



The Influence of Perceived Capital Budgeting Ability, Risk Perception, and Perceived Organizational Support on Capital Budgeting Decisions: The Moderating Role of Financial Knowledge in Manufacturing Companies in Karanganyar Regency

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Abstract

This study aims to analyze the influence of perceived capital budgeting ability, perceived risk, and perceived organizational support on capital budgeting decisions, with the level of financial knowledge serving as a moderating variable in manufacturing companies in Karanganyar Regency. The study employed a quantitative approach using a survey method involving 70 respondents from manufacturing companies. Data were collected through structured questionnaires and analyzed using multiple linear regression and Moderated Regression Analysis (MRA) with the assistance of SPSS version 26. Prior to hypothesis testing, validity, reliability, and classical assumption tests were conducted to ensure data quality.

The results indicate that perceived capital budgeting ability, perceived risk, and perceived organizational support have a positive and significant effect on capital budgeting decisions. Furthermore, the level of financial knowledge strengthens the relationship between these three variables and capital budgeting decisions. These findings suggest that managerial analytical capability, adequate organizational support, and high financial literacy play important roles in improving the quality of investment decision-making in manufacturing companies.

Keywords: perceived capital budgeting ability, perceived risk, perceived organizational support, financial knowledge, capital budgeting decisions

1. Introduction

Capital budgeting decisions constitute one of the most important strategic decisions in corporate financial management because they determine the allocation of substantial financial resources to long-term investment projects. These decisions are directly related to a company's future growth, competitiveness, and profitability. According to Andor *et al.* (2015) ^[2], capital budgeting decisions involve selecting investment projects that can maximize firm value through effective evaluation of expected returns and associated risks. Therefore, the quality of capital budgeting decisions is critical for ensuring sustainable organizational performance.

In practice, capital budgeting decisions are not solely influenced by financial calculations and analytical techniques. Behavioral Finance Theory suggests that managerial decisions are also shaped by psychological and perceptual factors, including perceived ability, perceived risk, and organizational support (Hartmann, 2024) ^[7]. Managers who possess confidence in their ability to apply capital budgeting techniques such as Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period are expected to make more rational and effective investment decisions. Similarly, perceptions regarding investment risk and the level of organizational support available may affect the quality of decision-making processes.

Previous studies have provided empirical evidence regarding factors influencing capital budgeting decisions. Andor *et al.* (2015) ^[2] found that large companies are more likely to apply sophisticated capital budgeting techniques, whereas limitations in managerial knowledge remain a significant barrier to their implementation. Siziba (2021) highlighted the existence of a persistent

gap between capital budgeting theory and practice, particularly in developing countries, emphasizing the importance of managerial capabilities and organizational support. Furthermore, Mota *et al.* (2023)^[10] demonstrated that managers' perceived ability significantly affects the adoption of modern investment appraisal techniques.

Research has also emphasized the role of organizational factors and financial literacy. Hartmann (2024)^[7] reported that organizational support through information systems and decision aids enhances investment decision accuracy. Similarly, Ismail *et al.* (2022)^[9] found that organizational support contributes to more effective investment decisions through improved information quality and reduced capital costs. Meanwhile, Adil *et al.* (2022)^[11] and Seraj *et al.* (2022)^[14] concluded that financial knowledge improves the rationality and objectivity of financial decision-making, indicating its potential role as a moderating factor.

Although previous studies have examined the influence of managerial capability, risk perception, organizational support, and financial literacy on investment decisions, several research gaps remain. First, most prior studies were conducted in large corporations or multinational contexts (Andor *et al.*, 2015; Mota *et al.*, 2023)^[2, 10], limiting their applicability to medium-sized manufacturing firms operating in regional areas. Second, empirical studies integrating perceived capital budgeting ability, risk perception, and perceived organizational support simultaneously, while considering financial knowledge as a moderating variable, remain limited. Third, evidence from Indonesian manufacturing companies, particularly those located in regional industrial areas such as Karanganyar Regency, is still scarce.

This study addresses these gaps by examining the influence of perceived capital budgeting ability, risk perception, and perceived organizational support on capital budgeting decisions, with financial knowledge serving as a moderating variable. The study focuses on manufacturing companies in Karanganyar Regency, an important industrial area in Central Java characterized by diverse manufacturing activities and increasing investment needs.

The contribution of this research is twofold. Theoretically, it extends the literature on behavioral finance and managerial decision-making by incorporating financial knowledge as a moderating mechanism within the capital budgeting framework. Practically, it provides insights for managers and policymakers regarding the importance of enhancing financial literacy, managerial competence, and organizational support systems to improve investment decision quality.

Accordingly, the objectives of this study are: (1) to examine the effect of perceived capital budgeting ability on capital budgeting decisions; (2) to analyze the effect of risk perception on capital budgeting decisions; (3) to investigate the effect of perceived organizational support on capital budgeting decisions; and (4) to evaluate the moderating role of financial knowledge in the relationships between perceived capital budgeting ability, risk perception, perceived organizational support, and capital budgeting decisions among manufacturing companies in Karanganyar Regency.

2. Literature Review and Hypotheses Development

2.1. Capital Budgeting Decision

Capital budgeting decision refers to the process of evaluating, selecting, and allocating financial resources to long-term investment projects that are expected to generate future economic benefits. It is one of the most important decisions in corporate financial management because it determines the direction of investment, resource allocation efficiency, and long-term organizational performance.

According to Andor *et al.* (2015)^[2], capital budgeting practices involve the use of financial evaluation techniques such as Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (PP) to assess investment feasibility. Through these techniques, managers can determine whether an investment project can create value for the firm.

Siziba (2021) argued that despite the growing adoption of sophisticated capital budgeting techniques, a substantial gap remains between theoretical recommendations and practical implementation, particularly in developing countries. This phenomenon indicates that investment decisions are influenced not only by analytical methods but also by managerial capabilities and organizational conditions.

In this study, capital budgeting decision is defined as the effectiveness of managerial decisions in evaluating and selecting investment projects based on financial and strategic considerations. The quality of such decisions can be reflected through the appropriateness of project selection, risk minimization, achievement of expected financial benefits, and efficient utilization of investment funds.

2.2. Perceived Capital Budgeting Ability

Perceived capital budgeting ability refers to a manager's belief in his or her capability to understand and apply investment appraisal techniques in evaluating capital projects. This perception includes knowledge, experience, and confidence in using methods such as NPV, IRR, and Payback Period.

According to Mota *et al.* (2023)^[10], managers who possess stronger analytical capabilities are more likely to adopt modern capital budgeting techniques and generate more effective investment decisions. Similarly, Andor *et al.* (2015)^[2] identified managerial knowledge as a crucial factor affecting the implementation of capital budgeting practices. From the perspective of the Resource-Based View (RBV), managerial competence represents an intangible organizational resource that contributes to superior decision-making quality. Therefore, managers with greater confidence in their capital budgeting abilities are expected to make more rational and effective investment decisions.

2.3. Risk Perception

Risk perception refers to managers' subjective assessment of uncertainty and potential losses associated with investment projects. Unlike objective risk measures, perceived risk reflects how individuals interpret and evaluate investment uncertainty.

Pike (1991)^[11] suggested that investment decisions involve a trade-off between expected returns and associated risks. However, decision-making behavior is often influenced by

subjective judgments rather than purely objective assessments.

According to Charoenwong (2024) ^[3], managers who perceive higher levels of risk tend to be more cautious when approving investment projects. Similarly, Hartmann (2024) ^[7] emphasized that managerial perceptions of uncertainty significantly influence investment choices and project evaluation outcomes.

In the context of capital budgeting, risk perception affects how managers evaluate investment opportunities, estimate future cash flows, and determine the acceptability of investment projects.

2.4. Perceived Organizational Support

Perceived organizational support refers to employees' beliefs that their organization values their contributions and cares about their well-being. The concept originates from Organizational Support Theory developed by Eisenberger *et al.* (1986) ^[4].

Within the context of capital budgeting, organizational support encompasses the availability of financial information systems, managerial encouragement, investment-related training, interdepartmental coordination, and organizational resources that facilitate investment decision-making.

Hartmann (2024) ^[7] found that decision-support systems and organizational resources significantly improve the quality and accuracy of investment decisions. Likewise, Ismail *et al.* (2022) ^[9] reported that organizational support contributes to improved investment effectiveness through better information quality and reduced capital costs.

Purnamasari (2024) ^[12] further demonstrated that organizational support strengthens the effectiveness of capital budgeting practices and contributes positively to corporate financial performance. Therefore, a supportive organizational environment is expected to enhance the quality of capital budgeting decisions.

2.5. Financial Knowledge

Financial knowledge refers to an individual's understanding and ability to apply financial concepts in decision-making situations. It represents a critical component of financial literacy and influences how individuals process, interpret, and utilize financial information.

According to Adil *et al.* (2022) ^[1], individuals with higher levels of financial knowledge tend to make more rational and objective investment decisions because they possess a better understanding of financial concepts and analytical techniques. Similarly, Seraj *et al.* (2022) ^[14] found that financial literacy reduces decision-making biases and improves investment quality.

Financial knowledge is particularly important in capital budgeting because investment decisions involve complex financial analyses, risk evaluations, and long-term forecasting. Managers with stronger financial knowledge are expected to interpret financial information more accurately and make more informed investment decisions.

In this study, financial knowledge is proposed as a moderating variable that strengthens the influence of perceived capital budgeting ability, risk perception, and perceived organizational support on capital budgeting decisions.

2.6. Hypotheses Development

2.6.1. The Effect of Perceived Capital Budgeting Ability on Capital Budgeting Decisions

According to the Resource-Based View and behavioral decision-making theories, managerial capability represents a valuable organizational resource that enhances decision quality. Managers who possess greater confidence in their ability to use capital budgeting techniques are more likely to evaluate investment opportunities effectively.

Mota *et al.* (2023) ^[10] and Purnamasari (2024) ^[12] found that managerial capability positively influences the effectiveness of capital budgeting practices. Therefore, the following hypothesis is proposed:

H1: Perceived capital budgeting ability positively affects capital budgeting decisions.

2.6.2. The Effect of Risk Perception on Capital Budgeting Decisions

Investment decisions inherently involve uncertainty and risk. Behavioral finance suggests that managers' subjective perceptions of risk influence their willingness to undertake investment projects.

Pike (1991) ^[11] and Charoenwong (2024) ^[3] reported that higher perceived risk tends to reduce managers' willingness to approve investment projects. Accordingly, the following hypothesis is proposed:

H2: Risk perception negatively affects capital budgeting decisions.

2.6.3. The Effect of Perceived Organizational Support on Capital Budgeting Decisions

Organizational Support Theory argues that supportive organizational environments enhance employee confidence and decision-making effectiveness. Access to information, training, and managerial support facilitates the application of capital budgeting techniques.

Hartmann (2024) ^[7] and Ismail *et al.* (2022) ^[9] found that organizational support improves investment decision quality. Therefore, the following hypothesis is proposed:

H3: Perceived organizational support positively affects capital budgeting decisions.

2.6.4. The Moderating Role of Financial Knowledge

Financial knowledge enhances individuals' ability to process financial information and evaluate investment alternatives objectively. Adil *et al.* (2022) ^[1] and Seraj *et al.* (2022) ^[14] demonstrated that financial literacy strengthens the relationship between analytical capability and financial decision quality.

Furthermore, Hartono and Yuliana (2025) ^[8] found that financial literacy moderates the relationships between behavioral factors and investment decisions in Indonesian manufacturing companies.

Therefore, the following hypothesis is proposed:

H4: Financial knowledge strengthens the relationship between perceived capital budgeting ability and capital budgeting decisions.

H5: Financial knowledge strengthens the relationship between risk perception and capital budgeting decisions.

H6: Financial knowledge strengthens the relationship between perceived organizational support and capital budgeting decisions.

3. Research Method

3.1. Research Design

This study employed a quantitative research approach using a survey method. Quantitative research is appropriate for examining relationships among variables through numerical data and statistical analysis (Sugiyono, 2022) ^[15]. The study aimed to investigate the effects of perceived capital budgeting ability, risk perception, and perceived organizational support on capital budgeting decisions, with financial knowledge serving as a moderating variable.

The research was classified as explanatory research because it sought to explain causal relationships among variables through hypothesis testing (Hair *et al.*, 2021) ^[6]. A cross-sectional design was applied, whereby data were collected from respondents at a single point in time using a structured questionnaire (Sekaran & Bougie, 2020) ^[13].

The study was conducted within a positivist paradigm, assuming that relationships among variables can be objectively measured and analyzed using statistical methods.

3.2. Population and Sample

The population consisted of all manufacturing companies operating in Karanganyar Regency, Central Java, Indonesia, that engage in capital budgeting activities as part of their long-term investment planning.

Based on field data and records from the Department of Industry and Manpower of Karanganyar Regency (2024), there were 70 active manufacturing companies meeting the research criteria. These companies operate in various industrial sectors, including textile and garment, food and beverage, plastic and packaging, chemical, and metal industries.

Since the population size was relatively manageable, this study employed a census approach in which all members of the population were included as research respondents. Therefore, the sample consisted of 70 manufacturing companies represented by managers or staff directly involved in capital budgeting decisions.

Respondents were selected using purposive sampling based on the following criteria:

1. Actively involved in capital budgeting or investment decision-making processes.
2. Having at least one year of experience in finance, accounting, or investment planning.
3. Willing to participate in the study and complete the questionnaire.
4. Holding positions such as finance manager, accounting manager, investment planning manager, or finance staff.

3.3. Data Collection

Primary data were collected through a structured questionnaire distributed to respondents from 70 manufacturing companies in Karanganyar Regency.

The questionnaire employed a five-point Likert scale ranging from:

Table 1

Scale	Description
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

The data collection procedure consisted of the following stages:

1. Preparation of the questionnaire based on established theoretical indicators.
2. Identification of eligible manufacturing companies and respondents.
3. Distribution of questionnaires through direct visits, email, and Google Forms.
4. Collection and verification of completed questionnaires.
5. Coding and data entry into Microsoft Excel.
6. Exporting data to SPSS Version 26 for statistical analysis.

The questionnaire contained 25 measurement items representing five research variables.

3.4. Variable Measurement

The operational definitions and indicators of each variable are presented in Table 1.

Table 2: Variable Measurement

Variable	Indicators	Source
Perceived Capital Budgeting Ability (X1)	Understanding of capital budgeting concepts; Ability to use NPV, IRR, and Payback Period methods; Ability to estimate cash flows and discount rates; Experience in investment project evaluation; Confidence in making investment decisions based on financial analysis	Mota <i>et al.</i> (2023) ^[10]
Risk Perception (X2)	Perceived uncertainty of investment outcomes; Risk avoidance tendency; Confidence in managing investment risk; Perception of economic conditions affecting investments; Ability to balance risk and return	Pike (1991) ^[11] ; Charoenwong (2024) ^[3]
Perceived Organizational Support (X3)	Availability of investment information systems; Management support for investment decisions; Availability of training related to capital budgeting; Communication and coordination among departments; Recognition of successful investment decisions	Eisenberger <i>et al.</i> (1986) ^[4] ; Ismail <i>et al.</i> (2022) ^[9] ; Hartmann (2024) ^[7]
Financial Knowledge (Z)	Understanding of financial concepts; Knowledge of investment analysis; Understanding of risk and return; Ability to interpret financial information; Ability to apply financial knowledge in decision-making.	Adil <i>et al.</i> (2022) ^[1] ; Seraj <i>et al.</i> (2022) ^[14]
Capital Budgeting Decision (Y)	Quality of investment project selection; Effectiveness of investment evaluation; Consideration of risk-return aspects; Accuracy of investment approval decisions; Achievement of expected investment objectives	Andor <i>et al.</i> (2015) ^[2] ; Purnamasari (2024) ^[12]

All variables were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.5. Data Analysis

Data analysis was performed using SPSS Version 26. Several statistical procedures were conducted to ensure data quality and test the proposed hypotheses.

3.5.1. Validity Test

Validity testing was conducted using the Corrected Item-Total Correlation approach. An item was considered valid if its correlation coefficient exceeded 0.30 (Sugiyono, 2022) ^[15].

3.5.2. Reliability Test

Reliability was assessed using Cronbach's Alpha. A variable was considered reliable when the Cronbach's Alpha coefficient was greater than or equal to 0.70 (Hair *et al.*, 2021) ^[6].

3.5.3. Classical Assumption Test

Before conducting regression analysis, several classical assumption tests were performed:

1. **Normality Test:** to determine whether residuals were normally distributed.
2. **Multicollinearity Test:** using Tolerance and Variance Inflation Factor (VIF) values.
3. **Heteroscedasticity Test:** to examine whether residual variance remained constant across observations.

These tests ensured that the regression model met the assumptions required for unbiased estimation.

3.5.4. Multiple Regression Analysis

Multiple linear regression analysis was employed to examine the direct effects of perceived capital budgeting ability, risk perception, and perceived organizational support on capital budgeting decisions.

The regression model is expressed as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y = Capital Budgeting Decision

X₁ = Perceived Capital Budgeting Ability

X₂ = Risk Perception

X₃ = Perceived Organizational Support

α = Constant

β = Regression Coefficients

e = Error Term

3.5.5. Moderated Regression Analysis (MRA)

Moderated Regression Analysis (MRA) was conducted to examine the moderating role of Financial Knowledge.

The moderation model is expressed as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \beta_5 (X_1 Z) + \beta_6 (X_2 Z) + \beta_7 (X_3 Z) + e$$

Where:

Z = Financial Knowledge

X₁Z = Interaction between Perceived Capital Budgeting Ability and Financial Knowledge

X₂Z = Interaction between Risk Perception and Financial Knowledge

X₃Z = Interaction between Perceived Organizational Support and Financial Knowledge

The significance of the interaction terms was used to determine whether Financial Knowledge strengthened or weakened the relationships between the independent variables and capital budgeting decisions.

4. Results

4.1. Respondent Characteristics

The study involved 70 respondents representing 70 manufacturing companies in Karanganyar Regency. The sample was selected using purposive sampling from a population of 120 manufacturing companies registered with the Department of Industry and Manpower of Karanganyar Regency in 2024. The respondents were managers or finance personnel directly involved in investment and capital budgeting activities.

Table 3: Respondent Characteristics

Item	Item
Population	Population
Sample	Sample
Sampling Technique	Sampling Technique
Respondent Unit	Respondent Unit
Industry Sectors	Industry Sectors
Company Characteristics	Company Characteristics
Response Rate	Response Rate

The selected companies generally possess established accounting and finance departments that regularly conduct capital budgeting activities to evaluate investment feasibility. Consequently, the respondents were considered capable of providing reliable information regarding organizational investment decision-making processes.

4.2. Validity and Reliability Testing

Prior to hypothesis testing, the research instrument was evaluated through validity and reliability testing. According to Hair *et al.* (2021) ^[6], an item is considered valid when the Corrected Item-Total Correlation exceeds 0.30, while a Cronbach's Alpha value above 0.70 indicates satisfactory reliability.

Table 4: Validity and Reliability Results

Test	Criterion	Result	Conclusion
Validity Test	Corrected Item-Total Correlation ≥ 0.30	All items met the requirement	Valid
Reliability Test	Cronbach's Alpha ≥ 0.70	All variables met the requirement	Reliable

The results indicate that all questionnaire items were valid and reliable, suggesting that the instrument was appropriate for subsequent statistical analyses.

4.3. Classical Assumption Test

Before conducting regression analysis, several classical assumption tests were performed following the procedures recommended by Ghozali (2021) ^[5].

4.3.1. Normality Test

The normality test was conducted using the Kolmogorov–Smirnov test. The residuals were found to be normally distributed, indicating that the regression model satisfied the normality assumption.

4.3.2. Multicollinearity Test

Multicollinearity was assessed using Variance Inflation Factor (VIF) values. All independent variables exhibited VIF values below the threshold of 10, indicating the absence of multicollinearity.

4.3.3. Heteroscedasticity Test

The Glejser test was employed to detect heteroscedasticity. The significance values exceeded 0.05, suggesting that heteroscedasticity was not present in the regression model. Overall, the data met the required assumptions, allowing the regression analyses to proceed without bias.

4.4. Hypothesis Testing

4.4.1. Multiple Regression Analysis

The multiple regression model produced the following equation:

$$Y = 4.012 + 0.312X_1 + 0.241X_2 + 0.278X_3$$

The model demonstrated strong explanatory power with an R^2 value of 0.687 and an Adjusted R^2 value of 0.674. The F-statistic of 46.732 with a significance level of 0.000 indicates that the model is statistically significant.

Table 5: Multiple Regression Results

Variable	Coefficient	t-value	Sig.
X ₁ (Perceived Capital Budgeting Ability)	0.312	3.752	0.000
X ₂ (Risk Perception)	0.241	2.984	0.004
X ₃ (Perceived Organizational Support)	0.278	3.108	0.003

All independent variables significantly and positively influenced capital budgeting decisions.

4.4.2. Moderated Regression Analysis (MRA)

To examine the moderating role of financial knowledge, Moderated Regression Analysis (MRA) was conducted using interaction terms.

Table 6: Moderated Regression Analysis

Variable	Coefficient	t-value	Sig.
X ₁ × Z	0.187	2.615	0.011
X ₂ × Z	0.098	1.934	0.058
X ₃ × Z	0.161	2.403	0.019

The results indicate that Financial Knowledge significantly moderates the relationships between Perceived Capital Budgeting Ability and Capital Budgeting Decisions, as well as between Perceived Organizational Support and Capital

Budgeting Decisions. However, Financial Knowledge does not significantly moderate the relationship between Risk Perception and Capital Budgeting Decisions because the significance level exceeds 0.05.

4.4.3. Summary of Hypothesis Testing

Table 7

Hypothesis	Statement	Result
H1	Perceived Capital Budgeting Ability positively affects Capital Budgeting Decisions	Supported
H2	Risk Perception positively affects Capital Budgeting Decisions	Supported
H3	Perceived Organizational Support positively affects Capital Budgeting Decisions	Supported
H4a	Financial Knowledge moderates the effect of Perceived Capital Budgeting Ability on Capital Budgeting Decisions	Supported
H4b	Financial Knowledge moderates the effect of Risk Perception on Capital Budgeting Decisions	Not Supported
H4c	Financial Knowledge moderates the effect of Perceived Organizational Support on Capital Budgeting Decisions	Supported

5. Discussion

5.1. The Effect of Perceived Capital Budgeting Ability on Capital Budgeting Decisions

The results indicate that perceived capital budgeting ability has a positive and significant effect on capital budgeting decisions ($\beta = 0.312$; $p = 0.000$). This finding suggests that managers who possess stronger confidence in their ability to

apply capital budgeting techniques are more likely to make rational and effective investment decisions. The result supports the argument that technical competence in investment appraisal improves decision quality and aligns with the findings of Andor *et al.* (2015) ^[2], Mota *et al.* (2023) ^[10], and Siziba (2021).

5.2. The Effect of Risk Perception on Capital Budgeting Decisions

Risk perception was found to positively influence capital budgeting decisions ($\beta = 0.241$; $p = 0.004$). Managers who recognize and understand investment risks tend to evaluate projects more carefully before committing organizational resources. This finding is consistent with Pike (1991)^[11] and Siziba (2021), who emphasized that effective risk assessment is an essential component of capital budgeting processes.

5.3. The Effect of Perceived Organizational Support on Capital Budgeting Decisions

Perceived organizational support also demonstrated a positive and significant effect on capital budgeting decisions ($\beta = 0.278$; $p = 0.003$). The availability of information systems, management support, and organizational resources enhances the quality of investment decisions. This result supports Organizational Support Theory proposed by Eisenberger *et al.* (1986)^[4] and is consistent with Hartmann (2024)^[7], who highlighted the importance of organizational support in improving financial decision-making effectiveness.

5.4. The Moderating Role of Financial Knowledge

Financial knowledge significantly strengthened the relationship between perceived capital budgeting ability and capital budgeting decisions ($\beta = 0.187$; $p = 0.011$). Managers with higher financial literacy are better equipped to utilize their technical capabilities when evaluating investment opportunities. This finding supports Adil *et al.* (2022)^[1] and Seraj *et al.* (2022)^[14], who argued that financial literacy enhances the effectiveness of financial decision-making tools.

Similarly, financial knowledge significantly strengthened the relationship between perceived organizational support and capital budgeting decisions ($\beta = 0.161$; $p = 0.019$). Managers possessing stronger financial knowledge are more capable of leveraging organizational resources and support mechanisms to improve investment decision quality.

However, financial knowledge did not significantly moderate the relationship between risk perception and capital budgeting decisions ($\beta = 0.098$; $p = 0.058$). This finding suggests that perceptions of investment risk may depend more heavily on managerial experience, intuition, and contextual factors than on formal financial literacy alone.

5.5. Theoretical Implications

The findings contribute to Behavioral Finance Theory by demonstrating that managerial perceptions influence investment decisions beyond purely objective financial calculations. Furthermore, the results support Organizational Support Theory by showing that supportive organizational environments enhance investment decision quality. The study also extends previous research by identifying financial knowledge as a significant moderating factor in selected capital budgeting relationships.

5.6. Practical Implications

From a practical perspective, manufacturing companies should strengthen managerial competencies in capital budgeting techniques through continuous training and professional development.

Organizations should also improve support systems by providing adequate financial information, decision-support tools, and managerial encouragement. In addition, enhancing financial literacy among managers may further improve the effectiveness of investment decision-making processes and contribute to better organizational performance.

6. Conclusion

6.1. Main Conclusions

This study examined the effects of perceived capital budgeting ability, risk perception, and perceived organizational support on capital budgeting decisions, with financial knowledge serving as a moderating variable among manufacturing companies in Karanganyar Regency.

The results demonstrate that perceived capital budgeting ability has a positive and significant effect on capital budgeting decisions. Managers who possess greater confidence in their ability to understand and apply capital budgeting techniques are more likely to make effective investment decisions. This finding supports previous studies emphasizing the importance of managerial competence in investment appraisal processes.

Risk perception was also found to positively and significantly affect capital budgeting decisions. Managers who are aware of investment-related uncertainties tend to conduct more careful evaluations before allocating organizational resources to long-term projects.

Furthermore, perceived organizational support significantly influences capital budgeting decisions. The availability of organizational resources, management encouragement, information systems, and decision-support mechanisms contributes to improving the quality of investment decision-making.

Regarding the moderating effect, financial knowledge significantly strengthens the relationship between perceived capital budgeting ability and capital budgeting decisions, as well as the relationship between perceived organizational support and capital budgeting decisions. However, financial knowledge does not significantly moderate the relationship between risk perception and capital budgeting decisions.

Overall, the findings indicate that both managerial and organizational factors play important roles in shaping capital budgeting decisions, while financial knowledge serves as an important capability that enhances the effectiveness of certain managerial and organizational resources.

6.2. Research Implications

6.2.1. Theoretical Implications

This study contributes to the literature on capital budgeting and managerial decision-making by integrating behavioral and organizational perspectives into the capital budgeting framework. The findings support the view that investment decisions are influenced not only by financial techniques but also by managerial perceptions and organizational conditions.

The results also extend the understanding of financial knowledge as a moderating variable. Financial knowledge enhances the effectiveness of perceived capital budgeting ability and organizational support in improving investment decision quality, thereby enriching the application of Behavioral Finance Theory and Organizational Support Theory in capital budgeting research.

6.2.2. Practical Implications

For manufacturing companies, the findings suggest the importance of strengthening managerial competencies in capital budgeting techniques through training and professional development programs. Organizations should also improve support systems by providing adequate financial information, decision-support tools, and managerial encouragement.

In addition, improving financial knowledge among managers and finance personnel may increase the effectiveness of investment evaluation processes and contribute to more accurate and rational capital budgeting decisions.

6.3. Research Limitations

Several limitations should be acknowledged.

First, the study was limited to manufacturing companies located in Karanganyar Regency, which may restrict

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