effects of work motivation, organizational commitment, and budget adequacy on employee performance and to determine whether budget adequacy moderates the relationships between work motivation and performance as well as between organizational commitment and performance. The findings are expected to contribute empirical evidence to the literature on public-sector human resource management while providing practical insights for the DJBC in developing more effective employee and resource-management strategies, particularly under conditions of budgetary efficiency.

METHODS

This study employed a quantitative approach using an explanatory and causal-comparative research design. The explanatory approach was adopted to empirically examine the hypothesized causal relationships among the research variables. Explanatory research is intended to identify relationships between variables and test previously formulated hypotheses using empirical data (Singarimbun & Effendi, 2011). The study examined the effects of work motivation (X1) and organizational commitment (X2) on employee performance (Y), while budget adequacy (Z) was positioned as a moderating variable.

The research design operationalized four constructs based on the theoretical foundations adopted in the study. Work motivation was conceptualized based on Robbins & Judge (2017) and measured through achievement, recognition, responsibility, and advancement. Organizational commitment followed Meyer & Allen (1991) three-component framework, consisting of affective, continuance, and normative commitment. Budget adequacy was conceptually grounded in Pfeffer & Salancik (1978) and operationalized through the adequacy of budget allocation to activity requirements, timeliness of budget implementation, support for employee performance targets, budget stability and continuity, and adequacy for operations, human resources, and facilities and infrastructure. Employee performance was based on Hasibuan (2019) and assessed through quality, quantity, cooperation, effectiveness, and creativity. These indicators provided the measurement basis for examining both the direct effects of the independent variables and the moderating role of budget adequacy.

The study population comprised all employees working at the Kediri Customs and Excise Office and the Madiun Customs and Excise Office as of 18 February 2026. The population consisted of 138 employees, including 84 employees at the Kediri office and 54 employees at the Madiun office, covering structural officials, functional officials, and operational staff. A census sampling technique was employed because all members of the population were targeted as research respondents. From the total population, 122 employees returned complete and valid questionnaires and were included in the analysis.

Data were collected using a closed-ended questionnaire consisting of five response categories based on a Likert scale: strongly agree, agree, neutral, disagree, and strongly disagree, scored from 5 to 1, respectively. The questionnaire was distributed to employees at both research sites, with the survey period lasting one month. Instrument quality was assessed through convergent validity, discriminant validity, and reliability testing. Convergent validity was evaluated using indicator loading factors and average variance extracted (AVE), whereas discriminant validity was assessed through cross-loadings, the square root of AVE, and the heterotrait-monotrait ratio (HTMT). Construct reliability was examined using composite reliability and Cronbach's alpha (Ghozali, 2021).

The collected data were analyzed using SmartPLS 4 through Structural Equation Modeling based on Partial Least Squares (SEM-PLS). SmartPLS was selected because of its flexibility in examining relationships among latent constructs and its ability to accommodate data without requiring normal distribution assumptions. The analysis consisted of outer-model and inner-model evaluations. The structural model was assessed using R-square, F-square, and Q-square measures. Hypothesis testing was subsequently performed using bootstrapping to estimate path coefficients, t-statistics, and p-values (Hamid & Anwar, 2019). Direct effects and moderating effects were evaluated using the significance criteria established in the study, with p-value <0.05 and t-statistic >1.96 as the principal criteria.

RESULTS

Structural Model Evaluation

The structural model was evaluated to assess its explanatory and predictive capacity and to examine the hypothesized relationships among work motivation, organizational commitment, budget adequacy, and employee performance. The evaluation included indicator loading, multicollinearity, R^2, f^2, Q^2 predict, SRMR, and hypothesis testing using bootstrapping. Indicator loadings were examined to ensure that all indicators met the minimum threshold. The results are presented in Table 1.

Table 1. Outer Loading Values

Indicator	Outer Loading
X1 _Work Motivation	
MK1_2	0.776
MK1_3	0.870

Indicator	Outer Loading
MK3_2	0.724
MK4_3	0.717
X2 _Organizational Commitment	
KO1_1	0.870
KO1_2	0.855
KO1_3	0.887
KO2_2	0.731
KO3_1	0.747
KO3_2	0.760
Z _Budget Adequacy	
ANG1_1	0.861
ANG1_2	0.872
ANG1_3	0.804
ANG2_1	0.837
ANG2_2	0.827
ANG2_3	0.826
ANG3_1	0.857
ANG3_2	0.807
ANG3_3	0.871
ANG4_2	0.727
ANG4_3	0.761
ANG5_1	0.835
ANG5_3	0.802
Y _Employee Performance	
KP1_2	0.786
KP1_3	0.790
KP2_1	0.741
KP2_2	0.852
KP2_3	0.814
KP3_1	0.767
KP3_2	0.769
KP3_3	0.798
KP4_1	0.798
KP4_2	0.788
KP4_3	0.803
KP5_1	0.782
KP5_2	0.861

Table 1. Outer Loading Values shows that all indicators have outer loading values above 0.50, ranging from 0.717 to 0.887. The highest loading was observed for KO1_3 under organizational commitment (0.887), whereas the lowest loading was recorded for MK4_3 under work motivation (0.717). These results indicate that all measurement indicators met the required loading threshold and were retained in the model.

Multicollinearity Assessment

Multicollinearity was assessed using the Variance Inflation Factor (VIF) to determine whether excessive correlations existed among the predictors and interaction terms. The results are shown in Table 2.

Table 2. Multicollinearity Assessment

Structural Relationship	VIF
X1 (Work Motivation) → Y (Employee Performance)	2.072
X2 (Organizational Commitment) → Y (Employee Performance)	2.553
Z (Budget Adequacy) → Y (Employee Performance)	1.482
Z (Budget Adequacy) × X1 (Work Motivation) → Y (Employee Performance)	2.436
Z (Budget Adequacy) × X2 (Organizational Commitment) → Y (Employee Performance)	2.950

Source: Compiled by the researcher (2026)

Table 2. Multicollinearity Assessment shows that all VIF values are below 5.00, with values ranging from 1.482 to 2.950. The highest VIF was observed for the interaction between budget adequacy and organizational commitment (2.950), while the lowest was observed for the direct relationship between budget adequacy and employee performance (1.482). These findings indicate that the structural model does not exhibit problematic multicollinearity.

Coefficient of Determination

The explanatory capacity of the structural model was assessed using the coefficient of determination (R^2) and adjusted R^2. The results are presented in Table 3.

Table 3. R-Square and Adjusted R-Square

Endogenous Construct	R-Square	R-Square Adjusted
Employee Performance	0.655	0.640

Source: Compiled by the researcher (2026)

Table 3. R-Square and Adjusted R-Square shows that the R^2 value for employee performance is 0.655, while the adjusted R^2 value is 0.640. This indicates that work motivation, organizational commitment, budget adequacy, and their interaction effects collectively explain 65.5% of the variance in employee performance. The remaining 34.5% is attributable to factors outside the model. The relatively small difference between R^2 and

adjusted R^2 also indicates that the explanatory capacity of the model remains relatively stable after adjustment for the predictors included.

F-Square

The effect size (f^2) was examined to determine the substantive contribution of each predictor to employee performance. The results are presented in Table 4.

Table 4. Effect Size (f^2)

Structural Relationship	f^2	Category
X1_Work Motivation → Y_Employee Performance	0.075	Small
X2_Organizational Commitment → Y_Employee Performance	0.334	Medium
Z_Budget Adequacy → Y_Employee Performance	0.022	Small
Z_Budget Adequacy × X1_Work Motivation → Y_Employee Performance	0.037	Small
Z_Budget Adequacy × X2_Organizational Commitment → Y_Employee Performance	0.010	Negligible

Source: Compiled by the researcher (2026)

Table 4. Effect Size (f^2) shows that organizational commitment has the largest effect size on employee performance, with an f^2 value of 0.334, indicating a medium effect. Work motivation has a small effect size (0.075), while budget adequacy has a relatively small effect (0.022). The interaction between budget adequacy and work motivation also produces a small effect size (0.037), whereas the interaction between budget adequacy and organizational commitment has a negligible effect size (0.010). Thus, organizational commitment represents the most substantively influential predictor among the relationships examined.

Predictive Relevance

The predictive relevance of the model was assessed using the Q^2 predict value, together with the root mean squared error (RMSE) and mean absolute error (MAE). The results are presented in Table 5.

Table 5. Q^2 Predict Results

Endogenous Construct	Q^2 Predict	RMSE	MAE
Employee Performance	0.592	0.652	0.451

Source: Compiled by the researcher (2026)

Table 5. Q^2 Predict Results shows that the Q^2 predict value for employee performance is 0.592, which is above zero and indicates predictive relevance of the model. The result demonstrates that the structural model has predictive capability in explaining employee performance based on the predictors and interaction effects incorporated into the model.

Model Fit

Model fit was evaluated using the Standardized Root Mean Square Residual (SRMR). The results are shown in Table 6.

Table 6. Model Fit Assessment

Model	SRMR
Saturated Model	0.084
Estimated Model	0.084

Source: Compiled by the researcher (2026)

Table 6. Model Fit Assessment shows that the SRMR value is 0.084 for both the saturated and estimated models. Although the value is slightly above the commonly preferred threshold of 0.080, it remains below the upper tolerance level of 0.100. Therefore, the model demonstrates an acceptable level of fit with the empirical data.

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping procedure to evaluate the significance, direction, and magnitude of the structural relationships. The proposed model and hypothesized relationships are illustrated in Figure 1.

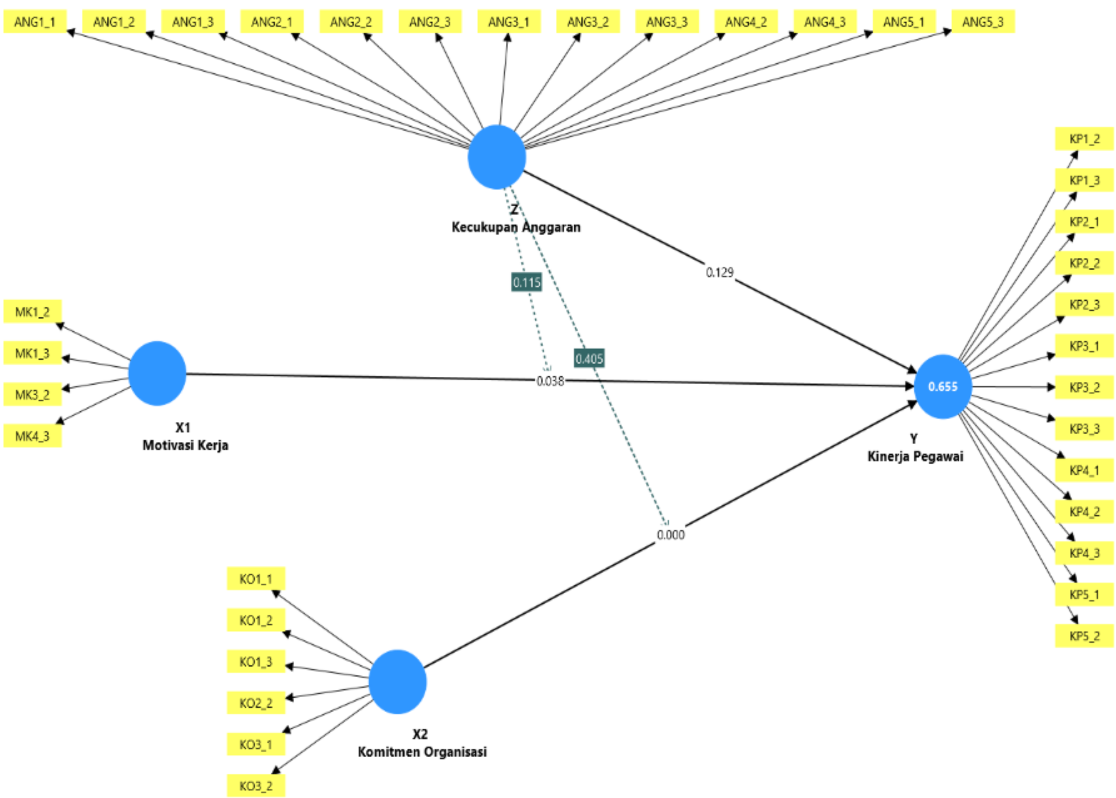

Figure 1. Structural Model and Hypothesized Relationships

Figure 1. Structural Model and Hypothesized Relationships shows that the structural relationships among work motivation, organizational commitment, budget adequacy, and employee performance, including the two interaction paths representing the moderating role of budget adequacy.

Direct Effects

The direct effects of work motivation, organizational commitment, and budget adequacy on employee performance are presented in Table 7.

Table 7. Direct Effect Hypothesis Testing

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decision
X1_Work Motivation → Y_Employee Performance	0.231	0.253	0.112	2.070	0.019	Supported
X2_Organizational Commitment → Y_Employee Performance	0.542	0.534	0.113	4.809	0.0000	Supported
Z_Budget Adequacy → Y_Employee Performance	0.107	0.109	0.071	1.519	0.064	Not supported

Source: Compiled by the researcher (2026)

Table 7. Direct Effect Hypothesis Testing shows that work motivation and organizational commitment have positive and significant effects on employee performance, with path coefficients of 0.231 ($p = 0.019$) and 0.542 ($p < 0.001$), respectively. Thus, H1 and H2 are supported, with organizational commitment showing the strongest direct effect. In contrast, budget adequacy has a positive but insignificant effect ($\beta = 0.107$; $p = 0.064$); therefore, H3 is not supported.

Moderating Effects

Table 8. Moderating Effect Hypothesis Testing

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T- statistics (|O/STDEV|)	P values	Decision
Z_Budget Adequacy × X1_Work Motivation → Y_Employee Performance	-0.161	-0.145	0.102	1.575	0.058	Not supported
Z_Budget Adequacy × X2_Organizational	0.084	0.074	0.101	0.833	0.202	Not supported

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T- statistics (|O/STDEV|)	P values	Decision
Commitment → Y_Employee Performance						

Source: Compiled by the researcher (2026)

Table 8. Moderating Effect Hypothesis Testing shows that budget adequacy does not significantly moderate the relationships between work motivation and employee performance (β = -0.161; p = 0.058) or between organizational commitment and employee performance (β = 0.084; p = 0.202). Therefore, H4 and H5 are not supported. Overall, only work motivation and organizational commitment demonstrate significant direct effects, with organizational commitment being the strongest predictor.

DISCUSSION

The descriptive findings indicate that work motivation, organizational commitment, budget adequacy, and employee performance were generally perceived at relatively favorable levels. The relatively strong level of work motivation suggests that employees possess sufficient internal and external drivers to perform their duties efficiently, effectively, and in accordance with organizational objectives (Hasibuan, 2019). From the perspective of McClelland (1961) needs theory, this condition can be understood through the needs for achievement, power, and affiliation. Within the Customs and Excise context, the pursuit of organizational targets, effective execution of supervisory functions, and maintenance of harmonious working relationships indicate that motivation is shaped not only by individual aspirations but also by organizational demands and the work environment. This finding reinforces Mangkunegara (2017) view that motivation constitutes an important mechanism through which employees direct their effort toward improved performance.

Organizational commitment received a comparatively stronger assessment and emerged as the most influential predictor of employee performance. This finding indicates that employees' attachment to the organization extends beyond formal compliance and reflects a deeper psychological connection that encourages continued membership and organizational contribution. The result is consistent with Mowday et al. (1979) conceptualization of organizational commitment as employee identification and involvement with the organization and with Meyer & Allen (1991) three-component model encompassing affective, continuance, and normative commitment. The strength of this relationship can also be interpreted through BBlau (1964) Social Exchange Theory, whereby positive reciprocal relationships between employees and organizations encourage employees to respond through stronger loyalty and contribution. In a bureaucratic environment characterized by clear structures, performance targets, and monitoring mechanisms, such psychological attachment may therefore constitute a particularly important internal resource for sustaining employee performance.

The inferential analysis further demonstrates that work motivation has a positive and statistically significant effect on employee performance, as reflected by a path coefficient of 0.231, a t-statistic of 2.070, and a p-value of 0.019. Nevertheless, the effect size of 0.075 indicates a relatively small practical contribution. Thus, although greater motivation is associated with better performance, motivation alone does not sufficiently explain performance variation among employees. This finding is consistent with Muliadi (2025) and Assidiqi & Hapsari (2024), who reported positive relationships between work motivation and employee performance. It also supports Widarko & Anwarodin (2022) and Pardamean (2022), who identified motivation as an important determinant of human resource performance. The present findings therefore reinforce the argument that achievement orientation, recognition, responsibility, and opportunities for advancement can stimulate employees to produce better work outcomes, while simultaneously indicating that motivation operates alongside other organizational and individual factors.

The effect of organizational commitment is substantially stronger. A path coefficient of 0.542, a t-statistic of 4.809, and a p-value of 0.000 demonstrate a positive and significant relationship, while the effect size of 0.334 identifies organizational commitment as the strongest predictor within the proposed model. This result extends the findings of Makumbe (2025) and Wulandari et al. (2026), particularly regarding the importance of organizational commitment in explaining employee behavior and performance. It is also consistent with Anggadini et al. (2021), who reported a relationship between organizational commitment and employee performance. Substantively, the strength of this effect suggests that employees who experience a strong sense of belonging, loyalty, emotional attachment, and responsibility toward their organization are more likely to sustain task quality even under changing organizational conditions. Organizational commitment can therefore be understood in this context as an internal psychological resource that translates employees' identification with the organization into work behaviors supporting institutional objectives.

In contrast, budget adequacy does not have a statistically significant direct effect on employee performance. This finding indicates that employees' perceptions of whether available financial resources are sufficient do not directly determine their level of performance. The result provides an important contextual qualification to Pfeffer & Salancik (1978) Resource-Dependence Theory, because organizational dependence on financial resources does not necessarily imply that differences in perceived budget adequacy will produce corresponding differences in individual performance. The finding is consistent with Astuti & Mulya (2019), but differs from Nouri & Parker (1998) and Hidayah et al. (2019), who identified significant relationships between budget-related factors and performance. This divergence may be attributable to differences in organizational characteristics. In the Customs and Excise offices examined in this study, budgeting is embedded within a standardized central-government system, leaving relatively limited individual discretion over budget allocation and utilization.

The nonsignificant effect of budget adequacy can also be interpreted through Goal Setting Theory and Armstrong and Baron's performance perspective. When work targets are clearly established through performance contracts, individual performance indicators, and systematic monitoring, employees may remain strongly oriented toward target achievement even when available resources are adjusted. This interpretation is particularly relevant in 2025, when budget-efficiency policies were implemented while organizational performance nevertheless remained in the "Excellent" category. The evidence suggests that performance in this setting is more strongly sustained by target orientation, accountability, discipline, and internal drivers than by employees' perceptions of the amount of available financial resources. Moreover, relatively limited variation in perceived budget adequacy may reduce its explanatory capacity for differences in employee performance.

The moderation findings further clarify the position of budget adequacy within the proposed model. Budget adequacy did not significantly strengthen the relationship between work motivation and employee performance; the interaction coefficient even tended toward a negative direction, although the relationship was statistically nonsignificant. This pattern can be interpreted through Herzberg (1959) Two-Factor Theory, which distinguishes motivators such as achievement, recognition, responsibility, and advancement from hygiene factors that primarily prevent dissatisfaction. From this perspective, budgetary resources may function as enabling conditions rather than as primary sources of intrinsic motivation. When employees already possess relatively strong and homogeneous levels of motivation, additional budgetary support does not necessarily generate a corresponding increase in performance. The relationship between motivation and performance may therefore operate primarily through employees' psychological characteristics rather than through variations in financial support.

A similar pattern emerges in the relationship between organizational commitment and performance. Budget adequacy neither strengthened nor weakened this relationship, with an interaction effect size of only 0.010, indicating a very limited practical contribution. This finding is consistent with Meyer & Allen (1991) conceptualization of commitment as a psychological construct rooted in emotional attachment, perceived costs of leaving, and normative obligation. Because these dimensions are primarily embedded within the individual, changes in perceived budget adequacy do not automatically alter the extent to which organizational commitment translates into performance. The result also provides a contextual qualification to the budget-performance relationships reported by Nouri & Parker (1998) and Hidayah et al. (2019), suggesting that the strength of such relationships may depend considerably on organizational characteristics and the structure of the budgeting system.

Theoretically, this study contributes by demonstrating that within a public-sector organization operating under a relatively standardized budgeting system, employee psychological factors may possess greater explanatory power than perceived financial resource adequacy. The significant effects of motivation and commitment reinforce McClelland (1961) needs theory and Blau (1964) Social Exchange Theory, whereas the absence of significant moderation provides a contextual boundary to the applicability of Pfeffer & Salancik (1978) Resource-Dependence Theory and the concept of Goal Congruence proposed by Anthony & Govindarajan (2007). From a practical perspective, Customs and Excise management should prioritize organizational commitment through supportive workplace relationships, recognition of employee contributions, clearer career development, and stronger organizational identification. Motivation should likewise be maintained through recognition, developmental opportunities, and meaningful responsibility, while budgetary resources should remain adequate as an operational prerequisite rather than being treated as the primary mechanism for improving employee performance.

Several limitations should be considered when interpreting these findings. The cross-sectional design captures relationships among the variables within a single period and therefore cannot explain how motivation, commitment, budget adequacy, and performance evolve over time. The use of self-report questionnaires may also introduce perceptual bias because all constructs were assessed through respondents' own evaluations. Furthermore, differences in workload, employee grade, authority, and unit characteristics may influence how employees perceive the variables under investigation. Consequently, the findings primarily reflect the organizational context of the Kediri and Madiun Customs and Excise offices, and their applicability to institutions with substantially different organizational and budgeting characteristics should be considered with appropriate caution.

CONCLUSION

This study examined the effects of work motivation and organizational commitment on employee performance and assessed the moderating role of budget adequacy at the Kediri and Madiun Customs and Excise Offices. The findings indicate that work motivation, organizational commitment, budget adequacy, and employee performance were generally perceived at favorable levels. Empirically, work motivation was found to have a positive and significant effect on employee performance, indicating that stronger employee motivation is associated with improved work outcomes. Organizational commitment also exerted a positive and significant effect and emerged as the strongest predictor in the research model. This finding highlights the greater importance of employees' psychological attachment and loyalty to the organization in sustaining performance compared with work motivation alone.

In contrast, budget adequacy did not have a significant direct effect on employee performance. It also failed to moderate either the relationship between work motivation and performance or the relationship between organizational commitment and performance. These findings suggest that, within the organizational context examined, employee performance is more strongly shaped by internal psychological and organizational factors than by employees' perceptions of financial resource availability. The research model explained 65.5% of the variance in employee performance, indicating substantial explanatory capacity in identifying key performance determinants within the studied institutions.

The study contributes theoretically by demonstrating that motivation and organizational commitment remain relevant determinants of performance in public organizations operating under standardized budgeting arrangements, while the contingent role of budget adequacy appears to be context-dependent. Practically, management should prioritize strengthening organizational commitment and sustaining employee motivation, while maintaining adequate budgetary resources as an operational foundation rather than relying on additional funding as the primary performance strategy. Future research should broaden organizational and sample coverage, examine alternative determinants such as leadership, organizational culture, and job satisfaction, and consider longitudinal or mixed-method approaches to provide a more comprehensive understanding of the relationships identified in this study.

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