

**THE EFFECT OF LOCUS OF CONTROL AND MOTIVATION
TOWARDS THE RELATIONSHIP BETWEEN PARTICIPATIVE
BUDGETING AND BUDGETARY SLACK ON THE EFFECT TOWARDS
MANAGERIAL PERFORMANCE**

A THESIS

Presented as a Partial Fulfillment of the Requirements to Obtain the Bachelor
Degree in Accounting Department



By:

RAHMAT HARDIANTO PUTRA

Student Number: **12312003**

DEPARTMENT OF ACCOUNTING
INTERNATIONAL PROGRAM
FACULTY OF ECONOMICS
UNIVERSITAS ISLAM INDONESIA
YOGYAKARTA

2016

**THE EFFECT OF LOCUS OF CONTROL AND MOTIVATION
TOWARDS THE RELATIONSHIP BETWEEN PARTICIPATIVE
BUDGETING AND BUDGETARY SLACK ON THE EFFECT TOWARDS
MANAGERIAL PERFORMANCE**

A BACHELOR DEGREE THESIS

By:
RAHMAT HARDIANTO PUTRA
Student Number: **12312003**

Defended before the Board of Examiners
On November 4, 2016 and Declared Acceptable

Board of Examiners

Examiner I



Johan Arifin, S.E., M.Si. Ph.D.

November 4, 2016

Examiner II



Dekar Urumsah, S.Si., M.Com.(SI), Ph.D.

November 4, 2016

Yogyakarta, November 4, 2016

International Program
Faculty of Economics
Universitas Islam Indonesia
Dean



(Dr. Drs. Dwiraptono Agus Harjito, M.Si)

**THE EFFECT OF LOCUS OF CONTROL AND MOTIVATION
TOWARDS THE RELATIONSHIP BETWEEN PARTICIPATIVE
BUDGETING AND BUDGETARY SLACK ON THE EFFECT TOWARDS
MANAGERIAL PERFORMANCE**

Written By:

RAHMAT HARDIANTO PUTRA

Student Number: 12312003



Content Advisor,

A handwritten signature in black ink, appearing to be 'Johan Arifin', is written over the left side of the UII logo.

Johan Arifin, S.E., M.Si. Ph.D.

October 6, 2016

Language Advisor,

A handwritten signature in black ink, appearing to be 'Alfi Zakiya', is written over the left side of the UII logo.

Alfi Zakiya, S.Kom, S.Pd

October 14, 2016

ACKNOWLEDGEMENT



Assalamu'alaikum Wr Wb.,

Alhamdulillah rabbil 'aalamin. All praises to Allah, by his blessing, this thesis finally could be done and finished. Peace and salutation be upon to the noble prophet of Islam, Muhammad SAW, who has guided us from the dark ages into the light. Thanks to them finally, this thesis had been finished, which entitled “**The Effect of Locus of Control and Motivation towards the Relationship between Participative Budgeting and Budgetary Slack on the Effect towards Managerial Performance**”. I realize that I would never finish this thesis without the help of the following person that supports, and help me to finish this thesis. I would like to thank many people that give me strength to finish this thesis. This greatest gratitude of a man could give are given to these following people:

1. My whole family as a part of those who always give me their best support to finish this thesis both financially and ethically. To you dad, mom and both of my sisters you guys just legit good.
2. The family which I would like to spend my day with just to share, the family of Ms. Agustin with her beloved husband and her daughter Yuliyanti Kartika which help me through various hard time and the big brother who always be able to share my opinion with.
3. Mr. Johan Arifin which is my content advisor, for giving me his best information and capabilities to help me finish this thesis entirely. Without

his help I would not be able to finish the whole thesis since I could never get as good guidance as he gave.

4. Ms. Alfi Zakiya my sensei and my language advisor. My honorable mention for her. Thanks for helping me repair all my grammatical mistakes that could not be able to be solved without her.
5. University staff that help me through my academic problem, thanks for helping and guiding me throughout the years. Mr. Wiyono Raharjo Ph.D as Director of International Program UII. Mr. Anas Hidayat, Drs., M.Bus., Ph.D. as Head of Business and Economic Department IP UII and Mr. Rokhedi Priyo Santoso, S.E., MIDEc as Deputy Head of Business and Economic Departement IP UII; for facilitating me for the whole program. All my lecturers who gave me guidance and useful knowledge for me. Honorable mention I gave to Pak ahmad for all the helps with administration. Thanks also to Pak Kus, Mas Khandri and Mas Erwan.
6. My accounting 2012 classmate, Mr. Panda sir, good ol' Hickerbilly, my true slav friend (Fajar and Helmi), Erza (and his mom), Yaser, Alex, Faldi, Yuri, Abel, Azmi, Helen, Kaidir, Kijik, Myta, Tika, Ica, Rosa, Titits, Dina, Puti, Asha, Astrin and various people that I probably doesn't mention. Thanks for the memories, solid 5/7 guys.
7. Good friend of mine from the hometown, Shinta Dewi. For always helping me through my problem and share the weirdest opinion that I had. Which does not help much but glad to have a good friend to share like you mate. Much appreciated, and thanks for supporting me on this thesis.

8. IP DOTO! (Fajar, Helmi, Aman, Kijik, Erza, Jibril) The best guys I have in Jogja, thanks for all the cheeki breeki memories that we have. All the owning all the ez pz, and various other slang that we always use to rekt the enemies. Thanks for helping me having fun along with this extensive thesis experience. You guys rock! Stay cheeki breeki.
9. My KKN friend if you really want to be mentioned, I would like to thank you guys that we could share many things along the KKN experience. Hope you guys get graduated on the next Saturday.
10. All the respondents that has fulfill the questionnaire and give me various information and education related on the government research. All their information has given me various input to my thesis and many countless help.

I truly hope that this study will give positive impact and contribution for those who I have mentioned and to the world where we live now, and to everyone.

Wassalamualaikum Wr Wb.

November 4, 2016

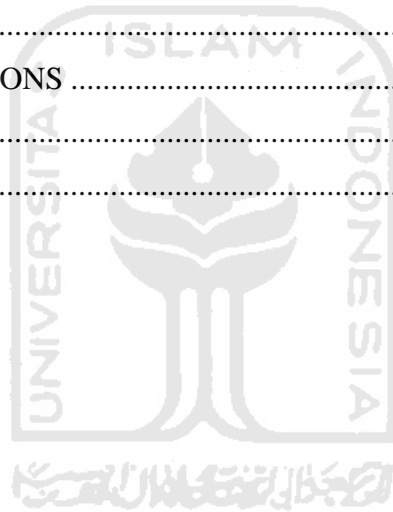
Rahmat Hardianto Putra

TABLE OF CONTENT

TITLE PAGE	ii
LEGALIZATION PAGE	iii
DECLARATION OF AUTHENTICITY.....	iv
ACKNOWLEDGEMENT`	v
TABLE OF CONTENT	viii
LIST OF FIGURE.....	xi
LIST OF TABLE	xii
LIST OF APPENDIX	xiii
ABSTRACT.....	1
CHAPTER 1	3
1.1 BACKGROUND OF STUDY	3
1.2 PROBLEM STATEMENT	9
1.3 RESEARCH OBJECTIVE.....	9
1.4 RESEARCH BENEFITS	10
1.5 SYSTEMATICAL WRITING	11
CHAPTER 2	13
2.1 REVIEW OF LITERATURE.....	13
2.2 THEORETICAL FRAMEWORKS	23
2.2.1 Participative Budgeting	23
2.2.2 Locus of Control.....	24
2.2.3 Managerial Performance	25
2.2.4 Budgetary Slack	26
2.2.5 Agency Theory	28
2.3 HYPHOTHESIS FORMULATION.....	28
2.3.1 The Effect of Motivation on the Relationship between Participative Budgeting and Managerial Performance	28
2.3.2 The Effect of Locus of Control on The Relationship between Participative Budgeting and Budgetary slack.....	30
2.3.3 The Effect of Locus of Control on Managerial Performance.....	31

2.4 RESEARCH MODEL	33
CHAPTER 3	33
3.1 TYPE OF STUDY	35
3.2 POPULATION AND SAMPLING	35
3.3 DATA COLLECTION METHOD	36
3.4 RESEARCH VARIABLES	36
3.4.1. Dependent variables	37
3.4.1.a Budgetary Slack	37
3.4.1.b Managerial performance	38
3.4.2 Independent Variables	39
3.4.2.a Participative Budgeting	39
3.4.3 Moderating Variables	40
3.4.3.a Motivation	40
3.4.3.b Locus of Control	40
3.5 RESEARCH METHODS AND MODEL	41
3.5.1 Descriptive Analysis	42
3.5.2 Instrument Test	42
3.5.2.a Validity Test	42
3.5.2.b Reliability Test	43
3.5.3 Structural Equation Model	43
3.5.4 Hypothesis Test	44
3.6 DISCUSSION	44
CHAPTER 4	45
4.1 RESULTS AND DATA COLLECTION	45
4.2 RESPONDENTS' CHARACTERISTICS	46
4.2.1 Gender	47
4.2.2 Working Period	47
4.2.3 Education	48
4.2.4 Position	49
4.3 DESCRIPTIVE STATISTICS	50
4.4 RESEARCH INSTRUMENT TEST	54
4.4.1 Validity test	54

4.4.2 Reliability test	55
4.5 STRUCTURE EVALUATION MODEL (INNER MODEL)	56
4.6 HYPOTHESIS TESTING	58
4.7 DISCUSSION	60
4.7.1 Motivation Positively Influenced the Relationship between Participative Budgeting and Managerial Performance.....	60
4.7.2 Locus of Control Negatively Influenced the Relationship between Participative Budgeting and Budgetary Slack.....	61
4.7.3 Locus of Control Positively Influenced Managerial Performance...	62
CHAPTER V.....	64
5.1 CONCLUSIONS	64
5.2 LIMITATIONS	64
5.3 RECOMMENDATIONS	65
BIBLIOGRAPHY	66
APPENDICES	70



LIST OF FIGURE

Figure 2.1 Research diagram.....	33
Figure 4.1 Research Model Test Result	58



LIST OF TABLE

Table 3.1 Indicator to Measure Budget Slack	37
Table 3.2 Indicator to Measure Managerial Performance.....	38
Table 3.3 Indicators to Measure Participative Budgeting.....	39
Table 3.4 Indicator to measure Motivation	40
Table 3.5 Indicator to measure Locus of Control	41
Table 4.1 Results of data collection	46
Table 4.2 Gender distribution	47
Table 4.3 Working periods.....	48
Table 4.4 Educations	49
Table 4.5 Positions	50
Table 4.6 Descriptive Statistics.....	52
Table 4.7 Average Variance Extracted (AVE)	55
Table 4.8 Composite Reliability	56
Table 4.9 Determination Coefficient.....	57
Table 4.10 Research results.....	58



LIST OF APPENDIX

Appendix 1: Research Questionnaire.....	71
Appendix 2 : Tabulation of Questionnaire Data	83
Appendix 3: Research Testing Results	95
Appendix 4: Research Permission Letter	97



ABSTRACT

Participative budgeting is still developing its implementation. The participative budgeting system tends to have significant changes in roles and implementation in order to reduce its flaw. The current Jakarta government is started to implement tighter budget policies inside participative budgeting program. The results of a new system was still unknown especially to the internal managers of the governance. Budgetary slack that tends to occur in the process also becomes an undeniable possibilities that conducted by the managers when participative budgeting is implemented. Although, there are several variables that may reduce that behavior such as motivation and locus of control. The data used in this research was primarily obtained from questionnaire that were distributed to the managers of north Jakarta governance, DKI Jakarta. The finding showed that motivation had no influence towards the relationship between participative budgeting and managerial performance. At the same time, locus of control has negative significant influence over the relationship between participative budgeting and budgetary slack. Locus of control also had positive influence towards the managerial performance itself.

Keywords: Participative Budgeting, Managerial Performance, Budgetary Slack, Motivation, Locus of Control



ABSTRAK

Partisipasi anggaran saat ini masih di kembangkan dalam pelaksanaannya. System partisipasi anggaran cenderung memberikan perubahan yang signifikan dalam aturan aturan dan metode implementasinya untuk mengurangi kesalahan yang ada pada system yang telah terpakai. Saat ini pemerintahan DKI Jakarta menggunakan sebuah system baru dimana anggaran yang di berikan atau diizinkan lebih ketat pada implementasi partisipasi anggarannya. Daripadaitu, hasil dari system baru ini belum banyak di ketahui lebih lagi kepada manager di dalamnya dan pemerintahan secara keseluruhan. Dimana di saat yang bersamaan, kesenjangan anggaran sering terjadi di kegiatan partisipasi anggaran. Beberapa variable dapat mengurangi atau mempengaruhi segala kegiatan dalam hubungan antara partisipasi anggaran dan performa manager serta kesenjangan anggaran seperti motivasi dan *locus of control*. Data yang di pakai dalam penelitian ini di dapat dari kuisisioner yang di distribusikan kepada manager yang ada di Jakarta utara. Hasil dari penelitian menunjukkan bahwa motivasi tidak memiliki pengaruh terhadap hubungan antara partisipasi anggaran dan performa manager. Di saat yang bersamaan, *locus of control* memiliki pengaruh negatif terhadap hubungan antara partisipasi anggaran dan kesenjangan anggaran. Terakhir, *locus of control* dapat mempengaruhi performa manager secara positif.

Keywords: *Partisipasi anggaran, performa manager, kesenjangan anggaran, motivasi, locus of control*

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

This research is purposely done to give better understanding of the impact of participative budgeting towards the manager in the public sector entities. The results could increase the understanding of how effective the implementation of participative budgeting is.

Budgeting is a part of activity that is being conducted by the management accounting. Budgeting takes an important role in the organization planning and controlling process. To conduct the budget, an organization needs to conduct a budget preparation. Budget preparation is an activities to prepare the budget, as an effective short-term planning and controlling activity for organization (Govindarajan, 2007). The budget preparation process involves many entities in the organization, from the bottom to the top level of management. These entities are taking part into the creation of the budget itself to fulfill their targeted expenses and profit in the future based on their budget calculation.

Based on the methodology of budget preparation, the participative budgeting is one of the method to prepare and create the budget itself. The idea of top level to bottom level participation in the budget preparation process becomes the idea of participatory budgeting itself. According to Lieberherr (2003), participative budgeting means an involvement of whole part of organizations on the process of budget preparation in order to achieve a similar goals. Based on the

theory, the participatory budget is capable to conduct the controlling and planning activities to have better results since everyone are taking part in the creation of the budget itself.

Public sector entities such as government is one of the good sample to conduct the participative budgeting. The idea of public sector is an entity that manages public balance as a way for participative budgeting to take part. Budget slack is one of the problems in public sector accounting budgeting. Budget slack is a condition where the budget is not managed according to management goals, but to certain person interest. Based on the recent act of participative budgeting movement in several countries, public should be able to determine the use of their taxes for them (Wampler, 2010). Participative budgeting can create a public ability in order to assess the performance of the government itself. It also gives the feel for public so they know how the tax being spent and managed by the government, also be able to have higher trust with the government that runs on the period.

The activity of budget preparation in Indonesian government institution is still unclear and secret. There are many problems related to the transparency of the budget, one of them is the fact that many people still doesn't know the existence of the budget and the lack of public contribution towards the budget preparation process itself. The program of participative budgeting in Indonesia is called *musyawarah pembangunan (Musrempang)*. Recently, in Jakarta capital region the Indonesia Corruption Watch found that many of the proposals in the *musrenbang* meeting are not accommodated by the DPRD of DKI Jakarta (Fenalosa, 2015). The idea or statement of the people should be eligible to be heard by the government

and they have the right to be accepted or considered whether their idea is accepted or not.

Following the same news, based on the statement of Roy Salam in Kompas news, the Jakarta governor and DPRD are not yet given certain transparency related on the preparation of the budget itself (Cahya, 2015b). *Musrenbang* as a way for people to give participation is just an idea and background stories. In the same news, the ICW also state that many government part in Jakarta are not given any results on the report of the budget itself. There are no information for citizen to obtain the acknowledgement of the results of the *musrenbang* (Cahya, 2015a), while as a public assets and the idea of participative budgeting, the results of *musrenbang* should be given or reported to the people themselves. Therefore, this research is purposely created to understand more on how participative budgeting implemented and affected the public sector entities itself. Since the condition of participation budgeting in the public sector entities seems to be in chaos and unclear.

The condition of participative budgeting in Indonesian public sector may seems so horrid and lost its core values, but when the participative budgeting are implemented in more controllable internal control, it will be more beneficial and may increase the managerial performance of entities. The increase of managerial performance may be caused by many variables depends on the managers' intention. Therefore, it cannot be denied that budget slack also may occur when participative budgeting are implemented. Therefore, this research explained the effects of participative budgeting on the managerial performance on more controlled internal control. This research also determines whether budget slack may occur or maybe

take part when participative budgeting is implemented in order to increase managerial performance.

Jakarta is famous among others, where there are hardly understanding on what happen on its government entities, especially in form of the budgetary process and the impact of the budget system implemented. The further research that needs to be conducted pursue the researcher to conduct the research here. The problems of participative budgeting from the few years back also become one of the reasons that interests this research, due to many statements that the Jakarta government has change its management and regulation.

Many researchers have contributed to the research related on participative budgeting (PB) towards managerial performance (MP) and budget slack. All research are based on public sector entities or business entities. There are several researchers that are interested in this research. All research are being conducted either from Indonesia or overseas. Most research are related on the impact of participative budgeting on managerial performance such as Kewo (2014), Karsam (2015), Abata (2014), Ogiedu & Odia (2011), Mah; Al-khadash; Idris; & Ramadan (2013). While some researchers such as Rachman (2014), Aprila & Hidayani (2012), Widanaputra & Mimba (2014) focused on the impact of participative budgeting on budget slack.

Some researchers conduct a direct relationship of PB toward MP. While several researchers used intervening or moderating variables such as budget goal clarity and internal control (Kewo, 2014); budget participation, procedural fairness

and organizational commitment (Ogiedu & Odia, 2011). In the other hand, the researchers that focus on PB towards BS also conduct a direct approach or use intervening variables such as distributive fairness, procedural fairness, managerial trust and budget goal commitment (Rachman, 2014); asymmetry information, budget emphasis and commitment (Aprila & Hidayani, 2012); career uncertainties (Widanaputra & Mimba, 2014). One of the most unique research is being conducted by Karsam (2015) where he studied about the impact of PB towards MP by using BS as its intervening variables and some moderating variables such as motivation and budget emphasis.

Based on the previous research, some inconsistencies occur on the research of managerial performance. Most of researchers such as Mah *et al.*, (2013), Kewo (2014), Abata (2014), Ogiedu & Odia (2011) stated that participative budgeting affects the managerial performance of an entities, Karsam (2015) stated different results. Karsam (2015) found that managerial does not affect managerial performance directly. In the other hand he found that when the participative budgeting implemented budget slacks, it tends to occur and the relationship between budget slack and participative budgeting will have significant negative influence (Karsam, 2015). In the research of participative budgeting toward budget slack, most research found it to be influencing. Although, while several research stated that PB may positively impact the budget slack, some researcher stated that it negatively impact budget slack. Thus, researchers that stated PB positively impact BS are Aprila & Hidayani (2012). While other researcher such as Widanaputra &

Mimba (2014), Karsam (2015) and Rachman (2014) stated that budget participation will negatively influence the budget slack.

Based on the previous paragraph, the inconsistency may occur due to several reason during the research. Most research are being conducted in different type of entities, some did research on the business sector such as hotel and others (Aprila & Hidayani, 2012), while some researchers conducted the research on government entities (Rachman, 2014; Karsam, 2015 and Widanaputra & Mimba, 2014). Thus anyone who conduct the research in government entities tend to found that PB negatively influence the BS.

In the other hand, inconsistencies that occur in the relationship between participative budgeting and managerial performance are mostly occur in the variables of the research itself. Most of the researchers conducted a direct relationship between BP and MP (Kewo, 2014; Mah *et al.*, 2013; Ogiedu & Odia, 2011 and Abata, 2014) , while the research that was conducted by Karsam (2015) used moderating variables. This variables maybe the cause of the different results on researcher.

Therefore, based on the previous paragraph there are several findings that were conducted in the research. They are: (1) inconsistencies of the results that may have occur due to certain type of different type of research that lead to different results. (2) Different type of entities that being used, which cause the inconsistencies of results in the research. (3) The different model being used by the researcher which is related on the use of variables. This is also the reason of

inconsistencies of the research results in the previous research. This research was done to solve previous problem by conducting: (1) retest the relationship between participative budgeting and managerial performance and also budget slack by using internal control as its controlling variables. (2) Conduct the research that focus on the government entities that assumed to have good internal control.

The theory of participative budgeting means that all level of entities involved in budgetary process (Bragg, 2010) was used in this thesis. In the other hand, theories of budgetary slack where management intended to determine the budget on their basic needs (Bragg, 2013) will also be implemented, along with the agency theory to support the budgetary slack. Agency theory is the theory where agent tends to do his work based on personal interest rather than corporate goal (Kathleen M, 1989).

1.2 PROBLEM STATEMENT

“Does participative budgeting affect managerial performance and cause budget slack in government entities?”

1.3 RESEARCH OBJECTIVE

There are several general purposes for this study, they are:

1. To examine the relationship between participative budgeting and managerial performance moderated by motivation in Jakarta local government agencies
2. To examine the relationship between participative budgeting and budgetary slack moderated by Locus of Control in Jakarta local government agencies

1.4 RESEARCH BENEFITS

This research is expected to be beneficial for certain individual or groups in various perspective, as follow:

1. Local Government

Local government may be able to use this research in order to increase their managerial performance and detect the budget slack that may occur in the process of their operation. Local government will also be able to receive understand how to increase their managerial performance or reduce the budget slack operation in their organization. They will also be able to understand the reason behind the operation that is being conducted by their managers such as budget slack operation or increase of the managers' performance.

2. Central Government

Central government will understand the behavior of their cooperative and the reason of why there is increase of budget in the budgetary and the reason behind it. The central government understands how participative budgeting is able to increase their manager performance in the future.

3. Public / Societies

Public will understand how budget participation affects their request or proposal in budgetary of the government. Besides that, they will

understand more on how budget participation works especially in government entities due to the purpose that public or societies have rights to understand government budget as part of public sector entities.

4. Academician

Academician will use this research in relation to participative budgeting. This study will increase their understanding related on the purpose of participative budgeting on the understanding of budget slack behavior and managerial performance relationship.

5. Researcher

Researcher will get benefit from this research as a part to finish his bachelor degree. The researchers will also be able to understand the relationship between participative budgeting and managerial performance. Besides that, researcher will understand how participative budgeting is used as a way to increase the managerial performance. Finally, researcher will understand how participative budgeting that may / not cause budget slack inside the organization.

1.5 SYSTEMATICAL WRITING

This thesis contains 5 chapters with the following details:

CHAPTER 1: INTRODUCTION

This chapter describes the background, problem formulation, research objectives, research benefits and systematical writing.

CHAPTER 2: LITERATURE REVIEW AND HYPHOTHESIS FORMULATION

This chapter describes the literature used in this research, theoretical review and basic theories which is relevant with the problem of this research. It also describe how the hypothesis are formulated.

CHAPTER 3: RESEARCH METHOD

This chapter contains population and sample, type and source of data, research model, research variable and measurement, and data analysis technique.

CHAPTER 4: RESEARCH FINDINGS AND DISCUSSION

This chapter contains the research findings and discussion about the results over the research.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

This chapter contains conclusions, limitations and recommendations of the research that may be used for further research.

CHAPTER 2

LITERATURE REVIEW AND HYPHOTHESIS FORMULATION

2.1 REVIEW OF LITERATURE

This section gave better understanding on previous research that had been conducted related with participative budgeting. This section also explained the impact of participative budgeting towards its independent variables. Beside of the statement above, this research also explain the inconsistencies of the results of participative budgeting.

The research on participative budgeting which is related with budgetary slack and managerial performance has been conducted for several years since its implementation from 5 – 6 years before. Until now, the research of participative budgeting is still being studied and conducted. The change of type of organization, its implementation and other reasons may cause the participative research needs to be conducted in the next several years. Government entity in Indonesia is one of the examples of participative budgeting implementation. Therefore, the change of participative budgeting implementation will be unavoidable. This is due to the condition that the implementation of the system is still imperfect and have many flaws in it and thus, the change of participative budgeting research need to be conducted furthermore.

From this research, there are several researches that have been conducted previously related with participative budgeting on managerial performance and budgetary slack. The first group is those who conduct the participative research

outside Indonesia. They were Abata (2014), Ogiedu & Odia (2011), Mah *et al.* (2013). These research were conducted in several different countries but mostly in developed country. The research were conducted in various location such as university and business entities. The second group is those who conduct research in Indonesia. They were Rachman (2014); Kewo (2014); Karsam (2015); Aprila & Hidayani (2012) and Widanaputra & Mimba, (2014). The researchers from Indonesia also conduct the research on various type of entities. They also conduct the research in various type of variables that differentiate the results between one and another.

Abata (2014) in his research assumed that the managerial performance could be increased by implementing participative budgeting both in private sector and public sector. Using the theory of budget and the benefits of budget participation, he conducted a research by distributing a well-structured questionnaire to the managers of Honeywell Food Company in Lagos. The researcher used three hypothesis to determine the relationship between participative budgeting and managerial performance. He also used regression statistical tools to test the results of each hypothesis. The results found that there was significant relationship between participative budgeting and managerial performance. Based on the results, he also concluded that there was need of educational information related on participative budgeting to the managers involved in the budgetary control process.

Second research was conducted by Ogiedu & Odia (2011). They conducted a research to examine the role of budget participation, procedural fairness and

organizational commitment on managerial performance. They conducted a questionnaire on managers of Nigerian manufacturing industries, and measure the interaction of each variables by using partial least square analysis as the analytical tools. This journal is a bit different due to the condition that they tested different variables that affect to managerial performance to determine which variables affected the most to the managerial performance. The results were that Participative budgeting, Procedural fairness and Organizational commitment were capable to increase the managerial performance of a manager although, and there were several other variables that may increase the performance of managers more diminishingly.

Mah *et al.* (2013) investigated the relationship between budgetary participation and managerial performance on a developing country. At the time, they conduct the research on Jordan by modifying the nine items of measurement by Mahoney *et al.* in 1965. They distributed 131 questionnaire to executives. By using Mann-Whitney test as their method to measure the relationship, they found that budget participation influenced the managerial performance of an entities. The results were assumed to be used for decision making of the higher education institution to increase the awareness of importance of budget participation.

Kewo (2014) is one of the researchers that conducted a research of participative budgeting on managerial performance in Indonesia. She purposed her study as an empirical estimation of the influence of managerial performance towards participative budgeting, budget goal clarity and internal control to simultaneously or partially that affects one another. The data was collected by giving questionnaires on 78 working area unit in 15 districts of local government in

north Sulawesi. Kewo (2014) combined all variables that connected with one another, every single variable was tested. She used a descriptive verification and survey. The result of the research were obtained through a calculation from a path of coefficient. The result were participative budgeting influence managerial performance; thus, budget goal clarity influence managerial performance and internal control influence managerial performance. On the other hand, all variables influence each other as a whole. Internal Control, as one of the variables in this research, influenced participative budgeting and managerial performance (Kewo, 2014). Internal control was chosen to control variables on the research due to the fact that it was capable to influence both the performance manager and the activity of participative budgeting itself. Therefore, internal control was capable to determine good participative budgeting implementation in order to increase the managerial performance of an entities.

Besides that, Rachman (2014) also did a research of participative budgeting and budgetary slack. The research was conducted in 2012 which was entitled The Influence of Budget Participation on Budgetary Slack: with the Role of Organizational Fairness, Managerial Trust and Budget Goal Commitment. This study was conducted to examine the influence of budget participation on budgetary slack trough the role of organizational fairness, managerial trust and budget goal commitment. The research are used five, four and three stars hotel in Bandung as the subject of the test. The data was obtained through questionnaire. The data was then processed by using structural equation modelling with partial least square as an analysis technique. The result of the research was that participation budgeting

influence managerial performance and managerial trust. At the same time, the managerial trust influenced budget goal commitment with high budget goal commitment which was committed by the managers. Thus, probability for managers to conduct budgetary slack will be reduced. stated by Rachman (2014), the result was achieved due to the fact that there were mediating variables between participative budgeting and managerial performance. On the other hand, there were limitations related to the research where the study was lack of respondents and the results can only be effective to be implemented on the service sector area (hotel) and can not be adapted to other sector.

Aprila & Hidayani (2012) were other researchers that focused on the research of relationship between participative budgeting and budgetary slack. The research being conducted in 2012 was entitled “The Effect of Budgetary Participation, Asymmetry information, Budget emphasis and Commitment Organization to Budgetary Slack at SKPD Governmental of Bengkulu City”. The research was purposely created to know the effect of budgetary participation, asymmetry information budget emphasis and commitment organization to budgetary slack. The research used several variables such as budgetary participation, asymmetry information, and budget emphasis and organization commitment as an independent variables. The data were obtained by giving questionnaire to echelon 3 and 4 unit in the government of Bengkulu city which were involved in the budgeting process. To test the hypothesis, Aprila & Hidayani (2012) used multiple linear regression analysis, with the results of significant $> 0,05$. The results was participative budgeting had positive relationship with

budgetary slack. Information asymmetry had positive impact on budgetary slack. Budget emphasis had positive relationship with budgetary slack. Organizational commitment had negative relationship with budgetary slack. These statements lead to the conclusion that participative budgeting, budget emphasis and organizational commitment had impact on budgetary slack. The result of the research could be used as an evaluation of regional works in the government entities of Bengkulu and perhaps gave better understanding on the responsibilities of the government work in Bengkulu. There was also several weaknesses in this study, where further research need to be conducted since the research should be conducted in other location of government entities and should put more variables related on the research.

Karsam (2015) conducted the most recent research on participative research, in the journal entitled “Effect of Budget Emphasis and Motivation on The Relationship between Participative Budgeting and Budgetary Slack and The Impact on The Managerial Performance”. The research used the combination of the impact of participative budgeting towards managerial performance and budgetary slack. The study was purposely conducted to improve the effectiveness of the budget in Banten province. The variables used in the research were participative budgeting as the dependent variables, motivation as controlling, budgetary slack as intervening and budget emphasis as the moderating variables. The research used partial least square analysis to understand the path and relationship. The data were obtained by distributing the questionnaire to 93 people which whose responsible to draft the budget in *yayasan pendidikan dan kopreasi banten*. The result of the research was

participative budgeting did not have any influence toward managerial performance, while motivation had significant influence towards managerial performance. On the other hand, the interaction between participative budgeting and motivation did not have any influence towards managerial performance. Another results was that budget slack had significant negative influence towards managerial performance, and participative budgeting had significant negative influence towards budgetary slack. While the budget emphasis also had significant influence towards budgetary slack, while interaction of participation budgeting and budget emphasis also had significant relationship with budgetary slack. To conclude, the study that has been conducted by Karsam (2015), the emphasis on budget was required in order to reduce the budgetary slack in Banten province and motivation will probably increase the managerial performance of an entities. Further research was suggested by Karsam (2015) due to certain limitation further research needed to be conducted in other region on *yayasan pendidikan* or others. To compare the model that had been presented by the researchers.

The research conducted by Ardianti (2015) focused on the relationship between participative budgeting and budgetary slack. The difference between her research and other research was the moderating variables that she used to explain the relationship. The moderating variables that Ardianti (2015) used were Locus of Control, Information Asymmetry, Self Esteem and Individual Capacity. The result was that participative had positive influence towards budgetary slack. While information asymmetry unable to increase the relationship between participative budgeting and budgetary slack. While self-esteem weaken the relationship between

participative budgeting and budgetary slack. Locus of control showed that it reduce the relationship between participative budgeting and budgetary slack. Finally, the individual capabilities are unable to reduce the relationship between participative budgeting and budgetary slack.

Syahputra (2014) conducted a research on the relationship between participative budgeting and other factors that influence the relationship between both variables. The research was conducted by obtaining the data through questionnaire and partial least square was used to process the data. According to him, participative budgeting had no significance influence toward managerial performance. Thus other moderating variable had various different results which had the commitment to have positive significant influence to strengthen the relationship between both parties. This result was proven due to the fact that the commitment given by the managers was basically might increase their loyalty and increase their performance. At the same time, motivation also had strengthen the relationship between both variables. Motivation was implemented to increase the commitment of managers and its entities may increase their performance according especially with the increase of the participative budgeting activities in the entities.

Krenl (1992) conducted a research on the relationship between participative budgeting and performance with the moderating variable of Locus of Control. This research was conducted in order to understand the effect of personal intention or locus of control towards the performance of each individual. The result showed that locus of control was capable to increase the performance over the individual since

the factor of locus in each of the individual were capable to determine the decision that made by them.

From the previous explanation shown that, the research that had been showed different results. the research on managerial performance (Abata, 2014; Kewo, 2014; Mah *et al.*, 2013; Ogiedu & Odia, 2011; Syahputra, 2014) showed that participative budgeting had significant relationship toward managerial performance. While Karsam (2015) stated that participative budgeting did not significantly affect managerial performance, instead of motivation as his controlling variable seems to be able to increase managerial performance. Some researchers used managerial performance as their dependent variables or independent variables, but it did not seem to affect the difference of results. Most of the relationship shown that participative budgeting influence managerial performance (Abata, 2014; Kewo, 2014; Mah *et al.*, 2013; Ogiedu & Odia, 2011). The difference showed by Karsam (2015) research was due to the third variables used which showed more significant results. The third variables was budgetary slack, budgetary slack seemed to be working for intervening participative budgeting and managerial performance. The relationship between participation budgeting and managerial performance also seemed to be unseparated. This statement was supported by the result which was proven by the research conducted before that showed participative budgeting influence budgetary slack in general(Karsam, 2015; Rachman, 2014). Most of the research use different “third” variables such as asymmetry information, budget emphasis, Career uncertainties (Widanaputra & Mimba, 2014), distributive fairness; procedural fairness; managerial goal; and

budget goal commitment (Rachman, 2014) and Locus of Control (Ardianti, 2015; Krenl, 1992).

Therefore, based on the statement of inconsistencies on several explanations above, this research explained more about the effect of participative budgeting towards managerial performance and budgetary slack which was controlled by internal control. The research focused more on the effect of participative budgeting on managerial performance of individuals who were responsible to prepare a budget in a governmental entities, in this case Jakarta government entities. On the other hand, the research explained more about the effect of participative budgeting implementation on the possibilities of budgetary slack. To test the research, the researcher used almost similar statistical tools to test the relationship of each available variable. This was supported by the statement of the previous researchers which was related to further research that needed to be conducted due to:

1. Previous research showed different results of the relationship between participative budgeting and managerial performance
2. Most of the research are suggested to conduct other research of participative budgeting in Indonesian governmental entities (Aprila & Hidayani, 2012; Karsam, 2015; Kewo, 2014; Widanaputra & Mimba, 2014)
3. The variables that being used as moderating variables on participative budgeting toward budgetary slack are mostly different.

2.2 THEORETICAL FRAMEWORKS

2.2.1 Participative Budgeting

Budget is part of an important process that an entity have to go through. The budget preparation process is a long process that is conducted in various method and ways. One of the processes is called participative budgeting or bottom top budgeting system. Participative budgeting is a type of budgetary process that is almost implemented in many types of entities. Participative budgeting is a budgetary system where people are actively involved in the budget preparation process (Bragg, 2010). The implementation of participative budgeting seems to be suitable to be implemented in many different entities (i.e., governmental, business entities, and others). The long process of participative budgeting started at the very beginning part of an entity, the bottom level of management (employee or others) is available to be actively influence the process of budget preparation itself. This process is repeated until the authority of the budget accept the requested budget by the management. This system seems to be working perfectly and suitable for most of the entity, due to achieve budget goal clarity (Rachman, 2014).

According to Widanaputra & Mimba (2014), the theory of participative budgeting is a theory where staff are involved in a budget making process. The involvement of staff and subordinate are believed to be able to achieve a best budget estimation that could be applied by the entities.

According to Participative Budgeting Organization (n.d.), an organization that run a campaign is related to the implementation of participative budgeting in

government entities. Participative budgeting in a government entities is a condition where the government manage public money formed by tax or any other income by the government by involving public in making budget form (organization Budgeting, n.d.).

Therefore, participative in government entities should involve public or bottom level entities of the government itself. The impact of the involvement of many subordinates are predictably able to increase the performance of the managers to help satisfy the societies. Although, in the other hand, the increasing possibilities of budgetary slack cannot be avoided (Bragg, 2010)

2.2.2 Locus of Control

Locus of control is a method conducted by certain people to make them believe that the success that they obtain in life is based on their own work (Wengrzyn, n.d.). The theory of locus of control is being developed by Rotter (1954). He explained about the self-impact of a person regarding on their success to determine their efforts. This determination of success is being classified based on two different perspectives which are internal and external perspective.

In the perspective of Rotter (1954), the internal control leads to the statement *“I control the consequences of my behavior”* which means that the success of a person is based on their academic achievement, interpersonal relations, efforts to learn, their attitudes towards learning and many other variables that involved personal achievement (Rotter, 1954).

In the other hand, based on the perspective of Rotter (1954) which lead to the statement *“the consequences of my behavior are outside my control”*. This statement will leads to the fact that the results of success by someone are based on luck, fate, timing and any other variables that are not capable to be controlled by someone (Wengrzyn, n.d.).

Based on the theory above, there are possibilities that the behavior of a manager while preparing their budget is based on their locus of control. The managers believe that consequences are based on their own control which is able to determine the decision that they take. The decision that they take also based on the state of their control itself; thus, one who believes on the internal locus of control believes that their decision have consequences. This leads to higher responsibilities towards that budget statement that they make. In the other hand, those who focus on the external factor, will tend to believe that the variables or consequences are caused by external factor and this will decrease their responsibilities toward the budget.

2.2.3 Managerial Performance

According to Berkley University (n.d., p. 1) the definition of managerial performance is as follow:

“Performance management is an ongoing process of communication between a supervisor and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization. The communication process includes clarifying expectations, setting objectives, identifying goals, providing feedback, and reviewing results”

This showed that management performance is needed to create a communication between supervisor and employee, similar with the implementation of participative budgeting, the bottom up level budgeting system creates a needed communication between the most bottom of those who create the budget and the highest one.

To test the managerial performance of an entity, several question were distributed which was related to (1) Controlling expenditures. (2) Decision making. (3) Coordination of each department. (4) Evaluation of subordinates. (5) Planning for area of responsibilities. (6) Supervising staff. (7) Overall performance. (Mah *et al.*, 2013)

2.2.4 Budgetary Slack

According to Bragg (2013, p.1), budgetary slack is as follows:

“The deliberate under-estimation of budgeted revenue or over-estimation of budgeted expenses. This allows managers a much better chance of "making their numbers," which is particularly important for them if performance appraisals and bonuses are tied to the achievement of budgeted numbers”

The theory showed that budgetary slack occurred due to the condition where managers tried to input their personal interest for the purpose of satisfying themselves. This condition is usually occur during the budget preparation process. The budgetary process creates a space for the managers to give them input on their personal interest of organization budget itself.

Furthermore, the budgetary slack usually occurred in the budget participation process or bottom up level budget preparation method. According to Bragg (2013), budgetary slack is a common practice in the budget participation process. Budgetary slack tends to occur often due to the condition where managers are able to create/manage their own budget.

From the research by Widanaputra & Mimba (2014), budget slack is defined as a common activities in a budget composition process to obtain certain optimum amount of budget required by the management.

Therefore, budget slack tends to occurred in the participative budgeting activities. This theory is supported due to the condition that managers may or allowed to be involved in the budgeting preparation activities itself. With the direct involvement of the person, they tend to obtain as much budget as possible which will lead to budget slack activities.

To test the budget slack activities several question in the questionnaire was be conducted in relation to:

“(1) succeed in submitting budgets that are easily attainable, (2) budget targets induce high productivity in the department, (3) budget targets require costs to be managed carefully in the department, (4) budget targets have not caused employees to be particularly concerned with improving efficiency in the department, (5) whether the budget is very easy to attain, attainable with reasonable effort, attainable with considerable effort, practically unattainable or impossible to attain” (Bakar, 2014., p. 26).

2.2.5 Agency Theory

Agency theory is a theory related to the relationship between principal and the agent (Govindarajan, 2007). This relationship made the agent to be self-oriented in order to make the condition to be beneficial for them.

The theory of agency theory is required to support budget slack. According to Bragg (2013) the agency theory tend to focus on the self-oriented agent. The budgetary slack tend to affect personal interest of the management to obtain budget accordance with his needs. The self-oriented characteristic of the managers will lead to the budgetary slack activities that is capable to be conducted. Agency theory is used to determine the behavior of the managers while conducting or preparing budget.

2.3 HYPHOTHESIS FORMULATION

From the identification of theories that presented above, several hypothesis were formulated, as follow:

2.3.1 The Effect of Motivation on the Relationship between Participative Budgeting and Managerial Performance

There were some differences of results between the study that was conducted by Karsam (2015) and many other researcher such as Syahputra (2014), Abata (2014), Kewo (2014), Mah *et al.*, (2013); Ogiedu & Odia, (2011). Karsam (2015) research showed different result. He stated that participative budgeting does

not have any significant influence towards managerial performance unless supported by certain variables.

Participative budgeting is capable to increase the relationship when managers have motivation in the budget preparation (Karsam, 2015). Although, the classical assumption that being assumed by Karsam (2015) showed that motivation was unable to increase the relationship between participative budgeting and managerial performance, there were still good possibilities that the participative motivation was capable to increase the relationship. The measurement of motivation was measured by wage standards received by the managers. The theory of participative budgeting where all subordinate which was involved in the budgetary process. It would give motivation towards managers to receive high wages rates due to the requirement of subordinate resemblance to reach the target itself. The high possibilities of involvement to recreate the budget will probably increase the performance of the managers.

The assumption that the researcher made is that if the participative budgeting is high, and the motivation of the managers to conduct the budget is also high, there will be high possibilities that the managerial performance will also be high. The high results of managerial performance are supported due to the bonus that possibly held by the managers. The theory will be applied vice versa. In the other hand, when the participative budgeting is low, and the motivation is high, the managerial performance will be high also since the motivation will help the

managers to peruse their target to obtain the bonus. Therefore, the first hypothesis would be:

Hypothesis1: motivation positively affects the relationship between participative budgeting and managerial performance.

2.3.2 The Effect of Locus of Control on The Relationship between Participative Budgeting and Budgetary slack

The basic theory of participative budgeting is to involve all the variables from the entities to participate in the budget preparation phase. The involvement of all the variables are pursued in order to obtain good budget and realistic budget. The objective will require a good personal understanding towards the budget by the management. There are also high possibilities of budgetary slack that may involve the budget preparation process due to the fact that managers will determine their needs or their personal needs. Rachman (2014) in his research stated that the participative budgeting have negative relationship with the budgetary slack. The negative relationship is due to the fact that participative budgeting will increase the organizational fairness of the entities which will lead to reduce of prosperity by the managers to create a budgetary slack. Further research conducted at different area showed a different results. A research by Aprila & Hidayani (2012) and Ardianti (2015) showed that the participative budgeting had positive influence towards budgetary slack. The positive affect is influenced by, the more involvement of the managers in the budget preparation period. Thus, the more budgetary slack will occur in that part.

According to Aprila & Hidayani (2012) and refer to Karsam (2015), participative budgeting will involve the budgetary slack in some ways. The involvement of managers in participative budgeting will increase the possibilities of the managers to create the budgetary slack, especially when participative budgeting is low which means that managers have full control over budget rather than its subordinates. Therefore, the fact that locus of control which represent the managers state or determination of success and responsibilities will perhaps reduce the budgetary slack activities in the participative budgeting (Ardianti, 2015). Therefore, when the participative budgeting is high, and the locus of control is high, the budgetary slack will be low. This assumption will be applied vice versa. While when the participative budgeting is low, and the locus of control is high, the budgetary slack will also be low. This condition will be supported due to the fact that the self-responsibilities of the managers will avoid him to conduct a budgetary slack. Therefore, the second hypothesis would be:

Hypothesis2: Locus of Control negatively influences the relationship between participative budgeting and budgetary slack.

2.3.3 The Effect of Locus of Control on Managerial Performance

Locus of control is self-responsibility and understanding towards someone's success. Locus of control is the state of mind that someone had to determine or find the cause of his or her success. The locus of control will be based on the internal and external factor. The internal factor of locus of control toward someone is based on he or she internal understanding toward success and believe that his or her

success was controlled by them such as high degree, high spirit and many other factor that they can or cannot control. While the external factor is based on something that they cannot control such as luck and many other variants. The internal factor will be good determination towards someone's work ethics or in this case performance. A research by Leach-Lopez, Stammerjohan, & Rigsby, (2008) showed that locus of control has negative significant influence towards managerial performance. While Krenl (1992) showed that locus of control has negative significant influence towards managerial performance.

From above discussion, it can be concluded that locus of control is someone understanding about the effort made behind his or her success to determine their own performance. The ideology of locus of control will perhaps increase the manager's performance since the managers will take more responsibilities towards their work, especially internal locus of control. Therefore, when the locus of control is high, the managerial performance will also be high and this will be applied vice versa. To conclude, the third hypothesis would be:

Hypothesis3: Locus of control positively influences managerial performance

2.4 RESEARCH MODEL

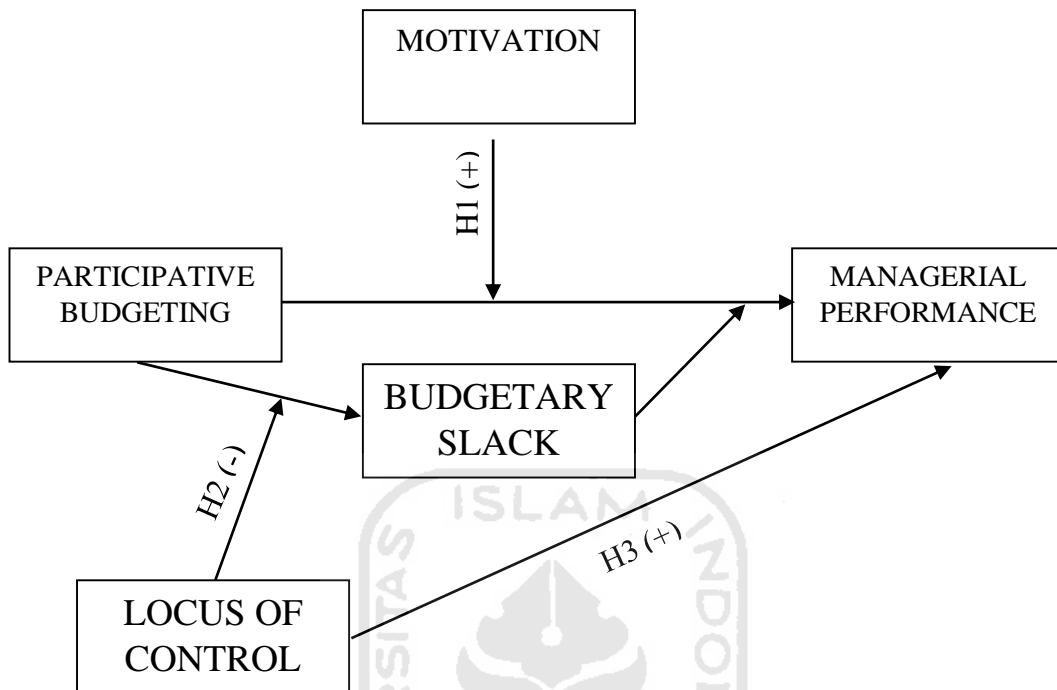
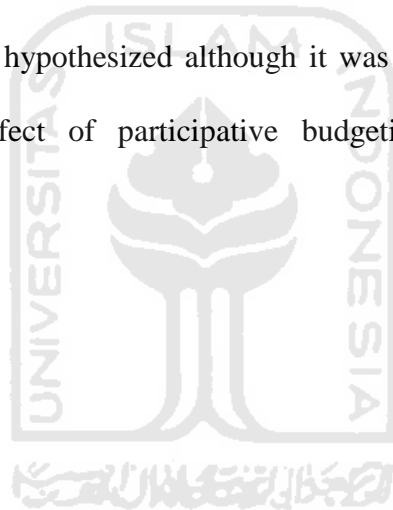


Figure 2.1 Research diagram

This figure explained the hypotheses that were implemented in this research. The first Hypothesis explained the relationship between participative budgeting and managerial performance (PB) that strengthen the moderation of motivation. Motivation was expected to give positive influence towards the relationship between PB and MP. The second hypothesis would explain the relationship between participative budgeting (PB) and budgetary slack (BS) which would strengthen with the moderation of locus of control (LoC). LoC is expected to be able to give negative influence toward the relationship between PB and BS. The third hypothesis was explaining about the relationship between locus of control (LoC) toward managerial performance, which expected to have positive influence.

Direct relationship between the independent variable (participative budgeting) and dependent variable (budgetary slack and managerial performance) were not tested in this research. This relationship were not considered to be tested due to the fact from previous research that showed a constant results. The relationship between PB – MP were tend to be constant when implemented in public sector where most stated that it had no influence. Where on the construct between PB – BS showed that participative budgeting had tendency to positively influenced budgetary slack at public sector especially in Indonesia. Therefore, this variable were no longer required to be tested and hypothesized although it was not accordance with the theory regarding the effect of participative budgeting towards managerial performance.



CHAPTER 3

RESEARCH METHODS

3.1 TYPE OF STUDY

This research represented the depth understanding towards someone related on certain social issues. Descriptive method was selected due to the method of data collection primarily by distributing questionnaire towards the respondent. The research was being conducted due to the fact that the participative budgeting tend to create a budgetary slack while increasing the managerial performance at the same time. The data used was primary data that was collected through surveys by questionnaire and distributed to respondents that fulfill this criteria: (1) Under SKPD (*Satuan Kerja Perangkat Daerah*) in DKI Jakarta (including: Head of subdistricts, Head of Districts, Managers and Associate Managers, (2) Have Budget under their divisions; (3) Have understanding towards budget participation and (4) Involve in the participative budgeting process. The objective of the research was to understand the effects of participative budgeting towards managerial performance and budgetary slack that possibly occurred due to the implementation of participative budgeting itself.

3.2 POPULATION AND SAMPLING

Population is the entire collection of people where the research data were collected. The population were managers or person that were responsible or directly infected by the budget participation activities in Jakarta government entities. The

population was selected due to the suggestion by Karsam (2015) that further research are needed to be conducted in other region related on participative budgeting. Where sampling means part of population that is capable to represent the whole population. The samples in this research were managers in the districts of north Jakarta that were responsible or have a direct influence on the budget participation process. This might represent the effect of participative budgeting on the management. The samples were assumed to be able to represent how participative budgeting influence the managerial of a districts in Jakarta.

3.3 DATA COLLECTION METHOD

The research used primary data which was collected through survey. The survey was done by distributing questionnaires that consist of 34 questions related on participative budgeting, managerial performance, motivation, locus of control and budgetary slack. The data was distributed to managers as the sample that had an effect on budget participation process.

3.4 RESEARCH VARIABLES

Variables are characteristic of the object being learned by the researchers. This characteristics have their own specific objectives and places in the research. There were several variables that being selected in this research.

3.4.1. Dependent variables

Dependent variables are variables that are being used as the core of the research, to represent the problem that occurred in the research. There were two dependent variables that being used in this research as follow:

3.4.1.a Budgetary Slack

Budgetary slack is an activity conducted by the managers to increase or decrease the budget based on their personal needs in relation to the budget. Budgetary slack represents the dependent variables since it tends to occur in the activities of participative budgeting and may influence the managerial performance. To test whether the budget slack occurred in the management or not, several indicators are presented in table 3.1

Table 3.1 Indicators to Measure Budget Slack

Measurement	Reference
1. Standards will influence the performance in your entities	(Karsam, 2015)
2. Able to make sure the performance of the budget	
3. Limitation of budget will be able to increase the control of the use of budget itself	
4. The influence of budget goals toward the management performance	
5. Responsibilities toward the budget	
6. Capabilities to obtain the budget goal	

3.4.1.b Managerial performance

Managerial performance was the measurement that was used to define whether the participative budgeting was able to influence the managers or not. The indicators to measure the managerial performance were represented in table 3.2

Table 3.2 Indicators to Measure Managerial Performance

Measurement	Statement	Reference
Planning	<ul style="list-style-type: none">• Define purpose• Create regulation• Design procedure and program based on the budget	(Karsam, 2015)
Investigating	<ul style="list-style-type: none">• Gather and collect information• Obtain financial report• Measurement of results	
Coordinating	<ul style="list-style-type: none">• Exchange of information• Relationship with other managers	
Evaluation	<ul style="list-style-type: none">• Measure and determine working performance of the employee	
Supervising	<ul style="list-style-type: none">• Lead and manage the employee• Train the employee• Listen to the employee	
Staff selection	<ul style="list-style-type: none">• Involve in staff selection• Manage the team of staff	
Negotiating	<ul style="list-style-type: none">• Conduct any contract in the department	

3.4.2 Independent Variables

Independent variables are variables that effected by the dependent variables. These variables determine the effect of the dependent variables. There is one independent variable used in this research, Participative budgeting. The questionnaire were based on the previous research that were already being conducted by Karsam (2015).

3.4.2.a Participative Budgeting

In this research, the researcher used participative budgeting as the independent variables. The measurement for participative budgeting had been developed through ages. The researcher choose the measurement that had already been used by Karsam (2015) that consist of several indicators. The indicators to measure the managerial performance were represented in table 3.1.

Table 3.3 Indicators to Measure Participative Budgeting

Measurement	Reference
1. Contribution of all members to participate in budget process	(Karsam, 2015)
2. Influence of each person in the budget preparation process	
3. Conducting discussion in the budget preparation process	
4. The managers have control over budget decision	
5. The final budget are based on the managers opinion.	

3.4.3 Moderating Variables

Moderating variables help or strengthen the relationship between the dependent variables and its independent variables. In this research, the moderating variables were Motivation to strengthen the relationship between participative budgeting and managerial performance and also Locus of control to strengthen the relationship between participative budgeting and budgetary slack.

3.4.3.a Motivation

Motivation is someone's determination or reason for someone to pursue their dreams. Motivation will help someone to be better or perform better in their work field. To determine someone's motivation, several indicators are required, which were represented in table 3.4

Table 3.4 Indicators to measure Motivation

Measurement	Reference
1. Expectation towards work	(Karsam, 2015)
2. Importance of rewards in work	
3. The desired of expectation	

3.4.3.b Locus of Control

Locus of control is self-understanding of someone towards his or her success. Locus of control is someone's state of mind that caused his or her success related to his or her achievement. There are 2 different types of locus of order such

as internal and external factor. Internal factor is controllable by the person and the external factor is uncontrollable. The indicators for locus of control were represented in table 3.5.

Table 3.5 Indicators to measure Locus of Control

Measurement	Reference
1. Personal Confidence level	(Ardianti, 2015)
2. Personal Believes in fate	
3. Personal Effort	

3.5 RESEARCH METHODS AND MODEL

To test the hypothesis, several statistical analysis were conducted and needed. There were several statistical tools used to calculate the relationship of each variables.

Partial least square is the method used in the research. The partial least square is type of regression analysis that combines two different type of analysis which are the principal components and multiple regression (Abdi, 2003). The PLS represented the relationship between 2 different constructs and their indicators which were represented as inner and outer models (Nurdiansyah, 2014). Nurdiansyah (2014) also stated that the partial least square only require small samples around thirty to one hundred people. The evaluation that was being used was the outer model evaluation that covers the quality of the data and the models.

Besides that, the inner model structure showed the results over the significance of the model that represented in R^2 (Ghazali, 2006 in Nurdiansyah, 2014).

The data was processed and calculated by using WARPPS and Excel with these statistical tools:

3.5.1 Descriptive Analysis

Descriptive analysis shows the basic idea of the data represented. It shows several statistical results such as mean, standard deviation, and maximum and minimum value of the research.

3.5.2 Instrument Test

Instrument Test was being used since this research used the PLS research Model. There were two data analysis model that were being used based on the partial least square to represent the outer data analysis:

3.5.2.a Validity Test

Validity test is a test to know the quality of the data that were being used in the research. The validity test determined the data that were represented in the research. The measurement of validity test was based on the AVE (average variant extracted). According to Gazali (2006), AVE should be above 0.5 (>0.5) to be said as valid

3.5.2.b Reliability Test

Reliability test is a test to measure the correlation among the questions given to the respondent. The results of the measurement were based on *cronbach* alpha. According to Gazali (2006), *cronbach alpha* should be above 0.7 (>0.7).

3.5.3 Structural Equation Model

To measure the data and answer the questionnaire, this research used partial least square. Partial least square is a method to solve a complex multivariate relationship among the variables in the research (Sanchez, 2013). This method represented a set of method to solve the multiple relationship between the tables that represented as variables. PLS clarified the theory and helped give better understanding towards the relationship of each variables (Karsam, 2015). The models used for the measurement of the research was presented as follow:

$$Y = \alpha + \beta_1PB + \beta_2M + \beta_3LoC + \beta_4BS + \beta_5PB*M + \beta_6PB*LoC + e....$$

Where:

Y	= Dependent variables
α	= Constant value
$\beta_1 - \beta_5$	= Regression Coefficient
PB	= Participative Budgeting
M	= Motivation
LoC	= Locus of Control
BS	= Budgetary Slack
e	= Errors

3.5.4 Hypothesis Test

P value approach was used to test the hypothesis. This test was used to determine the relationship of each variables that had influence in the research. Hypothesis is accepted if the results of P-value is $< \alpha$ 5% (Gazali, 2006). If P-value is $\geq \alpha$ 5% the hypothesis is rejected.

3.6 DISCUSSION

From the research of Karsam (2015) a further research needs to be conducted related on the participative budgeting, budgetary slack and managerial performance. From the previous research, various R-square results showed that another approach of research and different samples were required to be examined in order to give deep understanding and sufficient development in relation to the participative budgeting implementation. Therefore, this research are the expendables of the previous research in relation to participative budgeting that purposely created to give deep understanding over the variables that influence participative budgeting. This research was also part of the development of the research that has been conducted by Karsam (2015) previously.

CHAPTER 4

RESEARCH FINDINGS AND DISCUSSION

This chapter contains the results of the findings of the research. This chapter showed the results and represented it based on the questionnaire that has been obtained by the researchers. The results of the research that has been obtained is purposely used to show the effect of motivation and locus of control on the relationship of participative budgeting and budgetary slack and to understand its amplification on the managerial performance.

The chapter is divided into four parts. The first part contained the percentage over the data that has been collected. Second part showed the demography of the overall samples that has been obtained. The third part consisted of descriptive statistics, validity test and the reliability test. The fourth part represented the testing of the hypothesis and the findings and also represented the R^2 to show the other variables that may influence the research but not tested in this research.

4.1 RESULTS AND DATA COLLECTION

Data collection of the research was obtained by distributing the questionnaire to the samples. This method was proven to be successful based on various previous research. The respondent in this research were the managers in North Jakarta region. North Jakarta regions were selected due to the current changes of the mayor based on the statement of Antara (2016), which represented the changes of the method of leadership that may influence the whole entities. On the

other side, the managers that were chosen to fulfill the questionnaire were those who fulfill the criteria in the chapter 3. To distribute the questionnaire and retrieve it back took 1 month in total. The data distribution were being conducted directly by the researcher by distributing it and retrieve it directly or leave it for several days or even weeks. The data obtained were represented as follow:

Table 4.1 Results of data collection

Explanation	Total	Percentage
Distributed questionnaire	69	100%
Unreturned questionnaire	14	20%
Returned questionnaire	55	80%

Source: Primary Data Processed, 2016

The data that was distributed to the whole managers of public sector in the North Jakarta region. From the total of 69 questionnaire (100%), 14 (20%) of them were unreturned due to several problem such as rejection and other unknown reasons such as busy individuals and many others. The rest which were 55 questionnaires (80%), were returned back and fulfilled the standards and the requirements of the samples.

4.2 RESPONDENTS' CHARACTERISTICS

Respondents' characteristics represents each characteristics of the respondents that fulfill the questionnaires. The characteristics covers several aspects of the respondents such as their gender, working period, education and position.

4.2.1 Gender

Table 4.2 represents the differentiation of the gender in the North Jakarta Managements. As the key position in an entity management, it required good distribution on gender to emit the certain characteristics and give different opinion from different point of view. The comparison over gender in the North Jakarta managers are presented in the following table:

Table 4.2 Gender distribution

Gender	Frequency	Percentage
Male	37	67.2%
Female	18	32.7%

Source: Primary Data Processed, 2016

The managers of North Jakarta are mostly populated by male which were 37 (67.2%) people in total. While women tend to be the minority and only occupied 18 (32.7%) of the whole positions that were returning the questionnaires.

4.2.2 Working Period

Working period was able to determine the average working years of the samples, the working period could also be able to determine the quality of their leadership and the experience that they had. The working periods may vary although they positioned in the similar positions. The findings over the working period of the samples could found in the following table:

Table 4.3 Working period

Periods	Frequency	Percentage
<=1 Years	6	10.9%
2 – 10 years	16	29.1%
11 – 20 Years	14	25.4%
21 – 30 Years	17	30.9%
31 – 40 Years	2	3.6%

Source: Primary Data Processed, 2016

From the data above we could see that 6 (10.9%) of the respondents had only less than one year of experiences. While 16 (29.1%) of them were having 2 to 10 years of experience. Thus, managers who had 11 to 20 years of working were 14 (25.4%) people. While majority of them which was 17 (30.9%) people that had been working for 21 to 30 years. Besides that, there was a couple (3.6%) of the oldest managers which had been working for 31 to 40 years.

4.2.3 Education

Education would be able to represents how well educated were the managers of North Jakarta region. This results were obtained based on certain question in the questionnaire which were distributed to the managers. The results of the data was shown in the following table:

Table 4.4 Education

Level of Education	Frequency	Percentage
D3	1	1.8%
S1	28	50.9%
S2	26	47.3%

Source: Primary Data Processed, 2016

From the above results, most of the managers were quite educated. There were 28 (50.9%) managers who were undergraduate, 26 (47.3%) were post graduate and the remaining of them (1.8%) was associate degree.

4.2.4 Position

Position showed the managerial position that currently undertaken by the samples. This position determine whether the sample had certain responsibilities and had the ability to determine or took responsible over the budget that their institution purpose. There were several types of managers that were categorized as the samples. They were head of sub districts, head of districts, associate managers and managers of certain department in the public servant of North Jakarta. The results over the questionnaire were shown in the following table:

Table 4.5 Position

Position	Frequency	Percentage
Head of Sub-Districts (Lurah)	25	45.5%
Head of Districts (Camat)	5	9%
Position	Frequency	Percentage
Associate Mangers (Kasubag)	20	36.4%
Managers (Kabag)	5	9%

Source: Primary Data Processed, 2016

From the table above, it showed that most of the position (45.5%) were Head of Sub-districts which were more easily obtained. The second position were the Associate Managers which showed 36.4% of the samples. This amount of sample could be obtained due to the fact that some of the managers tend to give authority to fill the questionnaire which will result in the increase of the amount of questionnaires that were returned. The least amount of the position that return the questionnaire were the Head of Districts and Managers, which each of them had 5% over the samples, this happened due to the change of authority to its associate managers or a lack of willingness to return or fill the questionnaire due to various reason that were unknown.

4.3 DESCRIPTIVE STATISTICS

Based on the data that had been collated from the respondent who had filled the questionnaire, the assessments over the data were conducted in order to determine the data of the respondents over the research variables. The assessments were

presented in the descriptive statistics, which described the nature (characteristics) of the data based on the questionnaire that had been filled by the respondent. The descriptive analysis was explained by the average value of the following characteristic:

The highest value: 7

The lowest value: 1

Interval: $\frac{7-1}{7} = 0.85$

Range value of the questionnaire are presented as follow:

1.00 – 1.85 = the lowest assessments

1.86 – 2.7 = Lowest Assessments

2.71 – 3.55 = mildly – low assessments

3.56 – 4.4 = Normal Assessments

4.41 – 5.25 = mildly – high assessments

5.26 – 6.1 = high assessments

6.11 – 7 (rounded) = highest assessments

While Managerial performance had its own characteristics based on Mahoney (1963) in the journal by Karsam (2015) the managerial performance was scaled from 1 – 9 and the range value were presented as follow:

1 – 3 = Low

4 – 6 = Medium

7 – 9 = High

Table 4.6 Descriptive Statistics

	n	Minimum	Maximum	Mean	Std.Deviation
Participative Budgeting	55	1.60	6.80	4.74	1.18
Motivation	55	3.00	7.00	5.89	0.66
Locus of Control	55	3.00	7.00	5.64	0.93
Budgetary Slack	55	2.00	7.00	5.31	1.18
Managerial Performance	55	2.29	8.86	6.10	1.51

Source: Primary Data Processed, 2016

From table 4.6, a conclusion could be obtained from 55 respondent that had filled the questionnaire. Based on the average value that had been collected, participative budgeting had a mildly high assessments of the average standard deviation of 4.74 and 1.18. It means that the average of the respondents agree that participative budgeting had been implemented in their entities. In the other hand, the average and standard deviation would also determine that the respondents were responsible in the making of budget proposal in their institution.

From 55 respondents that had returned the questionnaire, the average respondent showed that motivation had high assessments by the average and standard deviation of 5.89 and 0.66. The statement over the average and standards deviation was able to give understanding that the motivation that had given by the entities towards management were quite high and capable to be perceived by the managers itself. The motivation involved various type of benefits and punishment over their work ethics.

From 55 of the respondents, the average respondents showed that locus of control had high assessments over all the respondent by the average and standard deviation of 5.64 and 0.93. The data gave us interpretation that the average of the respondents had high locus of control towards their success. The locus of control is a measurement to define his or her success. The results was capable to give understanding that most of the respondent had highly understanding over it whether from internal factor or external factors of each respondents.

From 55 respondents that had returned the questionnaire, the average respondents showed that budgetary slack also had high assessments by the average and standards deviation of 5.31 and 1.18. It showed that the average of the respondents had a tendency to conduct budgetary slack during their preparation of the budget. This means that the managers were willing to increase or decrease the budget over their interest whether to obtain a good budget condition or increase their own benefit.

As managers, they need to be able to measure their own work performance by their capabilities to give an influence toward their institution. From 55 respondents that had returned the questionnaires, the average of them showed that they had medium influence over the institution by the average and standards deviation of 6.10 and 1.51. It showed that the average managers only had medium influence over the institution. Medium influence means that the managers were still not allowed in interfering several aspects over the institution which may cause them to loss control over several aspects below them.

4.4 RESEARCH INSTRUMENT TEST

The research instrument that were tested in this research were validity and reliability over the data. The test were purposely conducted in order to test whether the data were valid and reliable to be used as the source of the research.

4.4.1 Validity test

The data that had been collected for the research were processed to test the quality over the data. The validity test conducted was with the help of PLS application called WARPPLS. The results of the test was shown in the form of the AVE or average variance extracted to determine the level of variance which was captured by the construct against the level due to measurement error (Sánchez, 2015). Each variable in the research including Participative Budgeting, Motivation, Locus of Control, Budgetary slack and Managerial performance had the following results:

Table 4.7 Average Variance Extracted (AVE)

Indicator	Average Variance Extracted
Participative Budgeting	0.68
Motivation	0.55
Locus of Control	0.59
Budgetary Slack	0.8
Managerial Performance	0.75
Motivation * Participative Budgeting	0.63
Locus of Control * Participative budgeting	0.54

Source: Primary Data Processed, 2016

According to Gazali (2006), the acceptance amount of AVE in variable should be more than 0.5 (>0.5). From the data that had been collected and calculated by using the program, all of the variables were above 0.5 which means that the data that had been collected for this research were categorized as valid indicators.

4.4.2 Reliability test

Reliability test was conducted to check the correlation between the comparisons over the question in one measurement with the question in other measurement. It means that this measurement were used to compare the answers and the question of all the variables (Karsam, 2015). The measurement of the reliability were in the form of *cronbach* alpha (α) (Sánchez, 2015). The results over the test could be seen in the following table:

Table 4.8 Composite Reliability

Indicator	Cronbach Alpha (α)
Participative Budgeting	0.92
Motivation	0.89
Locus of Control	0.92
Budgetary Slack	0.96
Managerial Performance	0.95
Motivation * Participative Budgeting	0.98
Locus of Control * Participative budgeting	0.98

Source: Primary Data Processed, 2016

According to Gazali (2006), the acceptance of *cronbach* alpha was 0.7 (>0.7). The data that had been obtained for the research showed that all variables as *cronbach* alpha were above 0.7. It means that the overall answers over the question in the questionnaire were already correlated and able to be accepted.

4.5 STRUCTURE EVALUATION MODEL (INNER MODEL)

When all the data has been validated and reliable, the researcher tested the structural evaluation model. Structural evaluation model is an assessment of the relationship among the variables by overseeing the results of the parameter coefficient and its significance level (Gazali, 2006). To determine the influence of the independent variable toward the dependent variable, the coefficient of determination that was proven by R^2 could be seen in the following table

Table 4.9 Determination Coefficient

Variable	R - Square
Budgetary Slack	0.57
Managerial Performance	0.59

Source: Primary Data Testing, 2016

From the results of the testing that had been conducted by using WARPLS, the data showed that the coefficient of determination (R-Square) on budgetary slack variable was 0.57. It means that the construct of Locus of control and the interaction of participative budgeting could explain the budgetary slack by 57% or the other 43% was explained by other variables that were not involved in this research.

The construct over the managerial performance which was moderated by motivation was also tested in the research. The R-Square of the relationship between participative budgeting moderated with motivation toward managerial performance showed 59% or in other word, the other 41% could be explained by other variables that vary and were not tested in this research.

4.6 HYPOTHESIS TESTING

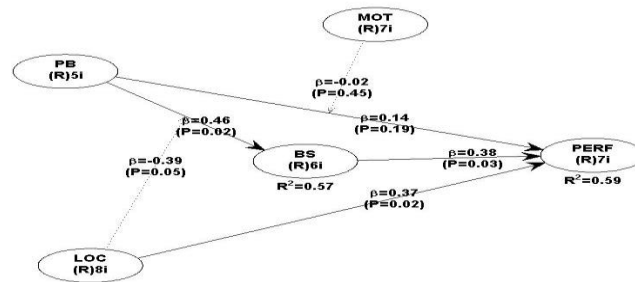


Figure 4.1 Research Model Test Result

Table 4.10 Research results

Explanation	Path Coefficient	P-value	Explanation
PB*Motivation – Managerial Performance	-0.395	0.455	No Influence
PB*Locus of Control – Budgetary Slack	-0.395	0.049	Significant negative influence
Locus of Control – Managerial Performance	0.372	0.015	Significant positive influence
Budgetary Slack – Managerial Performance**	0.381	0.025	Significant positive influence

** Controlling variable.

Source: Primary Data Testing, 2016

From table 4.10 above, it can be explained as follows:

The effect of motivation toward the relationship between participative budgeting and managerial performance gave an indication over -0.395 of path coefficient and P-Value of 0.455 which was far above the accepted significance

level of 5%. This indicated that the H_0 was accepted. While, H_1 was rejected. It means that motivation did not affect the relationship between participative budgeting and managerial performance.

The effect of locus of control toward the relationship between participative budgeting with budgetary slack showed coefficient level of -0.395 and P-Value of 0.049 which was below significance level of 0.05. This means that H_0 was rejected and H_2 was accepted it could be interpreted that Locus of control negatively influenced the relationship between participative budgeting and budgetary slack. It means that the higher implementation toward someone locus of control, the lower the tendency for someone to conduct budgetary slack in participative budgeting.

The relationship between locus of control and managerial performance had positive significance influence with Path coefficient of 0.372 and P-value of 0.015 which was far below 0.05 of accepted significance level. It indicated that H_0 was rejected, and H_3 was accepted. The path coefficient was 0.372. It means that the higher the locus of control the higher the performance of the managers.

The direct relationship between budgetary slack and managerial performance showed that path coefficient of 0.381 with P-value of 0.025 which was far below the accepted coefficient level. This means that H_0 was rejected, and H_a was accepted. The data also described that budgetary slack positively influenced the managerial performance. It indicated that with the increase of budgetary slack in the managers might increase their own performance in accordance with their

behavior. This result were not accordance with the previous research that were conducted by Karsam (2015).

4.7 DISCUSSION

4.7.1 Motivation Positively Influenced the Relationship between Participative Budgeting and Managerial Performance

Participative budgeting is an activity to prepare the budget that require the involvement of all aspects of the entities to be involved in it. This activity is capable to increase the performance of the managers since the managers were capable to manage their own target and all the budget that they require in order to fulfill the target. Similarly, motivation that provided by the entities was also capable to increase the performance of the managers. With the understanding toward the reward and punishment over the results of the managers, the managers will also capable to determine their work quality. According to Mah *et al.* (2013) various aspects may influence the managerial performance while implementing the participative budgeting. One of the aspects that may influence is motivation. This argument is also supported by the research that had been conducted by Syahputra (2014).

From the hypothesis test that had been conducted, related on the effect of motivation on the relationship between participative budgeting and managerial performance gave a path coefficient results of -0.395 and P value of 0.455 with the significance level of 0.05. The statistics results showed that motivation had no influence to strengthen the relationship between participative budgeting and

managerial performance This results were in accordance with the results that had been conducted by Karsam (2015) but against the results over Mah *et al.* (2013) and Syahputra (2014). Therefore, H₁ was rejected and H₀ was accepted due to various aspects that were still not comprehensively understood. There were possibilities that the method of the motivation that was implemented in the entities was tested in this subject was not in accordance to the standards that were being used generally.

4.7.2 Locus of Control Negatively Influenced the Relationship between Participative Budgeting and Budgetary Slack

Rotter (1954) stated that locus of control is a determination of someone's success based on the impact of their efforts. While budgetary slack is an intention by someone who prepare the budget to increase or decrease their budget according to their personal intention (Berkley University, n.d.). The research of the relationship between participative budgeting and budgetary slack had been conducted by various researchers, the results varies. Karsam (2015) conducted this research with the moderating variable of budget emphasis, the results showed that the R² was 0.301 which gave the possibilities of 70% that other variables may influence the relationship between participative budgeting and managerial performance.

From the data that has been collected and calculated, the statistical test showed a results of -0.395 and P-value of 0.045 with the coefficient level of 0.050. The results indicated that locus of control had negative significance that influenced

the relationship between participative budgeting and budgetary slack. This results were in accordance with the results of Ardianti (2015). Therefore, H₂ was accepted. This results were capable because with the personal success determined by each person, the tendency for that person to conduct budgetary slack would be reduced.

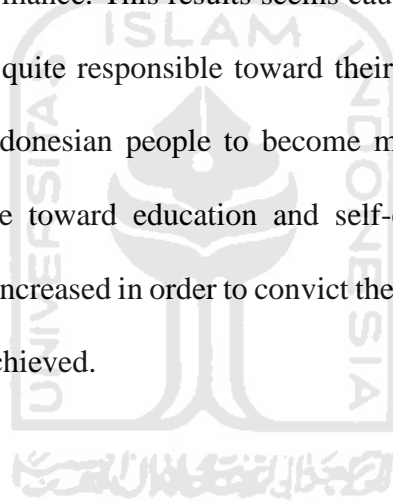
In agency theory, the agent tended to conduct budgetary slack when they had the opportunity. This tendency over budgetary slack activities occurred due to various reason related to the agent itself. The government agency which gave its managers the allowance to prepare the budget themselves may cause the increase of the tendency to conduct budgetary slack, but with the increase of people who believe in their capabilities and efforts to obtain their success in accordance to locus of control theory. The tendency over budgetary slack that might be conducted by the managers were able to be reduced. The results might cause by various reasons which one of them was self-responsibility. When people appreciate their efforts to obtain certain position, they would tend to be more aware and had high responsibility over their work. In this case over budgetary slack, self-responsibility might reduce their tendency to conduct budgetary slack.

4.7.3 Locus of Control Positively Influenced Managerial Performance

Locus of Control is capable to determine the quality of someone related on how they behave over the success that they achieved (Rotter, 1954). According to Lopez *et al.* (2008), locus of control inside the entities is capable to be increased if there was participative budgeting implemented in it with the current type of

managerial that implemented. Locus of control should be able to determine the quality of the managers inside.

From the results of the statistical data that had been collected, locus of control had path coefficient of 0.372 and P value of 0.015 with the coefficient value of 0.05. It means that locus of control had positive influence toward managerial performance. This means that H_0 was rejected, and H_3 was accepted. The results also similar to Lopez *et al.* (2008) and Krenl (1992) that stated Locus of control affected managerial performance. This results seems caused by the fact that many people in Indonesia were quite responsible toward their success and themselves. The shift of culture of Indonesian people to become more modern increase the conviction of each people toward education and self-esteem. As a result, the performance of managers increased in order to convict themselves and to appreciate everything that they has achieved.



CHAPTER V

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

5.1 CONCLUSIONS

From the overall hypotheses that had been tested and the all other results that not part of the hypothesis. It can be concluded that participative budgeting had no impacts on the managers that prepared the budget. The influence on people would have various type of impact from positive to negative. The positive side would be a better performance on people due to their understanding over their working target. At the same time, the participative budgeting might create a loop hole among the users and the managers who prepared the budget had tendency to conduct the budgetary slack which was not beneficial in accordance with the entities goal. Although, the practice of budgetary slack could be reduced by the understanding over the Locus of Control of the employee / managers. Therefore, a better managers recruitment method was required. This recruitment method that needed to be increased was part of psychological understanding over the workers which would determine the Locus of Control of each person.

5.2 LIMITATIONS

Based on the research, the limitations in this research were as follow:

1. There were performance measurement program that was conducted by central government, therefore several respondents were unable to fulfill the questionnaire.

2. There were slight possibilities that some questionnaire were not filled directly by the targeted respondent, therefore the researcher does not know the exact understanding of the respondents over the questionnaires.

5.3 RECOMMENDATIONS

Based on the results of the research the recommendations are as follow:

1. For SKPD, the budgetary slack may occur, unless by developing the people inside the management. The budgetary slack may be reduced, and it may increase the overall managerial performance inside the entities. In the other hand, the motivation being used does not really have an impact on the overall managerial performance inside the entities itself.
2. For future researchers, this research is limited to the SKPD in DKI Jakarta, similar research are required in other entities to represent or increase the validity of the research variable.
3. The R-square of the research shows that there are other variables that can be used to moderate the relationship on all variables. Therefore, additional variables tested would be beneficial for further research.

BIBLIOGRAPHY

- Abata, M. A. (2014). Participative Budgeting and Managerial Performance in the Nigerian Food Products Sector. *Global Journal of Contemporary Research in Accounting, Auditing and Business Ethics*, 1(3), 148–167.
- Abdi, H. (2003). Partial Least Squares (PLS) Regression ., 1–7. <http://doi.org/http://dx.doi.org/10.4135/9781412950589.n690>
- Antara. (2016, April 26). Wahyu Haryadi Jadi Wali Kota Jakarta Utara Gantikan Rustam. *Tempo*. Jakarta. Retrieved from <https://m.tempo.co/read/news/2016/04/26/231766069/wahyu-haryadi-jadi-wali-kota-jakarta-utara-gantikan-rustam>
- Aprila, N., & Hidayani, S. (2012). the Effect of Budgetary Participation , Asymmetry Information , Budget Emphasis and Commitment Organization To Budgetary Slack At Skpd Governmental of Bengkulu City . *Malaysia Indonesia Conference on Economics, Management and Accounting*, 617–628.
- Ardianti, P. N. H. (2015). Pengaruh Penganggaran Partisipatif Pada Budgetary Slack dengan Asimetri Informasi, Self Esteem, Locus of Control dan Kapasitas Individu sebagai Variabel Moderasi (Studi Pada Skpd Kabupaten Jembrana, Bali).
- Bakar, N. R. binti A. (2014). Impact of Organisational Factors on Budgetary Slack. *E-Proceedings of the Conference on Management and Muamalah*, (May), 26–27. <http://doi.org/10.1017/CBO9781107415324.004>
- Berkley University. (n.d.). Performance Mangement - definiton. Retrieved from <http://hrweb.berkeley.edu/guides/managing-hr/managing-successfully/performance-management/concepts>
- Bragg, S. (2010). Participative Budgeting Defined. Retrieved December 22, 2015, from <http://www.accountingtools.com/questions-and-answers/what-is-participative-budgeting.html>

- Bragg, S. (2013). Budget Slack definition. Retrieved from <http://www.accountingtools.com/questions-and-answers/what-is-budgetary-slack.html>
- Cahya, K. D. (2015a, April). Pokir Hanya “Mainan” DPRD DKI, Bukan Aspirasi Warga. *Kompas.com*. Jakarta. Retrieved from <http://megapolitan.kompas.com/read/2015/04/07/14505491/Pokir.Hanya.Mainan.DPRD.DKI.Bukan.Aspirasi.Warga>
- Cahya, K. D. (2015b, April 7). Pokir Hanya “Mainan” DPRD DKI, Bukan Aspirasi Warga. *Kompas.com*. Jakarta.
- Fenalosa, A. (2015, April 8). Aspirasi Warga Jakarta Belum Terakomodasi Pemprov dan DPRD. *Kompas.com*. Jakarta.
- Francoise Lieberherr. (2003). Participatory Budgets A Tool for Participatory Democracy. *Urban News*.
- Gazali, G. (2006). *Structural Equation Modeling : Metode Alternatif Dengan Partial Least Square*. Semarang: Badan Penerbit Universitas Diponegoro.
- Govindarajan, V. (2007). *Management Control System* (12th ed.). singapore: McGraw & Hill.
- Karsam. (2015). Effect of Budget Emphasis and Motivation on the Relationship between Participative Budgeting and Budgetary Slack and the Impact on the Managerial Performance (A Study on Yayasan Pendidikan Dan Koperasi in the Banten Province). *Research Journal of Finance and Accounting*, 6(1), 10–26.
- Kathleen M, E. (1989). Agency Theory :an assesment and review. *A Accademy of Management Review*, 14, 57–74.
- Kewo, C. L. (2014). The Effect of Participative Budgeting , Budget Goal Clarity and Internal Control Implementation on Managerial Performance. *Research Journal of Finance and Accounting*, 5(12), 81–88.
- Krenl, L. (1992). The Moderating Effects of Locus of Control on Performance Incentives and Participation. *Human Relations*, 45(991–1012).

- Leach-Lopez, M. A., Stammerjohan, W. W., & Rigsby, J. T. (2008). An update on budgetary participation, locus of control, and the effects on mexican managerial performance and job satisfaction. *Journal of Applied Business Research*, 24(3), 121–133.
- Mah, O., Al-khadash, H., Idris, M., & Ramadan, A. (2013). The Impact of Budgetary Participation on Managerial Performance: Evidence from Jordanian University Executives. *Journal of Applied Finance & Banking*, 3(3), 133–156.
- Mahoney, T. A. (1963). *Development of managerial performance; a research approach*. Cincinnati: South-western Pub. Co.
- Nurdiansyah, D. (2014). Partial least Square. Retrieved May 23, 2016, from <http://www.statsdata.my.id/2012/07/partial-least-square.html>
- Ogiedu, K. O., & Odia, J. (2011). Relationship Between Budget Participation, Budget Procedural Fairness, Organizational Commitment and Managerial Performance. *Business and Economics Journal*, 1, 252–269.
- organization Budgeting, P. (n.d.). Participative Budgeting Project. Retrieved from <http://www.participatorybudgeting.org/>
- Rachman, A. A. (2014). The Effect of Organization Commitment and Procedural Fairness on Participative Budgeting and Its Implication to Performance Moderating by Management Accounting Information, 3(1), 201–218.
- Rotter, J. B. (1954). The Social Learning Theory. *The Social Learning Theory of Julian B. Rotter*.
- Sánchez, D. A. & J. A. (2015). Assessing convergent and discriminant validity in the ADHD-R IV rating scale: User-written commands for Average Variance Extracted (AVE), Composite Reliability (CR), and Heterotrait-Monotrait ratio of correlations (HTMT).
- Sanchez, G. (2013). *PLS Path Modeling with R. R Package Notes* (Trowchez). Berkeley.
- Syahputra, Z. (2014). Budget Participation on Managerial Performance : Related

Factors in that influenced to Government ' s Employee (Study of Indonesian Local Government). *Journal of Economics and Sustainable Development*, 5(21), 95–100.


Wampler, B. (2010). Participatory Budgeting in Brazil — Contestation, Cooperation, and Accountability. *Controlling & Management*, 54(5), 294–294. <http://doi.org/10.1007/s12176-010-0113-0>

Wengrzyn, R. (n.d.). Locus of Control Definition. Retrieved March 6, 2016, from <http://study.com/academy/lesson/locus-of-control-definition-and-examples-of-internal-and-external.html>

Widanaputra, A. A., & Mimba, N. P. S. H. (2014). The Influence of Participative Budgeting on Budgetary Slack in Composing Local Governments' Budget in Bali Province. *Procedia - Social and Behavioral Sciences*, 164(August), 391–396. <http://doi.org/10.1016/j.sbspro.2014.11.093>



APPENDICES

The watermark logo of Universitas Islam Indonesia is centered behind the title. It features a stylized green and white emblem resembling a flower or a flame, enclosed in a rectangular border. The text 'UNIVERSITAS ISLAM INDONESIA' is written around the emblem, and there is Arabic calligraphy at the bottom.

Appendix 1: Research Questionnaire

Jakarta, Mei 2016

Kepada :

Yth. Bapak/Ibu

Di tempat

Hal : permohonan pengisian kuisioner penelitian

Assalamu'alaikum Wr. Wb.,

Dengan hormat,

Bersama ini saya:

Nama : Rahmat Hardianto Putra

NIM : 12312003

Adalah mahasiswa S1 ekonomi universitas islam Indonesia, jurusan akuntansi pada saat ini sedang melaksanakan penelitian untuk penulisan essai akuntansi dengan judul: **Efek Locus of Control dan Motivasi Terhadap Hubungan Antara Partisipasi Anggaran dan Kesenjangan Anggaran serta Efeknya Terhadap Performa Manager**

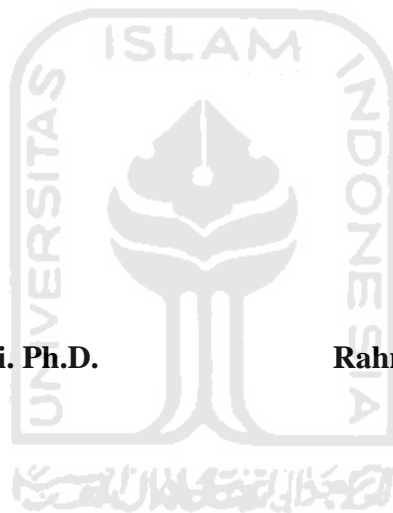
Bersama dengan surat ini saya lampirkan questionnaire penelitian dengan harapan agar dapat mendptakan kesediaan bapak/ibu untuk memberi jawaban secara objektif atas pertanyaan pada kuesioner ini berdasarkan sepengetahuan bapak/ibu. Jawab dari pada bapak atau ibu hanya bertujuan untuk penelitian semata yang akan

di tampilkan secara kolektif dalam bentuk angka yang berguna untuk ilmu pengetahuan.

Saya sampaikan penghargaan dan rasa terima kasih setinggi tingginya atas keikhlasan bapak/ibu untuk berpartisipasi dalam pengisian kuesioner ini. Terimakasih & *wassalamu'alaikum warahmatullahi wabarakatuh*.

Dosen Pembimbing

Johan Arifin,, S.E., M.si. Ph.D.



Hormat saya,

Rahmat Hardianto Putra

KUESIONER PENELITIAN

FAKULTAS EKONOMI

JURUSAN AKUTANSI

UNIVERSITAS ISLAM INDONESIA YOGYAKARTA



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

KUESIONER MENGENAI

**EFEK LOCUS OF CONTROL DAN MOTIVASI TERHADAP
HUBUNGAN ANTARA PARTISIPASI ANGGARAN DAN
KESENJANGAN ANGGARAN SERTA EFEKNYA TERHADAP
PERFORMA MANAGER**

Data Responden:

Nama instansi : _____

Tgl.Pengisian:_____

Jabatan

: _____

Jenis kelamin : laki laki; Perempuan

Pendidikan terakhir : SMA : D.3 : S-1 : S-2 : S-3

Jurusan : Akutansi Eknomi/non akutansi

Non-ekonomi

Lama bekerja di posisi saat ini : _____ tahun

Lama bekerja di instansi terkait : _____ tahun

Petunjuk pengisian kuisisioner:

Berilah tanda silang (x) atau centang (✓) pada jawaban yang di kehendaki dan sesuai dengan pemahaman bapak/ibu

I. Umum

1. Bapak/Ibu mengerjakan tugas sehari hari (*boleh lebih dari satu jawaban*) :
 - Secara Manual tanpa bantuan computer
 - secara manual dengan bantuan computer
 - dengan aplikasi computer khusus
2. Dasar pembuatan anggaran dalam instansi bapak / ibu berdasarkan dari (*boleh lebih dari 1*)
 - Membandingkan dengan tahun lalu
 - Lebih rendah dari tahun lalu
 - Sama dengan tahun lalu
 - lebih tinggi dari tahun lalu
3. Adakah pelatihan penyusunan anggaran yang pernah bapak/ibu ikuti
 - Pernah
 - Tidak pernah
4. Adakah standar yang di tetapkan oleh atasan terhadap bapak/ibu
 - Ada
 - Tidak ada
5. Bagaimana keadaan realisasi anggaran pada instansi bapak/ibu
 - Sesuai dengan permintaan anggaran
 - kurang dari permintaan anggaran
 - lebih dari permintaan anggaran
6. Bagaimana proses penyusunan anggaran di instansi bapak/ibu
 - ditentukan oleh kantor pusat
 - dibuat oleh seluruh staff manager
 - dibuat oleh manager sendiri
 - dibuat oleh staf anggaran sendiri

II. PARTISIPASI DALAM PENYSUNAN ANGGARAN

Pentunjuk pengisian:

Jawaban dari pertanyaan pertanyaan berikut dapat digunakan untuk menjelaskan pengaruh dan tingkat partisipasi anda dalam penyusunan anggaran yang sebelumnya di gunakan oleh Karsam (2015).

Untuk menjawab pertanyaan ini, silakan berikan tanda (X) atau (✓) pada jawaban yang dianggap paling sesuai dengan bapak/ibu berdasarkan sekala berikut:

1 = Sangat Tidak Setuju (STS)

2 = Tidak Setuju (TS)

3 = Agak tidak setuju (ATS)

4 = Tidak Pasti (TP)

5 = Agak Setuju(AS)

6 = Setuju (S)

7 = Sangat Setuju (SS)

PERTANYAAN	1	2	3	4	5	6	7
1. Anda memiliki pengaruh yang besar dalam penyusunan anggaran	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Anda memiliki pengaruh yang kecil dalam penyusunan anggaran	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Sebagian besar penepatan anggaran berada dalam pengendalian anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Anda selalu meminta pendapat dalam pembuatan anggaran	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Keputusan penganggaran diputuskan berdasarkan keputusan anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

III. KESENJANGAN ANGGARAN

Jawaban pertanyaan berikut ditujukan untuk mengetahui dan menjelaskan kesenjangan anggaran yang terjadi dalam penyusunan anggaran, yang sebelumnya di gunakan oleh Karsam (2015).

Untuk menjawab pertanyaan ini, silakan berikan tanda (X) atau (✓) pada jawaban yang dianggap paling sesuai dengan bapak/ibu berdasarkan sekala yang sama.

1 = Sangat Tidak Setuju (STS)

2 = Tidak Setuju (TS)

3 = Agak tidak setuju (ATS)

4 = Tidak Pasti (TP)

5 = Agak Setuju(AS)

6 = Setuju (S)

7 = Sangat Setuju (SS)



PERTANYAAN	1	2	3	4	5	6	7
1. Standar dalam pembuatan anggaran mendorong produktifitas yang tinggi dalam wilayah tanggung jawab anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Anda dapat memastikan pelaksanaan anggaran pada departemen anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Anda harus memperhatikan setiap pengeluaran dari departemen anda dikarenakan keterbatasan jumlah anggaran	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Anggaran yang menjadi tanggung jawab anda tidak memiliki begitu tinggi tuntutan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Target anggaran yang ada tidak membuat anda ingin meningkatkan tingkat efisiensi departemen anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Sasaran dalam anggaran anda sangat sulit untuk dicapai atau direalisasikan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

IV. KINERJA MANAGERIAL

Jawaban dari pertanyaan di bawah dapat menjelaskan kinerja managerial, dan akan di kalkulasi secara kumulatif berdasarkan data yang di terima, instrumen instrumen berikut pernah di pakai dalam penelitian Karsam (2015)

Untuk menjawab pertanyaan ini, silakan berikan tanda (X) atau (✓) pada jawaban yang dianggap paling sesuai dengan bapak/ibu berdasarkan sekala mengenai tingkat kinerja manager pada departemen anda

PERTANYAAN	Dibawah rata - rata			Seusai rata - rata			Diatas rata - rata		
	1	2	3	4	5	6	7	8	9
1. Perencanaan Menentukan tujuan, kebijakan dan penganggaran, merancang prosedur dan pemrograman	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Investigasi Mengumpulkan dan menyampaikan informasi untuk catatan, laporan dan rekening, mengukur hasil, menentukan persediaan dana analisis pekerjaan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Pengkoordinasi Melakukan pertukaran informasi dengan bagian lain demi peningkatan dan penyesuaian program, memiliki hubungan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

dengan bagian lain, memberikan informasi mengenai departemen kepada bagian lain									
4. Evaluasi Menilai dan mengukur : proposal, kinerja yang diamati atau dilaporkan, penilaian pegawai, penilaian catatan hasil, penilaian laporan keuangan dan pemeriksaan hasil akhir / produk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Pengawasan Mengarahkan, memimpin dan mengembangkan bawahan anda. Melatih dan menjelaskan perturan pada bawahan. Memberikan tugas dan menagani keluhan pekerjaan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Pemilihan Staff Mempertahankan angkatan kerja di bagian anda, Ikut ambil alih dalam perekrutan, penempatan dan promosi serta mutasi pegawai di departemen anda.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Negosiasi Melakukan kontrak mengenai pemasokan dalam departemen anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

V. MOTIVASI

Pertanyaan ini digunakan untuk mendapatkan pengertian atas motivasi bapak / ibu dalam menjalani pekerjaan. Pertanyaan di kembangkan berdasarkan teori yang sebelumnya di gunakan untuk mengetahui motivasi seseorang dalam melakukan pekerjaan.

Untuk menjawab pertanyaan ini, silakan berikan tanda (X) atau (✓) pada jawaban yang dianggap paling sesuai dengan bapak/ibu berdasarkan sekala mengenai tingkat motivasi anda.

1 = Sangat Tidak Setuju (STS)

2 = Tidak Setuju (TS)

3 = Agak tidak setuju (ATS)

4 = Tidak Pasti (TP)

5 = Agak Setuju(AS)

6 = Setuju (S)

7 = Sangat Setuju (SS)

PERTANYAAN	1	2	3	4	5	6	7
1. Anda bekerja dengan harapan untuk mendapatkan upah yang adil dan sesuai	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Sistem Reward atas keberhasilan pencapaian target budget anda dapat memotivasi anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Punishment atas kegagalan pencapaian target memotivasi anda untuk bekerja lebih	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Anda mendapatkan bonus atas hasil pencapaian anda yang telah anda buat dalam planning budget	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Reward yang diberikan sudah cukup atas pencapaian yang anda buat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Anda mendapatkan jaminan hari tua yang cukup dapat dipercaya	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Anda merasa senang dengan tunjangan yang diberikan kepada anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

VI. Locus of Control

Locus of control digunakan untuk menentukan kepercayaan diri anda atas keberhasilan yang telah anda capai. Kepercayaan ini berdasarkan 2 variable yaitu internal dan external (Wengrzyn, n.d.).

Untuk menjawab pertanyaan ini, silakan berikan tanda (X) atau (✓) pada jawaban yang dianggap paling sesuai dengan bapak/ibu berdasarkan skala mengenai Locus of Control yang anda rasakan.

1 = Sangat Tidak Setuju (STS)

2 = Tidak Setuju (TS)

3 = Agak tidak setuju (ATS)

4 = Tidak Pasti (TP)

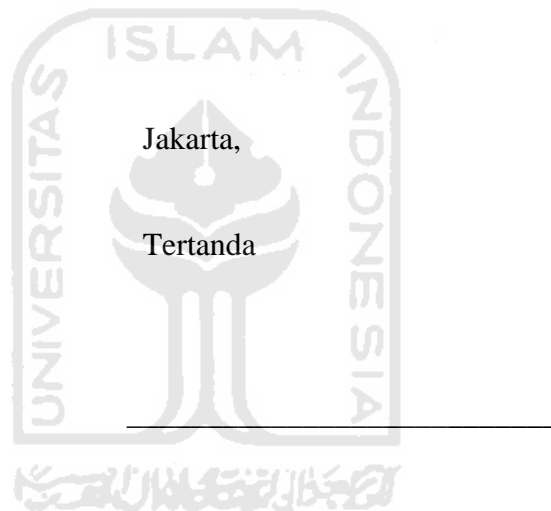
5 = Agak Setuju(AS)

6 = Setuju (S)

7 = Sangat Setuju (SS)

PERTANYAAN	1	2	3	4	5	6	7
1. Anda percaya akan adanya takdir	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Anda percaya bahwa apa yang anda capai saat ini sudah di tentukan dari awal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Anda percaya bahwa apa yang telah anda capai merupakan keberuntungan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Anda yakin dengan kemampuan yang anda miliki untuk menjalankan pekerjaan anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Anda memiliki tanggung jawab yang besar atas apa yang anda kerjakan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Menurut anda pekerjaan anda bisa di dapatkan karena hasil dari pendidikan yang telah anda capai	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Anda berhasil sampai pada posisi saat ini karena usaha anda sendiri	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Anda merupakan orang yang tidak mudah menyerah dan dapat mengembang tugas sesuai dengan kemampuan anda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Terima Kasih yang sebesar besarnya atas ketersediaan waktu bapak/ibu untuk mengisi kuisisioner ini, apabila telah selesai diisi harap di kembalikan ke amplop yang tersedia. Terima kasih saya ucapkan sekali lagi, *wassalamu'alaikum warahmatullahi wabarakatuh.*

Appendix 2 : Tabulation of Questionnaire Data

NO	GENDER	WORKING PERIOD	EDUCATION	POSITION
1	female	22	S2	Head of Districts
2	female	2	S1	associate managers
3	female	1,5	S2	associate managers
4	male	20	S1	associate managers
5	female	27	S2	associate managers
6	male	0	S2	associate managers
7	male	6	S2	Head of Districts
8	male	21	S2	Head of Subdistricts
9	male	30	S2	Head of Subdistricts
10	male	9	S2	Head of Districts
11	male	0	S1	Head of Subdistricts
12	male	15	S2	Head of Subdistricts
13	female	0	S1	Head of Subdistricts
14	male	11	S2	Head of Subdistricts
15	male	2	S1	associate managers
16	male	6	S1	Managers
17	male	18	S2	associate managers
18	female	21	S2	managers
19	female	23	S2	associate managers
20	female	35	S2	associate managers
21	male	20	S1	associate managers
22	male	30	S2	associate managers
23	female	20	S1	associate managers
24	female	18	S1	associate managers
25	male	20	S1	associate managers
26	male	29	S1	Head of Subdistricts
27	male	12	S2	associate managers
28	male	10	S2	associate managers
29	female	30	S2	Managers
30	female	23	S1	associate managers
31	male	25	S1	Managers
32	female	32	S2	associate managers
33	male	20	S1	Managers
34	male	10	S1	Head of Subdistricts
35	male	26	S1	associate managers
36	female	21	S2	Head of Districts
37	male	6	S1	Head of Subdistricts
38	male	22	S1	Head of Subdistricts
39	male	5	S1	Head of Subdistricts

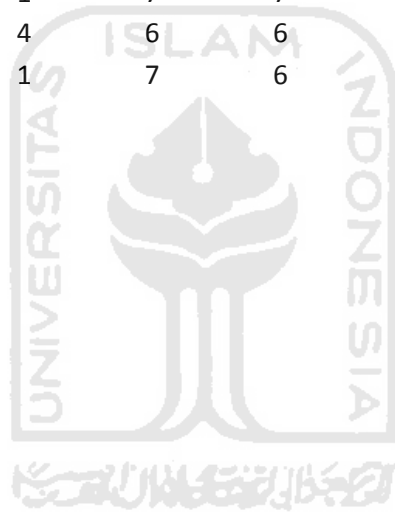
40	female	4	S2	Head of Districts
41	male	1	S1	Head of Subdistricts
42	male	2	S1	Head of Subdistricts
43	male	2	S2	Head of Subdistricts
44	male	1	D3	Head of Subdistricts
45	female	2	S1	Head of Subdistricts
46	male	6	S1	Head of Subdistricts
47	male	10	S2	associate managers
48	male	26	S1	Head of Subdistricts
49	male	11	S1	Head of Subdistricts
50	male	20	S1	Head of Subdistricts
51	female	1	S2	Head of Subdistricts
52	female	18	S1	Head of Subdistricts
53	male	18	S2	Head of Subdistricts
54	male	27	S2	Head of Subdistricts
55	male	27	S1	Head of Subdistricts



Participative Budgeting

No	Q1	Q2	Q3	Q4	Q5	X1	Mean
1	6	2	6	6	6	26	5,2
2	1	2	1	7	2	13	2,6
3	5	3	4	6	5	23	4,6
4	5	4	5	6	5	25	5
5	6	1	2	6	5	20	4
6	6	6	6	6	2	26	5,2
7	7	1	6	6	6	26	5,2
8	6	2	4	6	7	25	5
9	6	2	7	6	6	27	5,4
10	6	2	6	7	5	26	5,2
11	4	4	6	6	5	25	5
12	6	2	2	6	2	18	3,6
13	4	4	4	4	4	20	4
14	5	3	6	6	5	25	5
15	7	1	7	7	6	28	5,6
16	7	1	6	6	2	22	4,4
17	3	5	5	5	5	23	4,6
18	2	2	2	6	2	14	2,8
19	6	3	2	6	2	19	3,8
20	2	3	2	6	2	15	3
21	2	4	2	4	2	14	2,8
22	5	4	4	6	4	23	4,6
23	4	4	6	5	3	22	4,4
24	3	6	2	6	1	18	3,6
25	4	4	4	6	3	21	4,2
26	6	2	3	6	3	20	4
27	6	3	6	7	2	24	4,8
28	5	2	5	6	6	24	4,8
29	6	2	6	6	2	22	4,4
30	6	2	2	6	2	18	3,6
31	6	2	2	6	2	18	3,6
32	2	2	6	6	2	18	3,6
33	4	4	6	6	2	22	4,4
34	2	2	2	5	2	13	2,6
35	7	1	1	7	1	17	3,4
36	5	3	5	6	2	21	4,2
37	6	6	6	1	6	25	5
38	6	4	3	6	2	21	4,2
39	1	7	1	1	1	11	2,2

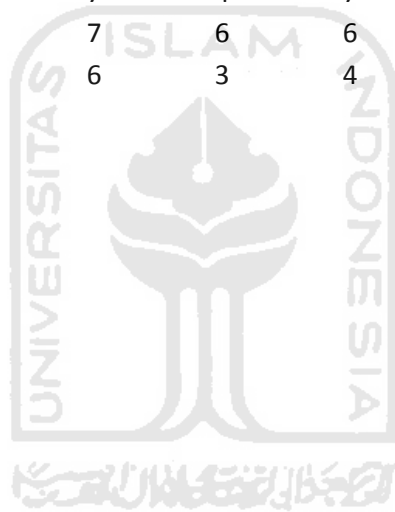
40	6	6	1	6	1	20	4
41	4	4	4	5	4	21	4,2
42	6	2	2	6	6	22	4,4
43	6	1	6	5	5	23	4,6
44	5	3	1	6	1	16	3,2
45	6	2	6	6	6	26	5,2
46	6	2	7	6	4	25	5
47	6	2	6	6	2	22	4,4
48	5	2	2	25	4	38	7,6
49	6	2	6	7	4	25	5
50	6	2	2	1	1	12	2,4
51	6	2	5	7	4	24	4,8
52	1	2	6	7	2	18	3,6
53	7	1	7	7	1	23	4,6
54	6	4	6	6	6	28	5,6
55	7	1	7	6	6	27	5,4



Motivation

No	Q1	Q2	Q3	Q4	Q5	Q6	Q7	X2	MEAN
1	6	7	6	5	6	6	7	43	6,14
2	6	7	7	5	5	7	7	44	6,29
3	6	6	6	6	6	5	6	41	5,86
4	6	6	6	6	6	5	6	41	5,86
5	6	5	6	2	6	6	7	38	5,43
6	6	6	6	2	5	4	6	35	5,00
7	7	7	6	6	6	4	6	42	6,00
8	7	7	6	7	6	7	7	47	6,71
9	2	7	7	4	6	7	6	39	5,57
10	5	6	6	5	6	6	6	40	5,71
11	5	7	7	6	5	6	6	42	6,00
12	2	6	6	2	6	6	6	34	4,86
13	6	6	6	5	6	6	6	41	5,86
14	6	6	6	6	6	6	6	42	6,00
15	7	7	7	1	7	7	6	42	6,00
16	5	5	5	6	7	6	6	40	5,71
17	6	6	6	6	6	6	6	42	6,00
18	5	6	6	6	5	6	6	40	5,71
19	6	6	6	6	6	6	6	42	6,00
20	6	6	6	5	6	3	6	38	5,43
21	6	2	6	1	5	5	6	31	4,43
22	6	6	6	4	7	6	7	42	6,00
23	6	6	6	6	6	6	6	42	6,00
24	6	6	6	6	6	6	6	42	6,00
25	6	7	7	6	6	6	6	44	6,29
26	6	6	6	6	6	6	6	42	6,00
27	6	6	7	6	6	7	7	45	6,43
28	6	6	6	6	6	5	6	41	5,86
29	6	6	6	5	5	5	5	38	5,43
30	6	6	6	3	6	3	6	36	5,14
31	6	6	6	3	6	3	6	36	5,14
32	4	6	6	6	6	6	6	40	5,71
33	2	6	6	2	2	6	6	30	4,29
34	7	7	7	7	7	7	7	49	7,00
35	6	6	6	6	6	6	6	42	6,00
36	6	6	6	6	6	6	6	42	6,00
37	7	7	7	7	7	7	7	49	7,00
38	6	6	6	6	6	6	6	42	6,00
39	1	1	1	1	1	1	1	7	1,00

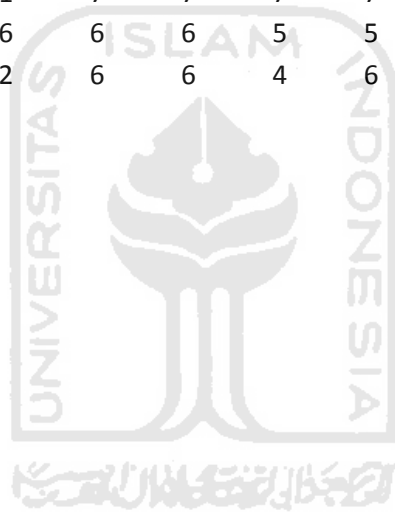
40	6	7	6	2	5	7	7	40	5,71
41	5	5	5	5	5	5	5	35	5,00
42	6	6	6	3	5	4	5	35	5,00
43	7	7	7	1	7	6	7	42	6,00
44	6	6	6	5	6	6	6	41	5,86
45	7	7	7	1	7	7	7	43	6,14
46	7	7	7	7	7	6	7	48	6,86
47	7	7	7	6	7	7	7	48	6,86
48	6	7	7	6	3	5	7	41	5,86
49	7	7	7	7	6	6	6	46	6,57
50	7	7	6	2	6	6	7	41	5,86
51	1	6	6	3	6	6	6	34	4,86
52	6	6	7	4	6	5	6	40	5,71
53	7	7	7	4	7	7	7	46	6,57
54	7	7	7	6	6	6	6	45	6,43
55	6	6	6	3	4	5	6	36	5,14



Locus of Control

No	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	X3	MEAN
1	7	7	2	7	7	6	2	7	45	5,63
2	3	6	2	7	7	6	6	7	44	5,50
3	6	5	6	6	7	6	6	7	49	6,13
4	7	5	5	6	6	6	6	6	47	5,88
5	7	4	6	7	6	6	6	6	48	6,00
6	7	6	2	6	6	6	6	6	45	5,63
7	6	6	6	6	7	6	6	6	49	6,13
8	3	3	2	7	7	6	6	7	41	5,13
9	7	3	2	7	7	6	3	6	41	5,13
10	6	5	2	6	6	5	6	6	42	5,25
11	6	3	4	6	6	4	4	6	39	4,88
12	6	2	2	6	6	6	6	7	41	5,13
13	4	4	2	6	6	6	6	6	40	5,00
14	7	6	3	6	6	6	6	6	46	5,75
15	7	1	1	7	7	6	7	7	43	5,38
16	7	1	6	7	7	7	4	6	45	5,63
17	6	5	6	6	7	7	6	6	49	6,13
18	7	7	6	6	6	6	6	6	50	6,25
19	7	7	6	6	6	6	6	6	50	6,25
20	7	5	3	6	6	2	5	6	40	5,00
21	1	1	1	6	6	5	6	7	33	4,13
22	7	7	3	7	7	6	4	7	48	6,00
23	7	7	2	6	6	6	2	6	42	5,25
24	7	7	3	7	7	6	2	6	45	5,63
25	7	7	2	6	6	6	2	6	42	5,25
26	6	6	2	6	6	6	2	6	40	5,00
27	7	7	6	7	7	7	2	7	50	6,25
28	7	7	2	6	6	6	2	6	42	5,25
29	7	5	5	6	6	5	5	6	45	5,63
30	7	6	2	6	6	6	2	6	41	5,13
31	7	6	2	6	6	6	2	6	41	5,13
32	6	5	5	6	6	6	6	6	46	5,75
33	6	5	4	6	6	6	6	6	45	5,63
34	6	3	3	7	7	6	6	7	45	5,63
35	7	7	2	7	7	7	2	7	46	5,75
36	6	6	3	6	7	7	7	7	49	6,13
37	7	2	2	7	7	7	6	7	45	5,63
38	7	7	5	7	7	7	7	7	54	6,75
39	1	1	1	1	1	1	1	1	8	1,00

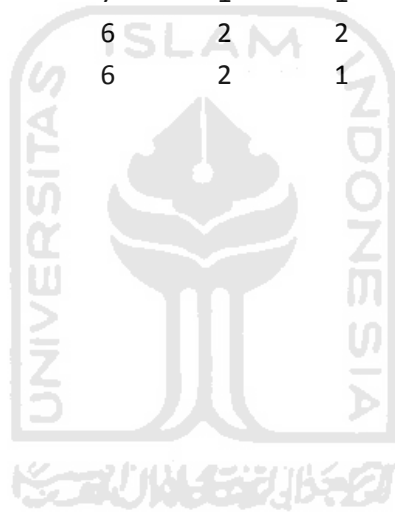
40	1	1	2	6	6	6	6	6	34	4,25
41	5	5	5	5	5	5	5	5	40	5,00
42	4	3	3	6	6	6	3	6	37	4,63
43	7	7	4	7	7	6	6	7	51	6,38
44	7	1	2	7	6	6	2	5	36	4,50
45	6	6	6	7	7	7	7	7	53	6,63
46	7	7	6	7	7	6	7	7	54	6,75
47	6	5	5	6	6	4	5	6	43	5,38
48	7	7	5	7	6	5	5	6	48	6,00
49	7	6	6	6	6	7	6	6	50	6,25
50	6	6	2	7	6	6	6	6	45	5,63
51	6	5	5	6	6	6	5	6	45	5,63
52	7	5	2	6	7	6	5	7	45	5,63
53	7	7	1	7	7	7	7	7	50	6,25
54	7	7	6	6	6	5	5	6	48	6,00
55	7	7	2	6	6	4	6	6	44	5,50



Budgetary Slack

No	Q1	Q2	Q3	Q4	Q5	Q6	Z	Mean
1	6	6	6	2	2	2	24	4,00
2	6	6	7	2	1	1	23	3,83
3	6	5	6	5	2	5	29	4,83
4	6	5	6	5	2	5	29	4,83
5	6	6	5	4	3	2	26	4,33
6	6	6	6	2	6	2	28	4,67
7	7	6	7	2	2	1	25	4,17
8	6	6	6	6	6	6	36	6,00
9	6	6	6	4	1	2	25	4,17
10	6	6	6	5	2	2	27	4,50
11	6	6	4	3	3	4	26	4,33
12	6	6	2	2	2	2	20	3,33
13	6	6	7	3	2	2	26	4,33
14	6	6	5	2	2	3	24	4,00
15	7	7	7	1	1	1	24	4,00
16	6	6	6	2	2	2	24	4,00
17	6	6	6	5	5	3	31	5,17
18	6	6	6	2	2	2	24	4,00
19	6	6	6	6	2	2	28	4,67
20	6	6	6	3	2	6	29	4,83
21	2	6	2	2	2	2	16	2,67
22	6	6	6	2	2	6	28	4,67
23	6	5	6	2	2	4	25	4,17
24	4	5	7	2	2	3	23	3,83
25	6	5	6	3	2	4	26	4,33
26	6	6	6	6	2	1	27	4,50
27	7	6	6	2	2	2	25	4,17
28	6	5	5	2	2	2	22	3,67
29	5	6	6	2	2	2	23	3,83
30	6	4	6	2	2	2	22	3,67
31	6	4	6	2	2	2	22	3,67
32	6	6	6	2	2	2	24	4,00
33	6	6	6	1	2	1	22	3,67
34	2	6	6	2	1	2	19	3,17
35	1	7	7	1	1	1	18	3,00
36	6	5	6	6	2	3	28	4,67
37	1	1	1	6	6	7	22	3,67
38	6	6	6	2	2	6	28	4,67
39	1	1	1	7	7	7	24	4,00

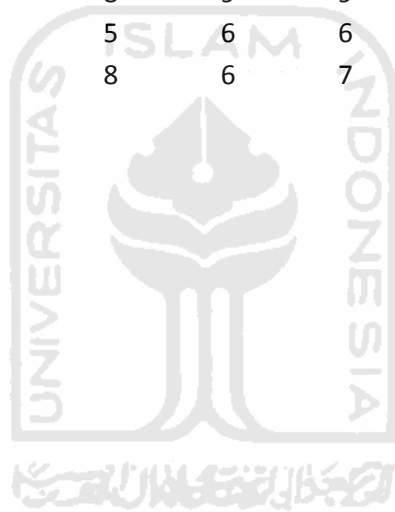
40	4	6	6	2	2	2	22	3,67
41	5	5	5	3	3	4	25	4,17
42	6	6	6	5	3	3	29	4,83
43	5	5	5	4	4	5	28	4,67
44	7	2	6	2	2	4	23	3,83
45	7	7	7	2	6	2	31	5,17
46	7	7	7	3	2	2	28	4,67
47	6	6	6	2	2	3	25	4,17
48	6	7	7	6	2	2	30	5,00
49	6	6	6	2	1	2	23	3,83
50	6	4	6	6	2	2	26	4,33
51	6	6	6	2	1	2	23	3,83
52	6	6	6	2	2	4	26	4,33
53	7	7	7	1	1	4	27	4,50
54	7	6	6	2	2	2	25	4,17
55	7	6	6	2	1	2	24	4,00



Managerial Performance

No	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Y	
1	8	8	8	8	8	8	6	7	53
2	6	8	8	7	5	7	7	7	48
3	6	7	6	8	7	6	5	45	
4	6	7	6	8	7	6	5	45	
5	8	6	7	6	7	6	6	46	
6	5	5	5	5	5	3	3	31	
7	7	8	8	9	8	8	7	55	
8	7	7	8	8	8	7	6	51	
9	8	8	8	8	9	8	6	55	
10	6	6	8	6	8	3	3	40	
11	4	4	4	4	4	4	4	28	
12	6	6	2	7	7	7	7	42	
13	7	7	6	6	6	6	6	44	
14	6	6	8	8	8	6	6	48	
15	6	6	6	6	6	8	1	39	
16	8	7	8	7	7	5	5	47	
17	4	5	5	6	5	6	5	36	
18	6	6	6	6	6	6	6	42	
19	7	7	7	7	7	5	5	45	
20	8	7	8	8	7	7	2	47	
21	8	1	8	8	7	7	7	46	
22	6	6	7	7	6	7	7	46	
23	7	7	7	7	7	7	7	49	
24	7	7	7	7	7	7	7	49	
25	7	7	7	7	7	6	6	47	
26	6	6	7	7	6	6	6	44	
27	9	9	9	9	9	9	8	62	
28	6	6	8	8	8	7	3	46	
29	8	8	8	8	8	6	8	54	
30	6	6	7	7	7	5	2	40	
31	6	6	7	7	7	5	2	40	
32	6	6	5	6	6	4	5	38	
33	6	6	6	7	7	4	5	41	
34	9	8	8	9	8	2	8	52	
35	8	8	8	8	8	7	7	54	
36	8	8	7	7	7	3	3	43	
37	6	6	7	7	7	7	8	48	
38	7	7	7	8	7	7	1	44	
39	8	7	8	7	8	5	5	48	

40	5	7	7	7	8	7	7	48
41	4	6	7	7	7	6	6	43
42	8	8	8	8	8	8	2	50
43	8	7	8	8	7	5	8	51
44	8	6	7	9	7	6	6	49
45	7	6	7	7	7	2	6	42
46	6	5	7	6	7	7	5	43
47	8	8	8	8	8	7	7	54
48	6	6	6	6	8	3	3	38
49	8	8	9	9	9	6	7	56
50	6	6	7	6	6	5	4	40
51	6	6	7	6	7	7	5	44
52	8	7	7	8	9	7	7	53
53	9	9	8	9	9	3	7	54
54	6	5	5	6	6	4	6	38
55	6	7	8	6	7	6	5	45



Appendix 3: Research Testing Results

Descriptive Statistics

	<i>PB</i>	<i>M</i>	<i>LoC</i>	<i>BS</i>	<i>MP</i>
Mean	4,74	5,89	5,64	5,31	6,10
Standard Error	0,16	0,09	0,13	0,16	0,20
Median	5,00	5,86	5,88	5,67	6,43
Mode	4,60	6,00	5,63	5,83	6,86
Standard Deviation	1,18	0,66	0,93	1,18	1,51
Sample Variance	1,40	0,44	0,87	1,39	2,27
Kurtosis	0,56	5,46	2,23	1,39	0,13
Skewness	-0,93	-1,26	-1,54	-1,34	-0,81
Range	5,20	4,00	4,00	5,00	6,57
Minimum	1,60	3,00	3,00	2,00	2,29
Maximum	6,80	7,00	7,00	7,00	8,86
Sum	260,60	323,86	310,00	291,83	335,71
Count	55,00	55,00	55,00	55,00	55,00
Largest(1)	6,80	7,00	7,00	7,00	8,86
Smallest(1)	1,60	3,00	3,00	2,00	2,29
Confidence Level(95,0%)	0,32	0,18	0,25	0,32	0,41

R-Square Coefficient

PB	MOT	LOC	BS	PERF	MOT*PB	LOC*PB
			0.571	0.594		

Composite Reliability Coefficients

PB	MOT	LOC	BS	PERF	MOT*PB	LOC*PB
0.915	0.891	0.915	0.960	0.953	0.983	0.978

Cronbachs Alpha Test

PB	MOT	LOC	BS	PERF	MOT*PB	LOC*PB
0.882	0.854	0.888	0.950	0.940	0.981	0.975

Average Variance Extracted

PB	MOT	LOC	BS	PERF	MOT*PB	LOC*PB
0.683	0.548	0.588	0.800	0.748	0.631	0.540



Appendix 4: Research Permission Letter



PEMERINTAH PROVINSI DAERAH KHUSUS IBUKOTA JAKARTA
KANTOR PELAYANAN TERPADU SATU PINTU
KOTA ADMINISTRASI JAKARTA UTARA
Jalan Yos Sudarso 27-29 Tanjung Priok telepon 0214303435 Faksimile 4303495
Website : utara.jakarta.go.id Email : ptsp_ju@yahoo.com
JAKARTA

Kode Pos : 14330

KEPUTUSAN KEPALA KANTOR PTSP KOTA ADMINISTRASI JAKARTA UTARA

NOMOR ~~192/1.15/~~ 2016

TENTANG

PEMBERIAN IZIN PENELITIAN KEPADA PENELITI
ATAS NAMA RAHMAT HARDIANTO PUTRA

DENGAN RAHMAT TUHAN YANG MASA ESA

KEPALA KANTOR PTSP KOTA ADMINISTRASI JAKARTA UTARA,

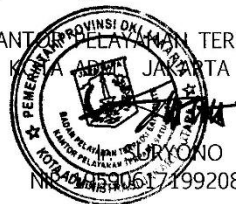
- Menimbang : a. bahwa sehubungan dengan Nota Dinas Kepala Kantor Kesatuan Bangsa dan Politik Kota Administrasi Jakarta Utara Nomor 608/-1.862.5 tanggal 25 Mei 2016 hal Permohonan Izin Penelitian;
- b. bahwa berdasarkan pertimbangan sebagaimana dimaksud dalam huruf a, perlu menetapkan Keputusan Kepala Kantor Pelayanan Terpadu Satu Pintu tentang Pemberian Izin Penelitian kepada Peneliti dimaksud.
- Mengingat : 1. Undang-Undang Nomor 32 tahun 2004 tentang Pemerintahan Daerah sebagaimana telah beberapa kali diubah, terakhir dengan Undang-Undang Nomor 12 Tahun 2008;
2. Undang-Undang Nomor 29 tahun 2007 tentang Pemerintahan Provinsi DKI Jakarta sebagai Ibukota Negara Kesatuan Republik Indonesia;
3. Undang-Undang Nomor 12 tahun 2011 tentang Pembentukan Peraturan Perundang-undangan;
4. Peraturan Daerah Nomor 12 Tahun 2013 tentang Pelayanan Terpadu Satu Pintu;
5. Peraturan Gubernur Nomor 47 Tahun 2011 tentang Pedoman Pelayanan Izin Penelitian di Provinsi DKI Jakarta;
6. Peraturan Gubernur Nomor 57 Tahun 2014 tentang Pelaksanaan Peraturan Daerah Nomor 12 Tahun 2014 tentang Pelayanan Terpadu Satu Pintu.

MEMUTUSKAN

- Menetapkan : KEPUTUSAN KEPALA KANTOR PELAYANAN TERPADU SATU PINTU KOTA ADMINISTRASI JAKARTA UTARA TENTANG PEMBERIAN IZIN PENELITIAN KEPADA PENELITI ATAS NAMA RAHMAT HARDIANTO PUTRA
- KESATU : Memberikan Izin Penelitian kepada peneliti atas nama RAHMAT HARDIANTO PUTRA Mahasiswa Fakultas Bisnis dan Ekonomi Universitas Islam Indonesia
- KEDUA : Izin sebagaimana dimaksud pada diktum KESATU adalah Izin Penelitian dengan judul "The effect of Locus of Control and Motivation towards the Relationship between Participative Budgeting and Budgetary Slack on the Effect of Managerial Performance" diberikan selama 3 (tiga) Bulan TMT 26 Mei 2016 s.d. 26 Agustus 2016 di UKPD, 6 Kecamatan dan 31 Kelurahan Lingkungan Kota Administrasi Jakarta Utara.
- KETIGA : Pemegang izin sebagaimana dimaksud pada diktum KESATU wajib menyampaikan laporan tertulis kepada Kepala Kantor Pelayanan Terpadu Satu Pintu Kota Administrasi Jakarta Utara dengan tembusan kepada Kepala Kantor Kesatuan Bangsa dan Politik Kota Administrasi Jakarta Utara, tentang kegiatan yang telah dilaksanakan, paling lama satu bulan setelah habis masa berlakunya izin untuk mendapatkan rekomendasi publikasi.
- KEEMPAT : Peneliti dapat melakukan publikasi hasil penelitian jika laporan sebagaimana dimaksud pada diktum KETIGA telah diterima dan mendapatkan rekomendasi publikasi.
- KELIMA : Keputusan ini mulai berlaku pada tanggal ditetapkan.

Ditetapkan di Jakarta
pada tanggal 26 Mei 2016

KEPALA KANTOR PELAYANAN TERPADU SATU PINTU
KOTA ADMINISTRASI JAKARTA UTARA,



Tembusan :

1. Kepala Badan PTSP Provinsi DKI Jakarta
2. Kepala Kantor Kesbangpol Kota Adm. Jakarta Utara
3. Ketua Jurusan Bisnis dan Ekonomi Universitas Islam Indonesia
4. Para Ka. UKPD Se Kota Administrasi Jakarta Utara
5. Para Camat Se Kota Administrasi Jakarta Utara
6. Para Lurah Se Kota Administrasi Jakarta Utara
7. Peneliti ybs