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Engagement or Sustainability: Managerial Performance

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ABSTRACT

This study is motivated by the importance of enhancing management performance by using budget participation and total quality management as influencing factors. This research was conducted by three building companies in the city of Makassar. 68 respondents understand quite broadly the use of primary and perceptual data. The findings showed that, when the dominant variable was budgetary participation, the two independent variables had a positive relationship and a significant impact on management performance. Although several earlier studies have supported the results of the study, one of the next questions to be answered is the principle of significance of each element in the company, as management performance does not mean that firm value is directly responded to in a positive way.

INTRODUCTION

The business is an integrated unit with a primary emphasis on profit generation (Ahmad, Mappatempo & Muslim, 2018; Basalamah et al., 2019; Nasir, 2020). Companies must incorporate useful management functions to achieve these objectives. The introduction of preparation in a business would greatly assist the company in achieving the targets set since the company will take action based on the company's facts and factual circumstances. (Salwah, 2019). Making a budget is a key element in the planning function (Lannai & Amin, 2020). The process of preparing the budget is an important activity and involves different parties. Budgeting participation is a management strategy that is generally considered to improve managerial performance (Haidiputri, 2019). In both monetary and non-monetary forms, the budget is a quantitative plan used to convert the objectives and strategies of the company into operating units. (Kusniawaty & Lahaya, 2019).

The top-down approach, the bottom-up approach, and a combination of the two, which is often referred to as the participatory approach, are the three budgeting strategies commonly used (Lee, KM, et al., 2019). In a bottom-up approach, the budget of a department will be prepared by staff and managers at the departmental level. Based on the segment goals, the bottom-up technique begins with the bottom or operations (department) story. The functional level, on the other hand, must meet the overall corporate objectives (Jumady, Sugiarto & Latief, 2021). When they are involved in budget preparation, managers are more motivated to achieve budgetary objectives. Usually, a broad level of involvement leads to more generous support for the budget and the entity

as a whole and a greater understanding of what needs to be done. The benefit of this method is that it can establish better communication between departments and a better level of accuracy in budget estimation. The essence of involvement in budgeting is that cooperation is required between all levels of the organization. Top managers usually do not know the daily components, so they need to rely on their subordinates for more detailed budget information (Irmayani & Susyati, 2017). On the other hand, top executives have a broader view of the company as a whole, which is essential for budgeting in general. The top-down approach is a model of planning carried out by superiors targeting subordinates where the boss is the boss, while the partner is only the implementer (Jumady, 2020). The party that is going to prepare the budget is Top Management. In long-term planning, top-down is typically used through the process of forecasting sales based on economic analysis, analyzing the market share and sales of the company, then making deals based on other products or categories. When business unit managers need coordination between business units within a business, the Top-Down approach is required. Various interpretations of each point of view provide the differences between each of these approaches. Giving subordinates a mandate so that complex problems can be understood, but on the other hand, the ability of subsidiaries to support managerial performance is also not supported by the power of subordinates to read different problems that arise.

Budget involvement is considered to have implications for the attitudes and behavior of organizational members; if it is not properly implemented, it will encourage subordinates or budget executors to create budget gaps (Kamau, Rotich & Anyango, 2017; Grillos, 2017). This has adverse consequences, such as the usual misallocation of resources in assessing the performance of subordinates to their responsibility unit.

H1: Budget participation has a significant effect on managerial performance

Total Quality Management (TQM) is a system that companies often use to maximize their management performance at the moment (Quote). This concept involves efforts at all levels of management and all company standards to continuously improve quality (Abbas, 2020). This is because several previous studies have partially or simultaneously influenced managerial performance by TQM and budget participation; this also indicates that TQM and budget participation have mutually strengthened relationships (Natipulu, 2019; Nasrun, 2018). Yusriwati & Wahyuni (2018) argued that TQM would have an impact on increasing the management performance of the company if it is associated with employee participation and empowerment. If there is employee participation in carrying out company activities, this can happen and can directly motivate employees. In an organization, it is fundamental to implement TQM from all perspectives. TQM, which focuses on customers, both internal and external, is the driving force for the goals of the entire organization (Nisa, 2017). The quality of the product or service delivered to them is determined by external clients. Internal customers, on the other hand, play an important role in determining the labor rate, processes, and the environment associated with the product or service.

In order to satisfy customers, this customer orientation will encourage managers to improve their performance to produce quality products.

H2: TQM has a significant effect on managerial performance

Together with previous research carried out by researchers, testing the effect of budgetary participation and TQM on managerial performance in several contracting companies in the city of Makassar, one of the reasons for trying to work budgetary participation and TQM with organizational performance is to analyze the results of TQM achieved by companies with the level of financial participation in organic performance. In this study, several large construction companies in the city of Makassar, namely PT, were taken over. Hutama Karya, PT, Nindya Karsa and PT, respectively. In Makassar, Bumi Karsa. The current phenomenon faced by contractor companies, however, is the low management performance faced by the business, so that the company's TQM achieved is not optimal. In addition, the outcomes achieved by the organization are not sufficient. It is necessary to investigate the factors that cause low management performance in the efforts faced by the company, so that the company is expected to be able to maintain the organizational performance faced by the company by obtaining company information, so that an increase in organizational performance will affect the implementation of TQM. In addition, in the company, the level of budget participation can be further increased in the future.

RESEARCH DESIGN

The relationship between two variables, namely participation in budgeting and TQM as an independent variable and managerial performance as the dependent variable, will be determined and proven by this study. The time dimension of this study is cross-sectional; that is, with many samples, it involves one particular time (Sugianto, 2005). PT. Hutama Karya, PT. Nindya Karya and PT. Bumi Karsa. The primary reason taken into account in selecting the object of this study is to raise issues that are very relevant to research. The population of this study was permanent staff and contract workers at the three construction companies, namely PT. Hutama Karya, PT, Nindya Karya and PT, respectively. In Makassar, Bumi Karsa, that is, 185 respondents, and with the Slovin formula, the study sample was 68 respondents. The SPSS (Statistical Product and Service Solution) release 23 program was used in analyzing the data. Multiple linear regression analysis was used in the analysis method stage.

RESULT AND DISCUSSION

RESULT

The validity and reliability of the data used in this study, as shown in table 1. In a pilot test, this research data was conducted twice to obtain data that was feasible for testing. Table 1 shows that budget participation is the most dominant variable affecting managerial performance in several Makassar construction firms. The budget participation variable, when viewed from the average

results, has the most significant standardized beta coefficient value than the TQM variable. Regression testing indicates that budget involvement, namely 56.4 percent, is more dominant.

Table 1. Validity and Reliability Test Results

No	Variable	Item	Correlation	Cronbach's Alpha	Info
1	X1	6	0.780-0.849	0.939	Valid and Reliable
2	X2	7	0.739-0.914	0.956	Valid and Reliable
3	Y	9	0.432-0.651	0.814	Valid and Reliable

At the same time, the results of the regression equation show that the two independent variables in this study have a positive and significant relationship with beta values of 0.564 and 0.420, respectively, as shown in table 2.

Table 2. Hypothesis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	2.022	.173			11.687	.000
X1	.264	.037	.564		7.146	.000
X2	.217	.041	.420		5.314	.000

Discussion

In this study, the results of the formulation of the first problem give users of the information a reasonably broad perspective. Where budget participation has a positive relationship and a significant impact on management performance, this can also be seen from the results of the responses or perceptions of respondents through distributed questionnaires, where most of the responses agree to employee satisfaction with a total of 257 in budgeting and the need for staff to provide 256 opinions. So it can be concluded that in budgeting, several construction companies in Makassar always provide every employee with budget involvement or participation in giving ideas or suggestions. With this involvement, most employees are also satisfied. Several research results examining the effect of budget participation on managerial performance also support this (Ermawati, 2017; Jatmiko, 2017; Giusti et al., 2018; Pratiwi, 2019; Andison & Augustine, 2017; Marlina, 2019). From this study, it is established that participation in the budget has a significant impact on management performance. It can therefore be said that this study supports the results of a study conducted by previous researchers.

There is also the same result in the second problem formulation, namely the relationship between TQM and management performance: a positive relationship with a significant effect. This implies that in the execution of project activities, several construction companies in Makassar

always resolve consumer problems promptly. At several construction companies in Makassar, the company is still investigating opportunities for continuous improvement of new equipment and methods used in project activities to enhance TQM. The findings of this study are from previous research (Lamato, 2017; Adhiputra, 2019; Laiya & Pondaag, 2018; Komara, 2017). Meanwhile, the relationship between TQM and managerial performance was not influenced significantly by Indah (2010). Managerial interests, which also have individual interests in the evaluation of top management, create a gap between three distinct objectives, both from the principal, agents, to reduced staffing (Hendana, 2018; Hamdani, 2016; Friyanty, 2016). A basic overview of Agency Theory is provided by these outcomes. This research, however, does not concentrate on issues of internal company interest.

CONCLUSION

Budget participation is the variable that in this study has the most dominant influence. Employees involved in budget involvement should receive transparent compensation in order to encourage employees to be more accountable in solving problems. One of the challenges for principals not to give complete trust in the operations of the company is the existence of individual interests of each unit in an organization. The ability to analyze the level of subordinates is also an obstacle to offering too much space in the projections of the company.

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