ABSTRACT

THE EFFECT OF BUDGETARY PARTICIPATION ON MANAGERIAL PERFORMANCE WITH JOB SATISFACTION, LOCUS OF CONTROL, AND WORK MOTIVATION AS MODERATING VARIABLES

By

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This study aimed to examine the effect of budgetary participation on managerial performance at Private Hospitals in Bandar Lampung. This study also examined whether the variables of job satisfaction, locus of control, and work motivation mediate the relationship between budgetary participation and managerial performance.

The data used in this study obtained by questionnaire distribution method. The questionnaires were distributed to 84 managers/chiefs leveled as manager involved in composing and implementing the budget plans who work at Private Hospitals in Bandar Lampung. Out of 84 respondents, 55 people responded to the questionnaire. The data were analyzed using the Statistical Package for Social Science (SPSS) and Partial Least Square (PLS).

The results using SPSS shows that budgetary participation has a positive influence on managerial performance. In addition, job satisfaction, locus of control, and work motivation also has positive influence to the relationship between budgetary participation and managerial performance. On the other hand, the results of this research using PLS shows that work motivation is the only variable moderates the relationship between budgetary participation and performance. This study is limited to Private Hospitals in Bandar Lampung. This research is expected to provide input to the company to involve subordinates in budgeting activities as they have better information in composing the budget plan.

Keyword: Budgetary participation, managerial performance, job satisfaction, locus of control, work motivation.