



THE MEDIATION ROLE OF MOTIVATION ON THE INFLUENCE OF COMMUNICATION, BUDGET PARTICIPATION, AND COMPENSATION ON MANAGERIAL PERFORMANCE

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<p>Info Article</p> <p>Received : 01 Oktober 2025</p> <p>Revised : 04 November 2025</p> <p>Accepted : 02 Desember 2025</p> <p>Publication : 30 Desember 2025</p> <p>Keywords: Communication, Budgetary Participation, Compensation, Managerial Performance Motivation</p> <p>Kata Kunci: Komunikasi, Partisipasi dalam Penyusunan Anggaran, Kompensasi, Motivasi, Kinerja Manajerial</p> <p><i>Licensed Under a Creative Commons Attribution 4.0 International License</i></p> 	<p>Abstract: <i>This study aims to analyze the effect of communication, budget participation, and compensation on managerial performance through motivation as a mediating variable in Regional Apparatus Organizations (OPD) in South Buton Regency Government. The research method used was a quantitative survey approach. Primary data were obtained by distributing questionnaires to 108 respondents, consisting of OPD employees. Data analysis was conducted using SPSS using validity and reliability tests, multiple linear regression, and mediation tests. The results showed that: (1) communication had no significant effect on managerial performance; (2) budget participation has a positive and significant effect on managerial performance; (3) compensation had a positive and significant effect on managerial performance; (4) motivation was able to mediate the relationship between communication and managerial performance. (5) Motivation also mediates the relationship between budgetary participation and managerial performance; however, (6) motivation does not mediate the relationship between compensation and managerial performance. This finding confirms the important role of participation and a fair compensation system in improving the managerial performance of local government officials.</i></p> <p>Abstrak: Penelitian ini bertujuan untuk menganalisis pengaruh komunikasi, partisipasi anggaran, dan kompensasi terhadap kinerja manajerial melalui motivasi sebagai variabel mediasi di Organisasi Aparatur Daerah (OPD) Pemerintah Kabupaten Buton Selatan. Metode penelitian yang digunakan adalah pendekatan survei kuantitatif. Data primer diperoleh dengan mendistribusikan kuesioner kepada 108 responden, yang terdiri dari pegawai OPD. Analisis data dilakukan menggunakan SPSS dengan uji validitas dan reliabilitas, regresi linier berganda, dan uji mediasi. Hasil menunjukkan bahwa: (1) komunikasi tidak memiliki pengaruh yang signifikan terhadap kinerja manajerial; (2) partisipasi anggaran memiliki pengaruh positif dan signifikan terhadap kinerja manajerial; (3) kompensasi memiliki pengaruh positif dan signifikan terhadap kinerja manajerial; (4) motivasi mampu memediasi hubungan antara komunikasi dan kinerja manajerial. (5) Motivasi juga memediasi hubungan antara partisipasi anggaran dan kinerja manajerial; namun, (6) motivasi tidak memediasi hubungan antara kompensasi dan kinerja manajerial. Temuan ini menegaskan peran penting partisipasi dan sistem kompensasi yang adil dalam meningkatkan kinerja manajerial pejabat pemerintah daerah.</p>
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INTRODUCTION

The success of a government agency lies in the performance of its employees. To improve employee performance in regional performance units (SKPD), involve them in the budget preparation process. To make budget participation more effective, a contingency approach is required (Soleiman & Wahabthalib, 2021). Performance measurement indicates how well management manages an organization. It indicates how well they manage resources to achieve the goals set out in the organization's goal planning, according to [their context]. One component that influences performance success is that because plans can determine the success of program activities, management in public sector organizations can originate from the planning process. However, program performance cannot only be measured from inputs or planning, but also places more emphasis on the process, outputs, benefits, and results of the program for public welfare. The budgeting process for public sector organizations is crucial because setting these targets and objectives is crucial to determining the quality of performance (FX.Suwarto, 2022).

The government system that serves as the basis for the administration of government is a decentralized government system as a manifestation of regional autonomy, meaning that all central government affairs are delegated to regional governments to carry out their own government affairs. This is regulated in the 2004 Law on Regional Government. Law Number 32 of 2004) which is a revision of the previous law, namely Law Number 22 of 1999. Law Number 25 of 1999 has been improved by Law Number 33 of 2004 concerning the financial balance of the central government to regional governments. In the current era of bureaucratic reform and regional autonomy, public demands for transparency, accountability, and quality public services are increasing. Regional governments, as the spearhead of public service, are required to have optimal managerial performance to realize good governance. The managerial performance of Regional Apparatus Organizations (OPD) is a crucial indicator because they are the technical implementers who translate the regional head's vision and mission into concrete work programs.

South Buton Regency, as an autonomous region that continues to develop, faces challenges in managing government administration. Based on (South Buton Regent Regulation Number 64 of 2022) The Law on the Implementation of the Government Internal Control System requires OPD leaders to possess extensive managerial skills and technical experience and implement performance-based management. However, on the

ground, there is a gap between normative expectations and the reality of performance. Based on an evaluation of the performance of OPD leaders conducted by the South Buton Regency Government in early 2023, indications were found that managerial performance in several sectors was suboptimal. Highlighted aspects included minimal program innovation, discipline, and managerial competencies, including integrity, collaboration, and results-orientedness (Southeast Sulawesi Rubric, 2023). This phenomenon indicates that budget targets and work programs have not been fully achieved efficiently and effectively.

Managerial performance does not stand alone but is influenced by various organizational and behavioral factors. One dominant factor is participation in budget preparation. Goal Setting Theory (Latham & Locke, 1991) explained that participation in goal setting (budgeting) can increase individual commitment to achieving it. However, previous research has shown inconsistencies. Research (Yunita Christy et al., 2021) found that budgetary participation has a positive effect on managerial performance. Conversely, other research indicates that participation without strong motivation can actually trigger budgetary slack, which is detrimental to the organization. In addition to participation, effective communication across organizational lines is key to coordination within the OPD environment. Communication barriers often lead to distorted information regarding performance targets, ultimately reducing managerial performance. Meanwhile, compensation factors also play a vital role. (Fauzi, 2023) In his research, he demonstrated that the provision of Employee Income Supplements (TPP) supported by the E-Performance system positively impacted civil servant performance, as it was perceived as a fair form of reward. In South Buton Regency, issues regarding welfare and performance incentives (TPP) often become a dynamic that impacts employee morale.

Given the suboptimal gap between the phenomenon and existing theory, as well as the varying results of previous research, a variable is needed to bridge this relationship. Work motivation is proposed as a mediating variable in this study. Logically, budget participation, good communication, and adequate compensation will not automatically improve managerial performance if they fail to stimulate the internal motivation of OPD officials to achieve. As found (Kurniasih Nurwulan, 2023) Motivation is able to strengthen the relationship between management input factors and managerial performance output. Based on the description of the empirical phenomena and the theoretical framework, this research is important to conduct an in-depth analysis of the Influence of Communication, Budget Preparation Participation, and Compensation on

the Managerial Performance of the South Buton Regency Government Opd Through Motivation as a Mediating Variable.

METHOD

The population in this study was all the offices of the South Buton Regency Government Regional Apparatus Organizations (OPD). The sample of this study was three employees directly involved in the office budgeting in each OPD of the South Buton Regency Government. The data collection method uses a questionnaire. The data were analyzed using quantitative analysis in the form of numbers (scores) derived from the questionnaire. The scale used was a *Likert scale* with 5 components. The data obtained was processed on a computer using the SPSS program.

RESULTS AND DISCUSSION

Results

The t-test is conducted to determine whether the independent variables, namely Communication, Budget Participation, and Compensation, partially influence the dependent variable, namely Managerial Performance, through Motivation as a Mediator. H0 is accepted if $t \text{ count} > t \text{ table}$ and H0 is rejected if $t \text{ count} < t \text{ table}$.

Table 1. Results of Partial Test 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.903	2.972		2.659	.009
	KMS	.128	.049	.084	2.627	.010
	PA	.042	.025	.052	1.644	.103
	KPS	1.132	.037	.952	30.213	.000

a. Dependent Variable: Motivation

Table 2. Results of Partial Test 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.635	3.063		.534	.595
	KMS	.011	.050	.008	.226	.821
	PA	.115	.026	.151	4.487	.000
	KPS	1.014	.117	.894	8.679	.000
	MTV	.028	.098	.029	.284	.777

a. Dependent Variable: Managerial Performance

Source: Processed Primary Data, 2025

Based on the data above, it can be explained that Communication, based on table 3, the results of data processing for the Communication variable obtained a t-value of

0.128. Therefore, the t-value is smaller than the t-table ($0.128 > 1.982$) with a probability of $0.821 > 0.05$, so H1 is rejected, which means that the service community variable has no effect and is not significant on managerial performance. Budget Participation, Based on table 4.22, the results of data processing for the Budget Participation variable obtained a t-value of 4.487. Therefore, the t-value is greater than the t-table ($4.487 > 1.928$) with a probability of $0.000 < 0.05$, so H2 is accepted, which means that the budget participation variable has a positive and significant effect on managerial performance.

Based on table 2, the results of data processing for the Communication variable obtained a t-value of 8.679. Therefore, the t-value is greater than the t-table ($8.679 > 1.928$) with a probability of $0.000 < 0.05$, so H3 is accepted, which means the Compensation variable has a positive and significant effect on managerial performance. Communication has a positive and significant effect on managerial performance through motivation as a mediating variable, based on the regression results table, it shows that communication has a significant direct effect on performance (H1 is accepted). Communication has an indirect effect through motivation, but because motivation on performance is also not significant (Sig = 0.777), the mediation path is proven. So it can be concluded that H4 is accepted. Because motivation can mediate the relationship between communication and managerial performance. Budgeting participation has a positive and significant effect on managerial performance through motivation as a mediating variable. Based on the regression results, it shows that participation and managerial performance are significant (H2 is accepted) and the value of managerial performance is significant so there is a mediating role. It can be concluded that H5 is accepted because motivation mediates the relationship between budget participation and managerial performance. Compensation has a positive and significant effect on managerial performance through motivation as a mediating variable. Based on the regression results, compensation and managerial performance are significant (H3 is accepted) and managerial performance value is significant, thus there is a mediating role. It can be concluded that H6 is accepted because motivation mediates the relationship between compensation and managerial performance.

Discussion

The Influence of Communication on Managerial Performance

The results of the study indicate that the regression test for the beta value on the variable X1 (Communication) has a positive direction, namely 0.128. However, the level of significance on this variable is low so that Communication has no influence on

Managerial Performance. While the value of X1 against Y2 beta value is positive, namely 0.011, which indicates that X1 has a positive influence on Y2. This indicates that an increase in X1 can increase the value of Y2. In addition, the results of processing the hypothesis test data for the variable X1 (Communication) obtained a t-value of 0.226. Therefore, the t-value is smaller than the t-table ($0.226 > 1.982$) with a probability of $0.821 < 0.05$, so H1 is rejected, which means that the community variable has a significant influence on managerial performance.

The results of this study indicate that communication has a positive and significant effect on managerial performance in OPDs, meaning that the better the quality of internal communication, the higher the managerial performance of the apparatus. Effective communication ensures clear communication of program information, policies, and leadership priorities, facilitates cross-sector coordination, and creates space for constructive feedback between superiors and subordinates. This facilitates structural officials in carrying out managerial functions such as planning, organizing, directing, and controlling in a more targeted and timely manner, thereby minimizing the risk of program implementation errors and delays in activity realization. This finding aligns with research (Sjoraida, 2025) which proves that message clarity and communication frequency have a significant influence on ASN managerial performance, as well as research (Umoh, 2024) which shows that the quality of organizational communication has a significant impact on improving managerial performance through improved coordination and decision-making. Furthermore, these results are also consistent with the findings of (Wati & Paleni, 2025) which states that internal communication has a positive influence on the performance of public sector apparatus, as well as (Dhone & Sarwoko, 2022) who found that internal communication improves performance by increasing work motivation as a psychological mechanism driving work behavior. Thus, communication serves not only as a means of conveying information within the OPD environment but also as a strategic instrument in improving the quality of program management and managerial performance within local governments.

The Effect of Budget Participation on Managerial Performance

Regression test results indicate that budget participation (X2) has a positive effect on motivation (Y1) with a beta value of 0.042. This, although relatively weak, still indicates a tendency for managerial involvement in the budget preparation process to increase psychological motivation to perform tasks better. Furthermore, the effect of

budget participation on managerial performance (Y2) was also positive with a beta value of 0.115, reinforced by a significant t-test result ($t = 4.487 > t = 1.928$; $p = 0.000 < 0.05$), thus accepting hypothesis H2. These findings indicate that the higher the level of managerial involvement in budget preparation, the better the resulting managerial performance, particularly in the planning, control, and evaluation functions of work programs. These research findings align with the findings of (Safruddin, Tri Gunarsih, 2024) which proves that budget participation has a positive and significant effect on managerial performance in public sector organizations, because it increases the sense of responsibility towards budget targets. Thus, the results of this study strengthen the empirical evidence that budget participation is not merely an administrative procedure in regional financial management, but rather an important managerial instrument that can encourage motivation and improve the managerial performance of OPD apparatus.

The Effect of Budget Compensation on Managerial Performance

The results of the regression test show that the beta value of variable X3 on Y1 is 1.014, indicating that X3 has a positive effect on Y1, although the value is also relatively small. This indicates a very weak negative effect, so it can be said to have almost no effect on Y1. Meanwhile, the effect of X3 on Y2 is 0.117, indicating a greater positive effect than X1 and X2, so X3 can be considered the independent variable with the most dominant influence on Y2. The results of the data test for the Communication variable obtained a t-value of 8.679. Therefore, the t-value is greater than the t-table ($8.679 > 1.928$) with a probability of $0.000 < 0.05$. Therefore, H3 is accepted, meaning that the Compensation variable has a positive and significant effect on managerial performance. This finding is in line with equity theory, which states that employees will improve their performance if they feel the compensation they receive is fair and commensurate with their contribution. (Fulmer et al., 2023) A comprehensive review confirmed that a fair, performance-based compensation system has been proven to increase productivity. Both financial and non-financial compensation significantly impact employee performance. Therefore, good compensation not only provides satisfaction but is also a key driver in improving managerial performance.

The Influence of Communication on Managerial Performance Through Motivation as a Mediating Variable

The results of the study showed that motivation did not significantly influence performance (sig. 0.777). Therefore, communication has a direct influence through

motivation. Motivation can mediate the relationship between communication and managerial performance. The fourth hypothesis was accepted, similar to previous research which found that motivation can be an important mediator, especially when communication is effective and empowering. (Dwianto & Damanik, 2024). The success of motivation as a mediator in this study can be explained because the communication that occurred was of sufficient quality to influence managerial work motivation, so that its impact on performance was also not significant.

The Effect of Budget Participation on Managerial Performance through Motivation as a Mediating Variable

The research results show that budget participation significantly influences managerial performance, and motivation significantly influences performance. This suggests that motivation can function as a mediator. The fifth hypothesis is accepted. Previous research has shown mixed results. Some studies have found that motivation can strengthen the relationship between budget participation and performance (Alhasnawi, 2023).

The influence of compensation on managerial performance through motivation as mediation.

Based on the research results, it can be seen that compensation has a significant direct effect on managerial performance. However, motivation is not significant on performance, so the mediating role of motivation is not proven. The sixth hypothesis is rejected. Previous research (Dwianto & Damanik, 2024) found that compensation can improve performance through work motivation, especially in the public service sector. However, in this study, compensation was strong enough to directly improve performance without motivation. This may be influenced by managers' perceptions that compensation is a right for their contributions, so it doesn't always increase motivation but directly impacts satisfaction and performance.

CONCLUSION

Based on the research results and discussion, it can be concluded that: Communication does not significantly influence managerial performance. Budgetary participation significantly influences customer satisfaction. Compensation significantly influences managerial performance. Communication influences managerial performance through motivation as a mediating variable. Budgetary participation positively and

significantly influences managerial performance through motivation as a mediating variable. Compensation does not positively and significantly influence managerial performance through motivation as a mediating variable.

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