

Budgetary Slack and Managerial Performance Models: Gender Perspective

Dwi Suhartini^{1,2} Eko Riadi¹ Rida Perwita Sari^{1,2}

1.Lecturer in UPN "Veteran" East Java, Jl Raya Rungkut Madya Gunung Anyar Surabaya, Indonesia

2.Doctoral Program of Airlangga University, Jl Dharmawangsa Surabaya, Indonesia

Abstract

This study aims to examine the role of the managers involved in the budgeting process to managerial performance by considering the effects of budgetary slack behavior and character of individuals such as LOC, gender perspective. The population is all manufacturing managers holding positions of functional managers in the city of Surabaya. The sampling method was convenience sampling because of the unavailability of complete the data about the number of female and male managers are easy to find and has the characteristics of the study sample will be used as respondents. The research hypothesis will be tested using statistical tools PLS (Partial Least Squares) in two different gender groups because PLS has advantages over the other multivariate techniques to measure individual behavior variables. The results showed that there was no difference between male and female managers are equally perform budgetary slack in budgetary participation mechanism and this greatly affects managerial performance. It Allows doing positive budgetary slack. This phenomenon is supported by the personal character of female managers who have an external LOC, while the male manager were not affected the character of the LOC. The manager did slack supported, because there are conservative measures in anticipation of future environmental uncertainty.

Keywords: Locus of Control, Budgetary Slack, Budgetary Participation, Managerial Performance, Gender Perspective.

1. Background

The development of behavioral accounting research in the design of management control systems in the research budget has been progressing very rapidly, even up to now is still relevant for examination (Langevin and Mendoza, 2013; Hobson et al., 2011) and research models to test the effects of relationship between budgetary Participation with dysfunctional behavior is the behavior of budgetary slack. Hobson, et al., (2011); Langevin and Mendoza, (2013) said that budgetary slack as unethical behavior or dysfunctional. Libby and Lindsay (2007) said that most companies recognize that budgeting as a key element in the company's management control systems, studies proved that 25% of respondents said the budgeting system can assist management in achieving objectives and can also be dangerous in case of dysfunctional behavior.

Langevin and Mendoza, (2013) said that budgetary slack is unethical acts committed individuals involved in the budgeting process by enlarging the estimated costs and reduce earnings estimates. The conditions allowing aims to facilitate the achievement of targets and further such behavior will affect the individual's performance. Empirical evidence has shown that budgetary Participation can improve managerial performance (Frucot and Searon, 1991) and Apriwandi (2012) found evidence that budgetary slack affect managerial performance significantly positive. Otley in Belkoui (1989) states that the concept of budgetary slack there are positive and some are negative. Indicating positive for managers of conservative measures in the face of uncertainty in the budget, while the negative ones indicate a personal interest in the preparation of the budget. Budgetary practice often found that negative slack.

This study uses the theory of contingency and agency approach. Fisher, (1998) says that in through Home Visits contingencies, design and use of control systems and accounting management system depends on the context of organizational settings where the system is applied. Belkaoui (1989) say that the relationship between budgetary Participation and performance can be moderated by several variables perspective contingency, such as personality variables and LOC. Eisenhard (1989) agency theory is based on the three assumptions, namely: a) Assumptions about human nature that emphasizes that people have a selfish nature (self-interest), have limited rationality (bounded rationality), and do not like risk (risk aversion). b) Assumptions about the organization, namely the conflict between members of the organization, efficiency as a criteria of productivity, and the asymmetry of information between principal and agent. c) Assumptions about the information that the information is seen as a commodity that can be traded. These conditions allow to happen in the budget process.

Based on the contingency theory allows the use of personality variables such as gender and the LOC as a contingency variable, so it is that enables the implementation of management control systems will give different results on each organization and it is proved empirically on the research results are ambiguous. Yucell (2010); Langevin and Mendoza (2013); Ozer and Yilmaz, (2011); Husain (2011); Hobson et al., (2011) found that high budgetary Participation can reduce budgetary slack behavior, but Su and Ni (2013) says that budgetary

Participation is not able to improve perceptions on controlling slack.

Frucot and Shearon (1991) proved that budgetary Participation positively affect managerial performance moderated by individuals who have an internal LOC, but Leach-Lopez et al., (2008) proved that budgetary participation positively influence managerial performance and LOC not as moderating variable, Apriwandi (2012) found evidence that budgetary slack affect managerial performance.

Topics of research on gender is still relatively little done in Indonesia, although the gender topics considered important. Broadbridge and Hearn, (2008) study of gender relations in the organization and management is considered a logical and important. Kmec and Gorman, (2010) research attention has been focused on testing sizeable gender differences in job orientation. Bear et al., (2010); Ali et al., (2011) research on gender diversity in the workplace has increased and affect the reputation of the company. Based on these statements prove that the study of gender is an important alternative research topics for study and research gender diversity can affect a company's reputation.

Phenomenon in Indonesia proves that the role of female occupying positions of management level is still not balanced when compared with male. Bakrie, (2012) six per cent of female in Indonesia sits on the board of directors level and six per cent in the level of CEO. <http://lipsus.kompas.com/topikpilihanlist>. This contrasts that occur outside Indonesia, there has been increasing role of female in the composition of the board of directors of the company in the United States. (Catalyst Group, 2004; Rose 2007 in Srinidhi et al., 2011).

Studies on the gender perspective can be attributed to the process management in the preparation of the budget because the budget process there will be individual interactions between managers female and male, while each individual has a unique character and different and this will affect performance. This is supported by the results of previous studies that say that gender diversity in the workplace can affect a company's reputation. Fakhri, (1999) Gender is an inherent nature of male and female who are socially and culturally constructed. For example, it is known that female are gentle, beautiful, emotional, or motherhood. While male are considered strong, rational, manly, powerful. The hallmark of the nature itself is the properties that can be exchanged.

Some studies on gender differences that affect information processing has proven that female have a positive influence in presenting information. Gul et al (2010) and Srinidhi et al (2011) showed that the Director of the female were able to produce higher quality earnings information and Gulzar and Wang (2011) found that female directors tend not to perform earnings management. Yuhertiana (2011) prove that the head of female is more ethical than male heads of agencies in preparing the budget. The results of these studies have illustrated that female are more ethical in their work orientation in generating information

Based on empirical and theoretical phenomenon, it is necessary to conduct further research that examines more knowledgeable about the effects of budgetary Participation on budgetary slack behavior and managerial performance LOC and gender perspective. Based on the background of the problem, the formulation of the problem in this research is how budgetary Participation is able to influence the behavior of budgetary slack and managerial performance are moderated by the LOC gender perspective, so that the research questions are, a) whether budgetary Participation capable of affecting budgetary slack, b) whether budgetary Participation able to influence the behavior of budgetary slack moderated LOC gender perspective, c) whether the budgetary slack capable of affecting the performance of managerial gender perspective.

The purpose of this study is, a) to test and analyze empirically the effects of budgetary Participation on the behavior of budgetary slack gender perspective, b) test and analyze empirically the effects of budgetary Participation on budgetary slack behavior moderated LOC gender perspective, c) test and analyze empirically the influence budgetary slack gender perspective on managerial performance.

2. Literature

2.1 Previous research

The first study that raised the issue of managerial control in the budgeting issue is research Argyris, (1952) which is linked to the performance of universalistic approach, but with the development of science this approach has shifted to the contingency approach. The first study conducted Brownell (1981) proved that individuals who have the ability to control the level of her or that have an internal LOC is able to perform better in conditions of budgetary participation. Leach-Lopez et al., (2008) connects the budgetary participation and managerial performance and job satisfaction LOC interaction with individual characteristics, have proved the high participative able to improve managerial performance and job satisfaction.

Yu-Ni et al., (2005) linking budgetary participation and job satisfaction and managerial performance are mediated by levels of trust superiors and organizational commitment, the result is when the managers involved in the budgeting process more has high organizational commitment and further increase job satisfaction and performance manager, Apriwandi (2012) found evidence that budgetary slack able to influence managerial performance.

Research on the science of behavioral accounting, especially in the field of management accounting which raised the issue of gender is still limited, while abroad this topic has become an area of interest. Bear et

al., (2010); Ali et al., (2011) mentions that gender diversity in the workplace has increased and affect the reputation of the company. Based on some of these opinions, the study that raised the topic of gender is something that is relevant and important to investigate, as evidenced by the attention to gender diversity in the work orientation can enhance a company's reputation.

2.2Contingency Theory

Belkaoui (1989) says that the contingency theory approach, there is no accounting system and general strategies that apply equally to all organizations, but it depends on certain contingencies that do become fit. The author can conclude from both the opinion that the design of management control systems in the research of accounting will be a fit subject of contingency variables are used and this variable can adopt from the science of psychology, such as the individual personality factors. Dunk and Perera (1997) says that in a budgetary participation system manager's behavior is influenced by a number of factors such as ethical and moral personality.

2.3Agency theory

Belkoui (1989) states that the agency theory refers to the behavior of slack, which this theory to design an incentive contract so that the total profit can be maximized, given: 1) the existence of information asymmetry between principal and agent; 2) the pursuit of personal interest by the agent; 3) environmental uncertainties affect the outcome of the decision.

Explanation of this theory could mean that there is a conflict of interest between the principal (top managers) and agents (managers below), in this case under the manager has more information, it is this which allows the information asymmetry and the condition that resulted in budgetary slack.

2.4Definition of budgetary slack

Anthony and Govindarajan (2006) states that the budget is an essential tool for planning and controlling the effective short-term within the organization. Based on these definitions that the budget is one important strategy to achieve organizational goals, but in practice budgeting process involving functional managers are often misused to convey information that does not actually like making a low income and high cost estimates made goal for his personal interests. This happens because under manager tends to have more local information than managers superiors. This behavior is referred to as the budgetary slack.

Otley in Belkoui (1989) states that the concept of budgetary slack there are positive and some are negative. Indicating positive for managers of conservative measures in the face of uncertainty in the budget, while the negative ones indicate a personal interest in the preparation of the budget. Budgetary practice often found that negative slack.

2.5Budgetary Participation

Darlis (2002) in Kartika (2010) participation will lead to positive communication, as would happen with the participation of the information exchange mechanism. It can be concluded that budgetary participation is the activities carried out by individuals who are involved in the budgeting process by sharing information.

Hansen and Mowen (2007) budgetary participation in addition to having some positive impact also has three potential problems, namely: 1) Setting a standard that is too high or too low; 2) Make leeway in the budget (budgetary slack); 3) Participation apparent.

2.6Locus of Control (LOC)

LOC is one of the variables unique personality and differentiate the character of a person by another person. This variable is widely used in behavioral research, both on the study of management accounting and auditing. The LOC concept to explain individual differences in behavior in organizational settings. Rotter, (1966) LOC as a personality variable, is a way of looking someone to an event, a person who has looked at the external LOC character events can be controlled by fate, luck, or other forces, while the internal LOC character believe that they have existing controls.

2.7Gender

Fakih, (1999) stated that gender is an inherent nature of male and female who are socially and culturally constructed and these characteristics can be interchangeable. The statement implies that the male role can also be played by female when social conditions support it, so that female can also be a leader. Gilhigan, (1982) danPollack, (1988) in the Wood (2007), they theorized that the majority of female are socialized to appreciate relationships with others, are able to communicate and responsiveness, as well as maintaining relationships. Male are more likely to respect the independence and communicate in a way to maintain their independence from the others. Murniati, (2004) characteristic of female leadership to encourage participation, share power and information, invite others to increase their personal value and give other people a chance to feel proud of his

work. Hersby et al., (2009), female are more likely to make decisions with a focus on networking.

Based on these opinions allow the need for gender diversity by involving female in the process of budgeting and decision-making.

2.8 Managerial Performance

Managerial Performance According to Mulyadi (1997) is the periodic determination of the effectiveness of an organization, part of the organization and its employees based on standard objectives and criteria that have been previously used. Mahoney (1963) says that the managerial performance can be interpreted as the performance of the individual members of the organization in managerial activities, including planning, investigation, coordination, supervision, staffing, negotiation, and representativeness. Second opinions can be concluded that the managerial performance is the work of individuals within the organization who carry out managerial tasks such as planning, investigation, coordination, supervision, staffing, negotiation, and representativeness.

2.9 Framework for the development of hypotheses

2.9.1 Budgetary Participation influence on budgetary slack of gender perspective.

This study uses agency theory approach, adopted to evaluate the effectiveness of budgetary participation in the budgetary slack. Explanation of the theory could mean that there is a conflict of interest between the principal (top managers) and agents (managers below), in this case under the manager has more information, it is what allows the information asymmetry and the condition that resulted in budgetary slack.

Research Huang and Chen, (2009); Langevin and Mendoza, (2013); Saldalgaard et al., (2011); Hobson et al., (2011) and Su and Ni, (2013). Their results found that when high participatory budgeting, it can reduce slack budgetary behavior and the results of other studies, found that if participatory budgeting, it can reduce the apparent honesty in communicating the budget process (Krishnan et al., 2012).

As explained previously that the topic of gender is something logical and important to investigate and gender diversity in the workplace has increased and affect the reputation of the company. Thorneet al., (2003) auditors female have a lower tolerance than the auditor male in behaving opportunistically. This means that female are more ethical auditor and this affects the company's reputation. Gulet al., (2010); Srinidhi et al., (2011) The Director of the female were able to produce higher quality earnings information, otherwise Gulzar and Wang (2011) director of female tend not to perform earning management. Feijo et al., (2012) the composition of the board of directors who has a composition of three female or more positive effect on the improvement of CSR reporting. Ali et al., (2011) gender diversity may affect the financial performance, when there is involvement of female by 50% in the company.

Based on the above explanation, the underlying concept to think that when the functional managers involved in the manufacturing process of budgetary participation budget or high then low slack budgetary behavior. The concept of thought here would be interesting if it is associated with gender, as proven in previous research that says that gender diversity can improve financial performance and reputation of the company.

H1: There is a budgetary participation influence on the behavior budgetary slack of gender perspective.

2.9.2 Budgetary Participation influence on budgetary slack is moderated variable LOC of gender perspective.

LOC related with a person's level of confidence about the event, fate, luck and fate that happened to him, whether due to internal or external factors. Donnelly et al., (2003) stated that external factors individual auditors be one of the factors that could potentially affect the auditor to accept the dysfunctional behavior.

Based on the above explanation, thinking that underlies the concept of budgetary Participation has influence the budgetary slack is moderated by the LOC. It means that if the functional managers involved in the budget-making process supported by the character of the personality that have self-control or influence the LOC then budgetary slack reviewed from a gender perspective.

H2: LOC is a variable moderating the relationship between budgetary participation on behavior budgetary slack of gender perspective

2.9.3 Behavior budgetary slack influence on managerial performance of gender perspective.

Opinion previously said that the behavior of budgetary slack is unethical behavior, thus allowing once effect on managerial performance. Apriwandi (2012) found evidence of research results that budgetary slack able to positively influence managerial performance significantly. Results of these studies illustrate that when the behavior of the high slack budgetary managerial performance is also high. The hypothesis here would like to test the effect of budgetary slack on performance managerial reviewed from a gender perspective.

H3: There is a behavioral budgetary slack effect on the managerial performance of gender perspective.

2.10 Research Model

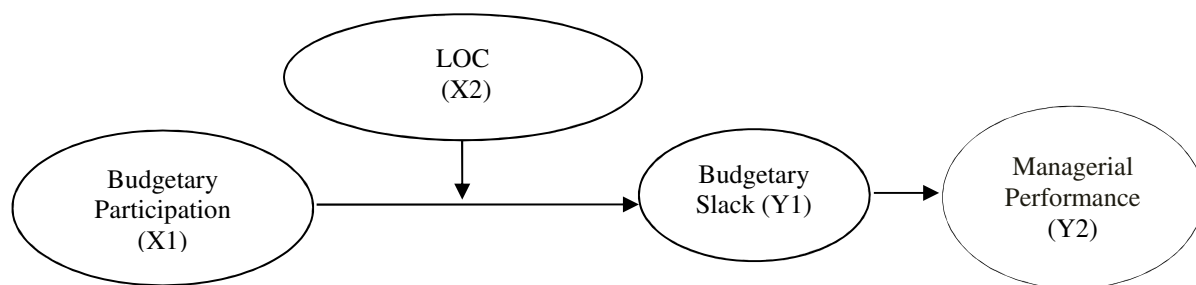


Figure 1
Research Model

3. RESEARCH METHODS

3.1 Types Of Research

This research is a quantitative research. Cooper and Schindler, (2008) quantitative approach often used to measure the behavior, knowledge, opinions or attitudes. This study will measure the behavior, attitudes, perceptions production manager, finance and marketing in activity participation in budget making process that affect the behavior of budgetary slack and managerial performance improvements of gender perspective interaction with moderating variable LOC.

3.2 Operational Definition and Measurement of Variables

The variables used in this study consists of three variables, namely budgetary participation (X_1) as an independent variable, budgetary slack (Y_1), managerial performance (Y_2) as dependent variable and the moderating variable is the LOC (X_2). Operational definition is as follows:

3.2.1 Budgetary Participation (X_1)

Budgetary participation is the level of participation that involves a functional manager in the process of preparing the budget and have an influence in determining the achievement of budgetary targets at the center of accountability. This variable using instruments developed by Milani (1975) which has been validated by Yu-Ni et al., (2009). This instrument uses a scale of measurement intervals and measurement techniques with variable semantic scale defferensial.

3.2.2 Locus of Control (X_2)

Locus of control is defined as a character on the extent of functional managers can be confident that their actions can influence the budget making process to approve the budget, which is influenced by internal and external factors. This variable using instruments developed by Donnelly et al., (2003). This instrument uses a scale of measurement intervals and measurement techniques with variable semantic scale defferensial.

3.2.3 Budgetary slack (Y_1)

Budgetary slack is action taken by an individual with the ability to shrink its productive when given the opportunity to determine his standards. This variable using instruments developed by Dunk (1993). This instrument uses a scale of measurement intervals and measurement techniques with variable semantic scale defferensial.

3.2.4 Managerial Performance (Y_2)

Managerial performance is the performance of individual members of the organization in managerial activities, such as: planning, investigation, coordination, supervision, staffing, negotiation and representation. The instrument used to measure managerial performance variables is a self-rating questionnaire developed by Mahoney et al., (1963). This instrument uses a scale of measurement intervals and measurement techniques with variable semantic scale defferensial.

3.3 Research Location

The study was conducted at a manufacturing company in the city of Surabaya, on the grounds that the development of an industrial manufacturing company in Surabaya have experienced a significant increase.

3.3.1 Population and Sample

The population was functionally female managers and male in manufacturing companies in the city of Surabaya. The unit of analysis or functional female respondents were managers and male who have positions as production manager, finance manager, marketing manager or others who participate in the budgeting process at the company or department his/her lead.

The sampling technique is convenience sampling. The use of this technique, because of the unavailability of complete data about the number of female managers and the man who is on manufacturing companies in Surabaya, for the easy retrieval in the sample where respondents are easy to be found and has characteristic sample. Sholihin and Ratmono (2013) states that there is no problem of identification or fixed models can be estimated with a small sample size that is 35-50 respondents.

3.4 Method Of Collecting Data

Using the survey method. The research data is spread using a questionnaire sent to managers of female and male who served as production manager, finance manager, marketing manager or other individual manufacturing companies sampled research, through surveys or direct mail was visited by investigators with a view to improving response rate.

3.4.1 Analysis Technique and Testing Hypotheses

The analysis technique used in this study is the Partial Least Square (PLS), the method of PLS is a powerful analytical method because it can be applied to all scales of the data, does not require a lot of assumptions and sample size should not be large. PLS than can be used as a confirmation of the theory can also be used to build a relationship that does not exist or the theoretical basis for testing the proposition (Ghozali, 2011).

3.4.2 Evaluation Measurement Model

Evaluation of the measurement model is evaluation of the relationship between the construct with the indicator. This evaluation includes two stages, namely the evaluation of convergent validity and discriminant validity. (Yamin and Kurniawan, 2011).

3.4.3 Convergent Validity

Convergent validity can be evaluated in three stages, namely an indicator of validity, construct reliability and value Average Variance Extracted (AVE).

3.4.4 Validity indicator (Outer Loading)

Validity indicator can be seen from the value of factor loading. If the value of an indicator loading factor of more than 0.5 and the value of the t statistic is greater than 2.0, then it can be said to be valid. Conversely, if the value is less from loading factor of 0.5 and has a value of t statistic is less than 2.0, then removed from the model.

3.4.5 Reliability construct (composite reliability)

Seeing composite reliability or reliability construct an indicator which measures the block a construct. Statistics used were composite reliability above 0.7 indicates the reliability or construct has a high reliability as a measuring tool.

3.4.6 Average variance extracted (AVE)

Examination of the average variance extracted (AVE) value indicates the amount of variance indicators contained by the latent variables. Known as the discriminant validity test that describes the variance that can be explained by the items compared to the variance caused by the measuring error, the default is when the AVE value above 0.5 can be said that good construct.

3.4.7 Discriminant Validity

Discriminant validity can be evaluated in two stages that saw the value of cross loadings and compared between the squared correlation between the value AVE construct or construct the correlation between the roots AVE.

3.4.8 Cross Loadings

Discriminant validity of the measurement model with reflective indicators assessed by cross loading with konstruknya. If the correlation construct the measurement item is larger than the size of the other constructs, then this indicates that the latent variables to predict the block itself is better than the other block.

3.4.9 Correlation Between construct With Roots AVE

In measuring the value diskriminant validity is to compare the value AVE of each construct the correlation values between the construct with other constructs in the model. If the value of the root of AVE each construct is greater than the value of the correlation between the constructs with other constructs then said to have rated good discriminant validity.

3.4.10 Evaluation of Goodness-of-fit Inner Model

Inner structural models or models were evaluated by looking at the percentage of variance explained by looking at R^2 for the dependent latent constructs using size Stone-Geisser Q-square test and also see the coefficient of structural lines. The stability of these estimates was evaluated using statistical t-test and positive and negative influences seen from the original sample (O) is obtained through bootstrapping procedure. Evaluation of goodness-of-fit of the model was evaluated by using the inner R-square for dependent latent variables with the same interpresentasi regression. Meanwhile, to measure the model constructs used Q-square predictive relevance. Q-square can measure how well the observed values generated by the model and estimation parameters. If the $Q^2 > 0$ indicates that the model has predictive relevance, otherwise if the value of the $Q^2 < 0$ indicates the model lacks predictive relevance. Calculation of Q-square performed by the formula:

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2) \dots (1 - R_p^2)$$

Which:

$R_1^2, R_2^2, \dots, R_p^2 = R^2$ – square endogenous variables in the model of equation

4. DISCUSSION AND ANALYSIS

Based on the data which can be processed from the respondents as many as 78 respondents consisting of 35 male manager and 43 female manager. All of the indicators used in the model is valid research to the value factor loading above 0.50 and reliability values above 0.60. The aim of this research model to test empirically the effect of budgetary Participation on managerial performance through budgetary slack is moderated by gender perspective LOC, for it in hypothesis testing will be grouped in two different gender groups. In detail, the results of the test PLS can be seen in the discussion below:

4.1 First Hypothesis

First hypothesis want to examine the effect of budgetary participation on the behavior of budgetary slack of gender perspective. The results of PLS for evidentiary first hypothesis is as follows:

a. Validity indicator (Outer Loading)

Table 1
 Loading the value Respondents Man

	PP	KM	BS	Type (a)	SE	P value
x1.1	0.948	0.032	0.108	Reflect	0.121	<0.001
x1.2	0.917	0.023	-0.040	Reflect	0.126	<0.001
x1.3	0.875	-0.130	0.134	Reflect	0.120	<0.001
x1.4	0.959	-0.005	0.049	Reflect	0.116	<0.001
x1.5	0.697	0.096	-0.330	Reflect	0.230	0.002
y2.1	0.309	0.638	0.135	Reflect	0.303	0.021
y2.2	0.094	0.710	-0.030	Reflect	0.186	<0.001
y2.3	-0.237	0.689	0.070	Reflect	0.254	0.005
y2.4	-0.159	0.735	0.257	Reflect	0.104	<0.001
y2.5	-0.146	0.772	0.057	Reflect	0.167	<0.001
y2.6	0.046	0.464	-0.187	Reflect	0.167	0.004
y2.7	0.367	0.585	-0.045	Reflect	0.159	<0.001
y2.8	-0.009	0.564	-0.076	Reflect	0.161	<0.001
y2.9	-0.137	0.742	-0.257	Reflect	0.107	<0.001
y1.1	0.268	0.008	0.709	Reflect	0.280	0.008
y1.2	0.270	-0.298	0.819	Reflect	0.211	<0.001
y1.3	0.283	-0.122	0.849	Reflect	0.203	<0.001
y1.4	-0.262	0.063	0.619	Reflect	0.234	0.006
y1.5	-0.523	0.209	0.605	Reflect	0.315	0.031
y1.6	-0.241	0.246	0.716	Reflect	0.238	0.002

Based on the loading showed that the resulting value of more than 0.50 and generated a significant level of less than 5%, which means that all the indicators in the variable behavior of budgetary participation and budgetary slack is significantly valid.

Table 2
 Loading the value of the Respondent Female

	PP	KM	BS	Type (a)	SE	P value
x1.1	0.941	-0.076	0.043	Reflect	0.169	<0.001
x1.2	0.930	0.007	0.025	Reflect	0.161	<0.001
x1.3	0.902	-0.038	0.034	Reflect	0.139	<0.001
x1.4	0.955	-0.016	0.080	Reflect	0.153	<0.001
x1.5	0.537	0.214	-0.317	Reflect	0.270	0.027
y2.1	0.301	0.775	-0.033	Reflect	0.177	<0.001
y2.2	0.545	0.375	0.017	Reflect	0.192	0.029
y2.3	-0.194	0.596	-0.181	Reflect	0.180	<0.001
y2.4	-0.052	0.670	0.252	Reflect	0.143	<0.001
y2.5	0.057	0.472	-0.357	Reflect	0.246	0.031
y2.6	0.096	0.579	-0.075	Reflect	0.237	0.009
y2.7	-0.093	0.467	0.122	Reflect	0.261	0.041
y2.8	-0.320	0.720	0.273	Reflect	0.212	<0.001
y2.9	-0.135	0.706	-0.118	Reflect	0.191	<0.001
y1.1	0.178	-0.184	0.749	Reflect	0.138	<0.001
y1.2	0.352	-0.248	0.784	Reflect	0.165	<0.001
y1.3	-0.029	0.009	0.829	Reflect	0.116	<0.001
y1.4	-0.130	0.250	0.737	Reflect	0.200	<0.001
y1.5	-0.202	0.135	0.789	Reflect	0.130	<0.001
y1.6	-0.154	0.041	0.849	Reflect	0.112	<0.001

Based on the loading showed that the resulting value of more than 0.50 and generated a significant level of less than 5%, which means that all the indicators in the variable behavior of budgetary Participation and budgetary slack is significantly valid.

b. Reliability construct (composite reliability)

Table 3
 Test Reliability on Respondents Man

Composite reliability coefficients		
PP	KM	BS
0.947	0.873	0.868
Cronbach's alpha coefficients		
PP	KM	BS
0.927	0.835	0.815

Reliability test results showed that budgetary participation and behavioral variables budgetary slack is reliable, dilihat of value composite reliability and Cronbach's alpha is generated above 0.70.

Table 4
 Test Reliability on Respondents Female

Composite reliability coefficients		
PP	KM	BS
0.937	0.835	0.909
Cronbach's alpha coefficients		
PP	KM	BS
0.909	0.776	0.879

Reliability test results showed that budgetary Participation and behavioral variables budgetary slack is reliable, views of value composite reliability and Cronbach's alpha is generated above 0.70.

c. Average variance extracted (AVE)

Table 5
 AVE on Respondents Man

Average variances extracted		
PP	KM	BS
0.782	0.439	0.526

Reliability test results showed that budgetary Participation and behavioral variables budgetary slack has discriminant validity were high, views of value AVE produced above 0.50.

Table 6
 Respondents AVE on Female

Average variances extracted		
PP	KM	BS
0.753	0.371	0.625

Reliability test results showed that budgetary Participation and behavioral variables budgetary slack has discriminant validity were high, views of value AVE produced above 0.50.

d. Cross Loadings

Table 7
 Cross Loadings on Respondents Man

* Structure loadings and cross-loadings *			

	PP	KM	BS
X1.1	0948	0354	0485
x1.2	0917	0298	0346
x1.3	0875	0212	0414
x1.4	0959	0320	0425
x1.5	0697	0196	0070
y2.1	0480	0638	0429
y2.2	0267	0710	0260
y2.3	0047	0689	0248
y2.4	0196	0735	0420
y2.5	0132	0772	0292
y2.6	0157	0464	0091
y2.7	0461	0585	0271
y2.8	0170	0564	0173
y2.9	0049	0742	0066
y1.1	0451	0339	0709
y1.2	0470	0130	0819
y1.3	0519	0277	0849
y1.4	0087	0248	0619
y1.5	-0062	0300	0605
y1.6	0177	0405	0716

Based on the table 7 shows that the results of cross loading of budgetary Participation and behavioral variables budgetary slack with the indicator is higher than the indicator correlation with other variables means variables budgetary Participation and behavior budgetary slack indicator predicts the block itself better than the indicator in other blocks.

Table 8
 Cross Loadings on Respondents Female

	PP	KM	BS
X1.1	0941	0373	0352
x1.2	0930	0439	0344
x1.3	0.902	0.371	0.313
x1.4	0955	0423	0395
x1.5	0537	0312	-0034
y2.1	0550	0775	0281
y2.2	0533	0375	0226
y2.3	0089	0596	0050
y2.4	0.306	0.670	0.425
y2.5	0172	0472	-0071
y2.6	0323	0579	0168
y2.7	0182	0467	0214
y2.8	0127	0720	0391
y2.9	0208	0706	0157
y1.1	0319	0191	0749
y1.2	0451	0196	0784
y1.3	0275	0278	0829
y1.4	0228	0405	0737
y1.5	0175	0332	0789
y1.6	0188	0270	0849

Based on the table 8 indicates that the result of cross loading of budgetary Participation and behavioral variables budgetary slack with the indicator is higher than the indicator correlation with other variables means variables budgetary Participation and behavior budgetary slack indicator predicts the block itself better than in other blocks indicator ,

e. Path Coefficient

Table 9
 Path Coefficient

Male Path coefficients	Male R-squared coefficients
-----	-----
PP KM BS	PP KM BS
PP	0232 0301
KM 0482	
BS 0548	
P values	

PP KM BS	
PP	
KM 0.006	
BS 0010	
Female: Path coefficients	Female: R-squared coefficients
-----	-----
PP KM BS	PP KM BS
PP	0273 0143
KM 0522	
BS 0378	
P values	

PP KM BS	
PP	
KM <0.001	
BS <0.001	

Based on the results of the analysis of the first hypothesis has been tested, that the two gender groups indicated that the budgetary participation a significant positive effect on the behavior of budgetary slack, to

groups of female show the calculation results with significance level ($p < 0.001$) with path coefficients of 0.378, while for the group Male shows the results of calculation with a significance level of ($p < 0.010$) with path coefficients for 0.548, so the first hypothesis verified. Structural models of budgetary Participation latent variable correlation with latent variables budgetary slack for both groups of female and male, as follows:

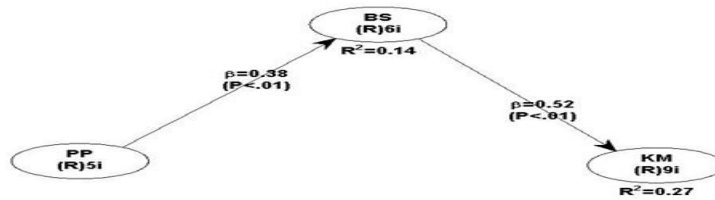


Figure 2
 Group Female: Relationship budgetary participation with budgetary slack

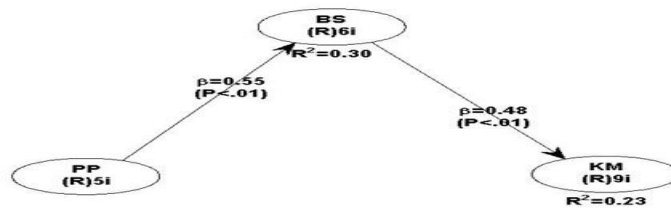


Figure 3
 Group Male: Relationship budgetary participation with budgetary slack

4.2 The second hypothesis

The second hypothesis tested the relationship between participative budgeting influence on the behavior of budgetary slack is moderated LOC of gender perspective. Overall, in the second test this hypothesis, already meet the test of Validity Convergent and Discriminant Validity which clearly can be seen in Table 1 to Table 9 . Based on the path coefficients , the second hypothesis for the group of female managers has been tested and for groups of male manager was not tested. Group manager of female show a significance level of calculation results ($p < 0.001$) and the path coefficients for 0,478 with an external LOC, meaning that budgetary participation positive significant effect on the behavior of slack budgetry moderated external LOC, while for groups of male managers showed that the calculation results LOC not as a moderating variable relationship between budgetary participation on behavior budgetry slack. Model latent variable structural relationship with the budgetary participation slack budgetry moderated by the LOC for the second goup of female and male, as follows:

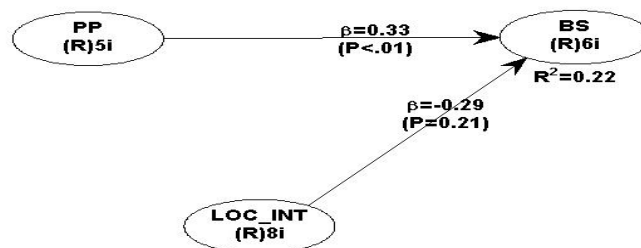


Figure 4
 Group of female: relationship with the budgetary participation slack budgetry moderated internal LOC

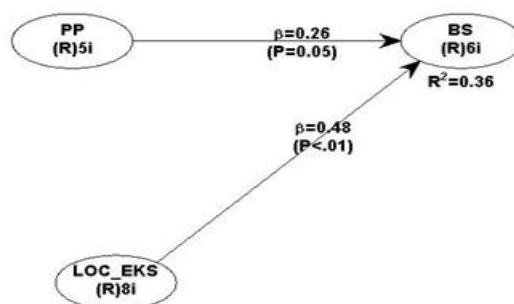


Figure 5

Group of female: relationship with the budgetary participation slack budgetary moderated external LOC

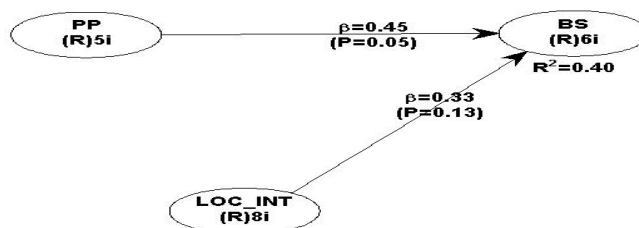


Figure 6

Group Male: Relationship budgetary participation with budgetary slack moderated internal LOC

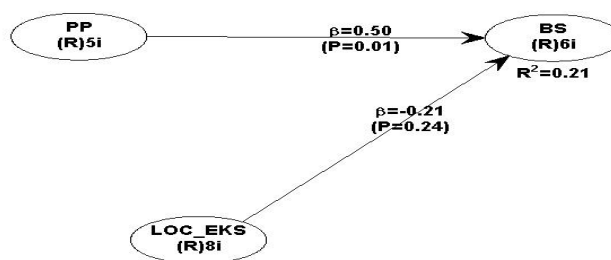


Figure 7

Group of male: Relations with the budgetary participation slack budgetary moderated external LOC

4.3 Third Hypothesis

The third hypothesis test the effect of the behavior of budgetary slack on managerial performance of gender perspective. Overall, in the second test this hypothesis, already meet the test of Validity Convergent and Discriminant Validity , which clearly can be seen in Table 1 to Table 8. Based on the path coefficients are on the table 9, the third hypothesis has been tested, indicating that the two gender groups budgetary slack significant positive effect on managerial performance, to groups of female show the results of the calculation of the level of significance ($p < 0.001$) with path coefficients of 0.522, while the male manager shows the results of the calculation of the level of significance ($p = 0.006$) with path coefficients of 0.482 , thus verified the third hypothesis. Structural model of latent variables relations budgetary slack on managerial performance can be seen in the picture. 2 and figure 3.

4.4 Discussion

Based on the results of the analysis can illustrate that there is no difference in perception between managers male and female in view of the behavior of budgetary slack on budgetary participation system, it allows both managers perform budgetary slack positive, it is driven by both the conservative behavior of managers in setting budget targets fraught with uncertainty or in other words they do budgetary slack positive and this affects their high managerial performance.

As for the external LOC support for female managers allow once triggered that female tend to be risk averse and rely on the luck factor in formulating the budget targets were fraught with uncertainty, especially for business operations in a less stable economic environment. Female characters themselves are relying feelings in making decisions, in contrast to the male group manager that LOC is not a personal character that is able to control the behavior of managers to behave budgetary slack, because male tend to think realistically and risk takers in their actions.

5. CONCLUSION

Our research results while using 78 data, it can be concluded: a) the manager, both managers male and female have the same behavior in the perception of budgetary slack in budgetary participation mechanism, it is possible they do the budgetary slack positive as a form of conservative behavior in formulate a budget targets, b) a second manager, both managers male and female have the same behavior in the perception of budgetary slack in efforts to improve managerial performance, c) the manager, both managers male and female do not have the same behavior in perception LOC, it is evident that for a group of male managers LOC variable not as a moderating variable, whereas in the group of female managers is controlled by an external LOC, d) the variable LOC capable as contingency variables.

5.1 Suggestion

The results could be used as consideration for company management to pay more attention to the personal character of the individuals involved in the budget drafting team, and is also recommended for future studies allow all uses other contingency variables such as self-efficacy or organizational commitment and gender serve as moderating variables.

5.2 Limitations Research

The unit of analysis used in this study only used a sample area of Surabaya, making it less able to represent the behavior of the general manager.

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APPENDIX:
GROUP = FEMALE
MODEL 1: PP - BS - KM

Path coefficients		

	PP	KM BS
PP		
KM	0522	
BS	0378	
P values		

	PP	KM BS
PP		
KM	<0.001	
BS	<0.001	

The table above shows that the PP significant positive effect on BS ($p < 0.001$) and BS significant positive effect on KM ($p < 0.001$). Thus the hypothesis of the 1st and 3rd verified.

MODEL 2: PP - BS

Path coefficients		

	PP	BS
PP		
BS	0378	
P values		

	PP	BS
PP		
BS	<0.001	

The table above shows that the PP significant positive effect on BS ($p < 0.001$).

MODEL 3: PP and LOC - BS

1. Internal

Path coefficients		

	PP	BS
LOC_INT		
PP		
BS	0329 -0288	
LOC_INT		
P values		

	PP	BS
LOC_INT		
PP		
BS	0004 0211	
LOC_INT		

The table above shows that internal LOC no significant effect on the BS ($p = 0.211$).

2. External

Path coefficients	
	PP BS LOC_EKS
PP	
BS 0260 0478	
LOC_EKS	
P values	
	PP BS LOC_EKS
PP	
BS 0053 0001	
LOC_EKS	

The table above shows that external LOC significant positive effect on BS ($p < 0.01$). External LOC proven as independent variables.

MODEL 4: Moderating

1. Internal

Path coefficients	

	PP BS LOC_INT MODERATE
PP	
BS 0259 0296 0172	
LOC_INT	
MODERATE	
P values	

	PP BS LOC_INT MODERATE
PP	
BS 0035 0218 0119	
LOC_INT	
MODERATE	

The table above shows that internal LOC is not proven as a moderating variable ($p = 0.119$).

2. External

Path coefficients	

	PP BS LOC_EKS MODERATE
PP	
BS 0176 0352 -0352	
LOC_EKS	
MODERATE	
P values	

	PP BS LOC_EKS MODERATE
PP	
BS 0188 0009 0023	
LOC_EKS	
MODERATE	

The table above shows that external LOC proved to be a moderating variable ($p = 0.023$).

CONCLUSION: LOC AS PROVEN EXTERNAL VARIABLE QUASI moderating (PROVEN AS VARIABLE AND FREE moderating variables)

GROUP = MALE

MODEL 1: PP - BS - KM

Path coefficients	

	PP KM BS
PP	
KM 0482	
BS 0548	
P values	

	PP KM BS
PP	
KM 0.006	
BS 0010	

The table above shows that the PP significant positive effect on BS ($p < 0.010$) and BS significant positive effect on KM ($p = 0.006$). Thus the hypothesis of the 1st and 3rd verified.

MODEL 2: PP - BS

Path coefficients	

	PP BS
PP	
BS 0548	
P values	

	PP BS
PP	
BS 0010	

The table above shows that the PP significant positive effect on BS ($p = 0.010$).

MODEL 3: PP and LOC - BS

1. Internal

Path coefficients	

	PP BS
LOC_INT	
PP	
BS 0453 0327	
LOC_INT	
P values	

	PP BS
LOC_INT	
PP	
BS 0052 0132	
LOC_INT	

The table above shows that internal LOC no significant effect on the BS ($p = 0.132$).

2. External

Path coefficients	

	PP BS LOC_EKS
PP	
BS 0500 -0207	
LOC_EKS	
P values	

	PP BS LOC_EKS
PP	
BS 0013 0239	
LOC_EKS	

The table above shows that the influence of external LOC no significant effect on the BS ($p = 0.239$).

MODEL 4: Moderating

1. Internal

Path coefficients	

	PP BS moderate LOC_INT
PP	
BS 0422 0336 0041	
LOC_INT	
moderate	
P values	

	PP BS moderate LOC_INT
PP	
BS 0024 0156 0438	
LOC_INT	
moderate	

The table above shows that internal LOC is not proven as a moderating variable ($p = 0.438$).

2. External

Path coefficients	

	PP BS moderate LOC_EKS
PP	
BS 0458 -0153 -0258	
LOC_EKS	
moderate	
P values	

	PP BS moderate LOC_EKS
PP	
BS 0089 0272 0181	
LOC_EKS	
moderate	

The table above shows that external LOC NOT proven to be a moderating variable ($p = 0.181$).