

ANALYSIS OF EFFECTS OF GOOD GOVERNMENT GOVERNANCE, INTERNAL CONTROL SYSTEMS, AND ORGANIZATIONAL COMMITMENT TO MANAGERIAL PERFORMANCE OF LOCAL REVENUE IN NORTH LOMBOK

Parulian Manulang
Mataram University
parulaudit@gmail.com

Endar Pituringsih
Mataram University
Endar7ringsih@gmail.com

M. Irwan
Mataram University
m.irwan65@gmail.com

Abstract

This research has the goal to verify and to find empirical proof on the effect of good government governance, internal control systems, and organizational commitment to managerial performance of local revenues in North Lombok Regency Government. The research will be conducted on 9 (nine) working units that manage local revenue in. The population in this study are employees involved in the management of local revenue with sample many as 77 people. This study uses the data collection techniques using questionnaires to obtain primary instruments of data through a list of questions posed to respondents. Furthermore, the data were analyzed using Structural Equation Modeling (SEM) analysis tool based on the variant and Partial Least Square (PLS). The results showed that good government governance, internal control systems, organizational commitment towards striving towards Managerial Performance and can be used as consideration in assessing the performance of the managing local revenue by Regional Head, Parliament and the public.

Keywords: good government governance, internal control systems, organizational commitment, Managerial Performance

1. Introduction

Regional autonomy since the post-reform in 1999 opened opportunities for the regions to manage rule independently in accordance with the aspirations of the people. Mardiasmo (2002), the main purpose of the implementation of regional autonomy is to improve public services and improve the regional economy. The local government has the authority to regulate and manage the interests of the local community at its own initiative based on the aspirations of the people. The essence of decentralization is the regional authority, not delegating (Saragih, 2003).

The central government encourages local financially independent by providing a space to explore the potential of local as revenue. Based on Law No. 28 Year 2009 on Regional Taxes and Levies, there are 16 kinds of taxes and 30 types of levies that can be managed as a revenue for local governments. The challenge for local governments today is how to manage the resources in order to realize the existing revenue to finance government fiscal independence and provide the best service to the community.

The degree of autonomy based on the ratio of fiscal, financial capacity of the government Regency /City in West Nusa Tenggara period 2011-2015 is relatively very less. It can be seen from the average contribution of revenue to total revenue Regency / City in the province, the lowest occurred in 2012 with a value of 7.45 percent and the highest in 2014 with a value of 11.11 percent. North Lombok as a new autonomous regions have the ability fiscal independence in the category of very less, in 2011, amounting to 6.53 percent and increasing samapai be 15.75 in 2015. North Lombok regency government should be easier to become financially independent in, because has the potential of local support and reliable, especially from the tourism sector which is an international tourist destination.

In line with the above problems, the Financial Audit Board of Indonesian Republik (BPK RI) found any irregularities in the management of local revenues in North Lombok regency. The audit results with a specific purpose by BPK RI for the management of local revenues North Lombok Fiscal Year 2011 found conditions including: (1) the local government has not been optimal in record revenue potential Tax and Retribution; (2) there is the use of local revenues directly for official purposes; (3) there are local revenue

that has not been established and less established; (4) there is less local revenues collected; and (5) there is a local revenues that have been collected but not remitted by unscrupulous employees. Subsequently in 2016 the results of BPK audit found flaws in the management of the internal control system of revenue. The findings are in the form of recording and reporting of tax revenues and charges of inadequate worth Rp13.108.702.528 (BPK RI, 2016).

The above conditions provide an overview of the level of execution or performance of the management of local revenues in North Lombok regency. Performance by Mahsun (2006) is an overview of the level of achievement of the implementation of an activity / program / policy in achieving the goals, objectives, mission and vision of the organization as stated in the strategic plan of the organization. The term is often used to refer to the performance or achievements of the success rate of the individual or group of individuals. The result of performance level can be determined by the goals or targets that have been set. The better the level of achievement of goals or targets, can be said of individuals or groups of individuals having a good performance. The low level of achievement of goals or targets,

Performance management of local revenues are not optimal in North Lombok, indicating that the local government as the management (agent) in the concept of agency theory has not been able to run the trust fiduciary (principal) in this community. The performance of an organization can be influenced by many factors, including the implementation of good governance. According to Rai (2014), good governance is important for an organization in order to: (1) promote the competitiveness of the organization; (2) increasing the accountability and performance management that enables confidence in the organization; (3) improve the efficiency, effectiveness, and productivity over the use of the organization's resources.

The application of the principles of good governance may affect performance (Kemala, 2013; Amelia et al., 2014; Aisha et al., 2014; Hidayat et al., 2014; Azlina and Amelia, 2014; Supriya et al., 2014). While Trisnaningsih study (2007) found that understanding of good governance has no direct effect on the performance of auditors.

In addition to the factors of good governance, internal control factors can also affect the performance of an organization. The term can also be called the internal control of management controls.

Based on the standards for internal control in the federal government issued by the General Accounting Office (GAO) (BPKP, 2009: 15) explains that internal control is also called the management control helps managers of government programs achieve the set goals through the management of public resources effectively , Further BPKP (2009: 23) explains that a control function is to identify the occurrence of deviations on the implementation of activities compared to the plan as feedback for corrective action or improvement for the leadership in achieving organizational goals. Research on the effect of the internal control system on the performance of the organization is done by Fadilah (2012), Taufik and Kemala (2013), Amelia et al. (2014), Azlina and Amelia (2014), Supriya et al. (2014), Miswaty and Yuliani (2015), Boediono et al. (2016), concluded that the internal control system affect the performance of the organization.

In addition to the implementation of good governance and adequate internal control systems, organizational performance can also be influenced by organizational commitment. Veronica and Krisnadewi (2009) revealed that organizational commitment is a boost that comes from within an employee to do something to support the organization's success. Supriyatno (2010) states that organizational commitment is an ability, confidence, willingness and desire for organizational purposes. Individuals who have a strong organizational commitment to support the achievement of organizational goals. If all employees in an organization chiefly officials having high organizational commitment, it will have an impact on the performance of the organization concerned. The statement is in line with research conducted by Elyawati et al. (2010), Aisha et al. (2014), Supriya et al. (2014) concluded that the commitments organisasional effect on performance.

This research was motivated by the phenomenon of the contribution of local revenue is still low against the Regional Budget. During the period of 5 (five) years from 2011 through 2015, North Lombok has a degree of fiscal autonomy in the category of very less. In addition to these conditions, the BPK RI findings on the management of local revenues still happen until 2016, so it needs to be studied. Based on the above, the problem in this study is whether the implementation of good governance, the implementation of the Internal Control System, and Organizational Commitment Managerial affect the performance

management of local revenues in North Lombok regency. Furthermore, based on the motivation, background and research question above, the purpose of this research is to examine and analyze the influence of good governance implementation, internal control system, and organizational commitment to the managerial performance of North Lombok regional revenue management.

2. Theoretical Framework and Hypothesis Development

2.1. Effect of Good Governanace to Managerial Performance of Local Revenue Management

Word Bank (in Mardiasmo, 2009: 18) defines good governance as an implementation management of construction solid and responsible in line with the principle of democracy and efficient market, the avoidance of misallocation of investment funds, and the prevention of corruption both politically and administratively, to run budget discipline and the creation of legal and political framework for the growth of business activities. According to the LAN and the BPKP (2006: 6) the nature of good governance: a solid state governance and responsible, as well as efficient and effective, to maintain a constructive synergy of interaction between the state, private sector and society (society). Good governance is a form of acceptance of the importance of a set of rules or good governance to regulate relations, functions and interests of the various parties in business or public service. Implement good governance that both of the performance of an organization will go well and that organizational goals can be achieved. It can be given the conclusion that if the implementation of good governance improved it can automatically improve the performance of the organization (Mulyawan, 2009).

Studies conducted Miswaty and Yuliani (2015), found an association between good governance to organizational performance. Hamid et al. (2015) and Boediono et al. (2016) proved that good governance has a significant effect on the performance of the organization, indicating that the better implementation of

good governance in a body of the better performance of the organization, including the performance of managers.

The above description can be assumed that the good governance should be implemented as well as possible by the authorities in the management of local revenue. Governance consistent application of good will have implications on improving the performance of the officials in the government as a manager. Based on these explanations can be formulated hypotheses as follows:

H1.Hypothesis one. Good governance influence to managerial performance of local revenue management.

2.2. Effect of Internal Control Systems to Managerial Performance of Local Revenue Management

Another aspect that needs to be applied in improving the performance of the management of local revenues that the internal control system. Base on Law No. 15 of 2004 required the government to implement public finance management in order, obey the laws and regulations, efficient, economical, effective and transparent. Internal control system is a step principals consider the risks by providing authority to the steward's internal controls which aims to provide reasonable assurance for the achievement of organizational goals through effective and efficient, the reliability of financial reporting, the safeguarding of state assets, and compliance with laws and regulations ,

Swardiman (2016) identifies, achievement of performance improvements can be realized as a working unit steward may be authorized by the principals are required to improve the organization's internal control in each phase of the implementation of the organization's activities from planning to reporting. Implementation of the system of internal control through a managerial process efficient and effective, compliance with the applicable rules and regulations will have implications on managerial performance improvement organization. Implementation of good internal control system of an organization will be directly proportional to the improvement of organizational performance.

Taufik and Kemala (2013) showed that internal controls affect the performance of the public sector. In line with these findings, Azlina and Amelia (2014) also found that the internal control significant effect

on organizational performance. The implementation of adequate internal control system will have implications for the improvement of organizational performance, including the performance of its officials as a manager in a government organization. Based on these explanations can be formulated hypotheses as follows:

H2.Hypothesisi two. Implementation of the internal control system influence on managerial performance of the management of local revenue.

2.3. Effect of Organizational Commitment to Managerial Performance of Local Revenue Management

Organizational commitment is an individual behavior as employees in an organization that deals with loyalty, involvement with the organization, and maskimal effort in performing the task. If the human resources have a high organizational commitment, is expected to help improve the performance of organirasi. Understanding and knowledge of the organization's vision, mission, and goals of the targets of the work may lead employees to work better, which in turn can realize organizational goals (Labni, 2015).

Research that tests on the effect of organizational commitment on managerial performance conducted by Labni (2015), Sukmawanti and Wirasedana (2015), Princess (2013), Suharto (2012), as well as Azlina and Desmiyanti (2012), found that organizational commitment has a positive effect on performance managerial. Organizational commitment is expected to improve managerial performance. The basis of the idea that a manager who has a high commitment to the organization, will work better so that it can be acted upon role and function as a manager with both the managerial process. Thus, it can be said that the higher organizational commitment owned by the manager l at the institution,

H3.Hypothesisi three. Organizational commitment influence on managerial performance of local revenue Management.

3. Research Method

3.1. Data Selection And Collection Approach

This study uses primary data obtained directly from the original source or not melalui its medium (Indriantoro and Supomo, 2014: 146-147). Questionnaire instrument used to obtain primary data through a list of questions posed to respondents. The population in this research that all employees involved in the management of local revenues in North Lombok regency government. Employees involved in the management of local revenue consists of 170 people, distributed in 10 organizations unit. Manager of local revenues that Echelon II to executive employees.

Techniques to determine the respondents committed intentionally (purposive sampling) with criteria for employees who occupy positions echelon echelon III and IV, so that the number of samples in this study as many as 77 people. The reason the sample criteria, namely with the consideration that the employee was a managerial level who know exactly how the management of local revenue and directly involved in the operation. The following data on the number of population and sample are presented in Table 1.

table 1. Population and Sample Research

No.	Organization Unit/Position	Populatio	Samples	Information
1	Badan Pendapatan Daerah	25	12	
2	Badan Pengelola Keuangan dan Aset Daerah	11	4	
3	Dinas Kesehatan	37	19	
4	Dinas Pekerjaan Umum dan Penataan Ruang	8	3	
5	Dinas Ketahanan Pangan dan Pertanian	11	5	
6	Dinas Perhubungan Kelautan dan Perikanan	19	8	
7	Dinas Pariwisata	9	5	
8	Dinas Informasi dan Komunikasi	9	4	
9	Dinas Tenaga Kerja Penanaman Modal dan PTSP	29	12	
10	Dinas L. Hidup Perumahan dan kawasan Permukiman	12	5	
Jumlah		170	77	45%

Sumber: Bagian Hukum, Organisasi dan Tata Laksana Setda. Kabupaten Lombok Utara Tahun 2017 (diolah)

3.2. Measurement And Variable Operational Definition

Exogenous variable or variables that are not influenced by other variables in the research modelin this study, namely good governance, internal control systems and organizational commitment.

Endogenous variable or variables that are influenced by other variables in the model of this study is the managerial performance of management revenue.

Research instrument each variable is measured using a Likert scale to be able to assess the attitudes of respondents to statements or questions. Likert scale used in this study is a Likert scale of four levels, the reason for eliminating the chances of respondents are neutral. Likert scale of four levels will force the respondent determine attitudes toward the social phenomenon in question or otherwise in the instrument (Widoyoko, 2012: 106).

Good governanace intention in this research is the process of managing local revenues is executed by applying the principles of good governance. Indicators of good governance is measured through six governance principles of transparency, participation, accountability, rule of law, responsiveness, efficiency and effectiveness. Indicators of good governance adopted governance indicators developed by Bappenas (2007).

Government Regulation No. 60 of 2008 defines the Internal Control System (SPI) as an integral process in actions and activities that are carried out continuously by the management and all employees to provide reasonable assurance for the achievement of organizational goals through effective and efficient, the reliability of financial reporting, state asset security, and compliance with laws and regulations. Internal control system in this research is the implementation of the control system environment of North Lombok regency government that was created to support the implementation of activities in order to achieve organizational goals related to the management of local revenue.

Organizational commitment is a strong desire to remain a member of an organization, a desire to exert every effort on behalf of the organization, a belief, acceptance, value and purpose of the organization (Mowday et al. 1979). Purpose of organizational commitment in this research is the psychological bonds of employees in an organization characterized by strong trust and acceptance of the goals and values of the

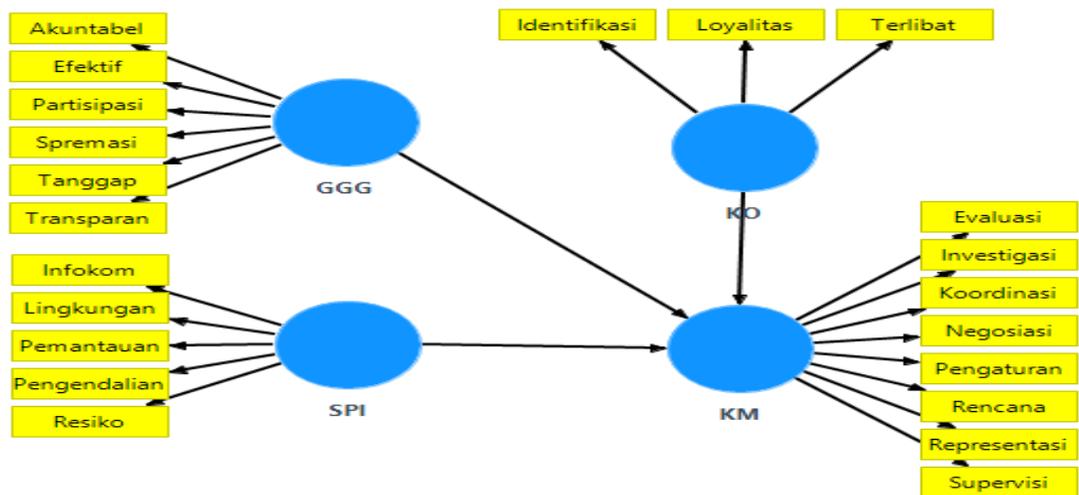
organization, willingness to striving for the interests of the organization and a strong desire to maintain the position as the members of the organization. Variables measured using indicators of organizational commitment research Mowday et al. (1979), which consists of affective commitment, continuance commitment and normative commitment.

Performance is an overview of the level of achievement of the implementation of an activity / program / policy / in realizing the goals, objectives, mission and vision of the organization as stated in the strategic planning of an organization (Mahsun, 2006: 25). Managerial performance can be interpreted as the result of the quality and quantity of work achieved by someone employee in performing their duties in accordance with the responsibilities given to him (Mangkunagara, 2005: 67). Variable managerial performance is measured using indicators of research Mohoney et al. (1963), which consists of planning, investigation, coordination, evaluation, supervision, election sta (staffing), negotiation, representation overall.

3.3. Data Analysis Method

Statistical analysis in this study is a model of structural analysis tool partial least square (PLS) and using software Smart PLS 3.0. Ghozali and Latan (2015: 47) describes five stages of the process of using PLS-SEM, where each stage will affect the next stage. First, models konsep that develop and construct measurement. PLS consists of modeling in the model or models outer and inner measurement models or structural models. Outer models show how variable the manifest or latent variable represents the observed variables to be measured and the inner workings of the model shows the estimated between latent variables or constructs (Ghozali and Latan, 2015: 7).

Second, after passing through the stages of conceptualization subsequent models must be specified algorithm analysis method used to estimate the model. Algorithm scheme suggested by the World that path or structural weighting (Ghozali and Latan, 2015: 51). Appropriate advice, this research using PLS path algorithm scheme or structural weighting. Third, re-done sampling stage bootstrapping method using the entire original sample. The fourth stage is to draw the path diagram of the model estimates. Path diagram in this study can be described as follows:



Appropriate path diagram in Figure 1. Analysis of Structural Equation Model

Figure 3.1. then the equation for this study are:

Equation model of measurement / measurement (outer model) tested by the equation:

$$GG = \lambda_{11}Akuntabel + \lambda_{12}Efektif + \lambda_{13}Partisipasi + \lambda_{14}Supremasi + \lambda_{15}Tanggap + \lambda_{16}Transparan + \varepsilon_1$$

$$SPI = \lambda_{21}Infokom + \lambda_{22}Lingkungan + \lambda_{23}Pemantauan + \lambda_{24}Pengendalian + \lambda_{25}Resiko + \varepsilon_2$$

$$KO = Identification \lambda_{31} + \lambda_{32}Loyalitas + \lambda_{33}Terlibat + \varepsilon_3$$

$$KM = \lambda_{41}Evaluasi + \lambda_{42}Investigasi + \lambda_{43}Koordinasi + \lambda_{44}Negosiasi + \lambda_{45}Pengaturan + \lambda_{4.6}Rencana + \lambda_{4.7}Representasi + \lambda_{4.8}Supervisi + \varepsilon_4$$

A structural equation model was tested by the equation:

$$KM = \gamma_1 GG + \gamma_2 SPI + \gamma_3 KO + \zeta$$

Information :

λ = lambda coefficient measurement model

ε = epsilon, error measurement model

γ = Gamma, coefficient of influence exogenous variables on endogenous variables
 ζ = zeta, error measurement model

After drawing the path diagram, the next stage of the estimation and evaluation of the overall model. Step-by-step model first evaluation done of the measurement model evaluation / measurement (Outer Model). This evaluation defines how each indicator relates to the latent variabel. Tests carried out on the outer Convergen models: Validity, Discriminant Validity, and Composite Reliability.

Further evaluation of structural models (Inner Model). The evaluation was conducted to examine the relationship between latent constructs (hypothesis). Tests conducted on the inner models of Determinansi coefficient (R2), Predictive Relevance (Q2), Goodness of Fit Index (GoF), and hypothesis testing by comparing the t-table with t-statistic values generated in the process bootstriping in PLS. Accepted hypothesis (supported) if the value of t-statistic is higher than the value of the t-table with a confidence level of 95% (alpha 5%), the value of the t-table for the hypothesis test is 2,001.

4. results

4.1. Testing Results Measurement Model (Outer Model)

The test results on the convergent validity explanatory research considered valid if the value of the loading factor > 0.6 and testing discriminant validity based on the value of cross loading declared valid if the correlation value constructs with greater indicator of correlation with other constructs indicator, The results of the evaluation of convergent validity and *discriminant validity* This research can be seen in Table 2 and Table 3.

Table 2. Evaluation of Convergent Validity

Indicator	Value	requirement	Information
Evaluation	0765	> 0.6	valid

Investigation	0798	> 0.6	valid
Coordination	0786	> 0.6	valid
negotiations	0625	> 0.6	valid
Settings	0594	> 0.6	Invalid
Plan	0770	> 0.6	valid
representations	0767	> 0.6	valid
supervision	0506	> 0.6	Invalid
accountable	0646	> 0.6	valid
Effective	0600	> 0.6	valid
Participation	0481	> 0.6	Invalid
Supremacy	0681	> 0.6	valid
perceptive	0780	> 0.6	valid
Transparent	0767	> 0.6	valid
Infocom	0670	> 0.6	valid
Environment	0755	> 0.6	valid
Monitoring	0782	> 0.6	valid
Control	0541	> 0.6	Invalid
Risk	0749	> 0.6	valid
Identification	0731	> 0.6	valid
Loyalty	0728	> 0.6	valid
Involved	0840	> 0.6	valid

Source: Output PLS (2017)

Table 3. Discriminant validity

	KM	GG	SPI	KO	Information
Evaluation	0764	0261	0476	0543	valid
Investigation	0798	0282	0531	0439	valid
Coordination	0785	0202	0500	0380	valid
Negotiations	0627	0253	0201	0403	valid
Plan	0771	0367	0457	0544	valid
representations	0766	0195	0406	0595	valid
accountable	0144	0661	0131	0058	valid
Supremacy	0277	0708	0347	0349	valid
perceptive	0298	0779	0355	0218	valid
Transparent	0252	0784	0237	0160	valid
Infocom	0319	0241	0670	0208	valid
Environment	0420	0381	0755	0583	valid
Monitoring	0505	0203	0782	0425	valid

Risk	0441	0339	0749	0375	valid
Identification	0564	0115	0509	0731	valid
Loyalty	0451	0351	0383	0728	valid
Involved	0468	0231	0351	0840	valid

Source: Output PLS (2017)

Results of testing the reliability of the constructs measured by the criteria of reliability and Cronbach alpha compositing of the block indicator this study are presented in Table 4. Construct declared reliable if the Cronbach's alpha values of 0.6 and composite reliability values > 0.7.

Table 4. Value Composite Reliability and Cronbachs Alpha

	<i>Alpha Cronbachs</i>	<i>composite Reliability</i>	Information
Managerial performance	0847	0887	reliable
Good Governance	0724	0824	reliable
Internal Control Systems	0727	0829	reliable
Organizational commitment	0653	0811	reliable

Source: Output PLS (2017)

Measurement Model Equations (Outer Model) in this study after going through the evaluation phase convergent validity, discriminat validity and reliability of composite shown in Figure 2, while the measurement model equations are shown in Table 5.

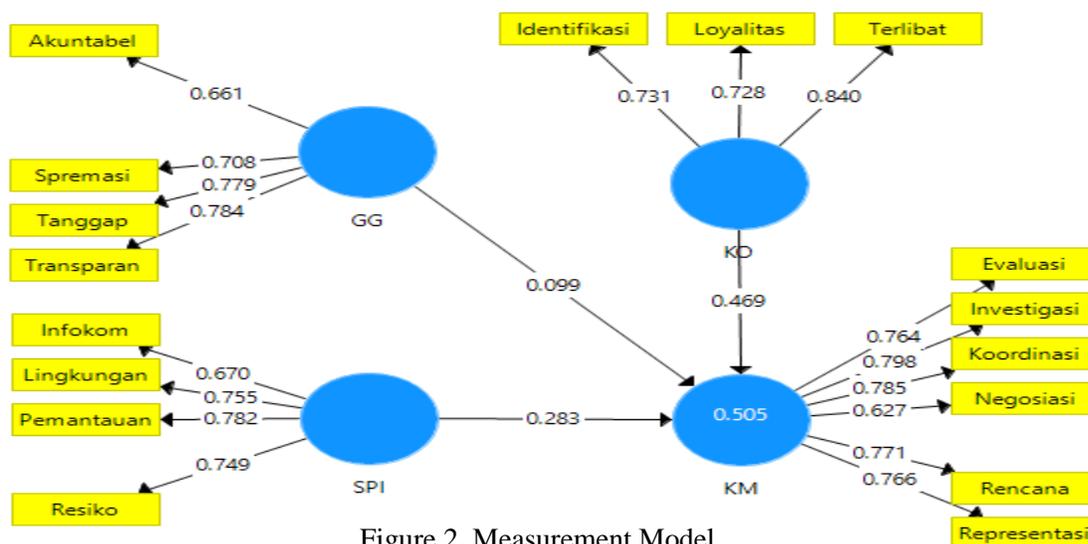


Figure 2. Measurement Model

4.2. Structural Model Test Results (Inner Model)

Model of the effect of Good Governanace, Internal Control Systems, and Organizational Commitment to give Managerial Performance R-square value of 0.505. It can be interpreted that the variable construct Managerial performance can be explained by ariabel constructs Good Governance, Control Systems, and Organizational commitment of 50.5%, while 49.5% is explained by other variables outside studied.

Table 5. Predictive Value Relevance (Q2)

	SSO	SSE	$Q^2 (= 1 - SSE / SSO)$
Managerial performance	372,000	280 464	0246
Good Governanace	248,000	248,000	
Internal Control Systems	248,000	248,000	
Organizational competence	186,000	186,000	

Source: Output PLS (2017)

Based on the obtained blindfolding procedures predictive value relevance (Q2) of 0.246 as shown in Table 5, with the value of the mean value of $Q^2 > 0$ and show that the model has predictive relevance is strong. Meanwhile, for the value *Goodness of Fit Index* (GoF) in this study was obtained amounted to 0.505 which means greater than 0.36 indicating that the model in this study strongly. Furthermore, hypothesis testing is done by comparing the value of t-statistic with a value of t table at a significance level of 5% results can be seen in Table 6.

Table 6. Hypothesis Testing

hypothesis	Path Koef.	T-statistic	T-table	P Values	Information
H1: Good goernanace effect on managerial performance	0,099	1,284	2,001	0200	hypotheses Rejected
H2: Internal control system influence on managerial performance	0,283	1,573	2,001	0016	hypotheses Rejected
H3: Organizational commitment influence on managerial performance	0,469	3.462	2,001	0001	hypothesis Accepted

Source: PLS data processing (2017)

Structural equation models (inner model) that is obtained based on the coefficient path analysis as shown in the table above are:

$$GG \text{ KM} = 0.099 + 0.283 + 0.469 \text{ KO SPI} + \zeta$$

Information :

KM = Managerial Performance
GG = Good Governanace
SPI = Internal Control Systems
KO = Organizational Commitment
 ζ = Zeta, error measurement model

5. Conclusion, Implication and Limitation

5.1. Conclusion

The demands of increasingly complex society is a challenge for local authorities to be more optimal in managing its resources. Officials in the area as manager plays an important role in moving the wheels of government towards progress, both in terms of economic, social, cultural, health and other aspects of the community life of the other. In addition to aspects of community life, local governments as public organizations also have to realize financial independence that comes from the potential of the local statutory regulations.

Performance managers in government can be observed through the achievement of organizational goals and objectives that have been set. One concern of course terkait with the achievements of local revenues derived from local revenues. The ability of managers in the proper planning, setting of employees according to their capacities, coordinate, conduct Superisi, evaluation and investigation is the key to success in achieving satisfactory performance. Of course, the performance of the managers do not lepes of the influence of environmental factors, such as the implementation of good governance of all elements of the organization, the passage of an adequate control system, as well as the commitment of the manager's own self.

The test results on H1 (hypothesis one) with a value *path coefficient* amounted to 0.099 and the value of t-statistic (1.284) < t table (2.001) shows that good governance has a positive effect but not significant to managerial performance. These results are not in line with the opinion (Mulyawan, 2009), if the implementation of good governance improved then automatically can improve organizational

performance. This study does not support studies conducted Hamid et al. (2015) and Boediono et al. (2016), which prove that good governance has a significant influence on the performance of the organization.

The test results H2 (hypothesis two) with a value *path coefficient* amounted to 0.283 and the value of t-statistic (1.573) < t table (2.001) shows that the system of internal control have a positive effect but not significant to managerial performance. These results are not in line with the opinion Swardiman (2016), which identifies, achievement of performance improvements can be realized as a working unit steward may be authorized by the principals are required to improve the organization's internal control in each phase of the implementation of the organization's activities from planning to reporting. This study does not support research conducted by Taufik and Kemala (2013) as well as research Azlina and Amelia (2014) who found significant internal control effect on organizational performance.

The test results H3 (hypothesis three) with a value *path coefficient* amounted to 0.469 and the value of t-statistic (3.462) > t table (2.001) shows that organizational commitment has a significant positive effect on managerial performance. The results of this study support the Goal Setting Theory, which revealed that people with a commitment to high goals will work harder to achieve the goal and has a high confidence (self-efficacy) that his efforts will give the expected results (Locke and Latham, 2002). This study does not support research conducted by Labni (2015), Sukmawanti and Wirasedana (2015), Princess (2013), Suharto (2012), as well as Azlina and Desmiyanti (2012), found that the positive effect of organizational commitment on managerial performance. Managers are highly committed to the organization, will work better so that it can be acted upon role and function as well on the managerial processes and ultimately impact on improving overall organizational performance.

5.2. Implication

The results of this study have implications for the Government of North Lombok, namely as an input and consideration in decision making related to the efforts to further improve the

performance of managers at the working unit manager of the local revenue by implementing good governance, controls were adequate, and supported by the commitment powerful officials.

5.3. limitation

In addition to the implications, this study has several limitations. First, this study aims to explain the influence of good governance, internal control systems, and organizational commitment yet another variable that can also affect the relationship is not explored, for example by using a variable moderating or intervening variables. The second limitation, this study only uses goal setting theory and agency theory to explain the relationship good governance, internal control systems and organizational commitment on managerial performance, while there are many other theories that could explain the relationship. Third, use a Likert scale may result in bias, reducing the objectivity of the data. Fourth, this research was conducted on the work unit at North Lombok regency government, so the result can not be generalized to public sector organization in Indonesia.

References

- Amelia, Desmiyawati, Nur Azlina. 2014. Effects of Good Governance, Control Intern and Cultural Organization of the Local Government Performance (Studies in Government Unit Pelalawan). *Jurnal Online Mahasiswa (JOM) Bidang Ilmu Ekonomi Universitas Riau*.
- Aisha, S., Karmizi and Enni Savitri. 2014. Effects of Good Governance, Leadership Style, Organizational Commitment and Organizational Culture Performance Against Local Government (Local Government Studies in Kampar). *Jurnal Online Mahasiswa (JOM) Bidang Ilmu Ekonomi Universitas Riau* 1 (2).
- Azlina, and Ira N. Amelia. 2014. Effects of Good Governance and Internal Control on Performance Pelelawan District Government. *Jurnal Akuntansi Universitas Jember* 12 (2).
- The Audit Board of the Republic of Indonesia. 2011-2016. BPK Audit Reports on Local Government Finance Report, Internal Control Systems, Compliance with Legislation on West Lombok regency, East Lombok, Central Lombok and Mataram.
- National Development Planning Agency. 2007. Governance Indicators and Its Application In Realize Democratization in Indonesia.
- Boediono, A. Aziz Fathoni, and Maria M Minarsih. 2016. Effects of Good Governance, Internal Control and Cultural Organization Finance Office Employee Performance Against the Diponegoro Military Command based in Semarang. *Journal of Management Universitas Pandanaran Semarang* 2 (2).
- Fadilah, S. 2012. Effect of Implementation of Internal Control and Total Quality Management on Organizational Performance. *Mimbar XXXIII* (1): 19-30.
- Hamid, H., Mukhlis Yunus and Solomon. 2015. Effect of Good Corporate Governance Performance Against Employee Performance And Impact On Agriculture And Livestock Department Bireuen district. *Jurnal Manajemen Pascasarjana Universitas Syiah Kuala* 4 (4).
- Mahoney, T.A., T.H. Jerdee. and S.J. Carroll. 1963. Development of Managerial Performance: A Research Approach. Cincinnati OH: South-Western Publishing Company.
- Mahsun, Mohammad. 2006. *Pengukuran Kinerja Sektor Publik*. Yogyakarta: BPFE.
- Mangkunagara, Anwar King. 2005. *Sumber Daya Manusia Perusahaan*. Bandung: Youth Rosdakarya.
- Mardiasmo. 2002. *Otonomi dan Manajemen keuangan Daerah*. Yogyakarta: ANDI.

- _____. 2009. *Akuntansi Sektor Publik*. Yogyakarta: ANDI.
- Miswaty and Tutik Yuliani. 2015. Analysis of Effect of Application of Good Governance and Internal Control Organization Organizational Performance Against the City Government of Balikpapan. *Seminar Nasional dan The 2nd Call for Syariat Paper Universitas Muhammadiyah Surakarta*.
- Mowday, R., R Steers and Porter L. 1979. The Measurement of Organizational Commitment. *Journal of Vocational Behavior*, 14 (2): 24-47.
- Rai, IGA 2014. *Audit Kinerja Pada Sektor Publik*. Jakarta: Salemba Empat.
- Saragih, July Commander. 2003. *Desentralisasi Fiskal dan Keuangan Daerah dalam Otonomi*. Publisher Ghalia Indonesia.
- Supriya, IBP Ery., Nyoman Trisna Herawati and I Made perdanan Adiputra. 2014. Effect Analysis of Internal Control, Organizational Citizenship Behavior and Good Governance Perspective on Performance Based Organization Balance Scorecard (Case Study on Revenue Service Buleleng). *E-Journal SI Ak Universitas Pendidikan Ganesha Jurusan Akuntansi Program 2* (1).
- Taufik, T. and Dian Kemala. 2013. Effect of Principle Understanding Principles of Good Governance, Internal Control and Organizational Commitment to Public Sector Performance. *Pekbis Jurnal* 5 (1): 51-56.