

FACTORS INFLUENCING BUDGET ATTITUDE: GAME PATTERNS AS INTERVENING VARIABLES

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Abstract: This research was conducted to give the empirical evidence about the influence of leadership style on budget attitude with game patterns as mediating variables. Game patterns can be measured by four variables which are devious game pattern, economic game pattern, incremental game pattern, and time game pattern. Collecting data in this study was conducted using a survey through the distribution of questionnaires. Respondents was selected by purposive sampling method with the following criteria, respondents who work as structural officers in private universities located in West Jakarta, Bandung, and Banten with minimum of one year experience in his/her position, and actively involved in the budgeting process. The analysis technique used is path analysis. This research was successfully proved game patterns as intervening variables. However, this research has not been able to provide empirical evidence about the positive influence of leadership style on the budget attitude.

Keywords: Leadership style, devious game pattern, economic game pattern, time game pattern, incremental game pattern, budget attitude.

I. INTRODUCTION

Budgets are initiated in two formats – imposed budget and participative budget. Top-down imposed budgeting tends to cause members' complaints and abrasive reaction; while bottom-up participative budgeting tends to gain members' cooperation. The latter is considered most motivating by scholars but requires members' understanding and accepting organizations' strategies in the initiating process. Goals solely set by top management might be too difficult or too loose. On the contrary, if solely set by subordinates, budgetary slacks could occur and the organization could get disoriented. Thus, ideally goals should be established by all members, top management proposes the visions of organization development, whereas subordinates provide information on daily operation details. The implementation fashion of budgets could also affect members' attitude toward budgets. If managers take budgets as a tool for pressuring or criticizing, such negative emphasis would induce displeasure, tensions, distrust, and denial within members. If budgets are utilized to help subordinates set up goals, evaluate operational outcomes, or uncover activities that call for resources, budgeting could be deemed as facilitating individuals' and organization's goals [1].

A budget can have a significant impact on human behavior. If done well, it can inspire managers to higher levels of performance. However, if done poorly, budgets can discourage additional effort and pull down the morale of managers. Budgeting is successful when it receives full support by top management and well perceived by members of its initiation and implementation.

Leadership style of top management also contributes to the successfully budgeting process [1]. Leadership style, budgetary gameplay and role stress have influence on budgetary attitude [2], [3], [4]. In a budgeting process, gameplay could be exists [2], [3], [4]. Also the budget attitude could be influenced by leadership style and role stress. Some research have found that leadership style could have influence on the attitudes and behavior of subordinates [4], [5], [6].

Overall studies of formal budgeting practices have paid little attention to the behavioural attitude of business managers. Two aspects of the budgeting process that have been used in many previous research are the role of participative budgeting on job performance [7], [8], [9], [10], [11], [12], [13], [14], [15], [16], [17], [18], [19], [20], [21], [22], [23], [24], [25] and the dysfunctional behavior create budgetary slack [26], [27], [28].

Since the study conducted by [4], there has been a lack of research regarding the influence of leadership styles on budget attitude through the mediation of game patterns especially in educational industry. This present study identifies the influence of leadership style on managerial attitude toward budgeting. This study also concerned the different strategies employed for dealing with leadership style and the influence towards budget attitude.

The purpose of this research is to give the empirical evidence about: 1). Positive influence of leadership style on the budget attitude. 2). Positive influence of leadership style on the budget attitude through the mediation of devious game pattern. 3). Positive influence of leadership style on the budget attitude through the mediation of economic game pattern. 4). Positive influence of leadership style on the budget attitude through the mediation of incremental game pattern. 5). Positive influence of leadership style on the budget attitude through the mediation of time game pattern.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

A. Leadership Style:

Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals [29]. The success or the failure of proper organizations, nations, and other social units has been largely credited to the nature of their leadership style [30]. High leadership indexes are not related to past performance records but associated both to higher potentiality of enhanced performance and to higher reputation of organizations, pointing in the direction of a meaningful influence of behavioral complexity and dynamics on the leadership perceived level [31]. Today organizations need effective leaders who understand the complexities of the rapidly changing global environment. If the task is highly structured and the leader has good relationship with the employees, effectiveness will be high on the part of the employees. [32].

Leadership style is the manner and approach of providing direction, implementing plans, and motivating people. There are three leadership styles that can be used by a leader or superior: 1). Positive Style: Leader or superior encourages good performance by offering encouragement, praise, and other forms of support. 2). Advancement Style: Leader or superior offers opportunities or rewards to those who perform well. 3). Punitive Style: Leader or superior punishes bad performance with reprimands, pay cuts, and threats of termination [4].

Positive leadership is the systematic and integrated manifestation of leadership traits, processes, intentional behaviors, and performance outcomes that are elevating, exceptional and affirmative of the strengths, capabilities, and developmental potential of leaders, their followers and their organizations over time and across contexts [33]. Drawing from this definition, positive leadership needs to be systematic and integrated over time and across contexts. Positivity necessitates a broader perspective and an integrated assessment of various components of a system that span time and contextual boundaries. Positive leaders need to continuously monitor multiple facets of their values and actions, because one negative incident can mar their reputations for a long time.

B. Budget Attitude:

An attitude has been defined as a form of predisposition to respond to certain things in a certain way [34]. In this regard an attitude can be considered as being a hypothetical construct which may be measured regardless of any physical reality [35]. The effectiveness of the budgeting process depends on budgetary attitude [4].

Even though budgeting is essential for businesses, many managers are often frustrated by the budgeting process. They find it difficult to predict the future and dislike superiors challenging them to improve the performance of their departments. They also dislike being personally evaluated on targets that are challenging. It is not uncommon for a manager to view budgeting as a game: "If I lower my performance expectations, my actual performance will look good," the manager might conclude [36].

The budget has a great impact on human behavior. The budget informs people about what to expect and when to implement. Budgets provide limits on what to buy and how much to buy, the budget can limit human space [37].

C. Budgetary Game Pattern:

Game play as the different ways managers cope with their superior's budgetary leadership style and the interpersonal stress associated with achieving their budget [3]. In the budgetary process, subordinates need to cope with the pressures. These routine behavior defined as a game pattern [38]. There are four categories of the game pattern which are devious, economic, incremental and time behavior patterns [2], [3]. Devious game pattern refers to the not straight forward budgeting strategies. People that used economic game pattern will present budget related facts to their superior. Using last period amounts as a basis or starting point is the characteristic of incremental game pattern. People who look for "the right time" before making budgetary requests are suitable to use time game pattern.

D. Leadership Style and Budget Attitude:

Leadership will change anything potential into reality [39]. Without leadership of an organization is groups of people and machines are irregular. The entire leadership styles on top will affect employees in the process planning, implementation, and evaluation which in turn affects performance participation and performance. Leadership style has influence on the attitudes and behavior of subordinates [5], [6]. To gain the benefits of budgeting, management at all levels of a company should understand and support the budget and all aspects of the management control system [36].

H₁ Leadership style has positive influence on the budget attitude.

E. Leadership Style, Budget Attitude, and Budgetary Game Pattern:

Leadership style has influenced on budgetary process and attitude [2], [3]. They also found that game patterns exist in a budgetary process. These game patterns are useful for the managers to cope with the different leadership styles of their superiors and also to cope with the interpersonal stress associated with budgeting process. Devious, economic, time, and incremental behavior pattern could be mediate the influence of leadership style on budgetary responsibility [4].

H₂ Leadership style has positive influence on the budget attitude through the mediation of devious game pattern.

H₃ Leadership style has positive influence on the budget attitude through the mediation of economic game pattern.

H₄ Leadership style has positive influence on the budget attitude through the mediation of incremental game pattern.

H₅ Leadership style has positive influence on the budget attitude through the mediation of time game pattern.

The following is the research model:

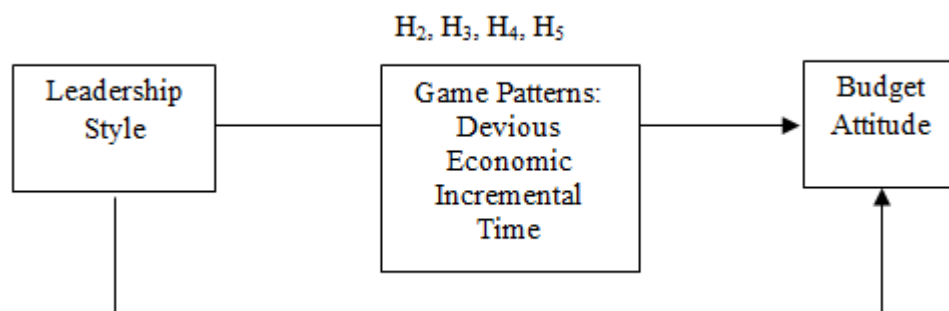


Fig 1: Research Model

III. RESEARCH METHOD

A. Research Data:

Data used in this research is primary data that obtained through questionnaires. Purposive sampling method is used to select the respondent with criteria: at least one year of experience as a structural official in private college and actively involved in the budgeting process.

B. Data Analysis:

To test the hypothesis, this research uses path analysis. Path analysis allows us to test the direct relationship between variables and indirect relationships among variables in the model [40].

C. Data Quality Test:**C.1. Validity Test:**

Validity test used to measure whether or not a legitimate or valid questionnaires. A questionnaire considered valid if the questions in the questionnaire were able to reveal something that will be measured by the questionnaire [41]. Testing the validity of this research will be using pearson correlation coefficients between the respective indicator scores with a total score of the construct.

C.2. Reliability Test

Reliability is actually a tool to measure a questionnaire which is an indicator of variables or constructs. A questionnaire said to be reliable or reliable if someone answers the statement is consistent or stable over time [41]. A construct or a variable value said to be reliable if the Cronbach alpha > 0.60 – 0.80 [42].

D. Definition and Measurement of Variable Operational:

Leadership style in this research focuses on positive leadership style. Leadership style was measured by 5 questions on a five point likert scale [4]. Budget attitude was measured using 9 questions [4]. The responses were measured on a 5 point likert scale. One equals to strongly disagree and five equals to strongly agree. Devious game pattern was measured by 7 questions. Economic game pattern was measured by 4 questions. Time game pattern was measured by 2 questions. Incremental game pattern was measured by 2 questions. All questions were measured on a five likert scale [4].

IV. RESULT AND DISCUSSION**A. Data Collection and Sample Selection:**

Primary data was collected through sending a questionnaire to the respondent. Submission of questionnaires to the respondents carried out by direct delivery through contact person or by sending via email. Here is a summary of the questionnaires were distributed and used in this study.

Table I: Questionnaire Summary

Description	Amount
Distributed questionnaire	110
Accepted questionnaire	89
Incomplete questionnaire	(4)
Used questionnaire	85

B. Respondent Demographic:

The following is the respondent demographic.

Table II: Respondent Demographic

Demographic	Value in percentage
Number of respondent	85
AGE	
Minimum	29.00
Maximum	55.00
Mean	42.20
Deviation Standard	6.66
GENDER	
Male	39 (45.88%)
Female	46 (54.12%)
DURATION IN STRUCTURAL POSITION (IN YEAR)	
Minimum	1.00
Maximum	34.00
Mean	5.43
Deviation Standard	4.50
EDUCATION LEVEL	
S1	12 (14.12%)
S2	61 (71.76%)
S3	12 (14.12%)

C. Data Quality Test:**C.1. Validity Test:**

Through Pearson correlation test, we will get the *r* count. *r* count will compare to *r* table with significance level at 5% and degree of freedom = $n - 2 = 85 - 2 = 83$. *R* count for this level is 0.213. If *r* count is greater than *r* table, it means that all statements are valid.

Table III: Validity Test Result

Variable	Range of <i>r</i> count	<i>r</i> table	Description
Leadership style	0.543 – 0.857	0.213	Valid
Budget Attitude	0.341 – 0.833	0.213	Valid
Devious Game Pattern	0.731 – 0.853	0.213	Valid
Economic Game Pattern	0.615 – 0.747	0.213	Valid
Time Game Pattern	0.786 – 0.883	0.213	Valid
Incremental Game Pattern	0.788 – 0.865	0.213	Valid

C.2. Reliability Test:

Reliability test result of all variables in this research can be shown in table below.

Table IV: Reliability Test Result

Variable	Cronbach's Alpha	Keterangan
Leadership Style	0.859	Reliable
Budget Attitude	0.738	Reliable
Devious Game Pattern	0.848	Reliable
Economic Game Pattern	0.685	Reliable
Time Game Pattern	0.560	Quite Reliable
Incremental Game Pattern	0.535	Quite Reliable

D. Hypothesis Test:

Leadership style has no influence on budget attitude because the significance value is 0.109. Based on this value, this research unsuccessfully supports the first hypothesis. The respondents in this study are the structural officials at private universities. As we know that the majority of structural officials are the lecturers. Lecturers tend to understand the theory and practice of budgeting so that their attitude to the budget cannot be directly influenced by the leadership style shown by their direct superior. This result shows that there are some potential intervening variables of the influence of leadership style on budget attitude.

To prove the second hypothesis, we need to test the influence of leadership style on devious game pattern. The results show the standardized beta is 0.251. The influence of devious game pattern on budget attitude shows the standardized beta is -0.687. The calculation of this indirect beta is -0.086. Standardized beta of the direct influence of leadership style on budget attitude is -0.175. The indirect beta shows greater value than the direct standardized beta. It means that this research supports the second hypothesis which is leadership style has positive influence on the budget attitude through the mediation of devious game pattern.

The influence of leadership style on economic game pattern has the standardized beta of 0.112. The influence of economic game pattern on budget attitude shows the standardized beta is -0.217. The calculation of this indirect beta is -0.024. This value is greater than the direct standardized beta which is -0.175. This research successfully supports the third hypothesis which is leadership style has positive influence on the budget attitude through the mediation of economic game pattern.

The results show the standardized direct beta the influence of leadership style on incremental game pattern is 0.264. The influence of incremental game pattern on budget attitude shows the standardized beta is -0.161. The calculation of this indirect beta is -0.042. This value is greater than the direct standardized beta. This research provides the empirical evidence to prove the fourth hypothesis. Leadership style has positive influence on the budget attitude through the mediation of incremental game pattern.

The result shows that the standardized beta of the influence of leadership style on time game pattern is 0.166. The influence of time game pattern on budget attitude shows the standardized beta is -0.467. The calculation of this indirect beta is -0.077. This value is greater than the direct standardized beta. Leadership style has positive influence on the budget attitude through the mediation of time game pattern. It means that this research support the fifth hypothesis.

V. CONCLUSION

This research successfully support second, third, fourth, and fifth hypothesis but failed to support first hypothesis. Leadership style has positive influence on the budget attitude through the mediation of devious game pattern, economic game pattern, incremental game pattern, and time game pattern. On the other hand, leadership style has no influence on the budget attitude.

The distribution of questionnaires has not been spread evenly throughout Indonesia. If the distribution of the questionnaire can be expanded to all private universities throughout Indonesia, the research would be more meaningful. Although this research can prove that game pattern is the mediating variable on the influence of leadership style and budget attitude, there are still other mediating variables that could be further investigated. The use of other mediating variables in this study is also possible. We can also use moderating variables to improve the research model.

ACKNOWLEDGEMENT

This research was funded by University Pelita Harapan through research scheme at Business School No: 002/ORP/III/2016.

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