

Can Employee Trust and Self-Efficacy Leverage the Relationship Between Participatory In Budgeting and Task Performance?

Full Paper

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Abstract: Tujuan penelitian ini adalah untuk menguji bagaimana partisipasi dalam penyusunan anggaran dapat meningkatkan kinerja karyawan melalui trust dan self-efficacy. Untuk mencapai tujuan penelitian ini, penulis melakukan research study di sektor jasa, khususnya industri perbankan yang terdaftar di bursa efek Indonesia. Berdasarkan 200 lembar kuesioner yang disebarkan kepada karyawan perbankan, penulis memperoleh data sebanyak 89 respondent. Berdasarkan data tersebut, data yang layak untuk kemudian dapat di analisis dengan menggunakan smartPLS adalah 89. Berdasarkan data tersebut, hasil penelitian ini menunjukkan bahwa partisipasi dalam penganggaran dapat meningkatkan kinerja individu baik secara langsung maupun tidak langsung melalui self-efficacy. Akan tetapi, partisipasi anggaran tidak dapat meningkatkan kinerja individu melalui trust. Penelitian ini mempunyai dua aspek kontribusi dalam peningkatan pengetahuan bidang akuntansi manajemen yaitu kontribusi penelitian di industri jasa serta kontribusi penelitian akuntansi management pada kinerja karyawan di level bawah.

Keywords: *Participatory In Budgeting, Employee Trust, Self-Efficacy, Task Performance*

1. Introduction

Studies in relation to budgetary participation affect on individual attitude and behaviors have been attracting attention from numerous authors (Agbejule and Saarikoski 2006; Brownell and Dunk 1991; Jermias and Yigit 2013; Lau and Lim 2002; Leach-López, Stammerjohan and Lee 2009; Leach-López, Stammerjohan and McNair 2007; Uyar and Bilgin 2011). However, researches about this topic seem not consistent (Frucot and White 2006; Jermias and Yigit 2013; Shields and Young 1993). The mixed results stimulate attention from scholars to clarify of the relationship between budgetary participation on individual behavior aspects using various indicators.

Previous studies found that budgetary participation has a positive effect on job satisfaction (Chong, Eggleton and Leong 2006; Frucot and White 2006; Leach-López, Stammerjohan and Lee 2009), organizational commitment (Jermias and Yigit 2013; Noor and Othman 2012), trust (Ni, Su, Chung and Cheng 2009; Sholihin, Pike, Mangena and Li 2011), self-efficacy (Ni, Su, Chung and Cheng 2009), then, lead to the improvement of managerial performance (Chenhall and Brownell 1988; Chong, Eggleton and Leong 2006; Frucot and White 2006; Winata and Mia 2005). For example, Leach-Lopez et. al (2009) explores the relationship between budgetary participation on the South Korea Manager performance and find that budgetary participation enable to improve job satisfaction, then, impact on the improvement of managerial performance. However, most studies about budgetary participation have been widely conducted in developed countries (Jermias and Yigit 2013; Noor and Othman 2012) in particularly in the manufacturing industry. In addition, some authors said that study of management accounting in developing countries, especially in countries (Lindquist and Smith 2009; Scapens and Bromwich 2010), and public sector (Kihn 2010) are very limited. Thus, the aim of this study is to investigate the effect on budgetary participation on individual behavior working at the banking sector in developing country such as in Indonesia. We believe that different sector may results different perspectives that can enrich the academic literature about participation in budgeting.

This study is an extension of Yuliana, Yuliansyah and Oktavia's (2014) study. However, the different of this paper with previous study in several aspects. Firstly, they study was conducted in public sector located in Province of Lampung. This study was conducted in private sector, in particularly in Banking sector. We accomplished the study in the sector as this sector is lack of researcher attention (Chenhall 2003; Kihn 2010; Shields 1997; Yuliansyah and Khan 2015). For example, some scholar note that *'It appears that the lack of empirical studies in the context of service sector, within the management accounting field, is due to the initial inattention and focus of most management accounting literature on the manufacturing industries'* (Yuliansyah and Khan 2015, p. 305) or *'a number of gaps and underresearched yet important areas in the literature were identified in existing management accounting research. They include [...] service sector organizations' [...]* (Kihn 2010, p. 484)

Secondly, Yuliana, Yuliansyah and Oktavia's (2014) article was conducted on middle-upper. Thus, they use a managerial performance as its independent variable. Different from their counterpart, this study is conducted in employee level. We implement the task performance for employees level due to Yuliansyah and Khan's (2015) study. Firstly, study in relation to lower-level employee receive scare attention in management accounting study (Yuliansyah and Khan 2015). Previous studies are more emphasis of management accounting research in higher level management (Burney and Widener 2007; Burney, Henle and Widener 2009; Chenhall 2005; de Harlez and Malagueño 2016; Hall 2008; Hall 2011; Hartmann and Slapničar 2009; Naranjo-Gil and Hartmann 2007; Perego and Hartmann 2009; Sturman, Cheramie and Cashen 2005). Due to limitation of studies in lower-level management, this study provides a fruitful contribution of the development management accounting literature, in particularly for lower-level employees.

Another reason is that, most of organisational strategic in service sector are accomplished by lower-level employees study (Yuliansyah and Khan 2015). For example, in the case of the study –banking Sector, most of costumer services is accomplished by front-line employee. Thus, bad or good service to customer

influence the image of organisation which can affect of organisational performance (Yuliansyah and Khan 2015). This argument inline with Kaplan & Norton (1992) and de Leeuw & van den Berg (2011, p. 224) *'link between performance management and performance improvement implicitly assume that performance management affects behavior of individuals in an organization, which then facilitates the achievement of organizational goals'*.

According above explanation, our research question is:

To what extent does participatory in budgeting enhance individual performance through trust and self-efficacy?

In order to achieve the goal of the study, we do a survey study in Banking Sector. We concur with Johnston, Brignall and Fitzgerald (2002) that we select banking industry as bank is *a reflection of a 'successful' organization*.

This study provide several contributions: Firstly, contribution in relation to an employee's context. Much research has been accomplished in managerial context. To the best of our knowledge that studies, however, that have been conducted in employees performance are scare. Therefore, this study provide a fruitful contribution to management accounting literature how the role of participation in budgetary induce behavioural effect to employees.

Second contribution is about research field. As pointed out earlier that this study is carried out in the service sector. Some scholars such as Chenhall (2003), Kihn(2010), Collier and Gregory (1995; 1995), and (Yuliansyah and Khan 2015) note that study conducted in the service sector is very limited. Some researchers n management accounting is much more interest to investigate studies in manufacturing context (see: Atkinson, Balakrishnan, Booth, Cote, Groot, Malmi, Roberts, Enrico, Uliana and Wu 1997). Hence, this study contributes on the enrichment of management accounting in service sector.

We have organized the paper as follows: Next section (2) is Conceptual Framework and Hipotheses Development; followed by section 3 which is Research Methodology. Section 4 is Results and Explanation. Last section, while, is conclusion and limitation.

2. Conceptual Framework and Hipotheses Development

2.1. Conceptual Framework

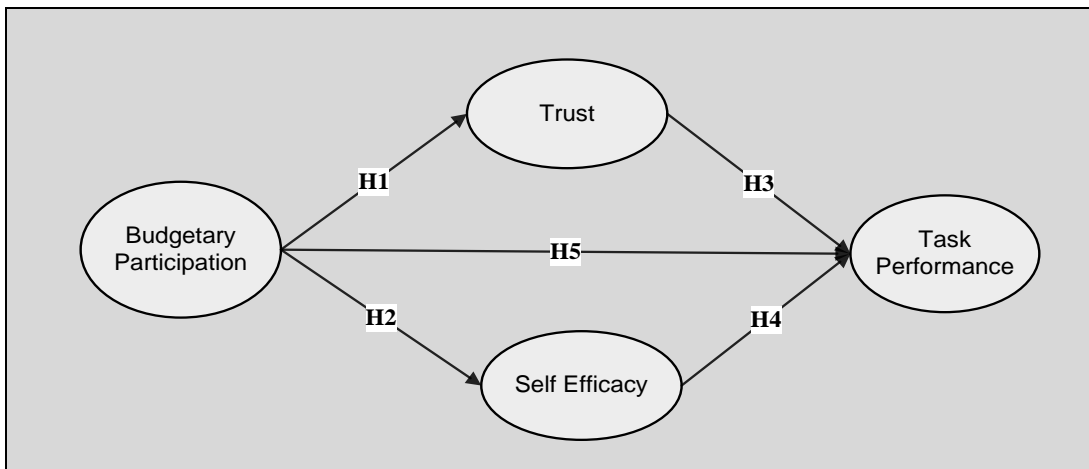
According to the model (Figure 1), we propose that interpersonal trust and self-efficacy mediate the relationship between budgetary participation and task performance. We believe that individual that involve on budgeting participation, this person is be trusted by supervisor. The basic logic is that superior may ask individu to participate in budgeting decision making as individual is trusted that individual can do the employee's voice. Trust to sub-ordinate can be seen by management that employee has skill in certain area. Thus, following argument, Participatory in budgeting decision making can enhance interpersonal trust to employee. Since inter personal trust is built between supervisor and employees, employee try to keep the trust by doing what they should do and avoid unexpected performance that can make trust from supervisor decrease. Automatically, since employees accomplish what supervisor trust to them, it may enhance task performance. In regard of interpersonal trust was built among member of organization to participate in the budget decision making process (Lau and Tan 2006), create higher confidence to achieve the plan based on the agreed plan. If they can do their budget well, their performance is an increase. Therefore, participatory in budgeting create interpersonal trust, in which lead to the increase task performance.

In addition, budgetary also enable to enhance task performance through individual's self-efficacy. Zimmerman(2000, p. 83) re-explain Bandura's (1977) self-efficacy as '*personal judgments of one's capabilities to organize and execute courses of action to attain designated goals, and he sought to assess its level, generality, and strength across activities and contexts*'. Tims, Bakker and Derks (2014) claims that successful of individual performance may also influence by individual self-efficacy. Therefore, they

note (2014) that individual who has a greater self-efficacy may perform well in his/her performance. In contrast lower level of self-efficacy may cause poor performance of employees their job. Finally, employees who join in budgeting process may enhance self-efficacy among them, this can form individual belief that they can do tasks, then, it lead to the improvement of job performance.

According to above explanation, we describe the relationship between budgetary participation, interpersonal trust, and self-efficacy dan task performance with the following Figure 1:

Figure 1: A research Framework



Further detail preposition of conceptual framework of the study is explained through the following hypotheses:

2.2. Hypotheses Development

2.2.1. Participatory in Budgeting and Trust

Trust has been defined by as Rousseau, Sitkin, Burt, & Camerer (1998, p. 395) ‘a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intention or behavior of another’. Previous authors note that trust is originated from the result of good belief to someone that is generated from frequently process of the transactional relationship (Van der Meer-

Kooistra and Vosselman 2000; Vosselman and Meer-Kooistra 2009). Accounting literature suggested that trust is regarded to be outcomes from individual commitment to engage relationship based on the voluntary local choices (Vosselman and Meer-Kooistra 2009)

In the relationship with budgetary participation, previous literatures suggest that trust is an essential factor of participation and cooperative work throughout organizational (Liao, Chang, Cheng and Kuo 2004; Maiga and Jacobs 2007). For example, Lau & Buckland (2001) contended that budgetary participation has a positive association with trust. The obvious reason mentioning the positive association between trust and budgetary participation is that superiors who ask subordinate to involve in budgetary participation process is because they trust subordinate (Lau and Buckland 2001). In addition, trust to subordinates because several factors such as their competency and closeness to their managers (Jermias and Yigit 2013) as well as their position to their position that makes them to involve in budgetary decision making.

Empirical evidence in the management accounting context, several studies (e.g. Lau and Buckland 2001; Ni, Su, Chung and Cheng 2009; Otley 1978) have found that there are a positive relationship between budgetary participation and trust. For example, a study conducted from Lau and Buckland (2001) have found that there are a positive association between budgetary participation and trust. According to these explanations, I propose the following hypothesis:

H₁ : Budgetary participation has a positive effect on trust

2.2.2. Participatory in Budgeting dan Self-Efficacy

Self-efficacy is an individual's confidence about his/her opportunity to success in accomplishment of certain task (Bandura 1994; Eccles and Wigfield 2002; Kinicki and Kreitner 2003). Participatory in Budgeting enables to leverage self-efficacy is influenced by several factors. Firstly, according to Bandura (Bandura 1994) that an individual's confidence exist from several ways such as past performance. Individual who participate in decision making may persuade their activities where they able

or they had been accomplish before. Since, they are point of view was agreed by superiors or meeting committee they will have self-confidence to accomplish their task more easily.

Secondly is from job satisfaction angle. Self-efficacy will grow from individual as Participation enhances job satisfaction among the involved employees (Chong, Eggleton and Leong 2006; Jermias and Yigit 2013). Job satisfaction brings higher morale (Jermias and Yigit 2013). In addition, asubordinate involved in budgeting feels that they have a closer relationship with their supervisor (Jermias and Yigit 2013). Their engagement in the process gives them the self-efficacy to achieve the target well (Ni, Su, Chung and Cheng 2009). Latham, Winters, & Locke (1994) agree. Empirical evidence of a positive relationship between budgetary participation and self-efficacy comes from Ni, Su, Chung, & Cheng (2009). We propose the following hypothesis:

H2 : Budgetary participation has a positive effect on self-efficacy.

2.2.3 Trust and Task Performance

In developing trust, accounting has much leverage in an expected behavioural (Vosselman and Meer-Kooistra 2009). Chenhall & Langfield-Smith (2003) say that trust improves overall confidence in future achievements. Trust is achieved by incremental monitoring of transactional signals (Vosselman& Meer-Kooistra(2009) Since both upper and lower grades feel trust, both are more ready to to express their opinion (Lau and Sholihin 2005). As result, they co-operate to solve problems, and it is more likely that they will succeed. Lau & Sholihin (2005) say that a positive behavioral aspect of trust is that it improves the quality of discussions and of decisions, and speeds up implementation.

Lau, Wong, & Eggleton (2008) find that there is a positive relationship between trust and job satisfaction. Hartmann &Slapničar (2009) claim that trust reduces problems and improves cooperation in short-term objectives. Trust, then, will improve employee behavior and motivation to achieve the planned targets (Chenhall and Langfield-Smith 2003). Indirectly, trust will improve job satisfaction, and then will

motivate individuals and improve individual behaviour. According to this argument, I propose this hypothesis:

H3 : Trust has a positive effect on task performance.

2.2.4 Self-efficacy and Task Performance

We convince that there is a positive relationship between self-efficacy. Bandura(1977) noted that self-efficacy can be seen as cognitive processes that has fuction to generate and preservation of newl performance model. Self-efficacy have key indicator to motivate people about alternative behaviour as well as individual effort to acomplsh task (Zimmerman 2000). Self-efficacy can create higher individual performance as they have strong beliefs about individual task that they may accomplish with sufficient task-related effort (Tims, Bakker and Derks 2014). Similarly, efficacious individual may choose several alternatives what they want to do to achieve their task and innovate to solve problem systematic with higher confident and generate higher achievent in the end (Ouweneel, Schaufeli and Le Blanc 2013). Furthermore, they also suggest that according to internal factor that can influence individual achievement, self-efficacy having authority to motivate individual to obtain individual performace (Ouweneel, Schaufeli and Le Blanc 2013).

Previous study found that there is a positive effect between self-efficacy and task performance (Ouweneel, Schaufeli and Le Blanc 2013; Tims, Bakker and Derks 2014). Additionally, in their meta-analytic study, Stajkovic and Luthans (1998) indicated that there are a positive relationship between self-efficacy and task performance. Similarly, Tierney and Farmer (2002) found that there are a positive effect between self-efficacy and job performance. Based on this argument, According to this argument, we propose the following hypothesis:

H4 :Self-efficacy has a positive effect on task performance.

2.2.5 Participatory in Budgeting and Task Performance

It would be argue that an increase of individual participation may have positive link with an increase of individual performance (Leach-López, Stammerjohan, Lee and Stammerjohan 2015). Individual consider that they can successfully to take their task as they use proactive ways (Tims, Bakker and Derks 2014). It is common way for individual find various tasks that they feel it can be done or the task is challenging. Since individual involve on making decision in budgeting, they may consider that various worksare achievable.

Empirical evindence found that there is a positive relationship between Participatory in Budgeting and task performance. For example study carried out by (Leach-López, Stammerjohan, Lee and Stammerjohan 2015) found that budgetingincrease individual performance

H5 : Participatory in Budgeting has a positive effect on task performance.

3. Methodology of the study

3.1. Sample of the study

This research utilizes a surve study in the banking sector. The banking sector is selected because banking industry is *'a reflection of a 'successful' organization*(Johnston, Brignall and Fitzgerald 2002). Therefore, this study contributes to literature of the enhancement of performance measurerment system aspects on individual behavior throughtoutorganisational. In addition, a selection of banking industries as a part of financial institution as it is *'actively debating their choice of value drives and performance measures'* (Ittner, Larcker and Randall 2003, p. 722). Based on the banking sector, we focus on Banks thata list in the Indonesia Stock Exchange as *"all the largest and most advanced companies in Indonesia companies are listed in this directory. This permits our sample to include these largest and most advanced companies and may be advantageous because large companies are more likely to employ multiple [...] measures than small companies*(Lau and Sholihin 2005, p. 401).

Questionnaire distribution strategies of the study, we follows O'Connor, Vera-Muñoz et al.'s (2011, p. 368) and Lau & Sholihin (2005) suggestion that sending more than one questionnaire each banks as those may reduce bias. This is supported by Van der Stede, Young, & Chen's (2005, p. 666) who reason that 'using one respondent weakens the validity of the study because a single individual often cannot reasonably reflect the beliefs of an entire organization'.

According to 200 questionnaire distribution, we receipt 89 respon rate that all data are usable (44 %). According to Gudono and Mardiyah(2000) that the acceptance of above respond rate is quite excellent in Indonesia as the average of respon rate of survey study in the country is below 20%. The following Table 1 illustrates demographic information of the study:

Table 1: Demographic information of respondents.

	Respondents' Characteristics	'n'	Cumulative	%	Cumulative (%)
Gender	Men	38	38	43.7	43.7
	Women	49	87	56.3	100
	Missing Data	2	88		
Age	<30	35	35	40.2	40.7
	31-40	38	73	43.7	83.9
	41-50	10	83	11.5	95.4
	>51	4	87	4.6	100
	Missing Data	2	89		
Education	Senior High School	5	5	6.6	6.8
	Diploma/Bachelor	68	73	91.9	98.6
	Master/Doctoral	1	74	1.4	100
	Missing Data	14	89		
Position	Head of Division	1	1	1.1	1.1
	Head of sub division	3	4	3.4	4.5
	Head of Unit	6	10	8.8	11.4
	Staff	77	87	87.5	98.9
	Other ..	2	89	1.1	100
Division	Marketing	34	34	39.5	39.5
	Customer Service	22	56	25.6	65.1
	Human Resources	3	59	3.5	68.6
	Other	27	86	31.4	100
	Missing Data	3	89		

3.2. Variable measurements

3.2.1. Participatory in budgeting

Participatory in Budgeting apply a construct which was developed by Milani (1975). This variable has been applied by some scholars such as Chong, Eggleton and Leong (2006), Lau and Tan (2006), and so on. Respondent are asked to rate their perception of a six-item questionnaire using a 5 likert scale anchored 1 (very disagree) to 5 (very agree)

3.2.2. Trust

We apply trust questionnaire from Cook dan Wall (1980). This variable consists on 5 item question. In this study respondent is asked to rate their agreement of each item using a 5 likert-scale anchored from 1 (very disagree) to 5 (very agree).

3.2.3. Self-Efficacy

Self-efficacy instrument is developed by Bandura (1994). This instrument has 8 items of question asking respondent using a 5 likert-scale anchored from 1 (very disagree) to 5 (very agree) about their agreement of questions of self-efficacy.

3.2.4. Task Performance

Task performance in this study is developed by Williams & Anderson (1991). In this study we generate questionnaire from Burney et al's (2009) article. Following seven items of question, we ask respondent to answer how far their task performance in this period compared to the last period using a 5 likert-scale anchored from 1 (far below average) to 5 (far above average).

4. Results and Explanation

In order to analyse data, we apply smartPLS as representative of Structural of Equation Modelling. SmartPLS has been extensively used by scholars in management accounting (Akbar, Pilcher and Perrin 2012; Chenhall, Kallunki and Silvola 2011; Kramer and Hartmann 2014; Yuliansyah, Saputra and Alvia

2016; Yuliansyah and Khan 2015; Yuliansyah and Khan 2015; Yuliansyah, Rammal and Rose 2016; Yuliansyah and Razimi 2015). Some scholars argue that implementation of SmartPLS is more advantage in term of predictive rather than (Ringle, Sarstedt and Straub 2012) and it allow reflective and formative computations (Chin, Marcolin and Newsted 2003; Gudergan, Ringle, Wende and Will 2008; Hair, Ringle and Sarstedt 2011; Hulland 1999; Ringle, Sarstedt and Straub 2012; Wetzels, Odekerken-Schröder and van Oppen 2009).

According to Hulland(1999), Anderson and Gerbing(1988), and Smith and Langfield-Smith(2004), running SmartPLS requires two concurrent steps: the assessment of model and the assessment of structural model. The following explication of both measurements:

4.1. The assessment of model

The evaluation of Model using SmartPLS is conducted using reliability and validity test. Reliability test can be seen from the Cronbach’s Alpha and Composite Reliability. Table 1 seem that Cronbach Alpha ranged between 0.732 and 0.947, while Composite Reliability ranged between 0.829 and 0.957. According to Hulland (1999) where a good reliability is 0.7, in this study reliability test including Cronbach’s Alpha and Composite Reliability are good enough

Table 2: Mean, deviation standard, loadings and t-statistic, Compositve reliability, Cronbach’s Alpha and AVE

Latent variable	Mean	SD	Loading	t-statistic (bootstrap)
<i>Participatory in Budgeting (Composite reliability = 0.957, Cronbach’s α = 0.947, AVE = 0.789)</i>				
PIB 1	3.1839	.94658	0.890	27.357
PIB 2	3.4886	.87091	0.792	14.146
PIB 3	3.2614	1.05585	0.918	43.117
PIB 4	3.2386	1.02827	0.914	47.302
PIB 5	3.2500	1.06404	0.959	145.927
PIB 6	3.5455	.94576	0.844	17.493
<i>Trust (Composite reliability = 0.829, Cronbach’s α = 0.732, AVE = 0.551)</i>				
Trust 2	3.3750	1.06472	0.782	15.576
Trust 3	3.7841	.59594	0.714	10.385

Trust 4	3.8409	.69293	0.826	22.836
Trust 5	3.9205	.53005	0.632	6.782
Self-Efficacy (Composite reliability = 0.913, Cronbach's α = 0.891, AVE = 0.570)				
Self-Efficacy 1	3.8750	.60291	0.692	10.918
Self-Efficacy 2	3.8409	.69293	0.650	6.469
Self-Efficacy 3	3.8182	.78118	0.682	10.626
Self-Efficacy 4	3.8750	.56350	0.791	16.747
Self-Efficacy 5	3.8864	.66836	0.824	21.098
Self-Efficacy 6	3.9318	.67459	0.776	20.814
Self-Efficacy 7	3.9091	.67187	0.853	24.077
Self-Efficacy 8	3.9318	.70785	0.752	10.754
Task Performance (Composite reliability = 0.955, Cronbach's α = 0.945, AVE = 0.753)				
Task Performance 1	4.2874	.58881	0.841	21.270
Task Performance 2	4.4138	.62042	0.886	30.078
Task Performance 3	4.3333	.64098	0.908	34.371
Task Performance 4	4.3563	.64658	0.902	38.396
Task Performance 5	4.2759	.62300	0.795	15.004
Task Performance 6	4.2874	.60824	0.861	26.554
Task Performance 7	4.3678	.63089	0.876	26.216

Measurement validity using SmartPLS can be carried out through 2 (two) ways: convergent and discriminant validity. Convergent validity is test using Average Variant Extracted (AVE). A good AVE is if the score of construct is higher than 0.5. According Table 2 that all scores of construct are higher than 0.5. Thus, convergent validity of the study is satisfactory.

Table 3: Discriminant validity (Fornell-Larcker)

	Participatory in Budgeting	Trust	Self-Efficacy	Task Performance
Participatory in Budgeting	0.888			
Trust	0.479	0.742		
Self-Efficacy	0.438	0.685	0.755	
Task Performance	0.470	0.558	0.651	0.868

Another validity test is a discriminant validity. Discriminant validity can be accomplished using Fornell-Larcker Criterion. A good discriminant validity if AVE^2 which can be seen from diagonal line is higher than vertical and horizontal line of the AVE^2 . Table 3 seem that all AVE^2 of each items (**bold**) is higher than all vertical and horizontal scores of the row and colloum items.

Another validity test is cross loading. Cross loading of the study is adequate.

In general the assessment of model of this study including reliability and validity is good. The next step is the assessment of structural model.

4.2. The assessment of structural model

The assessment of structural model can be assessing by seeing R^2 for evaluating of coefficient determination. A tolerable of R^2 is 0.1 (Camisón and López 2010; Falk and Miller 1992; Yuliansyah and Khan 2015; Yuliansyah, Rammal and Rose 2016). Consequently, coefficient determination in the study is tolerable.

Additionally, evaluation of structural model to know strong relationship between model can be tested using a coefficients testing (β). A good path coefision with higher than 0.100 is good (Urbach and Ahlemann 2010). To conclude that structural model of the study is acceptable.

After testing model and structural model is accomplished, the next step which can be discussed in the following section is hypothesis test

4.3. Hypothesis test

4.3.1. Participatory in Budgeting and trust

Hypothesis 1 notes that there are a positive effect between Participatory in Budgeting and trust. According to Table 4, budgetary participation has a positive effect on trust ($\beta=0.479$, $t = 6.330$, $p < 0.01$). Hence, based on these findings, H1 is supported.

4.3.2. Participatory in Budgeting and self-efficacy

Hypothesis 2 notes that there are a positive effect between Participatory in Budgeting and self-efficacy. According to Table 4, budgetary participation has a positive effect on trust ($\beta=0.438$, $t = 5.033$, $p < 0.01$). Hence, based on these findings, H2 is supported

Table 4: The result of PLS structural model: path coefficient, t-statistics and R²

Dependent variables	Independent variables			R ²
	Participatory in Budgeting	Trust	Self-efficacy	
Trust	0.479 (6.330)***			0.229
Self-Efficacy	0.438 (5.033)***			0.192
Task Performance	0.185 (2.178)**	0.198 (1.815)**	0.434 (3.818)***	0.485

*** Significant at 1% (one-tailed)

**significant at 5% (one-tailed)

*significant at 10% (one-tailed)

4.3.3. Trust and Task Performance

Hypothesis 3 notes that there are a positive effect between Trust and Task Performance. According to Table 4, budgetary participation has a positive effect on trust ($\beta=0.434$, $t = 3.818$, $p < 0.01$). Hence, based on these findings, H3 is supported

4.3.4. Self-efficacy and Task Performance

Hypothesis 4 notes that there are a positive effect between Self-efficacy and Task Performance. According to Table 4, budgetary participation has a positive effect on trust ($\beta=0.434$, $t = 3.818$, $p < 0.01$). Hence, based on these findings, H4 is supported

4.3.5. Participatory in Budgeting and Task Performance

Hypothesis 5 notes that there are a positive effect between Participatory in Budgeting and Task Performance According to Table 4, budgetary participation has a positive effect on trust ($\beta=0.185, t = 2.178, p < 0.05$). Hence, based on these findings, H5 is supported

According to above explanation, we summarize hypotheses as follow:

Table 5: A summary of hypotheses testing results

Hypothesis	Descriptions	Findings
1	There is a positive relationship between Participation in Budgetary and Trust	Supported
2	There is a positive relationship between Participation in Budgetary and Self-Efficacy	Supported
3	There is a positive relationship between Trust and Task Performance	Rejected
4	There is a positive relationship between Self-Efficacy and Task Performance	Supported
5	There is a positive relationship between Participation in Budgetary and Task Performance	Supported

5. Conclusion and Limitation

The aim of the study is to explore the extent to which participation in budgeting decision making increase of individual task performance. Previous studies in management accounting have been much attention to investigate individual task performance in managerial level. Different from previous study, this study is conducted in employee's level, in particularly in banking sector. As be understood that organizational successful in banking sector is executed by lower-level employees. Thus, a positive brand image of the banking sector is highly influenced by lower-level employees.

According to psychological studies that employee performance to do something is influenced by individual behaviour that they respond from environment. As a result, if employee involve in designing and developing organisational plan, such participation in budget decision making, it

can tighten interpersonal trust between superior and sub-ordinate and boost employee self-efficacy to do their task, in which both can encourage employee motivation that lead to the improvement of individual performance. Accordingly, we beliefs that participation in budgeting can lead interpersonal trust and self-efficacy among employees that makes possible of the enhancement of task performance.

In order to confirm our preposition, we do a survey study in the Indonesian Stock Exchange-listed banking Industry. According to 87 usable data, we analyse it using SmartPLS. We found that we verified our preposition except trust. It means that participatory in budgeting can influence task performance directly and indirectly through individual self-efficacy. This study implies that employees who involve in budget planning can boost self-efficacy that can improve task performance. This study also support that participatory in planning also can tighten interpersonal trust but it cannot increase individual performance.

This study is subject to several limitations. Firstly, this study is conducted in lower-level employees. Thus the resul of the study can not be generalized to top management employees. We try to differentiate employees according to his/her position but the number of head divisin is not enough to be compared to staff. Thus, the next study may consider to compare employee according to position both managers and employees to find which employees who have more influence on task performance. Secondly, this study is carried out in a single industry, banking sector. Thus implementation of the study in different sector should be done carefully.

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