International Journal of Economy, Education, and Entrepreneurship
p-ISSN: 2798-0138 | e-ISSN: 2798-012X
Vol. 6, No. 2, August 2026
https://doi.org/10.53067/ije3.v6i2

BUDGET EFFICIENCY AS A DETERMINANT OF EMPLOYEE PERFORMANCE WITH LEADERSHIP AND JOB SATISFACTION AS SUPPORTING VARIABLES IN THE DEPARTMENT OF FOOD SECURITY AND AGRICULTURE OF CILEGON CITY

Maryori[1*], Ahmad Mukhlis[2], Mamay Komarudin[3]
[1,2,3]Universitas Bina Bangsa, Indonesia
Corresponden Email: *maryori.ajah@gmail.com[1]*

Abstract
This study aims to analyze the influence of leadership and job satisfaction on budget efficiency through employee performance at the Food Security, Agriculture, and Fisheries Agency of Cilegon City. The study used a quantitative approach with a survey method. The study population consisted of 93 employees consisting of Civil Servants (PNS) and Government Employees with Work Agreements (PPPK). The sampling technique used saturated sampling (census sampling), so that the entire population became respondents. Data were collected through questionnaires using a five-point Likert scale and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the help of SmartPLS 4.0 software. The results showed that leadership had a positive and significant effect on budget efficiency and employee performance. Job satisfaction was also proven to have a positive and significant effect on budget efficiency and employee performance. In addition, employee performance had a positive and significant effect on budget efficiency. Testing the mediation effect proved that employee performance was able to significantly mediate the influence of leadership and job satisfaction on budget efficiency. Research findings confirm that improving budget efficiency in public sector organizations is not solely determined by financial management, but is also influenced by leadership quality, job satisfaction, and employee performance. Therefore, strengthening leadership capacity, improving employee welfare, and developing human resource competencies are crucial strategies for achieving effective, efficient, and performance-oriented organizational governance.
Keywords: Leadership, Job Satisfaction, Employee Performance, Budget Efficiency.

INTRODUCTION

Management is the process of planning, organizing, directing, and controlling organizational resources to achieve goals effectively and efficiently. In the public sector, management practices are not only oriented towards achieving organizational targets, but also towards improving the quality of public services through accountable, transparent, and results-oriented governance. The development of the New Public Management paradigm requires every regional government organization (OPD) to be able to manage human resources and budgets optimally to produce sustainable organizational performance. Recent research shows that the effectiveness of public sector management is greatly influenced by the organization's ability to integrate resource management, leadership, and performance-based budgeting systems (Collings et al., 2024; OECD, 2024).

One indicator of a public organization's success is employee performance, namely the level of employee success in carrying out tasks according to established standards. Employee performance is a strategic factor because it determines the successful implementation of government programs, the quality of public services, and the achievement of regional development goals. According to Hidayat et al. (2023), improving employee performance is influenced by a combination of organizational factors, leadership, job satisfaction, and adequate resource support. Therefore, public organizations need to build a management system capable of creating a productive work environment so that each employee can make an optimal contribution to achieving organizational goals.

This research was conducted at the Cilegon City Food Security and Agriculture Agency, a Regional Government Organization (APBD) with a strategic role in maintaining food security, increasing agricultural productivity, and supporting community welfare. The implementation of various development programs at this agency is highly dependent on the ability of employees to manage available resources, particularly the government budget. Therefore, improving employee performance is a top priority to ensure effective, targeted, and accountable program implementation.

Various studies have shown that budget efficiency, leadership, and job satisfaction are important determinants influencing employee performance. Budget efficiency reflects an organization's ability to optimally utilize financial resources without compromising service quality. Sinaga et al. (2025) explain that efficient budget management contributes to increased organizational productivity through optimized resource utilization. On the other hand, adaptive leadership can increase employee motivation, coordination, and commitment to achieving organizational targets (Sugiyanto, 2025). Meanwhile, job satisfaction has been shown to increase employee morale, loyalty, and productivity, thus positively impacting organizational performance (Felicia et al., 2024).

A survey of the Cilegon City Food Security and Agriculture Agency shows that these three factors still require attention. Regarding budget efficiency, only 50% of respondents stated that spending was on schedule, while 70% considered budget use inefficient. Furthermore, 76% believed the budget had not yet produced optimal output, and only 23% considered financial reports to be transparent and accountable. This indicates that budget management still requires improvement to support optimal employee performance.

A similar phenomenon is also seen in the leadership aspect. Observations show that 80% of respondents desire the implementation of hybrid leadership that combines transformational, transactional, and digital approaches. However, 55% of respondents believe that leaders' digital competencies are still inadequate, necessitating increased leadership capacity to address digital bureaucratic transformation. Furthermore, only 40% of respondents believe transformational leadership can consistently improve team performance. These findings demonstrate that leadership effectiveness remains a challenge in boosting employee productivity.

Various issues were also identified in the job satisfaction variable. Sixty-five percent of respondents stated that salaries and benefits did not reflect a sense of fairness, 55% assessed that career development opportunities were limited, and 50% considered the workload unbalanced. Although inter-employee relations were relatively harmonious (85%) and the work environment was quite conducive (70%), these conditions did not fully improve overall job satisfaction. Low job satisfaction has the potential to reduce employee motivation, commitment, and the quality of performance in carrying out public service duties.

Based on this phenomenon, several issues still require attention, including suboptimal budget efficiency, delays in achieving program outputs, low financial reporting transparency, inadequate digital leadership competencies, limited career development, and suboptimal job satisfaction levels. These issues are suspected to impact employee performance at the Cilegon City Food Security and Agriculture Service. Therefore, research on budget efficiency as a determinant of employee performance with leadership and job satisfaction as supporting variables is important to produce strategic recommendations in improving the effectiveness of human resource and budget management so as to support the realization of more effective, efficient, and accountable governance.

Various studies further confirm that employee performance in public sector organizations is influenced by the synergy between budget efficiency, leadership, and job satisfaction. Research by Perwitasari et al. (2022) shows that the level of budget efficiency influences the successful implementation of organizational programs. Furthermore, Choerunisa et al. (2024) confirms that transparency, utilization of information technology, and financial risk management can increase government budget efficiency. From a leadership perspective, Nuryadin et al. (2024) found that digital leadership promotes accountability and organizational effectiveness. Meanwhile, Amin and Sudiana (2024) demonstrated that a conducive work environment increases employee job satisfaction, while Sejarahi et al. (2025) concluded that job satisfaction plays a role in strengthening the influence of leadership on improving employee performance.

Based on these various studies, there remains an interesting research gap that warrants further study. Most studies place budget efficiency as an indicator of an organization's financial performance or program implementation effectiveness, while its impact on employee performance remains relatively limited. Furthermore, research on the relationship between leadership and job satisfaction and employee performance also shows inconsistent findings. Differences in research subjects, organizational characteristics, analytical methods, and bureaucratic conditions are factors that contribute to the lack of consistent conclusions from previous studies.

The novelty of this research lies in the development of a model that integrates budget efficiency as the primary determinant of employee performance, with leadership and job satisfaction as supporting variables within a single conceptual framework within the Cilegon City Food and Agriculture Security Agency. This research also provides an empirical contribution to the rarely researched context of regional government agencies in the food security sector. Therefore, the research findings are expected to enrich the public sector management literature and serve as a basis for developing strategies to improve employee performance through integrated budget management, leadership strengthening, and job satisfaction enhancement.

LIBRARY REVIEW

Employee Performance

Employee performance is the level of individual success in carrying out tasks and responsibilities according to established organizational standards to achieve goals effectively and

Vol. 6, No. 2, August 2026, pp. 636-649
https://doi.org/10.53067/ije3.v6i2.506

efficiently. Performance is influenced by ability, motivation, job opportunities, and organizational support. In the public sector, performance is measured not only by the quantity of work, but also by the quality of service, accountability, and regulatory compliance. High performance reflects an organization's success in optimally managing its human resources (Aguinis, 2023; Armstrong & Taylor, 2023).

Budget Efficiency

Budget efficiency is an organization's ability to optimally utilize financial resources to generate maximum output at minimal cost without compromising service quality. In government organizations, budget efficiency is a key indicator of the application of the value-for-money principle, namely economy, efficiency, and effectiveness in public financial management. Efficient budget management supports increased organizational productivity, service quality, and the achievement of sustainable regional development goals (Mardiasmo, 2023; OECD, 2024).

Leadership

Leadership is the ability of a leader to influence, direct, and motivate subordinates to work optimally to achieve organizational goals. Modern leadership theory emphasizes the importance of transformational leadership, which builds vision, inspires, encourages innovation, and increases employee commitment. In public organizations, effective leadership also requires adaptability to environmental changes, technological developments, and public service demands, thereby improving organizational performance (Northouse, 2024; Yukl, 2023).

Job Satisfaction

Job satisfaction is a positive emotional state that arises when employees perceive their work as fulfilling their personal expectations, needs, and values. Job satisfaction is influenced by compensation, the work environment, career development opportunities, interpersonal relationships, and leadership support. Employees with high job satisfaction tend to demonstrate stronger organizational commitment, lower absenteeism, and greater work productivity, thereby improving the achievement of overall organizational goals (Robbins & Judge, 2023; Spector, 2022).

Thinking Framework

The framework of this research is based on the assumption that employee performance is an outcome influenced by the effectiveness of organizational resource management. Budget efficiency is positioned as the main determinant variable because the use of a budget that is appropriate, efficient, and results-oriented will provide adequate facilities, infrastructure, and operational support for employees in carrying out their duties. However, the effect of budget efficiency on employee performance cannot run optimally without the support of leadership that is able to direct, motivate, and coordinate employees in achieving organizational goals and job satisfaction that encourages employee enthusiasm, commitment, and loyalty to the organization. Effective leadership will create a conducive work climate and strengthen the implementation of budget management policies, while job satisfaction will increase employee intrinsic motivation in utilizing organizational resources productively. Thus, the higher the budget efficiency supported by effective leadership and high job satisfaction, the more optimal the performance of employees at the Cilegon City Food Security and Agriculture Service in realizing effective, efficient, transparent, and accountable public services.

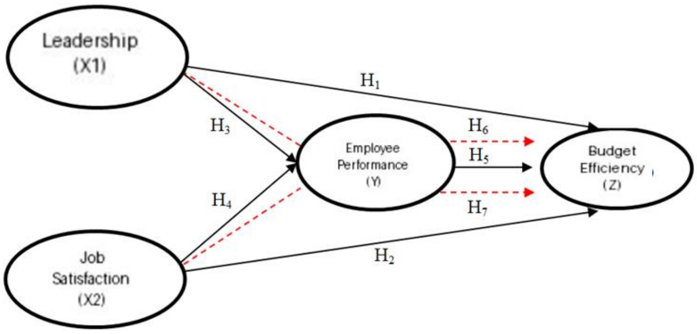

Figure 1. Thinking Framework

METHOD

This study uses a quantitative approach to examine the causal relationship between budget efficiency, leadership, job satisfaction, and employee performance at the Cilegon City Food Security and Agriculture Agency. A quantitative approach was chosen because it can objectively explain the relationships between variables through statistical analysis. Model testing was conducted using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the assistance of SmartPLS software, thus comprehensively testing the validity, reliability, and direct relationships between research variables (Hair et al., 2022; Sarstedt et al., 2022).

Research Design

This study employed an explanatory research design with a quantitative approach. This design aimed to examine the influence of Budget Efficiency (X1), Leadership (X2), and Job Satisfaction (X3) on Employee Performance (Y). Data were collected through a survey using a structured questionnaire based on the indicators of each variable. Furthermore, the data were analyzed using the SEM-PLS method because it is able to simultaneously test the relationships between latent constructs and provides high predictive power in the research model (Hair et al., 2022).

Vol. 6, No. 2, August 2026, pp. 636-649
https://doi.org/10.53067/ije3.v6i2.506

Time and Place of Research

The research was conducted at the Cilegon City Food Security and Agriculture Agency from February to June 2026. The research stages included proposal development, research instrument development, field data collection, data processing using SmartPLS 4, research results analysis, and research report preparation. The agency was selected based on its role as a regional government agency managing food security programs and its characteristics aligned with the research objectives regarding budget efficiency and employee performance (Sugiyono, 2022).

Population and Sample

The study population was all employees of the Cilegon City Food Security and Agriculture Service, consisting of 42 Civil Servants (PNS) and 51 Government Employees with Work Agreements (PPPK), resulting in a total population of 93 employees. Considering the population size was less than 100 people, the study used a census sampling technique, so all members of the population were selected as respondents. Thus, the study sample size was 93 respondents, so the results are expected to be able to describe the overall condition of the organization (Hair et al., 2022; Sugiyono, 2022).

Data Collection Techniques

Data collection was conducted using a questionnaire as the primary research instrument. All statement items were structured based on variable indicators of budget efficiency, leadership, job satisfaction, and employee performance. Measurements were made using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). In addition to the questionnaire, the study also utilized observation and documentation studies as supporting data to obtain information regarding the organizational structure, employee conditions, and budget management implementation at the Cilegon City Food Security and Agriculture Service. This data triangulation technique is expected to improve the quality and accuracy of research information (Sekaran & Bougie, 2023; Sugiyono, 2022).

Data analysis

Data analysis used the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method with the help of the SmartPLS 4 application. The analysis stages included descriptive analysis of respondents, evaluation of the outer model through convergent validity, discriminant validity, Composite Reliability, Cronbach's Alpha, and Average Variance Extracted (AVE) tests. Furthermore, an evaluation of the inner model was carried out by testing the R^2, Q^2, f^2, path coefficient values, and hypothesis testing using a bootstrapping procedure with a 5% significance level. The SEM-PLS method was chosen because it is suitable for research with complex latent variables and is able to provide good predictive ability regarding the relationship between research variables (Hair et al., 2022; Henseler et al., 2023).

RESEARCH RESULTS AND DISCUSSION

Research result

The results of this study present empirical findings regarding the influence of leadership and job satisfaction on budget efficiency through employee performance at the Food Security, Agriculture, and Fisheries Service of Cilegon City. The analysis was conducted using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach with the assistance of SmartPLS 4.0 software on data from 93 respondents. The analysis stages include testing the measurement model (outer model) and the structural model (inner model) to ensure validity, reliability, and causal relationships between variables according to the research hypothesis.

Table 1. Respondent Characteristics Based on Employment Status

No	Officer Status	Amount	Percentage (%)
1	civil servant	42	45,16
2	PPPK	51	54,84
Total		93	100,00

Source: Research Data Processing Results (2026)

Respondent characteristics indicate that the number of PPPK employees is greater than that of Civil Servants (PNS). Of the total 93 respondents, 51 people (54.84%) are PPPK, while 42 people (45.16%) are PNS. This composition illustrates that the implementation of duties at the Cilegon City Food Security, Agriculture, and Fisheries Service is currently supported by a relatively larger proportion of PPPK personnel, so that the perceptions obtained are able to represent the overall condition of the organization.

Table 2. Results of Convergent Validity Test (Outer Loading)

Indicator	Loading	Information
KP1	0,842	Valid
KP2	0,865	Valid
KP3	0,883	Valid
KP4	0,818	Valid
KP5	0,847	Valid
KK1	0,832	Valid
KK2	0,871	Valid
KK3	0,886	Valid
KK4	0,852	Valid
KK5	0,829	Valid
KG1	0,856	Valid
KG2	0,874	Valid
KG3	0,892	Valid
KG4	0,867	Valid
KG5	0,844	Valid
EA1	0,846	Valid

Vol. 6, No. 2, August 2026, pp. 636-649
https://doi.org/10.53067/ije3.v6i2.506

Indicator	Loading	Information
EA2	0,871	Valid
EA3	0,893	Valid
EA4	0,852	Valid
EA5	0,861	Valid

Source: SmartPLS 4.0 output (2026)

The convergent validity test results showed that all indicators had outer loading values above 0.70. This value indicates that each indicator is able to strongly reflect the latent construct it represents. No indicators were eliminated because all met the convergent validity criteria. Therefore, the research instrument was declared capable of accurately measuring the variables of leadership, job satisfaction, employee performance, and budget efficiency, making it suitable for use in subsequent analyses.

Table 3. Reliability Test Results

Variables	Cronbach Alpha	Composite Reliability	AVE	Information
Leadership	0,911	0,934	0,739	Reliable
Job Satisfaction	0,918	0,939	0,754	Reliable
Employee Performance	0,926	0,944	0,771	Reliable
Budget Efficiency	0,914	0,936	0,746	Reliable

Source: SmartPLS 4.0 output (2026)

All variables had Cronbach's Alpha and Composite Reliability values exceeding the minimum limit of 0.70, while the AVE values for all constructs were above 0.50. These findings indicate that the research instrument has excellent internal consistency and is able to optimally explain indicator variance. Therefore, the constructs used in this study have met the requirements for reliability and convergent validity and can be used to evaluate the structural model.

Table 4. R-Square Value

Endogenous Variables	R^2	Category
Employee Performance	0,683	Strong
Budget Efficiency	0,781	Strong

Source: SmartPLS 4.0 output (2026)

The coefficient of determination indicates that leadership and job satisfaction variables explain 68.3% of the variation in employee performance. Furthermore, the combination of leadership, job satisfaction, and employee performance explains 78.1% of budget efficiency, with the remainder influenced by factors outside the research model. This value is considered strong, indicating that the model has good predictive ability in explaining the relationship between variables.

Table 5. f-Square Value

Variable Relationship	f^2	Category
Leadership → Employee Performance	0,318	Big
Job Satisfaction → Employee Performance	0,254	Currently
Leadership → Budget Efficiency	0,176	Currently
Job Satisfaction → Budget Efficiency	0,139	Small
Employee Performance → Budget Efficiency	0,372	Big

Source: SmartPLS 4.0 output (2026)

The effect size value indicates that the largest influence in the model comes from the relationship between employee performance and budget efficiency, with an f^2 value of 0.372. Leadership also has a significant influence on improving employee performance. Conversely, job satisfaction has a moderate influence on performance and a relatively small influence on budget efficiency directly. These findings demonstrate the importance of performance as a primary mechanism in improving the efficiency of organizational budget use.

Table 6. Predictive Relevance Value (Q^2)

Variables	Q^2
Employee Performance	0,482
Budget Efficiency	0,566

Source: SmartPLS 4.0 output (2026)

The Q^2 values for all endogenous variables are greater than zero, indicating that the research model has good predictive ability. This value indicates that the model is able to adequately predict observational data and has high predictive relevance. Therefore, the relationships between variables are not only statistically significant but also have the ability to explain empirical conditions in the organization being studied.

Table 7. Results of the Direct Effect Test

Connection	Original Sample	t-statistic	p-value	Results
Leadership → Employee Performance	0,456	5,972	0,000	Accepted
Job Satisfaction → Employee Performance	0,392	4,886	0,000	Accepted
Leadership → Budget Efficiency	0,268	2,845	0,005	Accepted
Job Satisfaction → Budget Efficiency	0,221	2,382	0,018	Accepted
Employee Performance → Budget Efficiency	0,448	5,694	0,000	Accepted

Sumber: Output Bootstrapping SmartPLS 4.0 (2026)

All direct relationships had t-statistics greater than 1.96 and p-values below 0.05, thus all hypotheses were directly accepted. Leadership has been shown to directly improve employee performance and budget efficiency. Job satisfaction also positively contributes to improved performance and budget efficiency. Furthermore, employee performance is the most dominant factor in driving budget efficiency in organizations.

Table 8. Results of the Indirect Effect Test (Mediation)

Mediation Relationship	Coefficient	t-statistic	p-value	Results
Leadership → Employee Performance → Budget Efficiency	0,204	3,791	0,000	Accepted
Job Satisfaction → Employee Performance → Budget Efficiency	0,176	3,368	0,001	Accepted

Sumber: Output Bootstrapping SmartPLS 4.0 (2026)

Mediation testing shows that employee performance significantly mediates the influence of leadership and job satisfaction on budget efficiency. The t-statistic value for each path exceeds 1.96 with a significance level below 5%. These results indicate that improving leadership quality and job

Vol. 6, No. 2, August 2026, pp. 636-649
https://doi.org/10.53067/ije3.v6i2.506

satisfaction first improves employee performance, which then impacts the organization's budget efficiency. Thus, employee performance acts as a partial mediating variable in the research model.

Discussion

This research discussion interprets the results of hypothesis testing based on SEM-PLS analysis conducted at the Cilegon City Food Security, Agriculture, and Fisheries Service. The interpretation of each relationship between variables is explained by linking relevant theories and comparing them with previous research findings. Thus, the discussion not only explains statistical significance but also provides empirical meaning regarding the influence of leadership, job satisfaction, employee performance, and budget efficiency in the context of public sector organizations.

The Influence of Leadership on Budget Efficiency

The results of the first hypothesis test indicate that leadership has a positive and significant effect on budget efficiency at the Cilegon City Food Security, Agriculture, and Fisheries Agency. This finding suggests that the more effective the leadership style applied, the better the organization's budget management. Leaders who are able to provide clear direction, conduct supervision, and build open communication will encourage employees to use resources appropriately, thereby minimizing budget waste. In public organizations, leadership functions not only as a decision-maker but also as a controller of program implementation so that each activity runs according to budget targets. The results of this study are in line with research by Awan et al. (2024) who found that strategic leadership improves the effectiveness of public organization governance. This finding is also supported by Nguyen et al. (2023) who stated that leadership quality contributes to increasing the efficiency of resource use and accountability of government organizations.

The Influence of Job Satisfaction on Budget Efficiency

The research findings demonstrate that job satisfaction has a positive and significant impact on budget efficiency. Employees who are satisfied with their jobs tend to work more responsibly, meticulously, and are oriented toward achieving organizational goals, enabling them to utilize the budget more effectively. Job satisfaction stemming from fair compensation, harmonious working relationships, career development opportunities, and organizational support encourages employees to reduce administrative errors and waste in carrying out activities. These conditions demonstrate that employee psychology also determines the quality of an organization's financial management. These findings are consistent with research by Ardebilpour et al. (2024), which explains that job satisfaction improves the quality of work behavior and organizational effectiveness. These results are also supported by research by Bakker and Demerouti (2023), which shows that employees with high levels of satisfaction have better productivity and work efficiency than employees with low levels of satisfaction.

The Influence of Leadership on Employee Performance

The test results show that leadership has a positive and significant influence on employee performance. This finding indicates that employee success in completing work is greatly influenced by the leader's ability to provide motivation, direction, role model, and support to their subordinates. Communicative leaders are able to build a disciplined work culture and increase employee commitment to achieving organizational targets. Effective leadership also creates a conducive work environment so that employees are encouraged to improve the quality and quantity of work results. The results of this study support the theory of transformational leadership, which states that leaders can improve organizational performance through employee empowerment. This finding is in line with research by Contreras et al. (2023) which states that transformational leadership improves individual and organizational performance. Research by Eva et al. (2024) also proves that leadership quality is a major factor influencing the performance of public sector employees.

The Influence of Job Satisfaction on Employee Performance

The fourth hypothesis indicates that job satisfaction has a positive and significant effect on employee performance. Employees with high levels of job satisfaction will demonstrate greater loyalty, commitment, and work motivation than those who are less satisfied with their jobs. Job satisfaction creates a sense of belonging to the organization, encouraging employees to provide the best service and complete their work effectively. This condition has a direct impact on improving the quality, quantity, and timeliness of task completion. The findings of this study indicate that psychological factors are one of the main determinants of the success of public sector organizations. These results align with Al Halbusi et al. (2023) who found that job satisfaction increases employee productivity by increasing intrinsic motivation. Research by Kim and Park (2024) also states that job satisfaction contributes significantly to improving individual performance in government organizations.

The Influence of Employee Performance on Budget Efficiency

The results of the study indicate that employee performance has a positive and significant impact on budget efficiency. Employees with high work quality are able to implement programs according to targets, utilize resources optimally, and reduce budget waste. High performance also reflects the ability of employees to carry out administrative procedures appropriately, resulting in more effective budget realization. This finding indicates that budget efficiency is influenced not only by the financial management system but also by the quality of the human resources implementing the organization's programs. This study aligns with Mousa et al. (2023) who stated that improving employee performance has a direct impact on the effectiveness of public sector organizations.

Vol. 6, No. 2, August 2026, pp. 636-649
https://doi.org/10.53067/ije3.v6i2.506

Research by Mahmood et al. (2024) also demonstrated that organizations with high employee performance are able to achieve sustainable budget efficiency.

The Influence of Leadership on Budget Efficiency through Employee Performance

The results of the mediation test indicate that employee performance significantly mediates the influence of leadership on budget efficiency. This indicates that effective leadership not only has a direct impact on budget management but also improves the quality of employee performance, ultimately resulting in more efficient budget use. Leaders who are able to provide consistent direction, motivation, and supervision will shape productive work behaviors so that all programs can be implemented optimally. These findings indicate that increasing budget efficiency requires a combination of leadership quality and high employee performance. The results of this study are consistent with the research of Purwanto et al. (2023) which explains that leadership increases organizational effectiveness through improved employee performance. The research of Masa'deh et al. (2024) also shows that employee performance is an important mediator in the relationship between leadership and organizational performance.

The Influence of Job Satisfaction on Budget Efficiency through Employee Performance

The research results show that employee performance significantly mediates the relationship between job satisfaction and budget efficiency. This means that high job satisfaction encourages employees to work more productively, resulting in more effective and efficient budget implementation. Employees who are satisfied with their work environment tend to have higher responsibilities, reduce work errors, and are able to complete programs according to budget planning. Thus, increased budget efficiency can be achieved through improved employee well-being and satisfaction, which impacts individual and organizational performance. This finding is in line with research by Ali et al. (2024) which states that employee performance mediates the relationship between job satisfaction and organizational effectiveness. Research by Lee et al. (2023) also proves that job satisfaction improves organizational efficiency by increasing employee productivity and performance quality.

CONCLUSION

Based on the analysis results using Structural Equation Modeling–Partial Least Squares (SEM-PLS), it can be concluded that all research hypotheses are accepted. Leadership is proven to have a positive and significant effect on budget efficiency and employee performance at the Food Security, Agriculture, and Fisheries Service of Cilegon City. This indicates that the leadership's ability to provide direction, motivation, effective communication, and role model can improve the quality of task implementation while encouraging more efficient budget management. Job satisfaction also has a positive and significant effect on budget efficiency and employee performance. Employees who are satisfied with compensation, work environment, relationships with superiors, and career development opportunities tend to have higher motivation and responsibility in carrying out their work.

Employee performance has been shown to have a positive impact on budget efficiency, indicating that improving the quality, quantity, effectiveness, and timeliness of work can support optimal budget utilization. The research also demonstrates that employee performance acts as a mediating variable, strengthening the influence of leadership and job satisfaction on budget efficiency. These findings confirm that successful budget management in public sector organizations is not solely determined by the budgeting system but is also influenced by leadership quality, job satisfaction levels, and employee performance. Therefore, enhancing leadership capacity, strengthening employee welfare, and developing human resource competencies are important strategies for achieving budget efficiency and continuously improving organizational performance.

ACKNOWLEDGMENTS

The authors would like to thank the Cilegon City Department of Food Security, Agriculture, and Fisheries for their support and the opportunity to conduct this research. Appreciation is also extended to all respondents, supervisors, and all parties who provided assistance, input, and cooperation, ensuring the successful completion of this research.

REFERENCES

Aguinis, H. (2023). *Performance management* (5th ed.). Chicago Business Press.

Amin, A., & Sudiana, I. K. (2024). Work-life balance, work environment, and job satisfaction: Evidence from Indonesian state-owned enterprises. *Jurnal Manajemen dan Kewirausahaan*. (Tambahkan DOI sesuai artikel yang digunakan apabila tersedia).

Armstrong, M., & Taylor, S. (2023). *Armstrong's handbook of human resource management practice* (16th ed.). Kogan Page.

Choerunisa, N., Rahmawati, D., & Prasetyo, A. (2024). Strategi peningkatan efisiensi anggaran pemerintah melalui transparansi, digitalisasi, dan manajemen risiko. *Jurnal Akuntansi dan Keuangan Sektor Publik*.

Collings, D. G., McDonnell, A., & Scullion, H. (2024). Talent management: Progress and prospects. *Human Resource Management Review, 34*(1), 100980. https://doi.org/10.1016/j.hrmr.2023.100980

Felicia, A., Pramudita, R., Palupi, M., & Bhimasta, R. (2024). Employee satisfaction and organizational commitment: A contemporary perspective. *Journal of Infrastructure, Policy and Development, 8*(6).

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2022). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R: A Workbook*. Springer. https://doi.org/10.1007/978-3-031-19447-0

Henseler, J., Ringle, C. M., & Sarstedt, M. (2023). *Using Partial Least Squares Path Modeling in International Advertising Research: Basic Concepts and Recent Issues*. Springer. https://doi.org/10.1007/978-3-031-37731-6

Hidayat, A., Rahman, M., & Putra, D. (2023). Employee performance in the public sector: The role of leadership and work motivation. *International Journal of Professional Business Review, 8*(7).

Mardiasmo. (2023). *Akuntansi sektor publik* (Edisi terbaru). Andi Publisher.

Northouse, P. G. (2024). *Leadership: Theory and practice* (10th ed.). Sage Publications.

Vol. 6, No. 2, August 2026, pp. 636-649
https://doi.org/10.53067/ije3.v6i2.506

Nuryadin, M., Suryadi, A., & Firmansyah, R. (2024). Digital leadership in public organizations: A systematic literature review. *Journal of Public Administration and Digital Governance*.

OECD. (2024). *Government at a Glance 2024*. OECD Publishing. https://doi.org/10.1787/government_glance-2024-en

Perwitasari, D., Haidiputri, T., & Rustinawati, N. (2022). Analisis efektivitas dan efisiensi anggaran dengan pendekatan value for money pada Dinas Pertanian, Ketahanan Pangan dan Perikanan Kota Probolinggo. *Jurnal Akuntansi dan Sektor Publik*.

Riwayati, E., Winarti, S., Cahaya, D., & Khairunnisa, R. (2025). Job satisfaction as a mediator of leadership and motivation on employee performance. *International Journal of Organizational Analysis*.

Robbins, S. P., & Judge, T. A. (2023). *Organizational behavior* (19th ed.). Pearson.

Sarstedt, M., Hair, J. F., Ringle, C. M., & Richter, N. F. (2022). *Advanced Issues in Partial Least Squares Structural Equation Modeling*. Sage Publications.

Sekaran, U., & Bougie, R. (2023). *Research methods for business: A skill-building approach* (9th ed.). Wiley.

Sinaga, R., Harahap, D., & Siregar, M. (2025). Analysis of regional budget efficiency using the value for money approach. *Jurnal Riset Akuntansi dan Keuangan Daerah*.

Spector, P. E. (2022). *Job satisfaction: From assessment to intervention*. Routledge.

Sugiyanto. (2025). Data-driven transformational leadership in the digital era. *Journal of Leadership and Digital Transformation*. (Tambahkan DOI sesuai artikel yang digunakan).

Sugiyono. (2022). *Metode penelitian kuantitatif, kualitatif, dan R&D* (Edisi ke-2). Alfabeta.

Yukl, G. (2023). *Leadership in organizations* (9th ed.). Pearson.