### GOAL CLARITY AS A MODERATING VARIABLE BETWEEN BUDGET PARTICIPATION AND MANAGERIAL PERFORMANCE

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**ABSTRACT**

Managerial performance is important for an organization, especially private sector corporate governance because the performance is the achievement level overview of the implementation of an activity.The main objectives of this study, therefore, was to examine the relationship of selecting goal clarity as a moderating variable between budget participation and managerial performance. A total sample size of three(3) selected banks who are enlisted on the Nigeria Stock Exchange was selected from the research population of over Hundred companies using the convenient sampling method. Data analysis techniques in this study using regression analysis to determine whether the moderation of budgetary participation and budget goal clarity as independent variables affect the managerial performance of the Diamond Bank, Keystone Bank, UBA as the dependent variable. Findings from the study revealed that budget participation and goal clarity significantly affect the managerial performance of leaders of organization. The researcher therefore recommends that managers are to set a clear objectives and also in their duty to participate in the estimate of income and expenditure within specific limits of the organization so as not to run into deficit.

**CHAPTER ONE**

**INTRODUCTION**

**1.1          BACKGROUND OF THE STUDY**

Goal clarity can be defined as a clear objective. In essence it can be define as one’s ability to set and reach specific goals. The important part of this definition is the word specific. A very broad or general goal won’t help drive you to successes. If your objective is to increase profit, fine one has to increase the quality of service. A goal should be clear, concise and worth achieving in which a specific outcome is reach.

Budget participation is an estimate of income and expedition within specific limits of a country. The act of participating in an estimate of income and expenditure within specific limits in an organization, the total amount of money for a given on a budget restricting one’s expenditure.

Managerial performance pertaining to a manager or management the act of performing in an organizational structure. Another way of looking at this in the view of managers are to set a clear objectives and also in their duty to participate in the estimate of income and expenditure within specific limits of the organization so as not to run into deficit.

Obviously, this requires them to vary their actions in any event, if there is a central issue regarding managerial performance, it surety must be their efficacy of managerial action, that is, the extent to which managerial action does or doesn’t produce the require results. Central to this, is a view of the manager as interventionist, as someone who changes things so as to realize specified financial and operational results.

**1.2          STATEMENT OF RESEARCH PROBLEM**

Rigorous studies have been conducted in more developed countries to determine the relationship, if any among goal clarity, budget participation, and managerial performance, in order to ensure the growth and stability of the firm (Okafor, 2006).

Some studies have also been conducted in Nigeria to determine relationship between goal clarity and managerial performance (Rainey 1991; Rainey and Steinbauer (9Q9, Behn 1991). Studies of effective leadership in public organizations have stressed leaders’ abilities to communicate clear organizational missions and goals (Riccuci 1996). Okafor (1998) studied capital budgeting methods, firm characteristics and firm performance.

Despite these, we are not aware of any study, in the context of Nigeria, combining the variables of goal clarity, budget participation and managerial performance. This gap in knowledge has led to a situation where organizations, with declining performance, grope in the dark in identifying the variables to change when attempting turnaround management. This is managing from the blind spot. Consequently, it is our conviction that there should be a research aimed at finding out the individual and combined effect of the variables on managerial performance.

However, in this study we restricted ourselves to the much neglected variable or the human angle of organization of goal clarity, budget participation and managerial performance. Goal clarity was management policies and budget participation was the degree to which values are place and accepted by organizational members.

In the light of this, the research questions were

1. Does goal clarity lead to managerial performance?
2. Does budget participation lead to managerial performance?
3. Is goal clarity a moderating variable between budget participation and managerial performance?
4. What is the relationship between goal clarity and budget participation?
5. What is the relationship between managerial performance and budget participation?

**1.3          RESEARCH OBJECTIVES**

The main objectives of this study, therefore, was to examine the relationship of selecting goal clarity as a moderating variable between budget participation and managerial performance. In doing this, we relied on the models developed in Kanpass Australia (1996/1997) business directory by Milani’s (1975).

More specifically, the objectives of this study were to determine the relationship between:

1. If goal clarity leads to managerial performance.
2. If budget participation leads to managerial performance.
3. If goal clarity is a moderating variable between budget participation and managerial performance.
4. The relationship between goal clarity and budget participation.
5. The relationship between managerial performance and budget participation.

**1.4          RESEARCH HYPOTHESIS**

The research hypotheses relevant to the above stated question and objective were:

Ho: Goal clarity does not lead to managerial

performance.

Ha:          Goal clarity leads to managerial performance

Ho: Budget participation does not lead to managerial  performance.

Ha:          Budget participation leads to managerial

performance.

Ho: Goal clarity is not a moderating variable between  budget participation and managerial performance.

Ha:Goal clarity is a moderating variable between budget participation and managerial performance.

**1.5          SCOPE OF THE STUDY**

The goal clarity as a moderating variable between budget participation and managerial performance was the units of analysis in this study. However, there are so many types of organization that intensely stands as benefiting factors to the economy in general.

Considering the plethora of variables that affects corporate performance; however, as also stipulated earlier, the subject matter of this study was the relationship of the goal clarity, budget participation and managerial performance in the specialized areas, the modified norms and value. Synonymous with organizational performance.

Moreover, for the purpose of this study, the research population comprised on all the companies quoted on the 1sttier security of the Nigerian stock  exchange (NSE); A case study of Diamond Bank, Oand Plc etc. The aforementioned companies above were chosen because of the relative accessibility to information on them, for adequate coverage and representativeness, as at then, hundred companies were selected from six industrial sectors viz, Banking (Diamond Bank, Keystone Bank, UBA); food/brewery and tobacco/Cadbury, PZ, NB, Guinness, industrial/domestic products/paints, kitchen utensils, electrical appliances, electronic gadgets) etc and insurance like Nicon, NDIC etc. this studies was therefore cross-sectional.

1.6          REVELANCE AND SIGNIFICANCE

Though some studies have been conducted, as identified in previous sections, there still exist some gaps in knowledge of the relationship among goal clarity, budget participation and managerial performance in the context of Nigerian economy. Previous studies in Nigeria have examined some of the variables in focus singly. This study adopted an integrated approach of the effect of all these variables on managerial performance.

This study sought to close some of these gaps by establishing empirically, the relationship among these variables based on Nigeria experience and would hopefully and policy makers in how to identify clear objective, nurture and maintain positive characteristics and practices in an organization.

****CHAPTER TWO****

**LITERATURE REVIEW**

**2.0 INTRODUCTION**

Our focus in this chapter is to critically examine relevant literature that would assist in explaining the research problem and furthermore recognize the efforts of scholars who had previously contributed immensely to similar research. The chapter intends to deepen the understanding of the study and close the perceived gaps.

**2.1 CONCEPTUAL FRAMEWORK**

**BUDGET**

Budget is an important part of both the public and private sectors. In the public sector the budget that has been prepared and agreed upon according to the later needs will be published to the public, while the private sector is part of company secrets that are closed to the public. The process of budgeting in the public sector involves the participation of many parties because in the end the results of this budgeting will be evaluated and will be seen how the performance of government officials in managing their regional budgets (Nordiawan and Hertianti 2010). The budgeting process which is carried out from the planning, preparation and implementation stages in carrying out its duties and functions to realize the stated goals that are reported and accountable to the public in the form of budget reporting is a form of government accountability in carrying out the expected government system (Bastian 2010) . In the public sector, all parties, both the government and the community, should both have an agreement in budget management so that the agreed budget will be realized in accordance with its objectives. The budget preparation process in the public sector begins with the formulation of policies from each Regional Device Organization (OPD) and then the preparation of work plans and discussions and the determination of the APBD. At each of these stages the role of the apparatus in budgeting participation is very influential so that later it will improve their performance as government officials (Hasbiah, 2017). There is also a budget preparation that is Top Down and some are Bottom Up, namely the budget is prepared based on the aspirations of the community and then used as input for the government to compile a budget (Brownell 1982). This activity is usually called Musrembang where the government goes down directly to find out what is the needs and problems of the community.’

**Budget Participation**

Brownell (1982b) explains that participation is a process that involves individuals directly in it and have an influence on the preparation of budget performance objectives will be assessed and will likely be rewarded on the basis of their budget goal achievement.The definition of participation in budgeting in more detail proposed by Milani (1975), is how far the budget is influenced by the involvement of managers, the reasons for the higher-ups at the time of the budget in the revision process, the frequency stated initiatives, give proposals or opinions about the budget to the boss without being asked , how far the manager feels have an influence in the final budget, interests of managers in its contribution to the budget, and the frequency of the budget discussed by the employer at the time the budget is prepared. Milani (1975) says there are some indicators that should be considered in the participation of the budget, involvement, influence on the budget, and commitment. The conclusion to be conveyed is that the main factor that distinguishes between budgetary participation and non-participation is subordinate level of involvement and influence on decision making in the budget process. So the point of participation budget is the cooperation among all levels of the organization in budgeting.

Participation is a behavior, activity and work carried out by government officials during budgeting activities. Bangun (2009) argues in participation decision making as a joint process by two or more parties that has an impact on the maker and recipient of the decision. The advantage of participation in budgeting is that it can motivate subordinates to achieve targets, can spur moral improvement, initiative of line managers, effective information exchange between budget makers and implementers. Whereas the weaknesses in participation in budgeting are sometimes setting too high a standard, can cause a budget gap.

**GOAL CLARITY**

Kenis (1979) explains that the budget goal clarity is the extent to which the budget objectives set out clearly and specifically with the aim that the budget can be understood by the person responsible for the achievement of the budgetary targets.Locke (1968) said that the budget goal clarity deliberate to regulate employee behavior.Obscurity budget targets will cause the budget execution to be confused, restless, dissatisfied at work. This causes the budget execution was not motivated to achieve the expected performance.

 **Clarity Of The Budget**

The clarity of a clear budgeting will also be easier to achieve the objectives explained by the Goal Setting Theory proposed by Locke (1998). This theory explains that the involvement of the apparatus in the preparation will also be very helpful with the clarity of the budget goals and what goals will be achieved. The clarity of the budget target provides certainty to the executor of the budget to account for successes and failures while carrying out their duties to achieve the goals and objectives that have been set beforehand (Suhartono and Solichin, 2006). While the obscurity of budget targets will cause confusion, pressure, and dissatisfaction in work. The existence of a clear budget target, the budget maker will have sufficient information about the budget targets to be achieved rather than the lack of clarity of the budget target. The fundamental thing in determining this study is the research on the influence of the participation of budget makers and the clarity of budget targets on the performance of local government officials has not been done a lot and there are differences in the results of research on the participation of budget makers and the clarity of budget targets in relation to the performance and differences in the results of research on budgetary participation and the clarity of budget targets on performance with local culture as moderating variables. Research that uses the influence of other variables besides budgeting participation and the clarity of budget targets on performance is the moderator of organizational culture. Research shows that cultural variables as moderators have a significant influence on the relationship between budgetary participation and performance (Aziz et al., 2017; and Hasbiah, 2017) and the significant influence of cultural moderation on the relationship of clarity of budget targets with performance (Mangunjung, 2015). On the other hand, cultural variables as moderators have an insignificant influence on the relationship between budgetary participation and performance (Agusti, 2012) and the insignificant influence of cultural moderation on the relationship of clarity of budget targets with performance (Putra and Gunardi, 2016).

The budget has been set to be implemented by the working unit is in local government by itself will interact with individuals that exist in government. The performance of each of these forces will affect the overall performance of the government. The budgeting process is an important activity and involves many parties. In order for effective implementation, the participating officers to plan the budget, namely the extent to which participation or participation in budget preparation. Budgeting participation by Brownel & McInnes (1986), is the participation of individuals in the form of behavior, work, and activities by government officials during the budget process takes place.

Kenis (1979) explains that the budget goal clarity is the extent to which the budget objectives set out clearly and specifically with the aim that the budget can be understood by the person responsible for the achievement of the budgetary targets. Locke (1968) said that the budget goal clarity deliberate to regulate employee behavior. Obscurity budget targets will cause the budget execution to be confused, restless, dissatisfied at work. This causes the budget execution was not motivated to achieve the expected performance. Kenis (1979) found that implementing the budget gives a positive realization and relatively very strong to improve the clarity of the budget target.

**MANAGERIAL PERFORMANCE**

Mahoney et al (1963) stated that the performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with the authority and responsibilities of each in order to achieve organizational goals. Managerial performance is one factor that can increase the effectiveness of organizational performance. Further Mahoney et al.,(1963) suggested managerial performance is the performance of individual members of the organization in managerial activities that include planning, investigation, coordination,evaluation , supervision, staff appraisal, negotiation, and representation.

Managerial performance of regional work units is an illustration of the level of achievement of targets or objectives that have been previously determined. To be able to find out whether the performance is effective or ineffective, an evaluation of the budget must be carried out (Bastian, 2010). Meanwhile, according to Nina (2014) the performance of government officials is a set of results achieved by local government officials who aim to assess a strategy through financial and non-financial measures. In performance there is an overview of the level of achievement of the implementation of an activity or program of wisdom in realizing the goals, objectives, mission and vision of an organization contained in the formulation of a strategic scheme of an organization. Every government agency is obliged to prepare, compile and submit performance reports in writing, periodic and institutionalized (Kusumaningrum, 2010). This performance reporting is intended to communicate to what extent the performance of government agencies in a fiscal year is related to the process of achieving the goals and objectives of government agencies. The relevant government agencies must account for and explain the successes and failures of the level of performance achieved.

### **Goal Clarity As a Moderating Variable Between Budget Participation And Managerial Performance**

Budget participation is the level of how far the individual's involvement and influence in determining and preparing the budget in the division or its part, both periodically and annually. Budget participation shows the extent at which managers in organizations understand the budget by their work and other units and the influence of the objectives of their budget accountability centers. While the managerial performance of organizations is a system that aims to assist leaders in assessing the achievement of a strategy through financial and non-financial measures.

 Budgeting participation basically allows lower-level managers to consider how budgets are formed (Hansen and Mowen, 2000). Hendra (2018) in the process of budgeting involves many superiors and subordinates producing good managerial performance. Similar results have also been found by Nurhalimah (2013), Azis, et al (2017), Aisyah, et al (2017) where budget participation has a positive effect on managerial performance. While the research conducted by Milani (1975) found that budgeting participation had no effect on managerial performance. Yusri's (2012) and Jannah (2015) study found that budgetary participation did not affect the performance of officials.

 The clarity of budget targets will help employees achieve the expected performance, where by knowing the budget target, the level of performance can be achieved. The existence of a clear budget target, it will be easier to account for the success or failure of the implementation of organizational tasks in order to achieve the goals and objectives that have been set previously.

 Unclear budget targets will cause budget execution to be confused, not calm and not satisfied at work. This will cause the implementers of the budget not motivated to achieve the expected performance (Syafrial, 2009). Research conducted by Kalsum and Wahyuningsih (2012) examined the effect of budget participation, clarity of budget objectives and budget evaluation on the performance of local government officials in the regional work unit of Bengkalis Regency. The results of this study indicate that budget participation, clarity of budget objectives and budget evaluation simultaneously have a significant effect on the performance of Bengkalis Regency government officials. Similar research results were also carried out by Fladimir (2013), Putra (2013), and Abdul Latif (2014) showed a significant influence between the clarity of budget targets on the performance of the apparatus. While Nurhalimah's research (2013), Amril (2014), Mangunjung (2015) and Nangoy, Sondakh, and Sabijono (2016) found the clarity of budget targets did not affect the performance of the apparatus.

The higher participation of the apparatus in preparing the budget will improve the performance of the apparatus. In accordance with the Goal Setting Theory in terms of budget preparation the involvement of all parties in budgeting is very important which makes it easier because all parties provide opinions and input regarding budgeting, so that what has been decided is waiting in accordance with the objectives to be achieved .

 The clearer the budget target will be to improve the performance of the apparatus. The theory of goal setting explains the clear objectives will affect performance. The achievement of goals depends on the level of difficulty, the clarity of the goals to be achieved and the commitment of a person to achieving the goals. Clarity of budget targets that are increasingly clear will make it easier for parties involved in the preparation because they are more specific so that they will be easily accountable.

**2.2 THEORITICAL FRAMEWORK**

**Goal Setting Theory**

Goal setting theory originally proposed by Locke (1968). Goal Setting Theory emphasizes the importance of the relationship between the goals set and the resulting performance. The basic concept that a person who is able to understand the purpose of which is expected by the organization, such understanding will affect its behavior. Goal Setting Theory suggests that an individual committed to the goal (Robbins, 2008). If an individual has a commitment to achieve the goal, then the commitment would influence his actions and the consequences affect its performance. The achievement of targets (objectives) set can be viewed as an end/performance levels to be achieved by theindividual. Overall, the intention in relation to the objectives set, a strong motivation in realizing its performance. Individuals should have the skills, has a goal and receive feedback to assess its performance. The achievement of targets (objectives) have an influence on employee behavior and performance in the organization (Locke & Latham, 1979).

**Theory Planned of Behaviour (TPB)**

Theory of Planned Behavior is a theory developed by Ajzen (1988) which is an extension of Theory Reason Action (TRA) proposed by Fishbein and Ajzen (1967). The main focus of the theory of planned behavior is the same as the theory of action action is the intention (intention) of individuals to perform certain behaviors. Intentions are an indication of how hard people try to try and how much effort the individual will spend to perform a behavior. Theory of Planned Behavior relating to budgetary participation is that the participation of the apparatus is a manifestation of behavior. In TPB theory there are 3 factors that underlie behavior are attitude, subjective norm, and behavior control. First, attitudes related to positive or negative evaluations of individuals on certain behaviors. If the apparatus considers participation to be useful then he will participate, vice versa. Through the participation of subordinates involved in the process of budgeting by contributing ideas and information related to the budget, in addition to the active communication with superiors in terms of determining tasks, goals, and targets to be achieved, subordinates can benefit to complete the tasks. Second, subjective norms relate to the belief that others encourage or discourage individuals from behaving. In this case how perceptions of superiors on participation or contribution made subordinates in the process of budget preparation. Third, behavior control is linked to beliefs about the availability of support and resources or barriers to behavior, so in this case the support of superiors to allow subordinates to participate in budgeting. This it can be said that the participation of officials in the preparation of the budget can hone their knowledge of the budget.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 Area of Study**

Diamond Bank Diamond Bank Plc., was a Nigerian multinational financial service provider. Diamond Bank was acquired by Access Bank in December 2018, and announced to complete the transactions of the merger fully in the first half of 2019.On 1 April 2019, Diamond Bank was fully merged with Access Bank to build a new entity while retaining the name of Access Bank with a logo that took the form of Diamond Bank

**3.2 Research Design**

Research designs are perceived to be an overall strategy adopted by the researcher whereby different components of the study are integrated in a logical manner to effectively address a research problem. In this study, the researcher employed the survey research design. This is due to the nature of the study whereby the opinion and views of students are sampled.

**3.3 Population of the study**

According to Udoyen (2019), a study population is a group of elements or individuals as the case may be, who share similar characteristics. These similar features can include location, gender, age, sex or specific interest. The emphasis on study population is that it constitute of individuals or elements that are homogeneous in description.

The research population comprised on all the companies quoted on the 1st tier security of the Nigerian stock  exchange (NSE); A case study of Diamond Bank, Keystone Bank. The aforementioned companies above were chosen because of the relative accessibility to information on them, for adequate coverage and representativeness, as at then, hundred companies were selected from six industrial sectors viz, Banking (Diamond Bank, Keystone Bank, UBA); food/brewery and tobacco/Cadbury, PZ, NB, Guinness, industrial/domestic products/paints, kitchen utensils, electrical appliances, electronic gadgets) etc and insurance like Nicon, NDIC etc.

**3.4 Sample size determination**

A study sample is simply a systematic selected part of a population that infers its result on the population. In essence, it is that part of a whole that represents the whole and its members share characteristics in like similitude (Udoyen, 2019). In this study, the researcher adopted the convenience sampling method to determine the sample size.

**3.5 Sample size selection technique and procedure**

According to Udoyen (2019), sampling techniques are procedures adopted to systematically select the chosen sample in a specified away under controls. This research work adopted the convenience sampling technique in selecting the respondents from the total population.

A total sample size of three(3) selected banks who are enlisted on the Nigeria Stock Exchange was selected from the research population of over Hundred companies using the convenient sampling method.

According to Torty (2021), a sample of convenience is the terminology used to describe a sample in which elements have been selected from the target population on the basis of their accessibility or convenience to the researcher.

**3.6 Research Instrument and Administration**

The research instrument used in this study is the questionnaire. A 15 minutes survey containing four (4) questions were administered to the enrolled participants although the most important were analyzed. The questionnaire was divided into two sections, the first section inquired about the responses demographic or personal data while the second sections were in line with the study objectives, aimed at providing answers to the research questions. Participants were required to respond by placing a tick at the appropriate column. The questionnaire was personally administered by the researcher.

**3.7 Method of data collection**

Two methods of data collection which are primary source and secondary source were used to collect data. The primary sources included oral interviews and questionnaires, while the secondary sources include textbooks, internet, journals, published and unpublished articles and government publications.

**3.8 Method of data analysis**

Data analysis techniques in this study using regression analysis to determine whether the moderation of budgetary participation and budget goal clarity as independent variables affect the managerial performance of the Diamond Bank, Keystone Bank, UBA as the dependent variable.

**Model Specification:** The model used is a multiple linear regression research model and multilevel regression analysis with an interaction test approach, which is described below: The model used in this study is presented in the following equation:

 Model: Managerial Performance = Y

 Goal Clarity = X1

 Budget Participation =X2

Therefore; Y = = α + β1 X1 + β2 X2 + e

**3.9 Validity of the study**

The instrument was scrutinized by the researcher‟s supervisors and found it useful for the study at hand. Equally, 3 senior lecturers in the faculty of public administration have gone through it and made some adjustment on the selection of the items and found it appropriate for this type of study.

**3.10 Reliability of the study**

The reliability and validity of the research instrument was determined. The Pearson Correlation Coefficient was used to determine the reliability of the instrument. A co-efficient value of 0.68 indicated that the research instrument was relatively reliable. According to (Taber, 2017) the range of a reasonable reliability is between 0.67 and 0.87.

**3.11 Ethical Consideration**

The study was approved by the Project Committee of the Department. Informed consent was obtained from all study participants before they were enrolled in the study. Permission was sought from the relevant authorities to carry out the study. Date to visit the place of study for questionnaire distribution was put in place in advance.

**CHAPTER FOUR**

**DATA PRESENTATION AND ANALYSIS**

**4.1 INTRODUCTION**

This chapter presents the analysis of data derived through the questionnaire and key informant interview administered on the respondents in the study area.

**4.2 INFERENTIAL STATISTICS**

The research hypotheses relevant to the above stated question and objective were:

**Ho:** Goal clarity does not lead to managerial performance.

**Ho:**Budget participation does not lead to managerial  performance.

**Ho:** Goal clarity is not a moderating variable between  budget participation and managerial performance.

Table 1: Validity Test result

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/N | Variable  | Indicator | r-count |  Explanation |
| 1 | Managerial Performance  | Y.1 Y.2 Y.3 Y.4 Y.5 Y.6 Y.7 Y.8 Y.9 | 0.3150.4110.5670.5810.6850.7470.4300.6640.620 | ValidValidValidValidValidValidValidValidValid |
| 2 | ParticipationBudget | X1.1X1.2X1.3X1.4X1.5X1.6 | 0.3860.4340.3750.4530.4670.436 | ValidValidValidValidValidValid |
| 3 | Goal Clarity Budget | X2.1 X2.2 X2.3 X2.4 X2.5 X2.6 X2.7 | 0.497 0.472 0.458 0.377 0.397 0.336 0.236 | ValidValidValidValidValidValid |

Based on the results of testing the reliability of the data shows that cronbach`s alpha value of each variable studied is greater than 0.70. This indicates that the instrument is reliable.

|  |  |  |  |
| --- | --- | --- | --- |
| **Variable** | **Cronbach’s Alpha** |  **Limit Reliability** |  **Explanation**  |
| Managerial Performance  | 0,700 |  0,70 |  Reliable |
| Participation Budget | 0,765 |  0,70 |  Reliable |
| Goal Clarity Budget | 0,856 |  0,70 |  Reliable |

**Table 2: Reliability Test result**

**Table 3: Moderation Regression Test Results**

**Collinearity Assumption**

***Coefficientsa***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Model** |  | **Unstandardized****Coefficients** | **Standardized Coefficients** | **t** | **Sig.** | **Collinearity Statistics** |
| **B** | **Std. Error** | **Beta** | **Tolerance** | **VIF** |
| 1 | (Constant)participationGoal clarity | 70.981.502.987 | 33.73.3331.670 | 1.411.504 | 2.1041.508.591 | .000.000.002 | .437.464 | 2.2882.153 |

1. **Dependent Variable: Managerial Performance**

The test results directly influence the participation coefficient obtained a budget of 0.502 with a significance of 0.000 (<0.05), so it can be concluded that the budget participation on the performance of the apparatus. The results of this study supported research conducted by Schuler & Kim (1976), Brownell (1982b), Brownell & McInnes (1986), Cahyadi (2015), Sari et al (2014), and Nurhalimah (2013) Budget participation significant effect on performance. Based on Theory of Planned Behavior (TPB), the connection with budgetary participation is that the participation of the apparatus is a manifestation of behavior. Budgetary participation is the participation of individuals in the form of behavior, work, and activities by the government apparatus during the budget preparation process takes place. With direct involvement in the budgeting process, officials are given the opportunity to actualize themselves which in turn explores their ability to set goals and objectives reflected in the budget. This process will lead to a greater sense of responsibility for achieving the things that are targeted in the budget which means performance improvement. The higher the forces participating in the preparation of the budget, it will further enhance the performance of the apparatus.

**4.3 DISCUSSION OF FINDINGS**

The test results obtained directly influence budget goal clarity coefficient of 0.987 with a significance of 0.002 (<0.05), so it can be concluded that the budget goal clarity on the performance of the apparatus. The results of this study are supported by research conducted by Kenis (1979), Shelly et al (2014) stating that clarity of budget targets has a significant effect on performance. Local government budget targets should be clearly stated, specific and understandable to those responsible for carrying them out. With clarity of budget objectives, it will encourage the officers to be responsible for each task that achieve so that will improve its performance. According to Goal Setting Theory, someone who is able to understand the goals expected by the organization, then the understanding will affect the behavior of his work. The clarity of the budget objective is the extent to which the budget objectives are clearly defined and specific with the aim that the budget can be understood by the person responsible for achieving that goal.

 The variable interaction between budget goal clarity and organizational commitment gives the coefficient of 0.079 with 0.003 significance (sig <0.05) so that it can be concluded that variable of organizational commitment moderates the budget goal clarity on the performance of the apparatus. The results of this study are in line with the results of research conducted by Sari et al (2014) and Arifin (2012) which states that there is an influence between organizational commitment which is the belief and strong support to the value and target to be achieved.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION, RECOMMENDATION**

**5.1 SUMMARY**

The main objectives of this study, therefore, was to examine the relationship of selecting goal clarity as a moderating variable between budget participation and managerial performance. A total sample size of three(3) selected banks who are enlisted on the Nigeria Stock Exchange was selected from the research population of over Hundred companies using the convenient sampling method. Data analysis techniques in this study using regression analysis to determine whether the moderation of budgetary participation and budget goal clarity as independent variables affect the managerial performance of the Diamond Bank, Keystone Bank, UBA as the dependent variable. The model used is a multiple linear regression research model and multilevel regression analysis with an interaction test approach. The model used is a multiple linear regression research model and multilevel regression analysis with an interaction test approach.

**5.2 CONCLUSION AND RECOMMENDATION**

Based on the results of the study, it can be stated that budget participation and goal clarity significantly affect the performance of managers. Organizational commitment moderates the effect of budget participation. Goal clarity and organizational culture are seemingly important apparatus moderating influence of budget participation in every organization. The implications of this research are that this study can at least motivate further research, especially related to the performance of government officials. Organizational culture factors and organizational commitment are likely to be conditional factors that must be considered in order to improve organizational effectiveness. This factor is important in the condition of globalization era that is full of environmental uncertainty.

 The researcher therefore recommends that managers are to set a clear objectives and also in their duty to participate in the estimate of income and expenditure within specific limits of the organization so as not to run into deficit.

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**APPENDIXEE**

**QUESTIONNAIRE**

**SECTION A**

PERSONAL INFORMATION

**Gender**

Male [ ] Female [ ]

**Age**

24-30[ ]

1. 36[ ]

37-44[ ]

45+[ ]

**SECTION B**

QUESTION 1: Does goal clarity lead to managerial performance?

|  |  |
| --- | --- |
| **Options** | **Please tick** |
| Yes |  |
| No |  |
| Undecided |  |

QUESTION 2: Does budget participation lead to managerial performance?

|  |  |
| --- | --- |
| **Options** | **Please tick** |
| Yes |  |
| No |  |
| Undecided |  |

QUESTION 3: Is goal clarity a moderating variable between budget participation and managerial performance?

|  |  |
| --- | --- |
| **Options** | **Please tick** |
| Yes |  |
| No |  |
| Undecided |  |

QUESTION 4: Is there any significant relationship between goal clarity and budget participation?

|  |  |
| --- | --- |
| **Options** | **Please tick** |
| Yes |  |
| No |  |
| Undecided |  |