

UNIVERSITY OF CAPE COAST



BUDGET PARTICIPATION AND PERFORMANCE: THE MODERATING
ROLE OF EMPLOYEE MOTIVATION

BY

NESTOR KORSHI DORDUNU

Dissertation submitted to the Department of Accounting Studies of the School of Business, College of Humanities and Legal Studies, University of Cape Coast in Partial fulfilment of the requirements for the award of Master of Business Administration degree in Accounting.

AUGUST 2023

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.”

Candidate's Signature.....Date.....

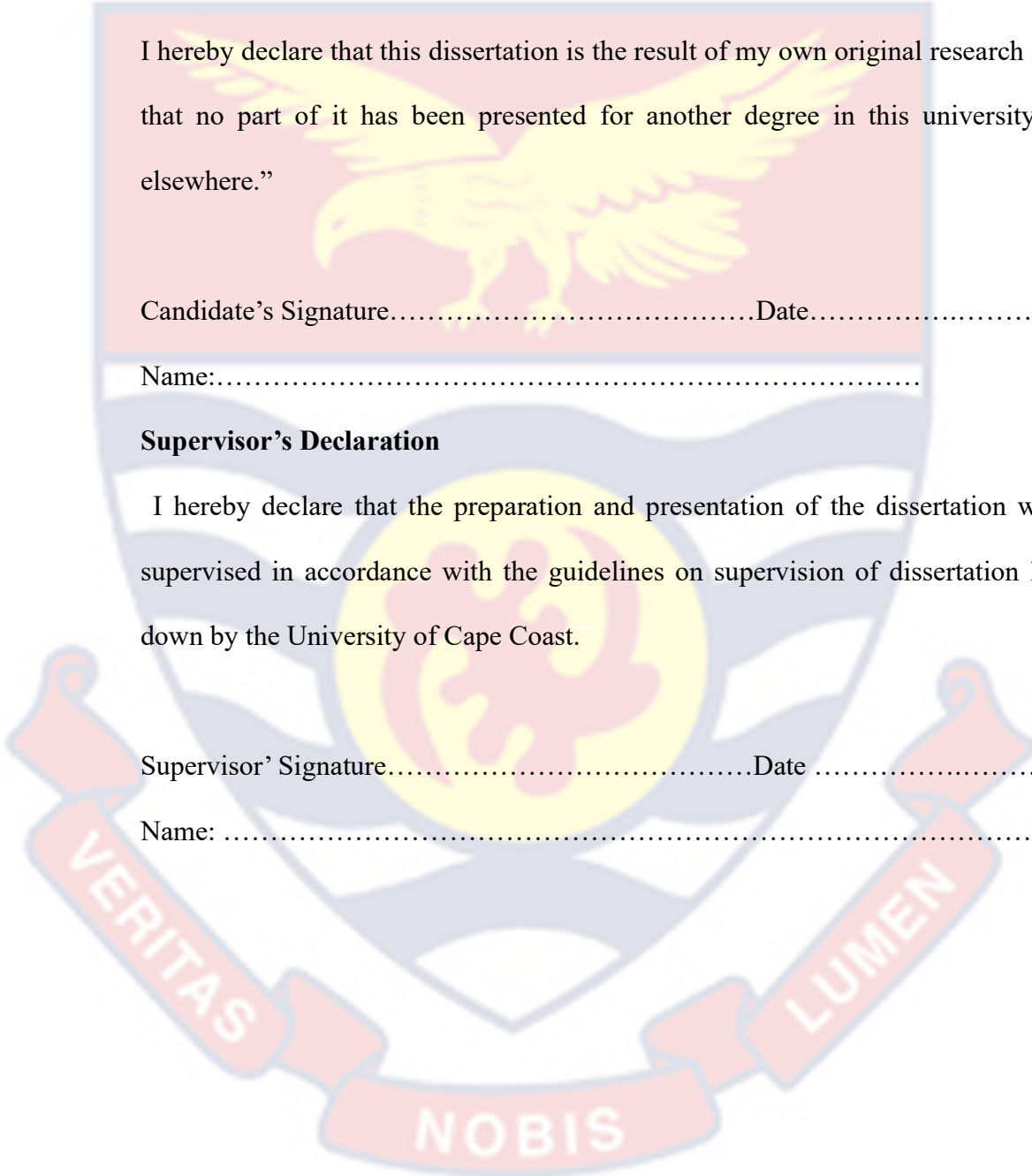
Name:.....

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.”

Supervisor' Signature.....Date

Name:



ABSTRACT

This study examined the effect of budget participation on budget performance, the influence of motivation on budget performance and the moderating role of motivation in the relationship between budget participation and budget performance. A quantitative research approach was adopted, targeting a population of 75 individuals: Accounts Officers, General Administrators, and Heads of Departments selected from the University of Cape Coast. A sample of 63 participants was chosen with a confidence level of 95%. Data was collected using a survey questionnaire. The findings revealed that budget participation significantly impacts budget performance, and staff motivation significantly influences budget performance. In addition, it was discovered that when employees are more motivated, their involvement in budgeting has a stronger impact on budget performance. It is recommended that schools, actively involve their employees in the budget preparation and implementation process, as this positively affects budget performance. Also, there must be inclusive budget planning and it was crucial to foster clear communication of budget goals and objectives, involve employees in the budgeting process, maintain transparency and open communication in the workplace to enhance effective participation in the budgeting process.

KEYWORDS

Budget Participation

Budget Participative Theory

Budget Performance

Employee

Employee Motivation

Partial Least Square

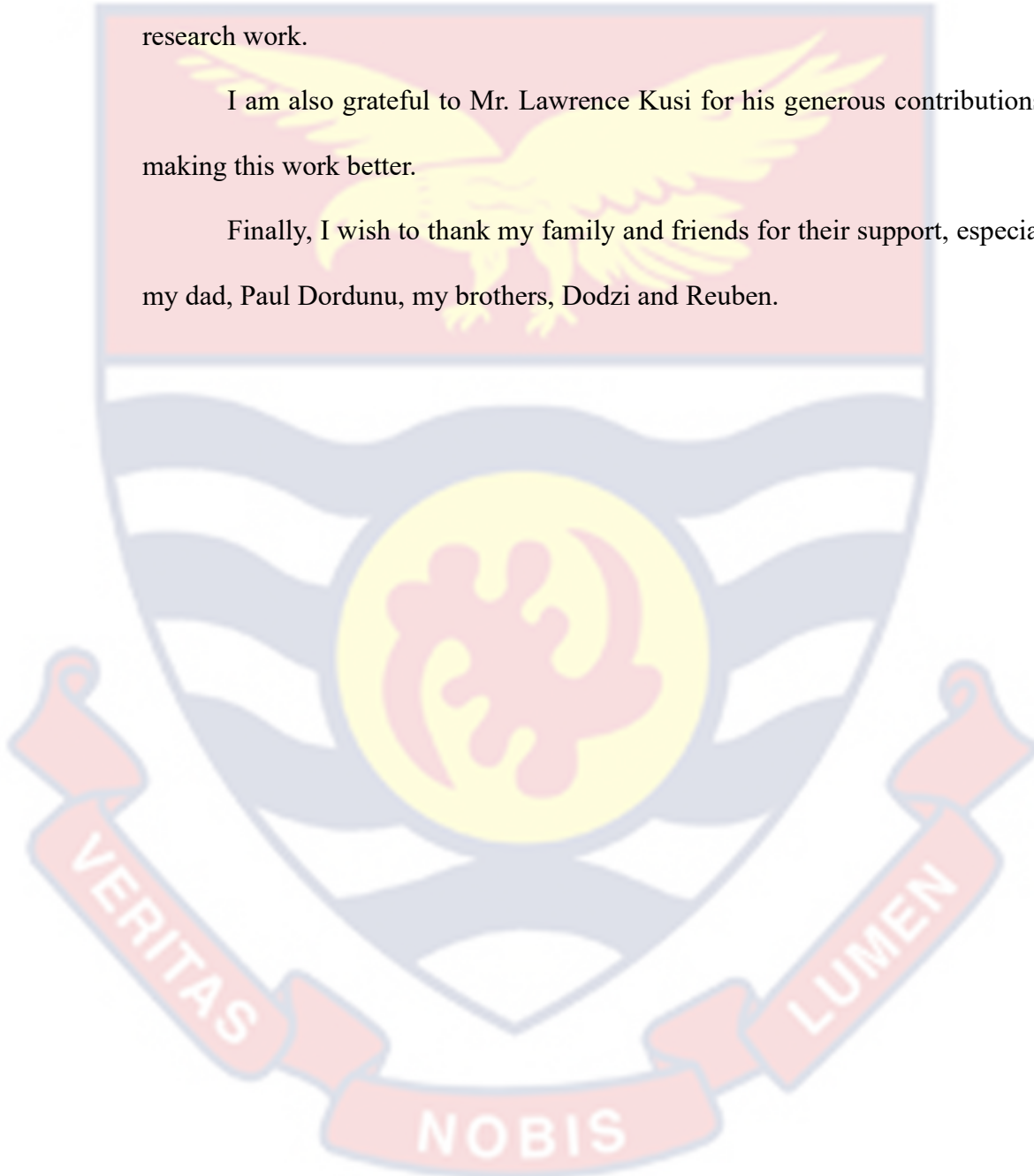


ACKNOWLEDGEMENTS

I express my great appreciation to my supervisor, Prof. Marfo Yiadom, for his tireless efforts in instructing and guiding me throughout the writing of this research work.

I am also grateful to Mr. Lawrence Kusi for his generous contributions to making this work better.

Finally, I wish to thank my family and friends for their support, especially, my dad, Paul Dordunu, my brothers, Dodzi and Reuben.



DEDICATION

To my mother: Adonu Petrine



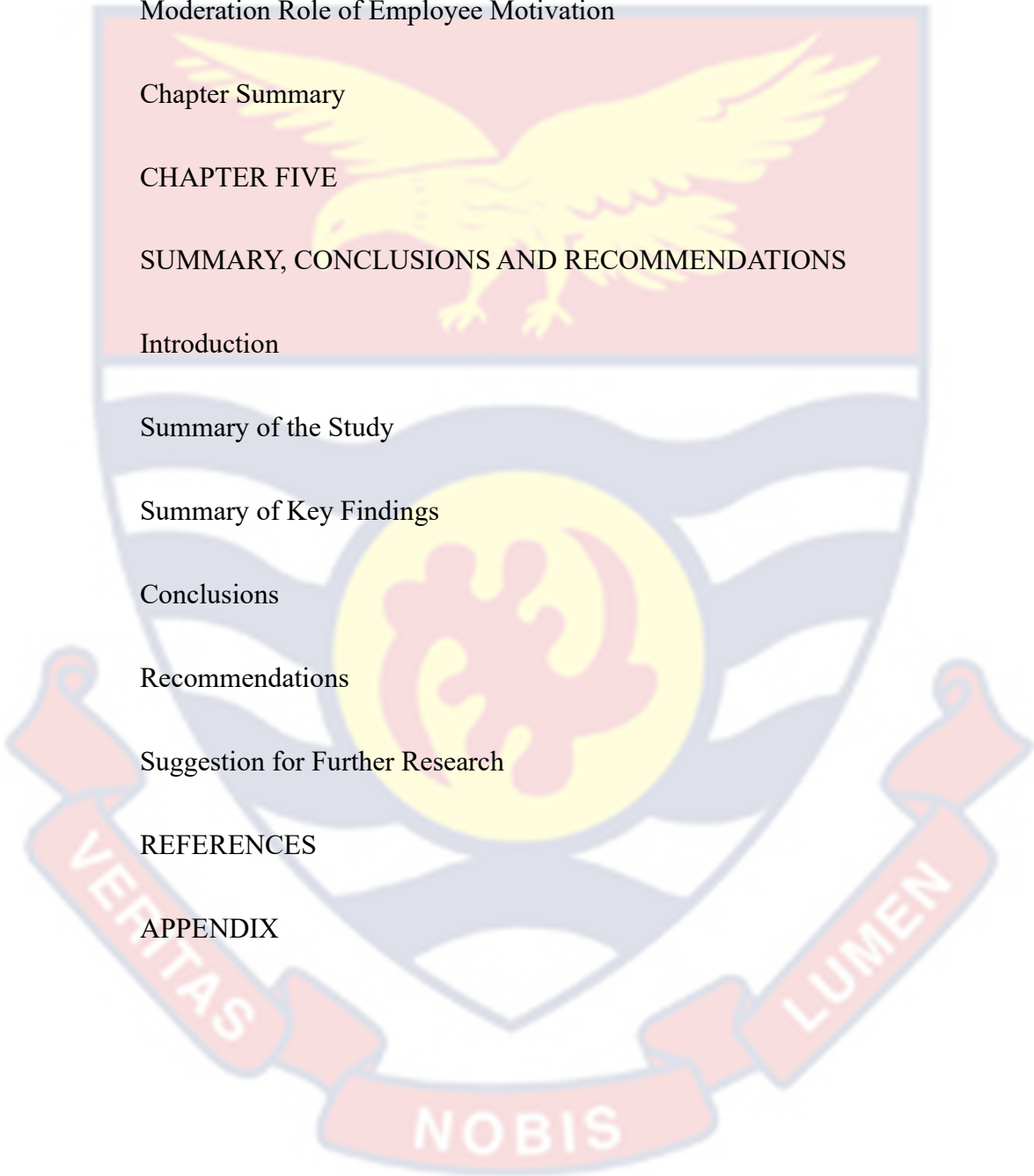
TABLE OF CONTENTS

	Page
DECLARATION	ii
ABSTRACT	iii
KEYWORDS	iv
ACKNOWLEDGEMENTS	v
DEDICATION	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF ACRONYMS	xiii
CHAPTER ONE	1
INTRODUCTION	1
Background to the Study	1
Statement of the Problem	4
Purpose of the Study	5
Research Objectives	5
Hypotheses	5
Significance of the Study	6

Delimitations	6
Limitations	6
Organization of the Study	7
CHAPTER TWO	8
LITERATURE REVIEW	8
Introduction	8
Theoretical Review	8
Conceptual Review	11
Empirical Review	17
Conceptual Framework	20
Chapter Summary	21
CHAPTER THREE	22
RESEARCH METHODS	22
Introduction	22
Research Design	22
Research Approach	23
Population	24
Sampling Procedure	25

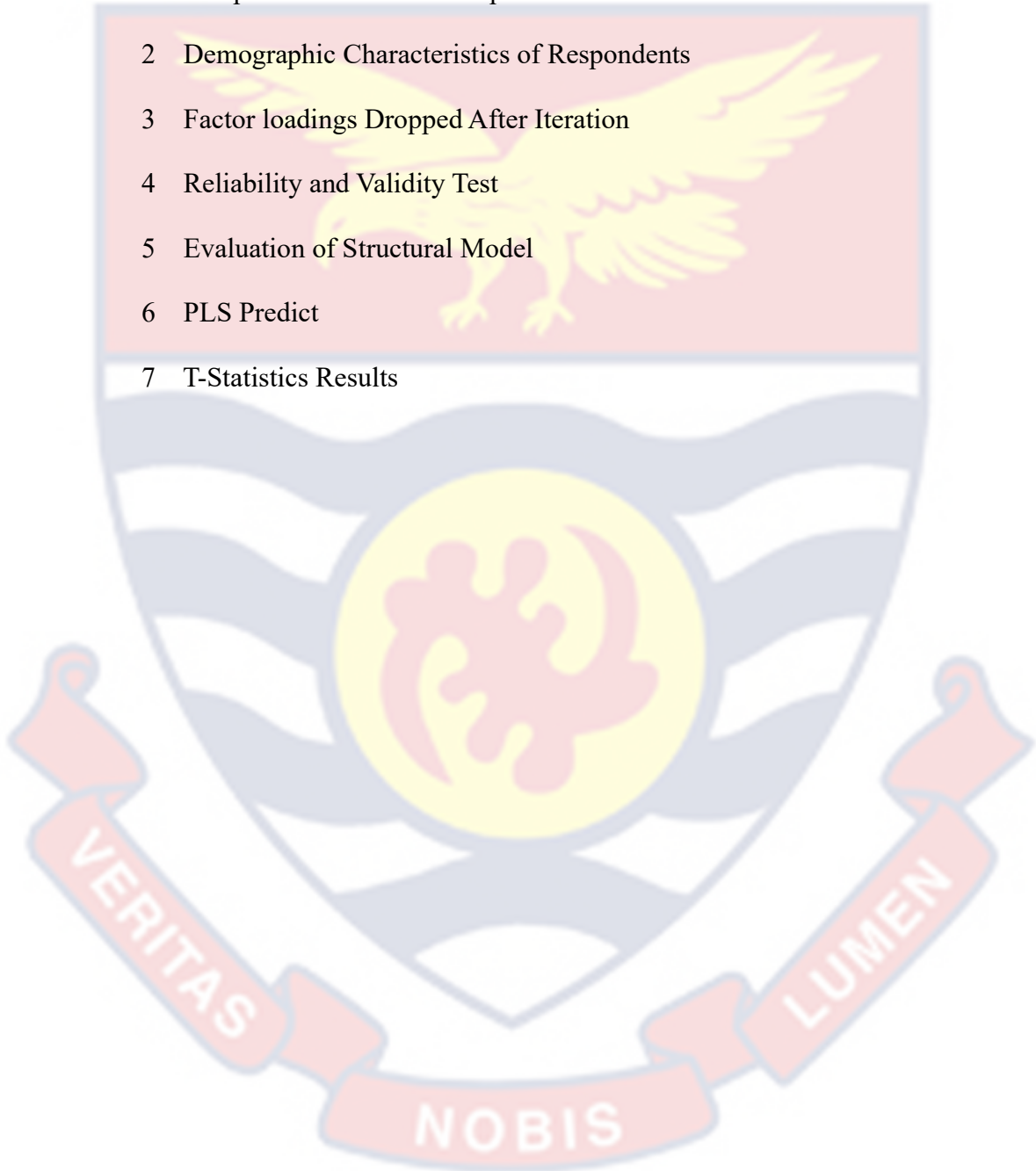
Data Collection Instrument	26
Data Collection Procedure	27
Ethical Considerations	28
Data Processing and Analysis	28
Model Specification	30
Chapter Summary	31
CHAPTER FOUR	32
RESULTS AND DISCUSSION	32
Introduction	32
Socio-Demographic Characteristics of the Respondents	32
Main Results and Discussion	35
Measurement Model	35
Reliability and Validity Test	38
Evaluation of the Structural Model (Inner Model)	40
Importance Performance Matrix Analysis (IPMA)	41
PLS Predict	43
Results/Hypothesis Test	44
Discussion	45

Effect of Budget Participation on Budget Performance	45
The Influence of Motivation on Budget Performance	47
Moderation Role of Employee Motivation	49
Chapter Summary	51
CHAPTER FIVE	52
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	52
Introduction	52
Summary of the Study	52
Summary of Key Findings	53
Conclusions	54
Recommendations	54
Suggestion for Further Research	57
REFERENCES	58
APPENDIX	71



LIST OF TABLES

	Page
1 Sample Distribution of Respondents	26
2 Demographic Characteristics of Respondents	33
3 Factor loadings Dropped After Iteration	37
4 Reliability and Validity Test	38
5 Evaluation of Structural Model	40
6 PLS Predict	43
7 T-Statistics Results	45



LIST OF FIGURES

	Page
1 Conceptual Framework	20
2 First Outer Loading	36
3 Second Outer Loading	38
4 Importance-Performance Matrix Analysis (IPMA)	42
5 Bootstrapping Results	44



LIST OF ACRONYMS

AVE Average Variance Extracted

BP Budget Participation

BPT Budget Participative Theory

CT Contingency Theory

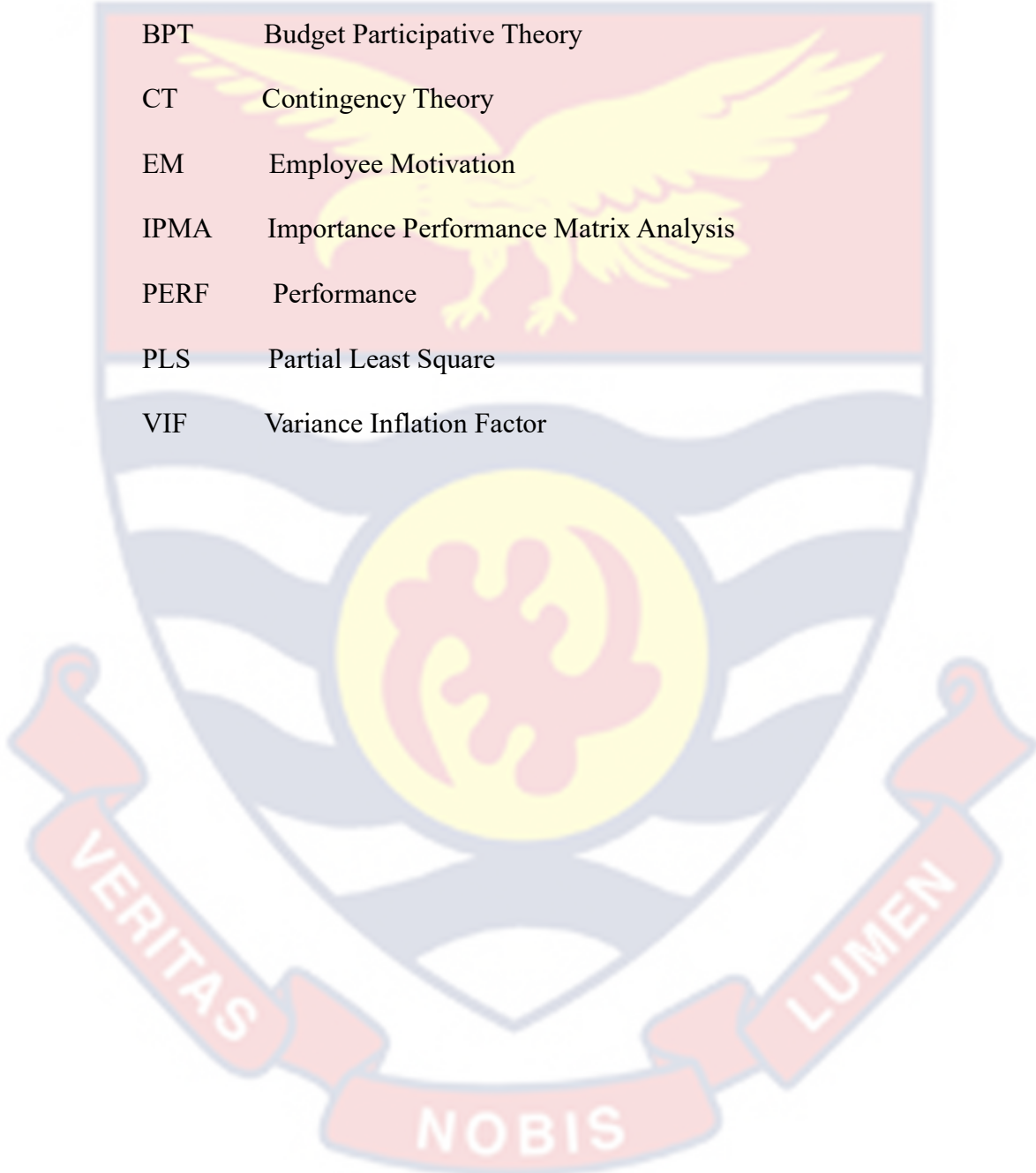
EM Employee Motivation

IPMA Importance Performance Matrix Analysis

PERF Performance

PLS Partial Least Square

VIF Variance Inflation Factor



CHAPTER ONE

INTRODUCTION

Two essential elements that affect an organization's success are budget participation and performance. Budget participation (BP) is the term used to describe when employees actively participate in the development and implementation of an organization's budget. This concept has gained significant attention from both researchers and practitioners over time because it has been linked to various positive outcomes. The relationship between budget performance and budget involvement has been studied, but there has not been much focus on how motivation affects this relationship. Motivation is crucial because it affects how employees perceive and engage with the budgeting process, which, in turn, can impact their performance. This study investigated how motivation affects the relationship between budget involvement and performance. By doing so, it seeks to provide insights into how organizations can effectively utilize budget participation and motivation to improve their output. The results of this research may have significant implications for administrators and institutions looking to streamline their budgeting procedures and boost performance in general.

Background to the Study

The use of budgets by businesses to plan and track their financial performance is essential (Soleiman & Thalib, 2021). Budget participation refers to the involvement of individuals, groups, or organizations in the process of creating, evaluating, and approving a budget. This process usually involves providing input, feedback, and suggestions on budget priorities, spending plans,

and revenue sources, as well as being informed of the budget outcome and how it will be implemented. Budget participation has been shown to improve the efficiency of the budgeting process and improve organizational performance (Hormati et al., 2017). In contrast, employee motivation, or the drive and willingness of employees to engage in their work, is also a key factor in organizational performance (Fachrudin & Sholihin, 2021). The literature, however, had not been able to offer a clear understanding of the connection between budget participation, performance, and employee motivation, particularly concerning the moderating role of employee motivation. Prior studies, such as Carolina, (2020) have suggested that employee motivation can enhance how participation in the budget affects performance, while others, such as Hormati et al., (2017), have found no significant moderating effect. Moreover, there has not been enough research to explore the link between these factors, particularly in developing countries (Rožman et al., 2017).

In addition, another important factor to consider is the role of organizational culture. The term "organizational culture" highlights the common values, attitudes, and actions that influence how employees interact with one another and the company (Cameron & Quinn, 2011). An effective budget participation strategy and improved organizational performance can both be attributed to an increase in employee motivation and engagement (Denison & Mishra, 1995). Moreover, prior literature suggested that a positive organizational culture can also enhance the connection between budget participation and employee motivation. When a company values the opinions and contributions of

its employees in making decisions, they participate more actively in the budgeting process. This can lead to increased motivation and engagement among the staff, resulting in better performance for the organization. According to Schein (2010), encouraging employee participation in budgeting can also enhance engagement levels.

Numerous studies have thoroughly examined the correlation between employee motivation and organizational performance (Kanfer, 2010; Lee & Raschke, 2016; Osabiya, 2015). Motivated employees typically exhibit high levels of engagement at work, producing quality results that contribute to achieving organizational goals (Dysvik & Kuvaas, 2013). Therefore, employee motivation is a crucial determinant of organizational success. It is still unclear how much employee motivation affects the relationship between budget performance and participation in budgeting. According to certain Mastilak et al. (2012), employee motivation boosts the beneficial effects of budget involvement on performance, while McDonnell, (2003) assert that the relationship between budget participation and performance is unaffected by employee motivation. Hence, it is essential to examine how employee motivation moderates the relationship between budget participation and budget performance.

Budget participation can be regarded as a mechanism for satisfying employees employee desire for independence, self-direction, and control over their work. By including employees in the process of budgeting, organizations give them a degree of control over the allocation of resources, which can increase their sense of autonomy and job satisfaction (Tanase, 2013). Furthermore, participation

in the budgeting process can enhance employees' competence by giving them the chance to advance their abilities and understanding in the field of financial management. The relatedness needs of employees can also be satisfied through budget participation. Employees feel more engaged in the budgeting process when valued and respected, which can lead to increased job satisfaction and motivation (McDonnell, 2003). However, the extent to which budget participation satisfies employees' relatedness needs remains unclear. If employees feel that their participation in the budgeting process is not valued or if they perceive that their input is not taken seriously, they may become disengaged and demotivated.

Statement of the Problem

In the discipline of management accounting, the connection between budget participation and performance has attracted a lot of attention (KR et al., 2022; Hormati et al., 2017; Myint et al., 2019; Romario et al., 2019). While earlier studies have discovered a favourable association between these two factors Becker et al. (2016), the moderating role of employee motivation has received limited attention. Additionally, not enough empirical study has been done to look at how employee motivation affects the relationship between budget participation and performance, particularly in developing countries. There is the problem of low employee engagement and motivation in the budgeting process as identified by Tiller, (2018). Also, inadequate representation of employee interests in budget decisions and limited employee involvement in budget planning and implementation necessitated the research. Furthermore, poor communication and

lack of transparency in budgeting processes and ineffective budgeting processes leading to inefficient resource allocation.

These problems highlight the need for research on the relationship between budget participation, employee motivation, and performance, and how employee motivation moderates this relationship. Addressing these problems would lead to improved budgeting processes, increased employee engagement and enhanced organizational performance.

Purpose of the Study

This study's goal was to examine the connection between budget participation and performance and to investigate the role that motivation plays in this relationship.

Research Objectives

Specifically, the study sought to:

1. examine the effect of budget participation on budget performance in universities.
2. investigate the influence of motivation on budget performance universities.
3. Explore how motivation moderates the relationship between budget participation and budget performance in universities.

Hypotheses

The following hypotheses are put out considering the theoretical framework and research questions:

H₁: Budget participation is positively related to budget performance.

H₂: Motivation is positively related to budget performance.

H₃: Motivation positively moderates the relationship between budget participation and budget performance.

Significance of the Study

The study's significance lies in its ability to provide light on how budget involvement affects several crucial facets of organizational success and employee wellbeing. The results of this research can inform organizational decision-making and help universities to effectively design and implement budget participation programs that could lead to improved financial outcomes and higher levels of employee engagement and satisfaction. This research can also add to the body of knowledge on budget participation and its effects on organisational success and employee satisfaction.

Delimitations

The study was limited to only the University of Cape Coast (UCC), It might not accurately depict the impact of budget involvement on budget performance, drive, and satisfaction over time. Furthermore, the study only examines the level of employee involvement in the budgeting process and does not explore other aspects of budgeting, such as budgeting techniques and budgeting control. Also, the study focuses on the role of employee motivation as a moderator and does not investigate other potential moderators such as leadership style or organisational culture.

Limitations

The study was limited to a specific time, making it tough to assess the long-term effect of budget participation on performance, motivation, and

satisfaction. Also, the study was limited to the University of Cape Coast and this have been mitigated by targeting the total population to minimize any effects on the final findings. Despite the limitations, the study strived to give results that are valid and reliable to the greatest extent possible.

Organization of the Study

Five chapters made up the research study. As an introduction, the first chapter included the background of the study, the problem statement, the study objectives, and the research questions. The chapter highlighted the study's significance and how the work was organized. Moving on to Chapter Two, it delved into the theoretical and empirical review. It focused on review of relevant concepts underlining the study.

Details of the methodology used such as the design, target population, the sample selection process and the instruments used were discussed in Chapter Three. The sources of the research instrument as well as ethical considerations were also discussed. Results and discussion were presented in Chapter Four. In this chapter, the demographic characteristics were discussed, and the analysis was presented in alignment with the research questions. Finally, Chapter Five offered a thorough summary, described the conclusions, and presented suggestions.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The purpose of this research is to examine the link between budget participation and performance, and to investigate the extent to which employee motivation moderates this relationship. Literature relevant to the research is reviewed under this chapter. This chapter has four sections which are the theoretical review, review of related concepts, empirical review, and a conceptual framework.

Regarding the theories, the researcher reviewed the budget participative theory and contingency theory. On conceptual review, the researcher reviewed literature related to the concepts of budget participation, budget performance, employee motivation and motivation as a moderating factor. There was an empirical review based on the research topic and finally a conceptual framework which pictured how the variables relates to each other.

Theoretical Review

This research employs the participative budget theory and the contingency theory to inform the selection of research methods, data collection techniques, and data analysis strategies. These theories were relevant for the study because the theory of budget participation and contingency theory have been widely studied in the field of accounting and have been applied to a variety of topics, including budget participation, performance, and employee motivation (Heinle et al., 2014).

Budget participative theory

Participative budgeting theory (PBT) is a management theory that suggests that involving employees in the budget process leads to improved performance. The concept behind BPT is that involving employees in the budget process increases the likelihood of them taking ownership of budget goals and working towards achieving them (Heinle et al., 2014). According to the BPT, employees who are involved in the budgeting process are better informed about the financial health of the company and the budgetary restrictions that are in place. This can lead to more realistic budget projections and a greater sense of responsibility for achieving budget goals (Heinle et al., 2014).

Participative budgeting also involves employees in decision-making processes, which can lead to increased motivation and commitment. According to Tiller, (2018) when employees feel like their opinions and contributions are valued, they are more probable to work harder to attain budget targets. The theory also suggests that participative budgeting can lead to improved communication and cooperation between different departments and levels of the organization. This may lead to a more integrated approach to budgeting, which may result in increased performance and better decision-making (Dow et al., 2021).

In general, the theory of Participative Budgeting posits that engaging employees in the budgeting process results in enhanced budgeting outcomes and performance. Moreover, it leads to heightened motivation and satisfaction among the employees.

Contingency theory

Contingency theory (CT) propound that the efficacy of a particular management practice or system is reliant upon the circumstance or context in which it is used (Luthans & Stewart, 2017). In the context of budget participation and performance, CT suggests that the connection between these variables, and the moderating role of employee motivation, will depend upon the specific organizational context and characteristics of the individuals involved. According to studies, CT can be used to explain how budget participation, performance, and employee motivation relate to one another (Kahar et al., 2019; Klaorina & Suprasto, 2019). For example, Astuti and Yasa, (2018) asserts that the connection between budget participation and performance was positively influenced by the presence of a supportive organizational culture, clear communication, and a participative leadership style. According to Astuti & Yasa, (2018) these contextual elements may contribute to greater employee enthusiasm and involvement in the budgeting process, which may result in better budget performance.

Similarly, Carolina, (2020) asserts that the connection between budget participation and performance was positively influenced by employee motivation, as well as how it affects their commitment to the budget and performance was influenced by the leadership style and communication practices of the manager. According to the authors, adopting a leadership style that is supportive and involves employees can boost their motivation and engagement in budget planning, leading to better budget performance outcomes.

In conclusion, the literature suggested that CT can provide a useful framework for understanding the connection between budget participation,

performance, and employee motivation. By considering the situational and individual factors that influence these variables, organizations can design effective budgeting processes that consider the moderating role of employee motivation.

Conceptual Review

This section reviewed key concepts relevant to the study. This included the concept of budget participation, the concept of budget performance, employee motivation and motivation as a moderating factor.

Budget participation

Budget participation (BP) is the term used to describe when employees actively participate in the development and implementation of an organization's budget. This concept has gained significant attention from both researchers and practitioners over time because it has been linked to various positive outcomes. These include improved overall performance, higher levels of employee motivation, and increased accountability within the organization. Research have been done to investigate the connection between performance and budget participation. For instance, Silva et al. (2022) found that companies with higher levels of budget participation had better financial performance than those with lower levels of participation. This finding was supported by Romario et al. (2019).

It is thought that giving employees a voice in decision-making and allowing them to participate in the budget process will improve employee performance. The reasoning behind this is that when employees are actively involved in budget-related discussions, it boosts their motivation and dedication to the organization's goals. They have a greater sense of duty and ownership for

the results, which leads to increased commitment and better overall performance (Tsamenyi et al, 2002). Apart from its impact on performance, budget participation (BP) has also been associated with increased levels of employee motivation.

Researchers like Kusumah et al. (2021) have found that when employees are actively engaged in the budgeting process, they develop a stronger connection to the organization and its objectives. This sense of involvement and ownership leads to higher levels of motivation and job satisfaction, as highlighted by studies such as (Ndungu, 2017).

Nevertheless, not all studies have shown that participation in the budget and performance are positively correlated. Few studies have indicated that if participation is not effectively managed, it can result in a decline in performance (Reid, 2002). This underscored the significance of well-designed and well-implemented participation programs to maximize their advantages. A meta-analysis by Brownell, (1981) found that budget participation was positively related to job satisfaction, but the effect on performance was weak and inconsistent. Other studies have found that budget participation can result to budgetary slack Leach-López et al. (2009) or dysfunctional behaviour (Liessem et al., 2015).

However, earlier research has indicated that the impact of budget participation varies according to the circumstances. For instance, in research conducted in hospitals by Kahar et al. (2019), it was discovered that when employees possessed a strong level of trust in management, budget participation yielded positive outcomes for performance. Similarly, Foster, (2017) observed in their study on Danish municipalities that employee motivation experienced a

positive boost from budget participation when the budget was regarded as fair and transparent.

In summary, BP has the potential to lead to improved performance and higher employee motivation, but that proper design and implementation are critical to achieving these outcomes.

Budget performance

The notion of budget performance (PERF) has garnered considerable scholarly interest due to its recognized importance in organizational achievement.

The budget serves as a fundamental instrument for both planning and overseeing organizational operations, and its efficacy plays a central role in the attainment of organizational objectives. Budget participation has been linked to budget performance in a study conducted by (Yuen, 2006). For example, Frucot and White, (2006) found that companies that use budgets as a management tool tend to have better financial performance than those that do not. This relationship has also been observed in studies (Yuen, 2006) and (Abugalia, 2011). The benefits of budgeting are thought to stem from its ability to focus attention on key performance drivers and coordinate activities within an organization. Effective budgeting can also increase accountability and motivation, as employees are more likely to work towards goals that have been established through a formal budgeting process (Nguyen et al., 2019).

Nevertheless, not all studies have proven that budgeting and financial performance are directly correlated. A previous study has suggested that the quality of budgeting practices holds more significance than the mere presence of

a budgeting process (Nguyen et al., 2019). This underscored the importance of careful budget design and implementation to yield favorable outcomes. Diamond & Khemani, (2005) asserted that the effectiveness of budgetary systems hinges upon their ability to facilitate resource allocation to priority areas, monitor resource utilization, and foster accountability. The authors further contended that transparent, predictable, and flexible budgetary systems are key indicators of effectiveness.

The effectiveness of PERF also depends on management practices. According to Menifield, (2020), effective management practices such as strategic planning, performance measurement, and cost management are essential for achieving successful budget performance. The author noted that these practices help to align organizational resources with goals and objectives, improve accountability, and enhance performance. For instance, a study conducted by Nwankpa & Okeke, (2017) discovered that local governments in the United States saw increased budget performance because of the adoption of strategic planning and performance measurement.

In conclusion, the literature suggested that budgeting can lead to improved performance, but that the quality of budgeting practices is a critical factor in achieving this outcome. Effective budgeting can help organizations focus on key performance drivers, coordinate activities, and increase accountability and motivation.

Employee motivation

Employee motivation (EM) has been a central topic of research in the fields of management and organizational behaviour for many years. The concept refers to the forces within individuals that influence their behaviour and determine their level of effort and persistence in pursuing organizational goals. Research findings consistently demonstrated that employees who are motivated exhibit higher levels of productivity, engagement, and commitment to their work as said by (Mafini & Dlodlo, 2014). To illustrate, Herzberg's et al., (1959) two-factor theory asserted that job fulfilment and motivation are influenced by two key factors: hygiene factors (example, job security, equitable compensation, and working conditions) and motivators (example, recognition, achievement, and opportunities for personal growth).

Another influential theory, Self-Determination Theory by Ryan & Deci, (2000), suggested that three basic psychological needs have an impact on motivation: “autonomy, competence, and relatedness”. According to the Self-Determination theory, when individuals feel that their work is aligned with their values, provides opportunities for growth and learning, and allows for meaningful social connections, employees that are interested and motivated at work typically produce more. Numerous research investigations have delved into the correlation between employee motivation and diverse organizational outcomes, including job performance Locke & Latham. (2002), absenteeism Robbins et al. (2017), and turnover (Coyle-Shapiro & Kessler, 2000). The results of these studies generally supported the idea that motivated employees are more productive and less likely to leave an organization than their less motivated counterparts.

Motivation as a moderating factor

Researchers have been interested in the contribution of employee motivation to organizational behaviour for several years. This refers to how employee motivation can influence the relationship between other variables, such as budget participation or performance, and outcomes such as job satisfaction or performance. Research has indicated that motivated employees display a higher propensity for engaging in budget participation, leading to improved budget performance outcomes (Kusumah et al., 2021; Miller & Evers, 2002). For instance, Kusumah et al. (2021) in their study, they found that employees who participated in the budget process and showed higher levels of motivation were more likely to actively contribute by making suggestions, recommendations, and contributing to the budget's development.

Similarly, Kuranchie and Amponsah (2016) discovered that in a sample of public sector firms, employee motivation was positively correlated with budget participation and performance. According to the authors, employees who are motivated demonstrate a greater likelihood of active engagement in the budgeting process. They are more inclined to contribute valuable input and perspectives, as well as collaborate effectively with others, to attain budgetary objectives. Various factors, including leadership style, organizational culture, and communication, exert influence on the connection between employee motivation and both budget participation and performance (Kuranchie & Amponsah, 2016; Miller & Evers, 2002). One leadership style that has been proven to boost employee motivation

and engagement in budget participation is supportive and participative leadership (Soleiman & Thalib, 2021).

In summary, the research pointed to the possibility that employee motivation can affect the relationship between budget involvement and performance and organizational outcomes. By understanding and addressing the factors that influence employee motivation, organizations can improve budget participation, performance, and overall organizational success.

Empirical Review

The correlation between BP and PERF has been extensively examined in scholarly research. Research has shown that involving people in budget creation improves budget performance. According to Leach-López et al. (2015) who aimed to add to the body of knowledge on participatory budgeting, considered culture to explain participatory budgeting. In the study, entitled "Relationship between Budget Participation and the Job Performance of South Korean Managers Mediated by Job Satisfaction and Job-Related Information," was conducted. Using a quantitative approach, data were collected from 71 South Korean managers through a survey instrument. The findings indicate a strong association between budget participation and performance, but the causal mechanisms differ between the two groups.

In Indonesia, Wafiroh, (2020) in his research aimed to examine the mediating role of organizational commitment in the relationship between budget participation and autonomous budget motivation. Drawing upon the Self-Determination theory, a quantitative research approach was adopted to collect data

from a sample of 74 managers in various industrial sectors in East Java. Using a questionnaire, data was gathered, and the SmartPLS software program was used for analysis. The results revealed that more managerial involvement in strategic planning has a beneficial impact on autonomous budget managers' motivation. The analysis also revealed that while positive budget participation has a beneficial effect on autonomous budget motivation through organizational commitment, this motivation is not statistically significantly affected.

Furthermore, in the study conducted by Rivito & Mulyani, (2019) the researchers aim to investigate “the relationship between budget participation and local government output, considering how organisational commitment moderates the relationship.” A descriptive-analytical research approach was used to collect and analyse data from all work units in the Bandung City Government, drawing on the contingency theory and agency theory. To analyse the data, the researchers used SPSS 21. It was concluded from the findings that organizational commitment enhances the association between budgetary involvement and local governments' performance.

Furthermore, Her et al. (2019) researched on the relationship between participative budgeting, budgetary slack, and employee motivation. The research approach involved a questionnaire-based data collection from managers at banks in Bandung. A sample of 33 participants were chosen and the data was analysed using SmartPLS 3.0 software. The findings suggested that participative budgeting enhances employee motivation by making them feel valued and heard, which, in turn, reduces or eliminates budgetary slack.

Jusoh et al., (2022) in their publication “budget participation and budget goal commitment: does religiosity play a role?”, The authors sought to learn more about how religion affected goal commitment in the context of goal setting and whether it would have a moderating effect on the link between budget participation and budget goal commitment. A quantitative research approach was used to study managers at publicly traded companies in Jordan, drawing on the budget participative theory. The study utilized a sample size of 178 participants and employed a questionnaire survey as the data collection instrument. Analysis was conducted using SmartPLS 3.0. The results of their research showed that budget participation and budget target commitment had a favourable and very significant association. Additionally, it was discovered that religiosity significantly and favourably correlated with devotion to budget goals. Contrary to predictions, the study did not uncover any evidence in favour of the theory that religion modifies the link between budget participation and budget target adherence.

Finally, there remained certain deficiencies in the existing body of literature when it came to understanding how employee motivation moderates the connection between budget participation and performance. For instance, limited research was conducted on the influence of extrinsic motivation, such as rewards and incentives, in moderating the association between budget participation and performance. Furthermore, more studies are required to explore the specific circumstances under which employee motivation plays a moderating role, such as the nature of the organization or the extent of budgetary control.

Conceptual Framework

The conceptual framework in figure 1 presents picture evidence of the variables used for the study and how they interact with each other. The relations that exist between them are shown with arrows. The framework proposes that Budget Participation (BP) influences Budget Performance (PERF), but this relationship is moderated by Employee Motivation (EM). When Employee Motivation is high, the positive relationship between Budget Participation and Budget Performance is strengthened. When Employee Motivation is low, the positive relationship between Budget Participation and Budget Performance is weakened or even becomes negative. In other words, the framework suggests that employee motivation plays a crucial role in determining the effectiveness of budget participation on budget performance. When employees are motivated, they are more likely to be engaged and committed to the budgeting process, leading to better budget performance. However, when employees are not motivated, even high levels of budget participation may not lead to desired budget performance.

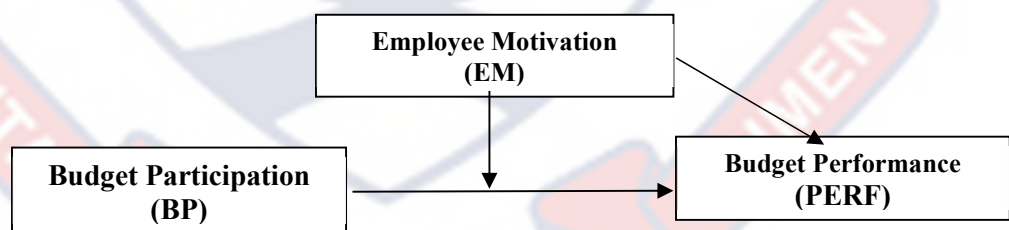
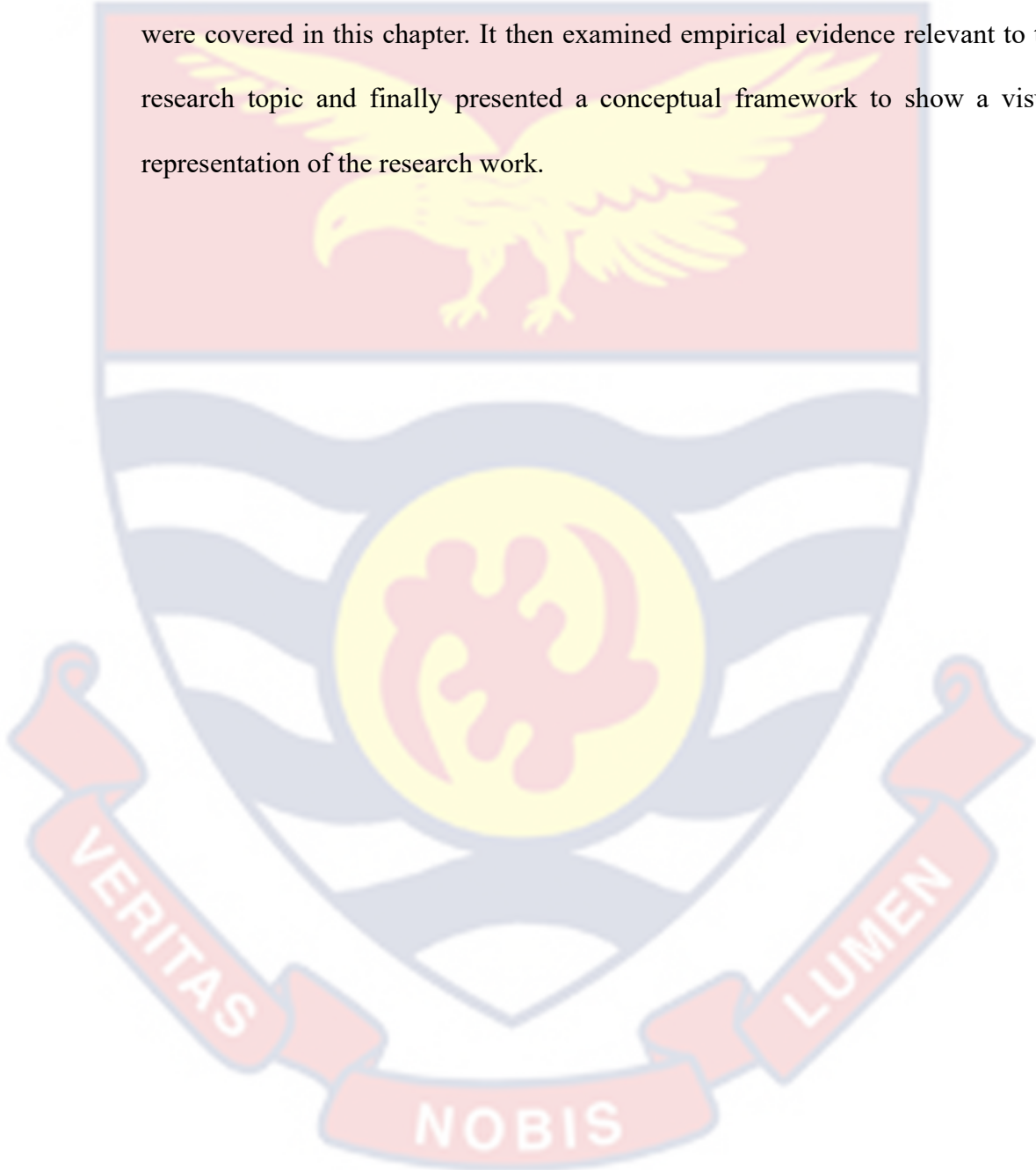


Figure 1: Conceptual Framework

Source: Author's construct, (2023)

Chapter Summary

The definitions and concepts of the variables used in the study were covered and relevant theories in relation to Budget Participation and Budget Performance were covered in this chapter. It then examined empirical evidence relevant to the research topic and finally presented a conceptual framework to show a visual representation of the research work.



CHAPTER THREE

RESEARCH METHODS

Introduction

This study attempted to examine how employee motivation moderates the relationship between budget participation and performance among accountants, general administrators and heads of departments employed at the University of Cape Coast (UCC). Consequently, this chapter outlined the process of data collection and provided a detailed account of the methodologies and techniques employed in conducting the study. In addition to the research design, target population, sample size, sampling strategy, and sampling procedure, it also specified the methods utilized to acquire relevant details. The chapter also described the techniques and procedures used to gather data, analyse it, and evaluate the research results.

Research Design

To explain the relationship between variables, it was most suitable to employ an explanatory research design. An explanatory research design aims to inquire about causal relationships between variables, allowing for the identification of the factors that contribute to a particular phenomenon or outcome. It goes beyond descriptive or correlational approaches by investigating why certain relationships exist and providing explanations for observed patterns (Leedy & Ormrod 2010). Employing the explanatory research design will aid in addressing the diverse research questions and facilitate a comprehensive comprehension of the underlying causes and effects related to the research topic.

The explanatory design will guide the research process and provide a framework for data collection and analysis. By employing an explanatory research design, the aim is to delve deeper into the research problem and uncover the relationships between budget participation and performance, moderated by employee motivation.

It is critical to recognize the limitations placed on explanatory research designs. The complexity of causal relationships and the potential influence of unmeasured variables may pose challenges in establishing causality definitively. Additionally, the time and resource requirements for data collection and analysis in an explanatory design can be substantial. Notwithstanding these limitations, the explanatory research design offers a strong framework to explore and comprehend causal relationships, making a valuable contribution to the progress of knowledge in the field of budgeting and accounting. Using an explanatory research design, this study sought to examine the causal links between budget participation and budget performance and provided explanations for the moderating role of motivation.

Research Approach

This section outlines the research approach employed, which is based on the quantitative research paradigm. Using a quantitative approach, research topics and hypotheses are examined through the collection and analysis of numerical data. The main reason of employing a quantitative approach is to provide a systematic and rigorous examination of the research topic, allowing for generalization and the identification of statistical relationships (Babones, 2016).

Quantitative research provides a structured and objective framework for data collection and analysis, enabling researchers to draw conclusions based on statistical evidence. By using numerical data, researchers can apply various statistical techniques to examine relationships, test hypotheses, and identify patterns within the data (Drew et al., 2007). This approach offers several advantages. Firstly, it allows for generalizability, as quantitative studies often involve larger sample sizes that can represent the target population more accurately (Rubin & Babbie, 2000). Secondly, the use of standardized measures and statistical analyses enhances the reliability and validity of the findings (Babones, 2016).

However, the limits of the quantitative approach must be understood and accepted. While quantitative research provides valuable insights through numerical data, it may not capture the full complexity of certain phenomena. The reliance on numerical data may limit the exploration of participants' subjective experiences or contextual factors (Bryman, 2016). Furthermore, the generalizability of findings may be constrained by the specific characteristics of the sample and the study design. Despite these drawbacks, the quantitative approach adopted for this study attempts to offer a thorough comprehension of the research topic through the methodical gathering and analysis of numerical data, supporting the formulation of findings that are backed by statistics.

Population

Any group of persons that the researcher is interested in and that shares one or more traits is referred to as a population (Krejcie & Morgan, 1970). Hence,

the study population comprised individuals holding positions as accounts officers, heads of departments, and general administration officers within the University of Cape Coast. Since each faculty or school has an accountant, there are a total of 18 accounts officers, the total number of administrators at the faculty and school level is 36 as each faculty or school has two administrators and 21 selected heads of department. The researcher limited the study to account officers, heads of departments, and administrators for several reasons. These roles are directly involved in budgeting and financial decision-making, making them the most relevant and informed participants for the study. They have the necessary knowledge and experience in budgeting and financial management, providing valuable insights and expertise.

Additionally, they have the authority to make or influence budgetary decisions, making their perspectives crucial for understanding budget participation and performance. They also have access to organizational financial data and budgetary information, enabling the researcher to gather accurate and reliable data. Limiting the study to these roles ensures a relatively homogeneous sample, reducing extraneous variables and enhancing the study's internal validity.

Sampling Procedure

All faculty account officers, all faculty administrators, and a few selected department heads at the University of Cape Coast made up the study's sample frame. Based on (Krejcie & Morgan, 1970) table, for a population size of 75 and a desired level of precision of 5% with 95% confidence level, the recommended sample size would be 63. The researcher employed a convenience sampling

technique to select the study's participants, because time was limited and resources were not readily available.

Table 1: Sample Distribution of Respondents

Respondents' category	Sample size
General administrators	36
Account officers	18
Heads of department	9
TOTAL	63

Source: Field Survey, (2023)

Data Collection Instrument

A questionnaire served as the research instrument for this study. According to Murray, (1999), a questionnaire is a data collection tool that involves a set of questions. The choice of a questionnaire was made because of its ability to reach a larger number of respondents easily and allow them to complete it at their convenience. Although questionnaires may not provide extensive opportunities for respondents to express their views on the issue, they do ensure confidentiality and anonymity, as stated by Leedy & Ormrod, (2010), as they generally rely on self-reporting.

The questionnaire that was used was a validated survey instruments adapted from previous studies. Each of the various sections of the questionnaire was adapted as follows, level of budget participation from Shields and Shields, (1998) while budget performance scale was adapted from Abdel-Maksoud and Gad, (2015) and employee motivational assessment scale was adapted from studies conducted by (Deci & Ryan, 2013; Ramlall, 2004). The adapted

questionnaires were edited to suite the specific objectives of the research. There was no pilot testing because these survey questions were validated in previous studies. The items on the questionnaire were grouped into five sections. Section 'A' dealt with background information while budget participation was dealt with under Section 'B', Section 'C' dealt with budget performance, and Section 'D' dealt with employee motivation.

In addition to gathering demographic data through a combination of open-ended and closed-ended questions, Sections 'B' to 'D' of the survey were formulated using a four-point Likert scale. The Likert scale ranged from "Strongly Disagree" to "Disagree," "Agree," and "Strongly Agree" in descending order. The utilization of a Likert scale was deemed suitable due to its widespread usage in survey data collection and its ease of understanding, allowing for prompt responses from respondents.

Data Collection Procedure

Data was collected during the day on weekdays and for a period of 4 weeks. This process began on the Monday 1st of May 2023 and ended on Friday May 25th, 2023. The researcher personally handed the hard copies of the data collection instrument to the respondents. Unavailability of some of the respondents, as they were busy with equally important tasks was the major problem faced. A total of 63 questionnaires were given out in total to account officers, faculty administrators, and heads of departments at the University of Cape Coast. Out of the distributed questionnaires, 54 responses have been collected, resulting in 86% response rate. Out of the 54, a total of 51 have participated in the budgeting process

while 3 persons have not participated in the budgeting process before. The 3 persons have not been included in the analysis because their response to the subject matter will not be a true reflection of the situation.

Ethical Considerations

This research extensively addressed ethical concerns, with particular emphasis on the data collection procedure. The researcher diligently adhered to essential protocols and administrative procedures while distributing questionnaires to Account officers, administrators, and Heads of Department at the University of Cape Coast. The questions in the questionnaires underwent scrutiny to prevent any ethical violations. This research actively sought the voluntary consent of the participants, providing a clear explanation of the objectives. All participants were assured of confidentiality, non-disclosure, and anonymity. Additionally, before and after they participated, they had the opportunity to get clarifications on the research. Moreover, the respondents had the freedom to decide whether to participate or not based on their own preferences.

Data Processing and Analysis

Prior to entering the data into SmartPLS version 4 for processing, it was gathered, cleansed, and thoroughly examined for consistency. The analysis of the data involved using frequencies, percentages, path analysis, and structural equation modeling (SEM). Respondents' demographic information was analysed using frequency and percentage, while the first, second, and third research questions were addressed using Structural Equation Modeling (SEM)/path analysis. Factor loadings, the variance inflation factor (VIF), regression path

coefficients, and hypothesis testing were all employed in the PLS-SEM analysis. Furthermore, the PLS-Predict algorithm was utilized to assess the predictive validity of the PLS-SEM model using two error metrics. Additionally, the importance-performance matrix analysis was used to evaluate the performance of various constructs.

Reliability and validity tests such as Cronbach's Alpha (CA), rho_A, Composite Reliability (CR), Average Variance Extracted (AVE) and HTMT (Heterotrait-Monotrait Ratio) were performed to evaluate the quality of the measurement model. Cronbach's Alpha (CA) was used to measure internal consistency reliability. CA values range from 0 to 1, with values above 0.7 considered acceptable while CR was used to measure internal consistency reliability and CR values range from 0 to 1, with values above 0.7 considered acceptable. AVE measured convergent validity with AVE values ranging from 0 to 1, with values above 0.5 considered acceptable.

Furthermore, the study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyse the relationships between the constructs. To evaluate the model's predictive power, the research examined the following metrics, R-square (R^2), F-square (F^2) and Q^2 predict. R^2 was used to measure the proportion of variance explained by the independent variables in the dependent variable. Values range from 0 to 1, with higher indicating better predictive power. F^2 was used to measure the effect size of the independent variables on the dependent variable. Values range from 0 to 1, with higher values indicating larger effects. Q^2 predict was used to measure the model's predictive power using a

cross-validation approach. Values range from 0 to 1, with higher values indicating better predictive power.

PLS-SEM_RMSE and LM_RMSE were used to evaluate the predictive performance of a Partial Least Squares Structural Equation Modeling (PLS-SEM) model. Root Mean Square Error (RMSE), measured the average magnitude of the errors in the variables, with lower values indicating better predictive performance. While PLS-SEM was used as a benchmark to compare the predictive performance of a PLS-SEM model, with a lower LM RMSE indicating better predictive power.

Partial Least Squares Structural Equation Modeling (PLS-SEM) is a variance-based approach to SEM that is widely used for estimating complex models with multiple constructs and indicators. To ensure the reliability and stability of the PLS-SEM estimates, the researcher employed the bootstrapping technique. Bootstrapping is a non-parametric resampling method that allows for the estimation of the precision of the PLS-SEM model estimates. The primary rationale for using bootstrapping in this study was to ensure robust and reliable estimates of the model parameters.

Model Specification

Dependent variable: Budget performance (Y)

- Y represents the level of budget performance achieved by an individual or organization.

Independent variable: Budget participation (X)

- X represents the level of employee involvement or participation in the budgeting process.

Moderator variable: Employee motivation (M)

- M represents the level of motivation or drive exhibited by employees in the organization.

Model Formulation:

$$Y = \beta_0 + \beta_1X + \beta_2M + \beta_3(X*M) + \varepsilon$$

In this model specification, β_0 represents the intercept. β_1 represents the effect of budget participation on budget performance. β_2 correspond to the effect of employee motivation on-budget performance. β_3 represents the interaction effect between budget participation and employee motivation. ε represents the error term.

Chapter Summary

In conclusion, this chapter has described the study approach taken to assess the relationship between budget participation and budget performance, with emphasis on the moderating role of employee motivation. A survey questionnaire was employed to gather data as part of the quantitative research approach for this study. The data gathered was analysed using statistical techniques, such as Partial Least Square (PLS) and Path Analysis to test the research questions asked in this research.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The data analysis and research results are presented in this chapter. It began with a summary of the response rate and then went into great depth about each of the four sections. Section one represented respondents' demographic characteristics such as sex, age, collage of affiliation, years of participation in a budget, educational qualifications, and professional affiliations. Section two ascertained the level of budget participation of account officers, faculty administrators and heads of departments within the University of Cape Coast. The performance of the University of Cape Coast budget was assessed in section three. Section four looked at the motivation of the account officers, faculty administrators and heads of departments.

Socio-Demographic Characteristics of the Respondents

This component of the study includes an outline of the demographic profiles of the research participants, along with details on their ages and other significant sociocultural traits. The interpretation of the findings from the analysis of the connections between budget participation and performance, with motivation acting as a moderating factor, depends on these characteristics.

Details about the gender of the respondents are shown in Table 2. Males make up 61.1% of the population, while females make up 38.9 %. This means that most of the account officers, faculty administrators and HODs were males, the

proportion of males to females is not encouraging. This means that more females should be encouraged and supported to take up these roles in the university.

Table 2: Demographic Characteristics of Respondents

Sex	Frequency	Percent %
Male	33	61.10
Female	21	38.90
Age		
Below 25 years	1	2.00
25-29 years	7	13.0
30-34 years	4	7.00
35-39 years	15	28.00
40-44 years	14	26.00
45-49 years	3	6.00
50-54 years	6	11.00
55-59 years	4	7.00
60+ years	0	0.00
Level of Education		
Bachelor	23	46.00
Master	19	38.00
Doctorate	8	16.00
Years of Experience		
1 -3 years	25	50.00
4-6 years	13	26.00
7-9 years	8	16.00
10 years and above	4	8.00
Professional Affiliation		
No	38	74.50
Yes	13	25.50
Total	51	100.00

Source: Field Survey, (2023)

According to the data presented in Table 2, the analysis of age distribution indicates that 2.0% of the people who responded to the questionnaire were below 25 years old, 13.0% were aged between 25 and 30 years, 7.0% fell within the 30-34 years age range, 28.0% were aged between 35 and 39 years, 26.0% were between 40 and 45 years old, 6.0% were in the 46-49 years age group, 11.0% were between 50 and 54 years, and 7.0% were between 55 and 59 years old. According to these

results, most responders were between the ages of 35 and 44. This is an indication that most of the administrators and account officers are young while the HODs fall between 50 and 59 years because a lot of experience is required to head a department in the university. It also implied that as people get older, they seek other roles on the academic ladder that are higher and more fitting to their status.

Education plays a crucial role in raising awareness and providing individuals with insights into various budgeting matters. Moreover, education equips employees with the necessary knowledge and comprehension of budget-related topics within their respective professions. As depicted in Table 2, a significant majority of the respondents held bachelor's degrees, comprising 46.0% of the sample. Master's degree holders accounted for 38.0%, while respondents with doctorate degrees constituted 16.0%. This indicated that all the participants possessed a high level of educational attainment, which enhanced their ability to understand and engage in budget participation and performance given adequate education and training.

The information in Table 2, showed that fifty percent 50.0% of responders reported their participation in the budgeting process for a duration of 1 to 3 years, while 26.0% stated their involvement spanning 4 to 6 years. Additionally, 8.0% of the respondents indicated having 10 years or more of experience in budget participation at the University of Cape Coast. Most of the respondents had relatively little experience with budgeting, according to these findings, which may be related to the fact that people frequently change roles over time. This could be improved if

the employees are given the chance to participate in the budgeting process from the point of getting the job.

Lastly, it was inquired of the respondents whether they belonged to any professional organizations, such as ICAG, ACCA and CIMA. 25.0% ticked that they belong to either of the professional bodies while 75.0% of the respondents ticked that they are not affiliated to any professional bodies listed. Even though these bodies emphasise educating their members regarding budget participation, it is not a prerequisite for employees to be members of the professional bodies before participating in the budgeting process. It may also imply that most of the respondents are in their early years of employment.

Main Results and Discussion

Measurement Model

A key component of testing the construct validity and reliability of the research tool, in this case a questionnaire issued to study participants, is the measurement model. Various assessments are conducted to ensure the construct validity and reliability. This includes testing both convergent validity and discriminant validity. To assess the questionnaire's validity, the study employs Cronbach's Alpha (CA) and Composite Reliability (CR) as key indicators.

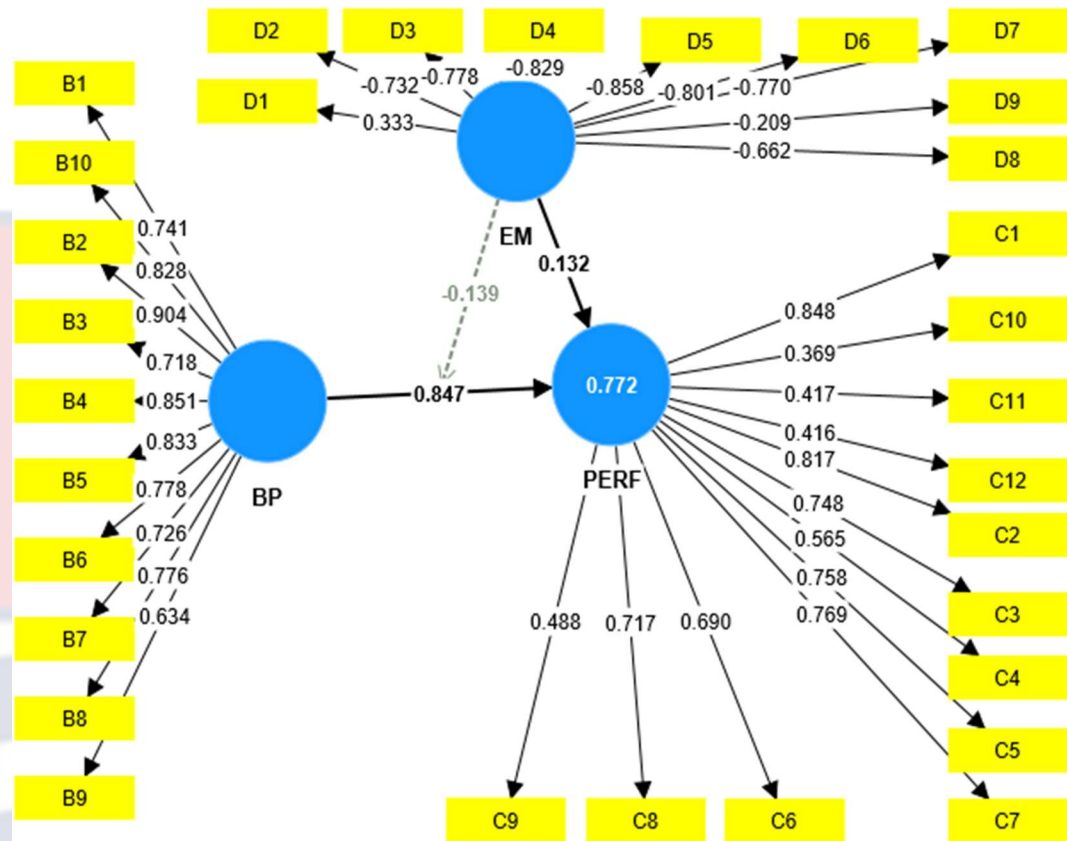


Figure 2: First Outer Loading

Source: Field Survey, (2023)

The accuracy of the measurement model is assessed using indicators of testing validity, such as convergent validity and discriminant validity. According to Wati et al., (2018), convergent validity is evaluated by looking at the association between the construct score produced by PLS and the item score or component score. To determine convergent validity, a commonly applied guideline is that the commonality should be greater than 0.5, as recommended by (Wong, 2013). The results of the analysis are shown in Figure 2. Every indicator of the variables under examination has an outer loading value more than 0.5, according to the research's findings. Nevertheless, some indicators exhibit outer loading values below 0.5.

Specifically, Table 3, revealed that indicators C10, C11, C12, C9, D1, and D9 have outer loading values lower than 0.5.

Table 3: Factor loadings Dropped After Iteration

Items	Loading < 0.5	Information
C10	0.369	Drop
C11	0.417	Drop
C12	0.416	Drop
C9	0.488	Drop
D1	0.333	Drop
D9	-0.209	Drop

Source: Field Survey, (2023)

After several indicators have been excluded, further analysis using PLS can be conducted. The subsequent outcome is presented in Figure 3. The analysis's findings indicate that the indicators show loading factor values above 0.50. Thus, it can be stated that all of the variables, including Budget Participation and Budget Performance moderated by Employee Motivation, are taken into account to be valid. Therefore, further analysis can be conducted from the model.

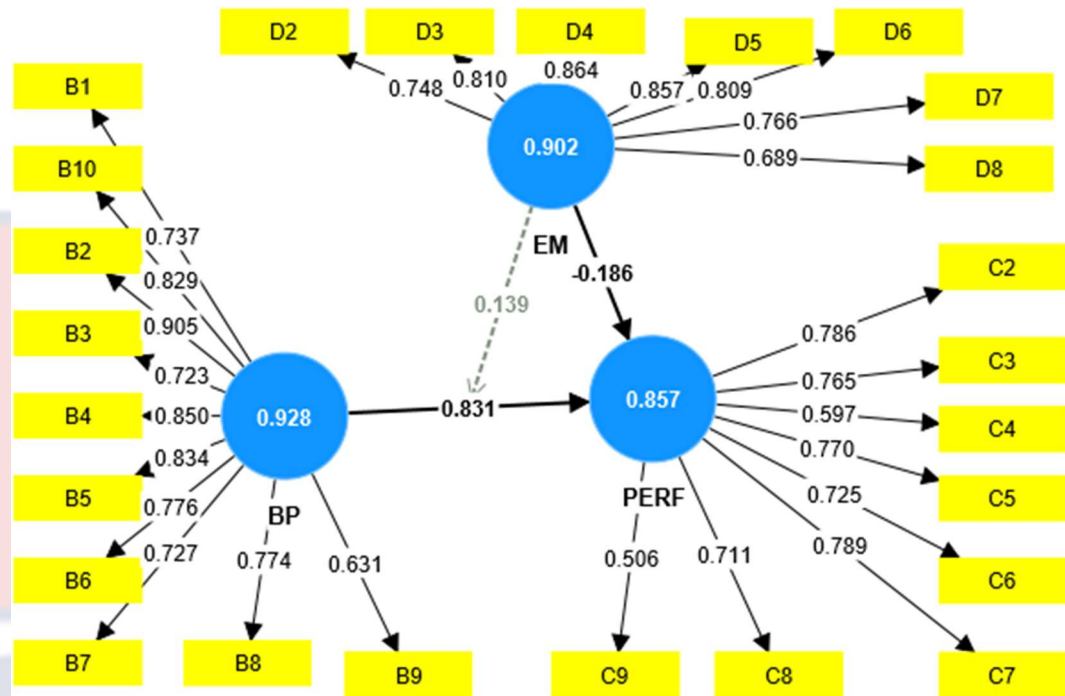


Figure 3: Second Outer Loading

Source: Field Survey, (2023)

Reliability and Validity Test

Table 4: Reliability and Validity Test

Const.	Alpha	rho_a	CR	AVE	Discriminant Validity			VIF
					BP	EM	PERF	
BP	0.929	0.935	0.941	0.640				1.02
EM	0.901	0.945	0.923	0.668	0.19			1.268
PERF	0.862	0.863	0.897	0.592	0.898	0.258		1.246

Source: Field Survey, (2023)

Abbreviations: AVE, average variance extracted; CR, composite reliability; VIF, Variance Inflation Factor.

Cronbach's alpha, rho_a, composite reliability, AVE and VIF were used as reliability evaluation metrics. The obtained statistics for both Alpha and rho_a surpassed the proposed threshold of 0.700, as suggested by Junita et al., (2018). The rho_a value fell between the values of CA and CR, as noted by Her et al.,

(2019). Furthermore, it surpassed the 0.70 thresholds, indicating favourable reliability (Henseler et al., 2016). The convergent validity was deemed adequate because the Average Variance Extracted (AVE) was higher than 0.50. When evaluating the reflective model, it is not expected to observe high correlations among indicators in reflective measurement models. Such high correlations, known as collinearity (Hair Jr. et al., 2017), can be problematic. To identify collinearity issues, a Variance Inflation Factor (VIF) is used, where a value of 5 or higher indicates potential collinearity problems (Hair Jr. et al., 2017). The lack of collinearity problems in this study was indicated by the obtained VIF values, which were less than 5. As a result, the model is approved for further analysis.

The discriminant validity of a construct measures how different it is from other constructs, ensuring that it measures exactly what it is intended to measure. In a well-constructed model, the correlations between different constructs (heterotrait correlations) should be smaller than the correlations between the same constructs (monotrait correlations). This is reflected in the HTMT (Heterotrait-Monotrait) ratio, which should be less than 1.0 for a good fit. According to (Roemer et al., 2021), If the HTMT reading is less than 0.90, It indicates that there is demonstrated discriminant validity between a particular pair of reflective constructs. By applying this criterion to Table 4, it becomes evident that validity has been achieved between the constructs since the HTMT ratio values are below 0.90.

Evaluation of the Structural Model (Inner Model)

The R-Square, F-Square, and Q² Predict are used to evaluate the structural model. The results from the SmartPLS 4.0 are presented in table 5 and the relevant discussions follow.

Table 5: Evaluation of Structural Model

Constructs	Outcome	R Square	F Square	Q ² predict
BP			2.12	
EM	PERF		0.087	
PERF		0.703		0.642
EM x BP			0.045	

Source: Field Survey, (2023)

The analysis of the path coefficients revealed how much the independent variable affects or has an impact on the dependent variable. Contrarily, the R-Square coefficient of determination is employed to assess the extent to which the endogenous variable is affected by external variables. Values of R-Square were described by Wagner et al. (2021) as “strong (0.67)”, “moderate (0.33)”, and “weak (0.19)”. The budget performance variable's R-square value for the tested model was 0.703. This indicated that approximately 70.30% of the variability in the budget performance can be attributed to the budgetary participation variable and the moderating variable, which is employee motivation.

To determine how much exogenous latent factors affect endogenous latent variables, the f-square test is used. The F-square test output obtained using SmartPLS 4.0 are shown above. F-Square value is classified into three categories: “0.02 for a small effect”, “0.15 for a moderate effect”, and “0.35 for a large effect” (Hair Jr. et al., 2017). The information in Table 6, indicates that the effect of BP on

PERF demonstrates a significant effect of 2.12, exceeding the threshold of 0.35, indicating a large effect size. However, no moderate effects are found, which means that the values fall between 0.15 and 0.35. The effects of EM on PERF, as well as the interaction between EM and BP on PERF, are categorized as having a small effect because their F-Square values vary from 0.02 to 0.15.

Q-square, also known as predictive relevance, serves as a measure of whether a model exhibits predictive relevance or not. “A Q^2 value greater than 0 is considered good” (Roemer et al., 2021). Q^2 specifically assesses the predictive relevance of the endogenous constructs. When Q-square values exceed zero, it indicates that the model is well-reconstructed and possesses predictive relevance, as stated by (Hair et al., 2014). In this context, a Q^2 value above 0 signifies that the model indeed holds predictive relevance. The model exhibits strong predictive relevance, as seen in Table 6, where the computed Q^2 value is 0.642.

Importance Performance Matrix Analysis (IPMA)

A structural equation model (PLS) is used in the IPMA analysis to look at correlations between different latent constructs. Additionally, it introduces an extra dimension to assess these constructs. The performance score or index is created by

rescaling the latent variable scores, where 0 represents the lowest performance and 100 represents the highest performance (Hair et al., 2014).

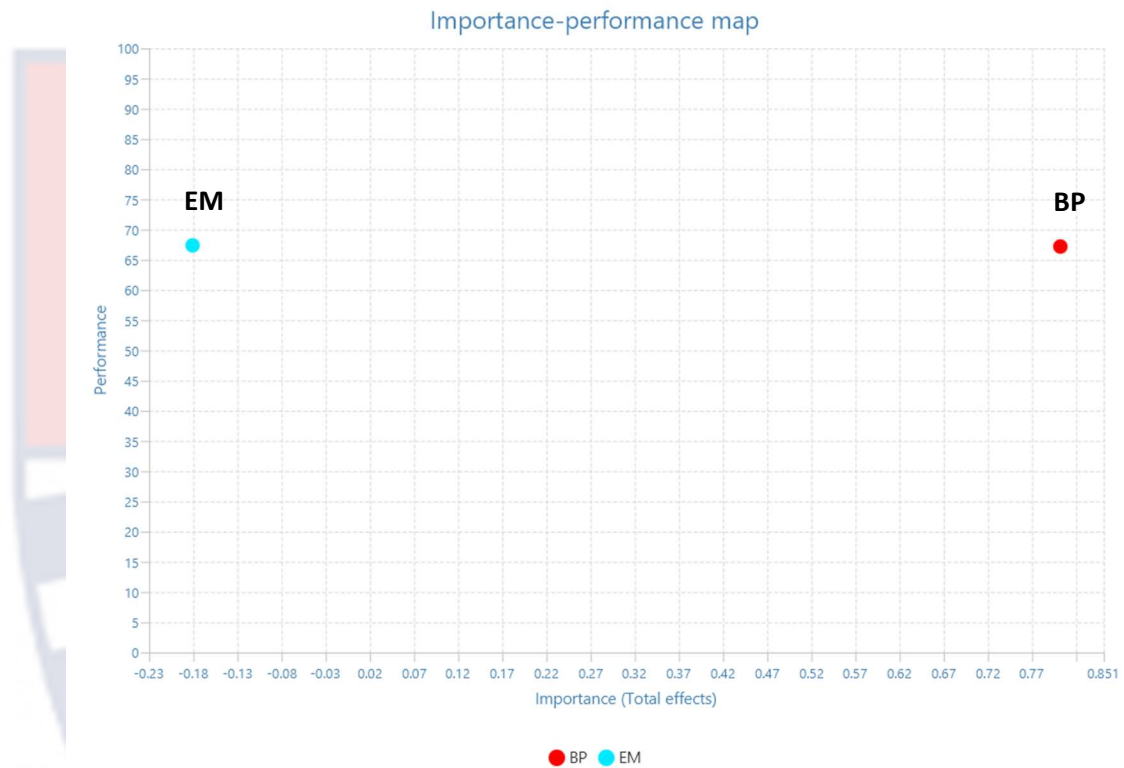


Figure 4: Importance-Performance Matrix Analysis (IPMA)

Source: Field Survey, Dordunu (2023)

Figure 4 presents the results of the IPMA analysis, displaying a graph known as the Importance Performance Map. This map illustrates the relative importance of each variable in influencing the others. The X-axis shows the performance value of each variable, and it is observed that all variables have a satisfactory level of performance, with values greater than 50. On the other hand, the Y-axis represents the variable importance level. In this study, budget participation is found to have a high importance value of 0.799, while employee motivation shows a lower performance value of -0.18. This means that budget

participation and employee motivation are crucial to achieving budget performance despite employee motivation indicating a negative importance (Total effects).

PLS Predict

Table 6: PLS Predict

Constructs	Q ² predict	PLS-SEM RMSE	LM RMSE
C2	0.402	0.517	0.491
C3	0.426	0.447	0.377
C5	0.369	0.483	0.509
C6	0.35	0.629	0.608
C7	0.38	0.489	0.467
C8	0.261	0.819	0.824

Source: Field Survey, (2023)

A unique method called PLS-Predict was used to assess the predictive validity of the suggested framework. Based on the research of Sarstedt & Cheah. (2019), this PLS-Predict algorithm focused on assessing the predictive ability and addressing overfitting issues by creating holdout samples for cross-validation. The evaluation criteria for the framework's predictive power were adopted from previous studies (Hair Jr. et al., 2017). To evaluate the endogenous variable (PERF) predictive power, two error metrics, namely SEM_RMSE and LEM_RMSE, were taken into consideration. The PLS-Predict algorithm was applied to the entire dataset to assess the model's predictive validity through these error metrics and the Q square root (Q²). Additionally, the positive Q² values support the model's predictive significance, but to quantify its strength, SEM_RMSE and LEM_RMSE values were compared. The result revealed a low predictive relevance as only 2 values of SEM_RMSE out of 6 were lower than LEM_RMSE values.

Results/Hypothesis Test

Following the completion of the model analysis, the subsequent step involved hypothesis testing. In this investigation, the T-statistics value produced by PLS's bootstrapping procedure is compared to the T-table value. To determine acceptance or support for a hypothesis, the T-statistics value must surpass the T-table value (specifically 1.671) at a significance level of 5% (one-tailed). Figure 3 and Table 7 present the outcomes of the PLS bootstrapping process.

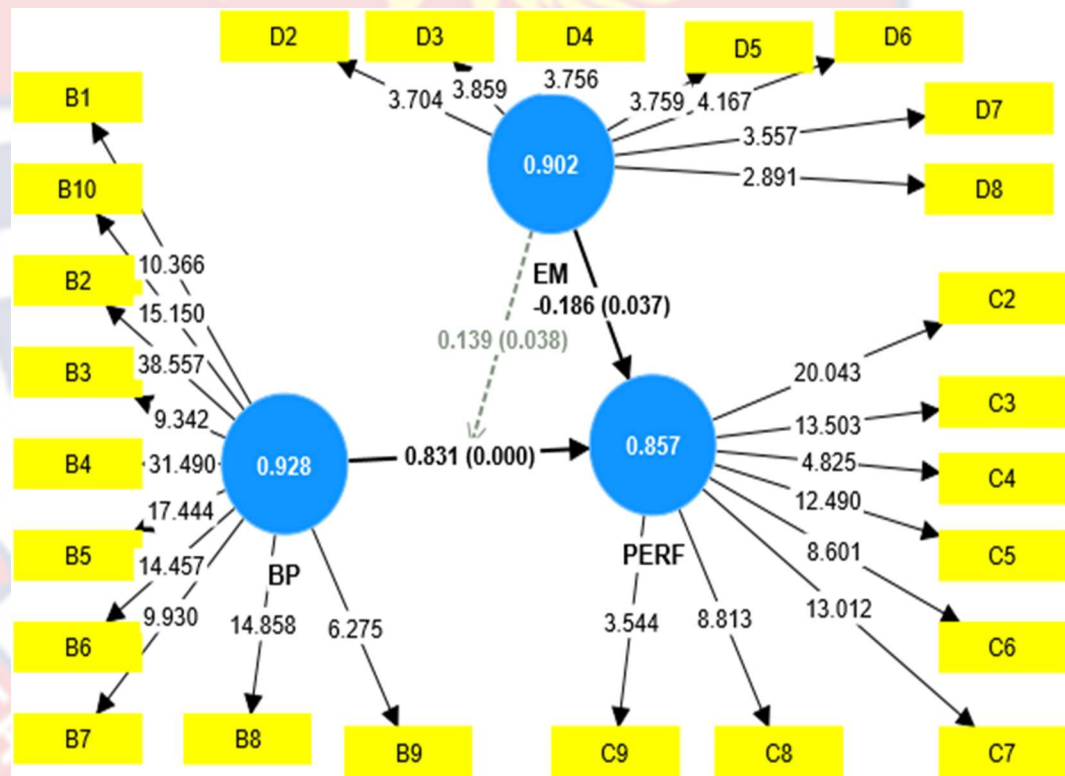


Figure 5: Bootstrapping Results
Source: Field Survey, Dordunu (2023)

Table 7: T-Statistics Results

Hypothesis	Constructs	B	SE	T	P	Results
H ₁	BP -> PERF	0.831	0.052	15.985	0.000	Significant
H ₂	EM -> PERF	-0.186	0.104	1.786	0.037	Significant
H ₃	EM x BP -> PERF	0.139	0.079	1.773	0.038	Significant

Source: Field Survey, (2023). Note. “B= Beta Coefficient, SD= Standard Error, T= t-statistics, P= Probability(P) value, *relationships are significant at P<0.05.”

H₁ assesses if participation in the budget has a significant, favourable effect on the budget's performance. The findings showed that budget involvement has a substantial and positive impact on budget performance. (B=.831, t=15.985, p<0.05). H₁ was therefore supported. See Table 7 above.

H₂ examines if the performance of the budget is considerably and favourably influenced by employee motivation. The findings showed that budget performance is significantly influenced by employee motivation. (B= -0.186, t= 1.786, p<0.05). Hence, H₂ was therefore supported. See Table 7 above.

H₃ When employee motivation is higher, the relationship between budget participation and performance is stronger because employee motivation moderates the connection between budget participation and performance. (B= 0.139, t= 1.773, p 0.05) are the findings. H₃ was therefore supported. See Table 7 above.

Discussion

The discussion is done according to the research objectives. Each objective is thoroughly discussed for better appreciation of the research findings.

Effect of Budget Participation on Budget Performance

After analyzing the data, it was evident that budget participation significantly and positively influenced the budget's effectiveness at the Cape Coast University. This highlights the crucial role that budget participation plays in

promoting favourable budget performance outcomes in educational institutions. The result is in line with the research made by Silva et al. (2022), which also showed that companies with higher levels of budget participation achieved better financial performance compared to those with lower levels of participation. Budget participation within an institution encompassed employee contributions, suggestions, and perspectives during the budgeting process, thereby motivating them to strive for budgetary goals. The finding is supported by (Dow et al., 2021).

Practically, when account officers, administrators and heads of departments are actively intricated in the budgeting process, they are more inclined to comprehend the financial requirements and limitations. This can lead to more accurate budgeting and forecasting, reducing the likelihood of budget shortfalls or overspending. Furthermore, budget participation fosters a sense of ownership and responsibility among participants. When individuals have a say in the budget decisions, they are more likely to feel accountable for their performance in achieving budgetary targets. Finally in terms of practice, involving individuals in budgeting could improve their motivation and dedication to reaching budget objectives. It affords them with an intellect of empowerment and control over their resources, leading to improved performance and productivity. These findings are supported by the findings of (Farahmita, 2017).

In terms of policy, government and school authorities should consider implementing policies that promote participatory budgeting. This involves involving relevant stakeholders in the budgeting process, including employees, managers, and even external parties in the preparation of university budgets.

Universities and schools need to invest in training and skill development programs to certify that individuals have the necessary awareness and skills to successfully partake in the budgeting process. This can include financial literacy training, communication and negotiation skills, and decision-making capabilities.

Budget participation influencing budget performance aligns with the principles of budget participative theory, which suggests that when individuals have a stake in the budgeting process, they are more prone to act in the greatest interest of the organization. This theory highlights the significance of aligning the goals and incentives of individuals with those of the organization. Furthermore, budget participation can be seen as an application of motivation and goal-setting theories. When individuals actively participate in the budgeting process, they gain a more transparent understanding of the goals and targets they must accomplish. This increased clarity, along with their active engagement, can boost their motivation and commitment to reaching those objectives.

The Influence of Motivation on Budget Performance

The second hypothesis also cannot be rejected, that employee motivation positively affects budget performance. This means, the more employees are motivated, the better the budget performance such as aided decision-making, controlled expenses, quarterly reviews, and effective financial management. The findings are supported by the findings of (Shahzad et al., 2018). In agreement with the principles of participatory budgeting theory, when staff members participate in budgeting, they take ownership of the budget's objectives, leading to increased efforts to achieve them (Heinle et al., 2014). The outcomes of this study, however,

conflict with that of Nguyen et al. (2019), who argued that the quality of budgeting practices holds more importance than merely having a budgeting process in place.

Practically, Organizations may consider implementing performance-based incentive programs tied to budget performance. This can involve providing bonuses, rewards, or recognition to employees who meet or exceed budget targets. Such incentives can serve as motivators to drive improved performance and financial discipline. Furthermore, providing regular feedback on-budget performance is essential to help employees comprehend the impact of their efforts on the organization's financial objectives. Universities can provide coaching and support to help employees enhance their budgeting skills and address any performance gaps. Furthermore, based on the findings, universities may invest in training programs to improve employees' financial literacy, budgeting skills, and overall understanding of how their work affects the university's budget performance. According to Caldwell and Spinks, (2021), this can empower employees and enhance their ability to contribute effectively to budget goals.

Policy-wise, budget performance can be integrated into performance evaluation processes, ensuring that employees' contributions to financial goals are recognized and rewarded. This can influence promotion decisions and career advancement opportunities within the organization. Furthermore, universities may adopt policies that emphasize transparent communication regarding budget performance. Sharing information about budget targets, progress, and outcomes can help employees understand the importance of their role in achieving financial

objectives, fostering a sense of ownership and motivation as confirmed from a recent study (Carolina, 2020).

The effectiveness of the budget is correlated with employee motivation. According to the contingency theory, when people think their efforts will result in the expected performance outcomes, they become more motivated. When employees see a direct link between their actions, budget performance, and potential rewards or recognition, their motivation to achieve budget goals can increase. Furthermore, employee motivation influencing budget performance can be viewed through the lens of budget participative theory. Clear and challenging budget targets can serve as specific goals that employees strive to achieve. When goals are effectively established, employees are more likely to feel motivated, experience a sense of achievement, and actively engage in behaviours that aim to improve performance. These results are consistent with the study conducted by Wafiroh (2020).

Moderation Role of Employee Motivation

The third hypothesis has equally been accepted, as the findings show that motivation, positively moderates the relationship between budget participation and budget performance. It follows that when motivation is high, employees will be more willing to partake in the budgeting process which will lead to a better budget outcome. Employee motivation is considered a multifaceted factor, encompassing both dispositional and situational aspects. As highlighted by Kusumah et al. (2021), employees who are motivated typically demonstrate higher levels of productivity, engagement, and commitment to their work.

Budget participation provides workers with the opportunity to shape a budget that aligns with the interest of the organization, especially when motivation is high. Conversely, high levels of employee motivation served as a catalyst for faculty members to actively engage in budget preparation, thereby enhancing performance. Additionally, employee motivation can be examined from the perspective of an institution's commitment to fulfilling the welfare needs of its members. When an institution prioritizes the welfare of its members, they are more likely to develop a budget that fosters organizational performance. These findings aligned with previous research conducted by Carolina, (2020); Tsamenyi & Tauringana, (2002).

Furthermore, to strengthen motivation, universities can offer training and development programs that specifically target enhancing employee motivation and engagement. Workshops on goal-setting, self-motivation, and effective communication can be included in this to ensure that staff members have the knowledge and abilities needed to actively participate in budgeting and give their best effort. In addition, universities can focus on implementing strategies to enhance employee motivation, such as providing meaningful incentives, recognition programs, and fostering a constructive work environment. This can lead to an enhanced impact of budget participation on budget performance since motivated employees are likely to actively participate in the budgeting process and work diligently in attaining budget goals.

Policies can be developed to align performance evaluation criteria with budget participation and performance outcomes. Recognizing and rewarding

employees who actively contribute to the budgeting process and achieve budget targets can reinforce the importance of motivation and participation in financial performance. The importance of inclusive decision-making processes cannot be ignored, where employees have opportunities to actively participate and contribute to budget-related decisions. This can be achieved through participatory budgeting practices, regular feedback mechanisms, and platforms for open communication. By involving employees in decision-making, organizations can foster a sense of ownership, empowerment, and motivation to achieve budget goals. This supports the findings of (Nasution, 2020).

Chapter Summary

This chapter focused on presenting the outcomes derived from field data collected through a survey conducted at the University of Cape Coast. A response rate of 86% was achieved with 54 out of the 63 participants successfully completing the questionnaire. The analysis of the collected data was conducted utilizing frequencies, percentages, and path analysis. In discussing the findings of the study, the researcher followed a systematic approach, aligning with the research objectives and questions. The chapter's structure followed a sequence that began with the respondents' demographic data and continued with the research questions forming the chapter's order.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The achievement of an organization's objectives greatly relies on its budget and the effectiveness of its implementation. Attaining the desired outcomes outlined in the budget is influenced by various factors, including the motivation level of the organization's employees. Hence, this study aimed to discover employees' level of motivation and examine how it affects the performance of the organization's budget. This chapter's goal is to give a summary of the research methodology used and the major conclusions reached from it. It includes the conclusions drawn from the study and the relevant recommendations based on the results obtained. Moreover, suggestions for future research endeavours are proposed to stimulate further investigation in the field.

Summary of the Study

To investigate the impact of motivation on the relationship between budget participation and budget performance, a quantitative technique was used in this study. The study specifically answered the following research questions:

1. What is the effect of budget participation on budget performance?
2. What is the influence of motivation on budget performance?
3. Does motivation moderate the relationship between budget participation and budget performance?

The study adopted an explanatory research design and the target group for the research comprised Accounts Officers in each faculty, General

Administrators and Heads of Departments within the University of Cape Coast. Eighteen (18) Account officers, thirty-six (36) General Administrators and thirteen (13) Heads of Department who were working at the Cape Coast University comprised the research sample. The sample for this study was selected using convenience sampling, which was deemed suitable due to the characteristics of the population. All members of the population, including the Heads of Department, were included in the sample size. A structured questionnaire, tailored for staff members involved in the budgeting process, was adapted, and validated by experts to aid as the data gathering instrument. The demographic data of the respondents was examined through descriptive statistics, including frequencies and percentages. Subsequently, Smart PLS version 4.0 was used to evaluate and discuss the quantitative data that was gathered.

Summary of Key Findings

The key findings of the study are summarized as follows:

1. The outcomes showed that budget involvement has a large and advantageous impact on budget performance, as shown by ($B=.831$, $t=15.985$, $p<0.05$). It follows that when employees participate more in the budgeting process, the budget turns out to perform better than if they are not included in the budgeting process.
2. The findings showed that budget performance is significantly affected by staff motivation. ($B= -0.186$, $t= 1.786$, $p<0.05$). This means when

employees are motivated, they actively perform their duties and make sure that the institution, achieves its objectives.

3. When it comes to the question of whether employee motivation moderates the connection between budget participation and budget performance, the findings showed that it does. As a result, higher levels of employee motivation strengthen the connection between budget participation and budget performance. The results are ($B= 0.139$, $t= 1.773$, $p< 0.05$).

Conclusions

According to the findings, department heads, general administrators, and account officers participating in the budgeting process significantly improve budget performance. This indicates that when these people participate in the budget development process, they take it upon themselves to ensure that all the goals are met, and the budget operates as expected. Therefore, it is prudent to involve all employees during the budget preparation procedure.

Furthermore, motivation positively moderates the relationship between budget participation and budget performance. This suggests that motivated people who are actively involved in budget implementation help the budget's goals get accomplished more successfully. The results of the study indicate that staff motivation is essential for ensuring that the budget operates as planned.

Recommendations

1. The university management and leadership should encourage more employees, especially those directly involved in the budgeting process or affected by it, to actively participate in creating, planning, and monitoring

the budget. This involvement fosters a sense of ownership and accountability, leading to better budgetary decisions. Top management must implement strategies to boost employee motivation. This may entail acknowledging and incentivizing high-performing individuals or teams, providing chances for enhancing skills and advancing careers, cultivating a positive work environment, and promoting teamwork and collaboration.

Implementing these recommendations should be an ongoing process. However, to observe tangible improvements, the university should initiate these changes at the beginning of the budgeting cycle. The initial focus should be on developing and communicating a clear budgeting process that allows for participation, followed by consistent efforts to maintain motivation over time. The Simons' Levers of Control framework supports the idea of continuously monitoring and adjusting budgetary processes to achieve strategic objectives.

2. Employee Empowerment through participatory budgeting is a key strategy for increasing employee engagement and motivation. By implementing participatory budgeting processes, organizations can empower employees to take an active role in budget planning and decision-making. This approach involves involving employees in the budgeting process through various mechanisms, such as budgeting committees, departmental meetings, and suggestion boxes. Employees are encouraged to provide input and feedback on budget proposals, and their suggestions are considered in the decision-making process.

3. Establishing Representative Budgeting Committees is a crucial step in ensuring that diverse perspectives and interests are considered in budget decisions. This involves setting up committees comprising representatives from various employee groups, including different departments, job functions, levels, and locations. These representatives are chosen to ensure that the committee has a balanced representation of the organization's diverse workforce. The committee's role is to oversee the budgeting process, providing input and feedback on budget proposals, and ensuring that the budget aligns with the organization's goals and objectives. By having a representative committee, organizations can tap into the collective wisdom and expertise of their employees, ensuring that budget decisions are informed and inclusive. This approach also fosters a sense of ownership and accountability among employees, as they feel their voices are heard and their interests are represented in the budgeting process. Ultimately, Representative Budgeting Committees lead to more informed, effective, and employee-centric budgeting decisions.

4. Finally, to ensure transparency and accountability, the budgeting process should be open and accessible to all employees. This can be achieved through regular communication and updates, such as company-wide announcements, departmental meetings, and intranet or digital platforms. Additionally, budget reports and progress updates should be shared with employees, and their feedback and suggestions should be encouraged and considered. To further ensure accountability, organizations can establish

budgeting committees or teams, conduct regular audits and reviews, and use performance metrics and evaluation to monitor and assess the budgeting process.

Suggestion for Further Research

The study was carried out among account officers, general administrators, and heads of departments within the University of Cape Coast on “Budget participation and performance: the moderating role of employee motivation”. The researcher proposes that future researchers keen on this topic should consider other moderating variables such as internal control and supervisory oversight. Other recommendations include expanding research not only in the educational sector but also in manufacturing, banking, and other industries, also expanding the sample size and target population. Furthermore, questionnaires with low number scales, such as numbers on a scale of 1-3 should be adopted.

REFERENCES

- Abdel-Maksoud, A., & Gad, M. (2015). Assessing the Performance of Organizational Budgets: A Proposed Framework. *International Journal of Business and Management*, 10(4), 261–270.
- Abugalia, M. (2011). The influence of business environment on the effectiveness of management accounting practices: Evidence from Libyan Companies (Doctoral dissertation, University of Huddersfield).
- Astuti, N. P. W., & Yasa, I. N. M. (2018). The Effect of Human Resource Quality and Budgeting Participation on Organizational Culture and Organizational Performance. *Quantitative Economics Research*, 1(1), 39-46.
- Babones, S. (2016). Interpretive quantitative methods for the social sciences. *Sociology*, 50(3),453-469. Retrieved from <https://doi.org/10.1177/0038038515583637>
- Becker, S. D., Mahlendorf, M. D., Schäffer, U., & Thaten, M. (2016). Budgeting in times of economic crisis. *Contemporary Accounting Research*, 33(4), 1489-1517. Retrieved from <https://doi.org/10.1111/1911-3846.12222>
- Brownell, P. (1981). Participation in budgeting, locus of control and organizational effectiveness. *Accounting Review*, 844-860.
- Bryman, A. (2016). *Social research methods*. Oxford University Press.
- Caldwell, B. J., & Spinks, J. M. (2021). *The self-managing school*. Routledge. Retrieved from <https://doi.org/10.4324/9781315859217>

Cameron, K. S., & Quinn, R. E. (2011). *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework* (3rd ed.). Jossey-Bass.

Carolina, Y. (2020). Participative Budgeting, Employee Motivation and Budgetary Slack in Private Sector in Indonesia. *Jurnal ASET (Akuntansi Riset)*, 12(2), 346-356. Retrieved from <https://doi.org/10.17509/jaset.v12i2.25264>

Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relationship: A large scale survey. *Journal of management studies*, 37(7), 903-930.

Creswell, J. W. (2012). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research*. Pearson Education, Inc.

Romario, F., Dwija, I. G. A. M. A., Badera, I. D. N., & Putra, I. N. W. A. (2019). Effect of budget participation towards regional government managerial performance. *International research journal of management, IT and social sciences*, 6(3), 101-107. Retrieved from <https://doi.org/10.21744/irjmis.v6n3.638>

Deci, E. L., & Ryan, R. M. (2013). *Intrinsic motivation and self-determination in human behavior*. Springer Science & Business Media.

Denison, D. R., & Mishra, A. K. (1995). Toward a theory of organizational culture and effectiveness. *Organization Science*, 6(2), 204-223.

Diamond, J., & Khemani, P. (2005). *Introducing financial management information systems in developing countries*.

Dow, K. E., Askarany, D., Teklay, B., & Richter, U. H. (2021). Managers' perceptions of justice in participative budgeting. In *Advances in Management Accounting* (pp. 127-152). *Emerald Publishing Limited*.

Retrieved from <https://doi.org/10.1108/S1474>

Drew, C. J., Hardman, M. L., & Hosp, J. L. (2007). *Designing and conducting research in education*. *Sage Publications*.

Dysvik, A., & Kuvaas, B. (2013). Intrinsic and extrinsic motivation as predictors of work effort: The moderating role of achievement goals. *British Journal of Social Psychology*, *52*(3), 412-430. Retrieved from <https://doi.org/10.1111/j.2044-8309.2011.02090.x>

Fachrudin, K. A., & Sholihin, M. (2021). Examining the mediating effect of job satisfaction on the relationship between budgetary participation and organizational citizenship behavior in Indonesian higher education institutions. *Cogent Business & Management*, *8*(1), 1968990. Retrieved from <https://doi.org/10.1080/23311975.2021.1968990>

Farahmita, A. (2017). Job satisfaction, cost management knowledge, budgetary participation, and their impact on performance. *International Research Journal of Business Studies*, *9*(1). Retrieved from <https://doi.org/10.21632/irjbs.9.1.1153>

Foster, T. A. (2017). Budget planning, budget control, business age, and financial performance in small businesses (Doctoral dissertation, Walden University).

Frucot, V., & White, S. (2006). Managerial levels and the effects of budgetary participation on managers. *Managerial Auditing Journal*, 21(2), 191-206.

Retrieved from <https://doi.org/10.1108/02686900610639310>

Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107-123. Retrieved from

<https://doi.org/10.1504/ijmda.2017.10008574>

Hair Jr, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European business review*, 26(2), 106-121. Retrieved

from <https://doi.org/10.1108/EBR-10-2013-0128>

Heinle, M. S., Ross, N., & Saouma, R. E. (2014). A theory of participative budgeting. *The Accounting Review*, 89(3), 1025-1050. Retrieved from

<https://doi.org/10.2308/accr-50686>

Henseler, J., Hubona, G., & Ray, P. A. (2016). Using PLS path modeling in new technology research: updated guidelines. *Industrial management & data systems*, 116(1), 2-20.

Her, Y. W., Shin, H., & Pae, S. (2019). A multigroup SEM analysis of moderating role of task uncertainty on budgetary participation-performance relationship: Evidence from Korea. *Asia Pacific Management Review*, 24(2),

140-153.

Retrieved from

<https://doi.org/10.1016/j.apmr.2018.02.001>

Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). *The Motivation to Work*, 2nd Edn New York. NY: John Wiley & Sons.

Hormati, A., Laduna, R., Mahdi, S., & Kahar, S. (2017). The effect of budgetary participation on budgetary slack using budgetary ethical compliance as the mediating and moderating variable. *International Journal of Civil Engineering and Technology*, 8(8), 1081-1092.

Iriyadi, & Gurd, B. (1998). Cultural effects of budgetary participation: Indonesian evidence. *Asian Review of Accounting*, 6(2), 71-100.

Junita, A., Abubakar, E., Muda, I., & Abdullah, S. (2018). Influence of budget participation and leadership style against budgeting on work unit of apparatus. *Journal of Business and Retail Management Research*, 13(2). Retrieved from <https://doi.org/10.24052/jbrmr/v13is02/art-25>

Jusoh, R., Sabbah, Y. L., & Zainuddin, S. (2022). Budget Participation and Budget Goal Commitment: Does Religiosity Play a Role? *Asian Journal of Accounting Perspectives*, 15(1), 67-87. Retrieved from <https://doi.org/10.22452/AJAP.vol15no1.4>

Kahar, S. H., Ikbah, M., Jabid, A. W., & Purbaya, A. (2019). Ethical optimism, participative budgeting, and managerial performance in regional government work unit in Indonesia: A contingency theory approach. *Calitatea*, 20(171), 70-75.

Kanfer, R. (2010). Work Motivation: Theory, Practice, and Future Directions. In S. W. J. Kozlowski (Ed.), *The Oxford Handbook of Industrial and Organizational Psychology*. Oxford University Press.

Kanfer, R., Frese, M., & Johnson, R. E. (2017). Motivation related to work: A century of progress. *Journal of Applied Psychology, 102*(3), 338.

Klaorina, M. I., & Suprasto, H. B. (2019). Effect of consideration leadership style on budget participation relationship and managerial performance. *International Research Journal of Management, IT and Social Sciences, 6*(5), 60-64. Retrieved from <https://doi.org/10.21744/irjmis.v6n5.698>

KR, M. Y. A. R. A., & Yulianah, Y. (2022). Budget Participation, Leadership Style and Organizational Culture on Management Performance. *Atestasi: Jurnal Ilmiah Akuntansi, 5*(1), 336-347.

Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and psychological measurement, 30*(3), 607-610.

Kuranchie-Mensah, E. B., & Amponsah-Tawiah, K. (2016). Employee motivation and work performance: A comparative study of mining companies in Ghana. *Journal of Industrial Engineering and Management (JIEM), 9*(2), 255-309.

Kusumah, A. I., Indrayanto, A., & Setiawan, I. (2021). A mediating and moderating role on employee performance appraisal. *Management Research Review, 44*(12), 1639-1659. Retrieved from <https://doi.org/10.1108/MRR-11-2020>

Leach-López, M. A., Stammerjohan, W. W., Lee, E., & Stammerjohan, C. A. (2015). Relationship of budget participation conflict and job performance

of South Korean managers. *Cross Cultural Management*, 22(4), 608-629.
Retrieved from <https://doi.org/10.1108/01409170910943093>

Leedy, P. D., & Ormrod, J. E. (2010). *Practical research: Planning and design* (9th ed.). Upper Saddle River, NJ: Prentice Hall.

Lee, M. T., & Raschke, R. L. (2016). Understanding employee motivation and organizational performance: Arguments for a set-theoretic approach. *Journal of Innovation & Knowledge*, 1(3), 162-169. Retrieved from <https://doi.org/10.1016/j.jik.2016.01.004>

Liessem, T., Schedlinsky, I., Schwering, A., & Sommer, F. (2015). Budgetary slack under budget-based incentive schemes—the behavioral impact of social preferences, organizational justice, and moral disengagement. *Journal of Management Control*, 26, 81-94. Retrieved from <https://doi.org/10.1007/s00187-015-0206-1>

Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American psychologist*, 57(9), 705. Retrieved from <https://doi.org/https://doi.org/10.1037/0003-066X.57.9.705>

Luthans, F., & Stewart, T. I. (2017). A general contingency theory of management. *Academy of management Review*, 2(2), 181-195. Retrieved from <https://doi.org/10.5465/amr.1977.4409038>

Mafini, C., & Dlodlo, N. (2014). The relationship between extrinsic motivation, job satisfaction and life satisfaction amongst employees in a public

organisation. *SA Journal of Industrial Psychology*, 40(1), 1-13. Retrieved from <https://doi.org/10.4102/sajip.v40i1.1166>

Mastilak, C., Matuszewski, L., Miller, F., & Woods, A. (2012). Evaluating conflicting performance on driver and outcome measures: the effect of strategy maps. *Journal of Management Control*, 23, 97-114. Retrieved from <https://doi.org/10.1007/s00187-012-0159-6>

McDonnell, M. E. (2003). The study of the decision-making process and its relationship to job satisfaction as perceived by elementary school teachers in Queens school districts in the city of New York. St. John's University (New York).

Menifield, C. E. (2020). *The basics of public budgeting and financial management: A handbook for academics and practitioners*. Hamilton Books.

Miller, G. J., & Evers, L. (2002). Budgeting structures and citizen participation. *Journal of Public Budgeting, Accounting & Financial Management*, 14(2), 233-272.

Murray, P. (1999). Fundamental issues in questionnaire design. *Accident and emergency nursing*, 7(3), 148-153. Retrieved from [https://doi.org/10.1016/s0965-2302\(99\)80074-5](https://doi.org/10.1016/s0965-2302(99)80074-5)

Myint, Y. Y., Mithunchakravarthy, D., Raju, V., & Bhaumik, A. (2019). Budget participation and employees' motivation in Myanmar private commercial banks. *International Journal of Innovative Technology and Exploring Engineering*, 8(8S2), 573-578.

- Nasution, D. A. D. (2020). Effect of budgetary participation on the budgetary slack with information asymmetry, environmental uncertainty, and budget emphasis as variables moderation. *The International Journal of Business Management and Technology*, 4(2), 113-120.
- Ndungu, D. N. (2017). The effects of rewards and recognition on employee performance in public educational institutions: A case of Kenyatta University, Kenya. *Global Journal of Management and Business Research*, 17(1), 42-68.
- Nguyen, N. P., Evangelista, F., & Kieu, T. A. (2019). The contingent roles of perceived budget fairness, budget goal commitment and vertical information sharing in driving work performance. *Journal of Asian Business and Economic Studies*, 26(1), 98-116. Retrieved from <https://doi.org/10.1108/jabes-06-2018-0026>
- Nwankpa, L. O., & Okeke, R. C. (2017). Budgeting for change in the Nigerian public sector: A qualitative research. *African Research Review*, 11(4), 7-16. Retrieved from <https://doi.org/10.4314/afrrrev.v11i4.2>
- Osabiya, B. J. (2015). The effect of employee motivation on organizational performance. *Journal of public administration and policy research*, 7(4), 62-75. Retrieved from <https://doi.org/10.5897/jpapr2014.0300>
- Pimpong, S., & Laryea, H. (2016). Budgeting and its impact on financial performance: The case of non-bank financial institutions in Ghana. *International Journal of Academic Research and Reflection*, 4(5), 12-22.

Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *Journal of American academy of business*, 5(1/2), 52-63.

Reid, P. (2002). A critical evaluation of the effect of participation in budget target setting on motivation. *Managerial Auditing Journal*, 17(3), 122-129.
Retrieved from <https://doi.org/10.1108/02686900210419903>

Ringle, C. M., Wende, S., & Becker, J.-M. (2022). SmartPLS 4. Oststeinbek: SmartPLS. In GmbH.

Rivito, A., & Mulyani, S. (2019). The Effect of Budget Participation on Local Government Performance with Organizational Commitment as Moderating Variable. *Journal of Accounting Auditing and Business*, 2(2), 90-103.

Robbins, S. P., Judge, T. A., & Vohra, N. (2019). Organizational behaviour by Pearson 18. *Pearson Education India*.

Roemer, E., Schuberth, F., & Henseler, J. (2021). HTMT2—an improved criterion for assessing discriminant validity in structural equation modeling. *Industrial management & data systems*, 121(12), 2637-2650.
Retrieved from <https://doi.org/10.1108/IMDS-02-2021-0082>

Rožman, M., Treven, S., & Cancer, V. (2017). Motivation and Satisfaction of Employees in The Workplace. *Business Systems Research*, 8(2), 14–25.
Retrieved from <https://doi.org/10.1515/bsrj-2017-0013>

Rubin, A., & Babbie, E. (2000). Research methods for social work research 4.

Ryan, R. M., & Deci, E. L. (2000). Self-determination theory. Encyclopaedia of quality of life and well-being research. *Am. Psychol*, 55, 68-78.

Sarstedt, M., & Cheah, J.-H. (2019). Partial Least Squares Structural Equation Modeling Using SmartPLS: A Software Review. *Journal of Marketing Analytics*, 7(3), 196–202. Retrieved from [https://doi.org/10.1057/s41270-](https://doi.org/10.1057/s41270-019-00058-3)

[019-00058-3](https://doi.org/10.1057/s41270-019-00058-3)

Schein, E. H. (2010). *Organizational Culture and Leadership* (4th ed.). Jossey-Bass.

Shahzad, I. A., Farrukh, M., Kanwal, N., & Sakib, A. (2018). Decision-making participation eulogizes probability of behavioral output; job satisfaction, and employee performance (evidence from professionals having low and high levels of perceived organizational support). *World Journal of Entrepreneurship, Management and Sustainable Development*, 14(3), 321-339.

Shields, J. F., & Shields, M. D. (1998). Antecedents of participative budgeting. *Accounting, organizations, and society*, 23(1), 49-76. Retrieved from [https://doi.org/10.1016/s0361-3682\(97\)00014-7](https://doi.org/10.1016/s0361-3682(97)00014-7)

Silva, P., Mota, J., & Moreira, A. C. (2022). Budget participation and employee performance in real estate companies: the mediating role of budget goal commitment, trust and job satisfaction. *Baltic Journal of Management*, 18(2), 226-241. Retrieved from <https://doi.org/10.1108/BJM-03-2022-0118>

Soleiman, I. D., & Thalib, S. B. W. (2021, March). The effect of budget participation on managerial performance with organizational commitment and motivation as moderating variables (empirical study at the local government work unit office of Ende Regency). In *The 3rd International*

Conference on Banking, Accounting, Management and Economics (ICOBAME 2020) (pp. 33-38). Atlantis Press. Retrieved from <https://doi.org/10.2991/aebmr.k.210311.008>

Tanase, G. (2013). An Overall Analysis of Participatory Budgeting Advantages and Essential Factors for an Effective Implementation in Economic Entities. *Journal of Eastern Europe Research in Business and Economics*, 1–12. Retrieved from <https://doi.org/10.5171/2013.201920>

Tiller, M. G. (2018). The Dissonance Model of Participative Budgeting: An Empirical Exploration. *Journal of Accounting Research*, 21(2), 581. Retrieved from <https://doi.org/10.2307/2490792>

Tsamenyi, M & Tauringana, V. (2002). A Field Study of the Budgeting Process and the Perceived Usefulness of the Budget in Organizations in a Developing Country-The Case of Ghana. *Journal of African business*, 3(2), 85-103. Retrieved from https://doi.org/10.1300/J156v03n02_05

Wafiroh, N. L. (2020). The impact of budget participation on autonomous budget motivation: the mediating effect of organizational commitment. *GEMA EKONOMI*, 9(1), 1-9.

Wagner, J., Petera, P., Popesko, B., Novák, P., & Šafr, K. (2021). Usefulness of the Budget: The Mediating Effect of Participative Budgeting and Budget-Based Evaluation and Rewarding. *Baltic Journal of Management*, 16(4), 602–620. Retrieved from <https://doi.org/10.1108/BJM-02-2020-0049>

Wati, L. N., Bekasi, Barat. C. V, & Pustaka, A. (2018). Applied Research Methodology for SPSS, EViews, Smart PLS and Amos Applications.

Wong, K. K. K. (2013). Partial Least Squares Structural Equation Modeling (PLS-SEM) Techniques using SmartPLS. *Marketing Bulletin*, 24(1), 1–32.

Yuen, D. (2006). The impact of a budgetary design system: direct and indirect models. *Managerial Auditing Journal*, 21(2), 148-165. Retrieved from <https://doi.org/10.1108/02686900610639293>



APPENDIX

UNIVERSITY OF CAPE COAST
COLLEGE OF HUMANITIES AND LEGAL STUDIES
SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING

**TOPIC: BUDGET PARTICIPATION AND PERFORMANCE: THE
MODERATING ROLE OF EMPLOYEE MOTIVATION.
QUESTIONNAIRE FOR STAFF**

Dear Sir/Madam

I am Nestor Korshi Dordunu a Master of Business Administration (Accounting) student conducting a study on “*Budget participation and performance: the moderating role of employee motivation*”. This questionnaire is designed to measure how motivation moderates budget participation and performance at the University of Cape Coast. I kindly request your assistance to fill out this questionnaire. I assure you that any information provided will be treated with confidence and used solely for academic purposes.

Thank you.

Instructions: Kindly answer the following questions by ticking [√] or writing the appropriate responses in the space provided.

SECTION A: DEMOGRAPHIC INFORMATION OF RESPONDENTS

Please tick [√] or write where applicable.

A1. Gender:

A. Male

B. Female

A2. Age group

A. Below 25 years

B. 25-29 years

C. 30-34 years

D. 35-39 years

E. 40-44 years

F. 45-49 years

G. 50-54 years

H. 55-59 years

I. 60 years and above

A3. What is your college?

A. College of Humanities and Legal Studies

B. College of Education Studies

- C. College of Agriculture and Natural Sciences
- D. College of Health and Allied Sciences
- E. College of Distance Education

A4. Have you ever participated in the University budget preparation process?

- A. Yes
- B. No

A5. If yes, how many years have you participated in the University budgeting process?

- A. 1 -3 years
- B. 4-6 years
- C. 7-9 years
- D. 10 years and above

A6. What is your highest educational qualification?

- A. Bachelor’s degree
- B. Master’s degree
- C. Doctorate degree

A7. Do you have a membership in any professional body?

- A. Yes
- B. No

A8. If ‘Yes’, which of these professional bodies are you a member of?

- A. ICAG
- B. ACCA
- C. CIMA

D. Other (please specify)

SECTION B: BUDGET PARTICIPATION (BP)

This section relates to your involvement and participation in budget preparation. Please indicate the extent to which you agree to disagree with the following statement by ticking [√] 1=strongly disagree (SD), 2=Disagree (D), 3=Agree (A) and 4=Strongly Agree (SA).

SN	Statement	1	2	3	4
B1	I was allowed to contribute to the budgeting process.				

B2	My suggestions were considered during the budgeting process.				
B3	I was provided with the necessary information to make informed budgeting decisions.				
B4	I was permitted to offer suggestions for improving the budgeting procedure.				
B5	I was involved in setting goals for the budgeting process.				
B6	I was provided with the necessary training to participate effectively in the budgeting process.				
B7	I knew exactly what I was supposed to do during the budgeting process.				
B8	I was permitted to examine and offer suggestions on the final budget.				
B9	The budgeting process was open and transparent.				
B10	I believe that my involvement in the budgeting process was significant.				

SECTION C: BUDGET PERFORMANCE (BP)

This section relates to the performance of the budget within your faculty.

Indicate the extent to which you agree to disagree with the following statement by ticking [√] 1=strongly disagree (SD), 2=Disagree (D), 3=Agree (A) and 4=Strongly Agree (SA).

SN	Statement	1	2	3	4
C1	The University's financial demands are correctly reflected in the budget.				
C2	Decision-making is aided by the useful information provided by the budget.				
C3	The budget helps the University to achieve its goals				
C4	Expenses are controlled with the help of the budget				
C5	Resource allocation is done effectively with the help of the budget				
C6	Changes in conditions can be accommodated by the budget.				
C7	The University strategy and the budget are related.				
C8	Quarterly reviews and evaluations of the budget are conducted.				

C9	To account for changes in the environment, the budget is revised.				
C10	The budget supports accountability for performance				
C11	A culture of openness and transparency is promoted by the budget.				
C12	Effective financial management is supported by the budget.				

SECTION D: MOTIVATION ASSESSMENT (MA)

This section relates to your motivation to do your work and job satisfaction.

Indicate the extent to which you agree to disagree with the following statement by ticking [√] 1=Strongly Disagree (SD), 2=Disagree (D), 3=Agree (A) and 4=Strongly Agree (SA).

SN	Statement	1	2	3	4
D1	I find my work challenging				
D2	I am interested in the tasks I perform at work				
D3	I feel engaged when working on my tasks				
DE4	I feel recognized for my work				
D5	I feel valued in my current position				
D6	I am satisfied with the opportunities for career advancement in my institution				
DS7	I am very satisfied with the work I do				
DS8	I am satisfied with my colleagues				
DS9	I am satisfied with my work environment				