

THE ANTECEDENT AND CONSEQUENCES OF ACTUAL PARTICIPATION: THE EFFECT OF SITUATIONAL PARTICIPATION AND PLURIFORM MOTIVATION ON THE PERFORMANCE OF UNIVERSITY STRUCTURAL OFFICERS

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Abstract—This research investigates the relationship between situational participation, motivational pluriformity, actual cooperation in budgeting and managerial performance. Data was collected from 131 structural officials of universities in Indonesia. The results of the survey indicate that situational participation significantly influences budget cooperation, which impact on its achievement. Furthermore, motivation pluriformity significantly affects budget participation, related to managerial performance. This is due to the empirical findings, which prove the diversity of the direct relationship between budget participation and performance and further explains the antecedents of why organizations in the private and public sector utilize this technique in controlling administration and evaluating their performance.

Keywords—situational participation, pluriformity motivation, actual participation budgetin.

I. INTRODUCTION

Participatory budgeting is a management concept in accounting and control systems that is often studied and used as a variable in research. Brownell, (1980) stated that partaking in this process takes the form that lower-level members in the organization obtain a sound opportunity in the budget formulation process. The concept is the most central element in administration auditing and practitioners who believe that this has an impact on the organization. Libby & Lindsay, (2010) stated that the process is very relevant if it is designed and implemented by the extensive participation in planning and control. This investigation is not entirely limited to management accounting as contradiction and

failure have been observed in previous research findings. Furthermore, some studies show that attitudes, satisfaction, and performance are benefit obtained from high level of engagement in this process and conversely, others contradict the evaluations or measurements of performance. Therefore, practitioners and academics have not yet concluded if participation in allotment is successful or not.

The budgeting in academic research has the effect of a performance evaluation tool, which is used as an essential point in achieving targets and thus may be a consideration for new research perspectives. Another aspect criticized by practitioners and academics involves its use as a means of control (motivation and evaluation) for organizations (Libby & Lindsay, 2010). Previous Reviews on this studies (eg Brownell, 1982; Derfuss, 2016; Nouri & Kyj, 2008 ; Shields & Shields, 1998; Shields & Young, 1993) highlighted that the research focus is on the attitude and responses of subordinates, which were mostly motivation and performance. Previous researches expatiate on understanding the antecedents and causes that explain why organizations use this technique (Chenhall, 2006; Covalesski, Evans, Luft, & Shields, 2006; Hartmann, 2000; Kramer & Hartmann, 2014; Shields & Shields, 1998; Shields & Young, 1993).

This research is based on several motivations. First, it examines three forms of motivation, namely, intrinsic, extrinsic and controlled extrinsic motivation, developed by Wong on Wing (2010), further called pluriform motivation, adapted from the Indonesian Dictionary which has many meanings. Secondly, previous studies did not explicitly explain why companies use this procedure, as well as the antecedent factors that influence participation. This study attempts to capture situational involvement developed by Dow *et al.* (2012),

which explains the form of a measurable and actual budget collaboration. This study therefore aims to investigate situational encouragement and pluriform motivation as an antecedent variable that influences the effectiveness of budget participation, utilizing individual performance. Fourthly, this research examines the organization of the educational sector, including university structural officials. Very little research examines the pattern of this process in each establishment that involves the entire process of budgeting.

There is need to fill a field that is not yet conclusive on compliant participation in decision making discussions, whose models provide an understanding of situational partaking conditions and types to achieve organizational success (Clinton & Hunton, 2001; Vroom & Jago, 1988). Its quality and acceptance is also questioned (Brown, 1993). Previous literatures on management accounting and behaviors, offer critical alternatives for mainstream studios, based on economic theory related to accounting in a neutral political-related way that supports goals and a sustainable economy (Arnold & Gillenkirch, 2015; Brownell & Merchant, 2017; Bryer, 2014; Derfuss, 2016). Furthermore, superior types also influence economic predictions and behavior in budgeting (Brink *et al.*, 2018).

In contrast to theoretical explanations, many studies that are not consistent with others were as a result of the research methods applied and the variables that were analyzed (Derfuss, 2016; Libby, 1999; Shields & Shields, 1998). Furthermore, the substantial differences between research and results of the previous study were driven by the influence of artifacts (sampling and measurement errors) (Derfuss, 2016). Budget participation research is still in the position of individual perceptions, involved in making decisions, which can further be developed by observing behaviors in the process, thereby developing research directions by capturing the actual involvement phenomenon as part of the congruence.

II. LITERATURE REVIEW AND HYPOTHESIS

Participatory budgeting is defined as a process in which individuals are involved and have an influence in preparing or setting allocation targets, which directly affect their performance (Brownell, 1982). Personalized questions are a part of the process of exchanging and searching for information, communicated in the preparatory phase (Lau & Buckland, 2001; Marginson & Ogden, 2005; Parker & Kyj, 2006; Penno, 1990). In this context, partaking in allotment is a means to generate cooperation by including the personal contribution of subordinates in determining the budget. Generally, aides have better knowledge on environmental factors than superiors. Furthermore, subject information can reduce risks, thus improve decision quality and profitability (Brink, Coats, & Rankin, 2018).

Shields and Shields (1998) suggested that it is essential not only to understand the consequences of participatory budgeting, but also to investigate previous antecedents. Current studies chose two factors as potential antecedent variables, which include, situational participation and pluriform motivation. They adopt path analysis techniques to explain budget participation and performance, including precedent variables consideration. Barki & Hartwich (1989) distinguished the situational involvement of interests in the activation process, while pluriform motivation is a form of budget participation that was examined by (Wong-on-wing, 2010), which there are four types, including, intrinsic, extrinsic, autonomy and controlled extrinsic motivation. The difference between the two antecedent variables used in this study is essential to separate the budgeting process activities from the psychological aspects of each involved.

a. Hypothesis

Situational participation as a series of behaviors or activities carried out by stakeholders (Dow, Watson & Greenberg, 2012), which took the form of direct or indirect, formal or non-formal, own methods or share decision-making activities (Ettling & Jago, 1988). An analogy from Watson was used, which thus included all parts of the procedure, including providing feedback. This form of participation positively influences job satisfaction, motivation and performance (Earley, 1984 and Linquist, 1995). Researchers suspected that it affects the rise in budgetary involvement because it allows participants to communicate and share information between the parties involved. Wong-on-wing, (2010) Examined participation based on motivation theory in three forms of motivation (pluriform) in banking sector. The results of the study show that they can all influence budgetary participation but only based on the psychological condition of the subject being measured without considering the situation of the process, therefore the researcher proposed the following hypothesis:

H1. There is a direct and positive relationship between situational participation and the structural participation of the university.

H2. There is a direct and positive relationship between pluriform motivation and budget participation of university structural officials.

H3. There is a significant positive relationship between participative budgeting and performance university structural official.

III. METHODS

a. Sample selection

This study uses primary data carried out by survey methods, where participants were structural officials from universities in Indonesia and purposive sampling

method was used for collecting data. These fundamental authorities were chosen because they do participate in the allocation process. Questionnaires were distributed to 200 structural university officials who had unit financial responsibilities and a hundred and thirty-one responses were analyzed further in tests that conform by the research objectives.

Instruments for measurement was developed (Hartwick & Barki, 1989) and three dimensions of pluriform motivation using the tool was designed (Wong-on-wing, 2010). Performance analysis used the mechanisms designed and the last budgeting participation instrument uses a device (Milani, 1975). The entire variable was placed on a scale of 1-7, which indicates that more choice score brings about a higher grade of each variable.

IV. RESULTS AND DISCUSSION

Information on the respondent’s characteristics, regarding the number of years of office with business units in their current position was collected. Furthermore, the participants were university structural officials who on average held one staff position and section head for 3-7 years, on average 24-48 years old and 72% male and 28% female.

Before testing the relationship between situational participation, pluriform motivation, actual budgeting participation, and the performance of university structural officials, the quality of measurement data reliability was checked. Table 1 shows the the dependable measurement of all studies, having 0.875 for actual participation budgeting, 0.975 for performance, 0.868 and 0.927 for pluriform and situational motivation respectively. Therefore, all true variables with a coefficient level above 0.70, supports the use of wavering constructs and indicators in testing hypotheses.

Table 1. Reliabilitas Measures

Variabel	Reliability
Actual participation budgeting	0,875
Performance	0,975
Pluriform motivation	0,868
Situational motivation	0,927

The relationship between the variants examined in this study, uses Partial Least Square (PLS), whose strength is related to the number of research samples and the numerous indicators used by each latent variable. It further provides effective techniques to statistically explain the relationship of variables proposed in this study, of which each scale of the indicator is included in the estimation of the relationship between the dependent and independent variant. The entire PLS process is very similar to the SEM and Regression analysis process as

the following table 2 illustrates the mediating effect by virtue of the p-value model and the fit indices

Table 2. Model Fit and Quality Indexes

Model fit and quality indices	Criterion
Average path coefficient (APC)=0.223,	P=0.002 ***
Average R-squared (ARS)=0.261,	P<0.001 ***
Average adjusted R-squared (AARS)=0.247,	P<0.001 ***
Average block VIF (AVIF)=1.026,	acceptable if <= 5, ideally <= 3.3 ***
Average full collinearity VIF (AFVIF)=1.193,	acceptable if <= 5, ideally <= 3.3***
Tenenhaus GoF (GoF)=0.458,	small >= 0.1, medium >= 0.25, large >= 0.36 ***
Sympson's paradox ratio (SPR)=1.000,	acceptable if >= 0.7, ideally = 1 ***
R-squared contribution ratio (RSCR)=1.000,	acceptable if >= 0.9, ideally = 1 ***
Statistical suppression ratio (SSR)=1.000,	acceptable if >= 0.7***
Nonlinear bivariate causality direction ratio (NLBCDR)=0.800	acceptable if >= 0.7 ***
Note: *** acceptable	

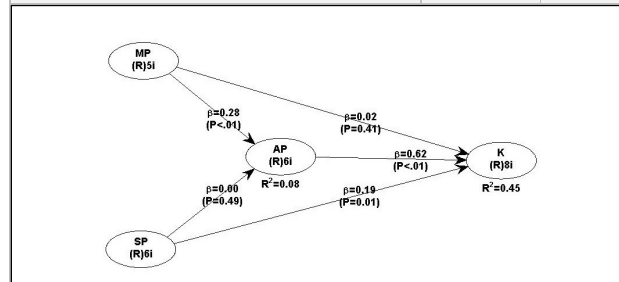
This study provides the latest insight into the motivation of companies to use cooperation allotment, by explaining the antecedent factors of organizations. Participatory budgeting is a process that involves people and is further affected by those who are actively engaged in its process. The system uses a bottom-up approach, which is considered to be creative hence it can possibly be worked with at all levels. The bottom-up system requires the role of employees in budgeting, as their involvement is difficult to determine hence participants tend to use a conservative system based on last year's expenditure and additional costs. This study does not highlight the problems described above, rather, it involves the development of an investigation into the financial process.

The observation of structural officials of the university involved in budgeting units and fields within the university, used situational participation variables

developed (Dow *et al.*, 2012) to observe motivational patterns of organizational participation, influence performance and the pluriform motivation variable, which is a combination of motivation developed by Wong-on-wing, (2010). This study uses both of these variants as antecedents of actual budgetary participation and consequently, estimates their performance. This study proves that pluriform motivation and situational involvement can be as antecedent variables for actual budgeting participation, however, a weak influence on the situational relationship was observed. The description of the research can be observed in table 3 below:

Table 3. Estimated Measurement Coefficients

Standardized Coefficients	Coefficients	p-value
Pluriformity Motivation – Actual Participation Budgeting	0.019	0.001
Situational Participation - Actual Participation Budgeting	0.194	0.486
Actual Participation Budgeting – Performance	0.620	0.001



Note: R² for performance is 0.445, R² for actual participation 0.077

Fig. 1. Model Path Significance Results

Note: MP (pluriform motivation), SP (participation situational), AP (participation actual) and K (performance)

The results of this study confirm the research carried out by Dow *et al.*, (2012), which illustrated that situational participation did not have a direct impact on budgetary participation and motivation however, it directly affected performance. This finding explains that conditional involvement does not adequately provide additional benefits to the situation of the financial process, however, pluriform incitement has a significant positive effect on performance. This results therefore shows that multiform motivation as an antecedent and performance is a consequence of actual financial involvement variables.

The findings of this study have implications in understanding the actual entire concept from previous studies as budgetary participation cannot be observed based on the intrinsic involvement felt by the

participants, rather, on each activity in the actual process. Therefore, this central management control practice does not cause conflict or personal disputes between the parties involved because there was no match between the desire to and actual participation. Breaux, Finn, & Jones, (2011); Leach-lópez *et al.* (2014) and Clinton and Hunton (2001) stated that engagement was related to satisfaction and performance, however, this caused personal conflicts in the process. The incompatibility between perception and actual involvement is therefore an opportunity to be investigated to achieve participation congruence.

V. CONCLUSION

The purpose of this study was to explore the effect of situational and pluriform participation in motivation against the involvement of stakeholders in budgeting and furthermore, the influence on the performance of university structural officials. The results of this study generally indicate the support of the theoretical framework, however, conditional participation factors does not have an impact on budget involvement and it further has a direct influence on the performance of structural officials. This illustrates that in the financial process, individuals had the motivation, however, they do not feel they fit properly in the activities of the process. Furthermore, it is apparent that the management control system, through the promotion of budget participation, applies situational involvement to positively influence performance. Analysis in the actual process of relationship is therefore not consistent with using actual attendance however this is achieved through individual intrinsic engagement (pluriform motivation).

The contribution of this study provides an insight into why the education sector organizations apply participatory budgeting. The results further show that universities implement conditional cooperation and all employees (lecturers) personally feel the involvement by high motivational pluriformity. Reviews enabled the proposal of stakeholders actually participating in activities that are more detailed and related to information sharing, which explains the cause, through the identification of the relationship between the context of budget participation and discussion activities between the participants involved.

This study limitation was that it only captures the reasons for the parties' involvement hence it did not observe how the actual process should be. Furthermore, Subsequent research is expected to capture the phenomenon of congruence in allotment involvement, in order to investigate the participation process by exploring factors that are causal from its activities, which therefore reflects the actual and perceived value of each involved. The use of private university samples that are budgeted was determined before submission to the structural staff and all employees and lecturers rejoice, hearing the following year's budget report.

Subsequent research considers the sample of top management and university owners.

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