

Measuring The Effects of Fiscal Shocks on Civil Servant Performance: An Empirical Study of The Riau Provincial Government with Perceived Organizational Support (POS) As The Moderator

Safrizal^{1*}, Meilinda Anggreni², Novira Fazri Nanda³, Twenty Mariza Syafitri⁴

^{1,2,3,4}Sriwijaya State Polytechnic, Accounting, Indonesia
E-mail : safrizal@polsri.ac.id

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Abstract .

This study aims to measure the effect of fiscal shocks on the performance of State Civil Apparatus (ASN) within the Riau Provincial Government, and examine the role of Perceived Organizational Support (POS) as a moderating variable. Fiscal shocks, manifested through late salary payments, limited work facilities, operational cuts, and budget policy uncertainty, are viewed as external pressures that have the potential to reduce ASN performance, both in terms of productivity, work efficiency, and public service. This study uses a quantitative approach with a questionnaire, involving ASN from the Public Works and Public Housing (PUPR) OPD in the Riau Provincial Government as respondents. Data analysis was conducted using Moderating Regression Analysis to test the direct influence and moderating effects. The results show that fiscal shocks affect ASN performance, while POS does not act as a moderating variable in this relationship. The novelty of this study lies in the empirical testing of fiscal shocks as an organizational factor on ASN performance by including POS as a moderating variable in the context of local government. These findings provide policy implications for local governments in managing ASN performance amidst fiscal pressures

Introduction

Employee performance is a key factor in determining the success of regional government administration. High-performing employees are able to carry out government duties and functions effectively and efficiently, which ultimately has a direct impact on the quality of public services. In the context of regional government, improving the performance of state civil servants (ASN) is crucial to meet public demands for fast, transparent, and accountable services. Therefore, maintaining and improving employee performance is not only an organizational need but also part of a strategy to increase public trust in local government.

Employee performance is a fundamental aspect in running the wheels of government effectively and efficiently. Amidst increasing public demands for quality services, budget sustainability is the main support for public sector organizations, including the Riau Provincial Government. The State Budget spent on the interests of Civil Servants from year to year has increased, coupled with the implementation of remuneration / performance allowances as a reward for work that has been carried out (Indah WT et al., 2022). In the 2024 Fiscal Year, the Riau Provincial Government experienced a Regional Revenue and Expenditure Budget (APBD) deficit

of IDR 2.2 trillion. This condition has a serious impact on the smooth implementation of regional programs and activities, especially with the emergence of a number of delayed payments (delayed payments).

A budget deficit is a condition in which government revenues in a fiscal period are less than government expenditures. In the context of regional governments such as Riau Province, a budget deficit can impact the efficiency of work program implementation, the distribution of employee spending, and operational smoothness. This situation has the potential to affect employee performance, both in terms of work motivation, workload, and the quality of public services . Therefore, research is needed to analyze the extent to which the budget deficit impacts employee performance within the Riau Provincial Government. The impact of delayed payments in the 2024 Regional Budget (APBD) can burden the 2025 Regional Budget (APBD), which can hamper budget efficiency and also affect development programs or activities. Therefore, regional governments, especially the Riau Provincial Government, will divert funds that should be used for new development activities and infrastructure maintenance to repay the previous year's debt.

Based on Presidential Instruction Number 1 of 2025 concerning Spending Efficiency in the Implementation of the Regional Revenue and Expenditure Budget for the 2025 Fiscal Year, it states that the efficiency of state spending for the 2025 Fiscal Year is Rp. 306,695,177,420,000 consisting of the Ministry/Institution Budget for the Fiscal Year of Rp. 256,100,000,000,000, and Transfers to Regions of Rp. 50,595,177,420. This policy has an impact on cutting various types of spending, including employee allowances and incentives, thereby affecting employee performance. According to (Indah WT et al., 2022) the budget efficiency policy implemented has a direct impact on work patterns and supporting facilities in various ministries and institutions. The Riau Provincial Government applies budget efficiency to various spending components, both operational and non-operational. The types of spending affected by efficiency include consumables (office stationery, consumables), maintenance of official vehicles and buildings, official travel (SPPD), government assistance, infrastructure development, and procurement of equipment and machinery. The performance of government agencies, most of whose funding comes from public funds, is always in the public spotlight. Research results (Al-Aghbari, A. G., & Baadhem, 2025). Employee performance, or work achievement, reflects the work results achieved in terms of both quality and quantity in carrying out tasks and responsibilities. According to (Wilson & Yulius, 2025) performance measurement should not only focus on budget absorption, but also on the relationship of work results with the organization's vision and mission to encourage the growth and effectiveness of the institution, however, this is different from research conducted (Collins et al., 2021). Budget deficits have a negative impact on employee performance due to limited resources, reduced facilities, and increased work pressure. This can reduce employee motivation and effectiveness in carrying out their duties. However, Perceived Organizational Support (POS) can moderate this relationship. When employees feel supported, appreciated, and cared for by the organization, they tend to show positive attitudes and remain motivated even in conditions of limited budgets. POS creates a sense of security and loyalty, which ultimately maintains or even improves employee performance. Thus, POS is an important factor in reducing the negative impact of budget deficits. The results of the research conducted (Rhoades & Eisenberger, 2002), (Ahli et al., 2024) however differ from the research conducted (Fachriansyah et al., 2021) that POS does not moderate the influence of budget deficit on employee performance.

Literature Review

Fiscal Shock

Fiscal shocks occur when organizations experience sudden changes in fiscal policy, such as budget cuts, tax increases, or changes in public spending. The main impacts include uncertainty and economic pressures that trigger psychological stress for employees. In the context of a budget deficit, measuring fiscal shocks is seen from delays in salary and benefit payments, limited work facilities, efficiency and budget policies (Sanchez-Gomez et al., 2021).

Employee Performance

Employee performance reflects an individual's effectiveness in carrying out tasks according to organizational standards. Amidst fiscal or institutional uncertainty, employees tend to experience psychological stress and insecurity, which can reduce performance. Performance can be seen from discipline, productivity, job satisfaction, and service quality (Robbins & Judge, 2019)

Perceived Organizational Support (POS)

POS is the employee's perception that the organization values their contributions and cares about their well-being. POS has been shown to increase work engagement, emotional commitment, and reduce stress and employee turnover intentions. POS can be viewed from the aspects of appreciation, care, attention, fairness, opportunity, and belonging (Robbins & Judge, 2019).

Research Methods

This study uses a quantitative approach designed with the principle of causality (Sugiyono, 2019). The population in this study were ASN employees in the Riau provincial government who were selected by random sampling using a questionnaire distribution with a sample of thirty-six. Data analysis in this study is Moderating Regression Analysis. The measurement indicators for the research variables are presented below;

Table 1. Research Variable Indicators

No	Variables	Indicator	Scale	Information
1	Shock Fiscal (X)	- Delay payment salary and benefits - Limitations facility Work - Efficiency / cutting activity erosional - Uncertainty policy budget	Nominal	1-5
2	Employee Performance (Y)	- Discipline Work - Productivity - Satisfaction Work - Quality service	Nominal	1-5
3	Perceived Organizational Support (POS) (M)	- Award - Concern - Attention - Justice - Chance - A sense of belonging	Nominal	1-5

Source: Data processed, 2025

Results and Discussion

The research results on the data obtained relate to the impact of fiscal shocks on performance, moderated by Perceived Organizational Support (POS). Data quality testing for validity and reliability was first conducted.

Table 2. Validity and Reliability Test Results

No	Variables	Validity		Reliability	
		R Count	Note	Crombach's Alpha	Note
	X1	.927	Valid		
	X2	.829	Valid		
	X3	.834	Valid		
	X4	.864	Valid		
	Y1	.734	Valid		
	Y2	.813	Valid		
	Y3	.633	Valid		
	Y4	.721	Valid		
	M1	.875	Valid		
	M2	.881	Valid		
	M3	.909	Valid		
	M4	.908	Valid		
	M5	.841	Valid		
	M6	.895	Valid		

Source: Processed Data, 2025

Based on the test results above, it shows that the calculated r value for each research variable is $>$ r table (0.329), so it can be said that the data is valid. In addition, data reliability testing was carried out by comparing the Crombach's Alpha value, which is $>$ standard alpha 0.6, so the data is reliable.

Before further testing, a data normality test was performed. This test involved the Kolmogorov-Smirnov test as follows:

Table 3. Results of Data Normality Test

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	36
Mean	,0000000
Standard Deviation	1.14037201
Absolute	,073
Positive	,056
Negative	-,073
Kolmogorov-Smirnov Z	,440
Asymp. Sig. (2-tailed)	,990

a. Test distribution is Normal.

b. Calculated from data.

Source: Processed Data, 2025

The test results above show that the asymp.sig value is $0.990 > 0.05$, so it can be said that the data is normally distributed, so that testing can be carried out at the next stage, namely hypothesis testing.

Table 4. Regression Test Results

Hypothesis	Information	Level	Sig.	Conclusion
H1 : (Fiscal Shock)		0.05	0.000	Accepted
	Equation.1	0.05	0.000	
	Equation.2	0.05	0.037	
	Equation.3	0.05	0.131	

Source: Processed Data, 2025

Fiscal Shocks Affect Employee Performance

The results of the study indicate that a sig value of $0.000 < 0.05$ indicates that fiscal shocks significantly impact employee performance. This indicates that changes in fiscal policy, such as budget shifts, funding cuts, or sudden increases in regional revenues, have a significant impact on the effectiveness of government officials. When positive fiscal shocks occur, such as additional budgets or reallocations of spending that support operational activities, employees tend to show increased motivation and productivity due to the availability of adequate resources to achieve performance targets (Febriyanti & Adrison, 2022). Conversely, negative fiscal shocks, such as budget cuts or delays in fund disbursement, can reduce performance due to increased work pressure and limited supporting facilities. This finding is in line with the view that fiscal stability is an important factor in creating a conducive work environment for public sector employees (Ilori et al., 2022). Thus, adaptive and transparent fiscal policy management needs to be maintained to minimize negative impacts on apparatus performance ,,

Perceived Organizational Support (POS) does not moderate the effect of Fiscal Shock on Employee Performance

The results of the study in the table above show that all three equations in the MRA model are > 0.05 , so it can be said that Perceived Organizational Support (POS) does not moderate the effect of Fiscal Shocks on Employee Performance. This means that employee perceptions of organizational support are not strong enough to change or strengthen the relationship between fiscal policy changes and individual performance. In the context of public organizations, fiscal shocks such as sudden budget changes or fiscal uncertainty-influence performance more through structural factors and managerial policies than psychological factors such as POS. Although employees may feel supported by the organization, the impact of external and systemic fiscal shocks is often beyond the organization's control, so the effect of such support is not significant in mitigating its impact on performance (Febriyanti & Adrison, 2022). These results indicate that organizational support factors are not always effective in dealing with fiscal pressures, especially if fiscal changes disrupt employees' work mechanisms, incentives, and primary resources (Irwan et al., 2025). Thus, a more strategic managerial approach is needed, such as adaptive budget planning and transparent policy communication, so that employees are able to adapt to fiscal dynamics without reducing performance.

Conclusion

This study concludes that fiscal shocks significantly impact the performance of State Civil Apparatus (ASN) in the Riau Provincial Government. Sudden changes in fiscal policy, such as budget reallocation and uncertainty in public spending, have been shown to impact ASN performance. However, the results of the moderation analysis indicate that Perceived Organizational Support (POS) does not moderate the relationship between fiscal shocks and ASN performance. This means that perceived organizational support has not been able to strengthen or weaken the impact of fiscal shocks on performance. These findings emphasize the importance of fiscal stability and adaptive budget planning, as well as the need for more concrete managerial strategies to maintain ASN performance in the face of fiscal dynamics in the local government environment.

Archknowledge

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