

## **The Role of Organizational Fairness and Motivation in the Relationship Between Budget Participation and Managerial Performance: A Conceptual Paper**

Suria Zainuddin and Che Ruhana Isa

Department of Management Accounting and Taxation, Faculty of Business and Accountancy,  
University of Malaya, 50603 Kuala Lumpur, Malaysia.

---

**Abstract:** The debates related to the role of budget participation in organizations have attracted the attention of management accounting researchers for decades. However studies examining the relationship between budget participation and performance have found inconsistent results ranging from positive relationship to negative relationship. The inconsistent findings have encouraged researchers to further investigate for the existence of mediating variables in the relationship between budget participation and managerial performance. In this study, a more comprehensive model of participative budgeting that incorporates the element of fairness and motivation is proposed. Participation is modeled to have an indirect effect on performance through two intervening variables of organizational fairness and motivation. In particular, the objective of this study is to examine the relationship between budget participation and managerial performance. This study also aims to examine the mediating role of organizational fairness and motivation in the relationship between budget participation and managerial performance.

**Key words:** Budget participation; managerial performance; organizational fairness; distributive fairness; procedural fairness; motivation.

---

### **INTRODUCTION**

The debates related to the role of budget participation in organization have attracted the attention of management accounting researchers for decades. Extensive research has investigated the effect of budgetary participation mainly on satisfaction and performance of subordinates (Cherrington and Cherrington, 1973; Kenis, 1979; Brownell, 1982; Frucot and Shearon, 1991; Lindquist, 1995). While the relationship between budget participation and satisfaction generally are found to be significant (Cherrington and Cherrington, 1973; Kenis, 1979; Brownell, 1982), there exist inconsistency in the findings of empirical research examining the relationship between budget participation and performance. The results range from positive relationship (Merchant, 1981; Brownell, 1982; Brownell and McInnes, 1986) to negative relationship (Bryan and Locke, 1967; Cherrington & Cherrington, 1973; Locke and Schweiger, 1979), while others reported unrelated association (Kenis, 1979).

The inconsistent findings have motivated researchers to further investigate the possibilities of the existence of mediating or moderating variables in the relationship between budget participation and managerial performance. It is suggested that by participating in the budget setting process, individual's perception of organizational fairness may be improved and in turn increase individual's performance (Wentzel, 2002). Even though there are studies in other domain that examined the influence of fairness on employees' attitudes and behaviors, only a few studies in management accounting literature that examine the effect of budget participation on both distributive and procedural fairness (Wentzel, 2002; Maiga and Jacobs, 2007).

Further, participation also can increase individual's motivation to achieve organizational goals. Based on the goal setting theory, the assignment of specific and reasonable goals (budgets) may increase individual motivation and enhance the performance level (Bryan and Locke, 1967, Locke and Bryan, 1968, Kenis, 1979, Merchant, 1981; Locke and Latham, 1984). While a few studies assumed that fairness perception motivates employees (Libby, 1999; 2001), to date, no empirical evidence in accounting literature has directly assessed this relationship. This study attempts to fill up this gap. It is proposed that through participation, the perception of fairness can be improved and subsequently increase individuals' motivation.

This paper attempts to extend the previous research by developing a more comprehensive model to provide better explanations related to budget participation behavioral consequences. Thus this study aims to firstly examine the relationship between budget participation and performance. Secondly, the study aims to examine the mediating role of organizational fairness and motivation in the relationship between budget participation and managerial performance.

This paper is organized as follows. In the subsequent section, a review of the literatures will be presented. This is followed by the development of theoretical framework and the formulation of testable hypotheses.

---

**Corresponding Author:** Dr Suria Zainuddin, Department of Management Accounting and Taxation, Faculty of Business and Accountancy, University of Malaya, 50603 Kuala Lumpur, Malaysia.  
E-mail: suriaz@um.edu.my

**Literature Review:**

**Budget Participation:**

Budget participation refers to the involvement of managers in budget creation and their influence over the outcomes of a decision making process (Kenis, 1979; Shields and Shields, 1998). The demand for participative budgeting is fully supported by the needs to have adequate budgetary support (Nouri and Parker, 1998), promotes better organizational commitment (Nouri and Parker, 1998; Wentzel, 2002; Parker and Kyj, 2006) and encourages the sharing of information and knowledge (Agbejule and Saarikoski, 2002; Parker and Kyj, 2006; Lau and Tan, 2006). Moreover, not only enhancing managerial performance (Merchant, 1981; Brownell, 1982; Brownell and McInnes, 1986) organization returns also will be improved by negotiation or through participative budgeting (Chalos and Haka, 1989).

It should be noted that previous research found inconsistent findings in the relationship between budget participation and managerial performance (Cherrington & Cherrington, 1973; Milani, 1975; Locke and Schweiger, 1979; Merchant, 1981; Brownell, 1985; Brownell and McInnes, 1986). As such it is argued that budget participation has a far more complex behavioral effect and the relationship may not be a direct one. It prompted researchers to identify the potential reasons and suggest the possibilities of intervening variables which may link budget participation to managerial performance (Murray, 1990; Shields and Shields, 1998; Nouri and Parker, 1998). Among the mediating variables that have been investigated includes motivation (Brownell and McInnes, 1986), budget adequacy (Nouri and Parker, 1998), information sharing and role ambiguity (Parker and Kyj, 2006), and commitment (Nouri and Parker, 1998; Wentzel, 2002; Parker and Kyj, 2006; Maiga and Jacobs, 2007).

This study aims to examine whether budget participation improve managerial performance in the presence of the perceptions of organizational fairness and motivation. While budget participation is argued to promote better fairness perceptions among employees (Magner *et al.*, 1995; Wentzel, 2002; Maiga and Jacobs, 2007), only a few studies in management accounting literature have systematically examined the relationship. Further, previous studies have examined the impact of participation in enhancing employees' motivation, however the results were conflicting (Searfoss and Monczka, 1973; Kenis, 1979; Merchant, 1981; Brownell and McInnes, 1986). Thus this study may provide more evidence related to budget participation behavioral consequences.

**Organizational Fairness:**

Organizational fairness refers to employees' perception of fairness in the organization. It is based on the personal assessment and subjectively evaluated on what people believe to be right (Cropanzano *et al.*, 2007). In this study, two dimensions of organizational fairness are covered; distributive fairness and procedural fairness.

Distributive fairness refers to the fairness of budget target assigned or budget that is allocated to the employees. It was derived from the work of Adams (1965) (Greenberg, 1990; Cropanzano *et al.*, 2007; Lindquist, 1995; Alexander and Ruderman, 1987) and is based on a proportionality concept which is concerned on the equality of ratio of the output over input, relative to other individuals. In applying the equity theory in budgeting practices, output is viewed as outcome or final budget that was set by the management, while the input is referred to the effort or views contributed by managers (subordinates) in the budgeting process. If what is offered is what is decided by authorities, then the ratio would be balanced, which builds a fair perception of distributive fairness (Maiga and Jacobs, 2007); otherwise employee will become resentment.

Procedural justice is concerned on fairness of decision-making procedures. It refers to the perceived fairness of the means by which outcomes are allocated (Folger and Konovsky, 1989; Wentzel, 2002; Cropanzano *et al.*, 2007). Most researchers in procedural justice literatures (Byrne and Damon, 2008; Lau and Tan, 2006; Lindquist, 1995; Greenberg, 1990) have credited the work of Thibaut and Walker (1975), who have introduced the study of process to the literature on justice. Procedural fairness influences the perception of the organization that employees worked, as a whole. Less perception of fairness impaired employees' loyalty and they feel less likely to behave in organizations' best interests (Cropanzano *et al.*, 2007).

The opportunity to participate in budget creation makes employees feel that they can influence the outcomes of a decision making process, based on what they perceived to be attainable. Lindquist (1995) explained that if subordinate are given the opportunity to participate, budget is perceived to be fair, even though the views of the subordinates are not taken into account in the budget outcome. When the budget is viewed as fair, favorable effect on performance is expected (Lau and Lim, 2002; Libby, 2001; Wentzel, 2002; Maiga and Jacobs, 2007; Byrne and Damon, 2008).

While budget participation may increase employees' perception of fairness, only a few studies in management accounting literature that examine the effect of budget participation on fairness (Wentzel, 2002; Maiga and Jacobs, 2007). Wentzel (2002) proposed a model that examined the mediating effect of fairness perceptions and goal commitment in the relationship between budget participation and performance, whilst Maiga and Jacobs (2007) provided a model in which fairness perception, trust and goal commitment mediate the relationship between budget participation and budgetary slack. The current study aims to extend the study of Wentzel and Maiga and Jacobs by proposing a model in which fairness perception and motivation mediate the

relationship between budget participation and performance. The role of organizational fairness on motivation is also examined, which is not covered in previous studies.

***Motivation:***

Motivation is related to engagement in a particular behavior for a purpose to achieve a desired goal. Searfoss and Monczka (1973, p. 544) defines motivation as “a psychological construct which is used to account for the factors that arouse, maintain and direct behavior toward a goal”. It is based on effort expended employees have towards achieving organizational goal (Locke and Latham, 1990). In workforce situation, employees who are motivated, show more favorable attitudes and increase their performance (Bryan and Locke, 1967).

According to Ronen and Livingstone (1975), one of the functions of budget is providing motivation to the employees. Managers are motivated with the budget that is tight but attainable rather than too tight level of budget difficulty (Kenis, 1979). Locke and Schweiger (1979), Brownell and McInnes (1986) and Shields and Shields (1998) have provided evidence that there is an association between motivation and performance.

Further, a number of studies have found the positive relationship between participation and motivation (for example, Hofstede, 1968; Searfoss and Monczka, 1973; Kenis, 1979; Merchant, 1981). However, Brownell and McInnes (1986) found otherwise. These conflicting findings have led this current study to further examine this relationship. This study also aims to examine the possibility of the intervening role of fairness perceptions that may affect the relationship between budget participation and motivation.

***Managerial Performance:***

Blumberg and Pringle (1982) suggested that there are three dimensions of work performance which consists of the elements of capacity, willingness and opportunity, which is called the theory of work performance. Capacity refers to the physiological and cognitive capabilities, which allow the accomplishment of the task effectively (Blumberg and Pringle, 1982). Examples of capacity include ability, age, skills, intelligence, level of education and stamina. Willingness refers to the psychological and emotional factors of the individual that affect the accomplishment of the task (Blumberg and Pringle, 1982). Some examples include motivation, job satisfaction, attitudes, job involvement and personality. Opportunity refers to the environmental factor or the uncertainties that are beyond the direct control of the individual, which affect the accomplishment of the task (Blumberg and Pringle, 1982). The examples include tools, materials, working conditions, leadership style and organizational policies.

Blumberg and Pringle argued that these three elements should work together in order to increase the performance of employees. Most of the previous research however examined only one dimension of performance determinants (Milani, 1975; Merchant, 1981; Wentzel, 2002; Parker and Kyj, 2006; Agbejule and Saarikoski, 2006). In order to ensure the generalisability and comparability of the findings with other studies, the current study also focus on one dimension, the willingness factor specifically budget participation, organizational fairness and motivation that may be the function of organizational performance. Previous studies that have examined the willingness dimension include Milani (1975), Merchant (1981), Brownell and McInnes's (1986), Wentzel (2002) and Parker and Kyj (2006).

***Theoretical Framework and Hypotheses Development:***

There are three decision making functions that budgets provide; the planning, control and motivation function (Ronen and Livingstone, 1975). In this study, apart from planning role, budget is viewed as providing motivational role that may increase employee performance. With budgets that are set, it is argued that the holders may be motivated to place more effort in order to achieve the budget, thus lead to improve their performance.

In this study, a goal setting theory is used as a basis for the theoretical framework. Goal setting theory is based on a principle that the goals that are set serve as the objectives that individuals need to achieve (Locke and Latham, 1990). Individuals become motivated to place more effort and discover related activities to be performed for goal achievement. The benefits of goal setting have been proven in extensive laboratory and organizational settings studies. For examples, the studies by Hofstede (1968), Kenis (1979), Hollenbeck and Williams (1987) and Chong and Chong (2002) provides the favorable effects of goal setting that ultimately increase individuals' performance.

Budgets have a similar meaning to the concepts of goals (Locke and Latham, 1984). Budgets represent a goal to be achieved or to work within the established boundaries (Searfoss and Monczka, 1973). With budgets, the actions and steps taken by all the holders are directed towards achieving the budget and consequently realizing organizational goals.

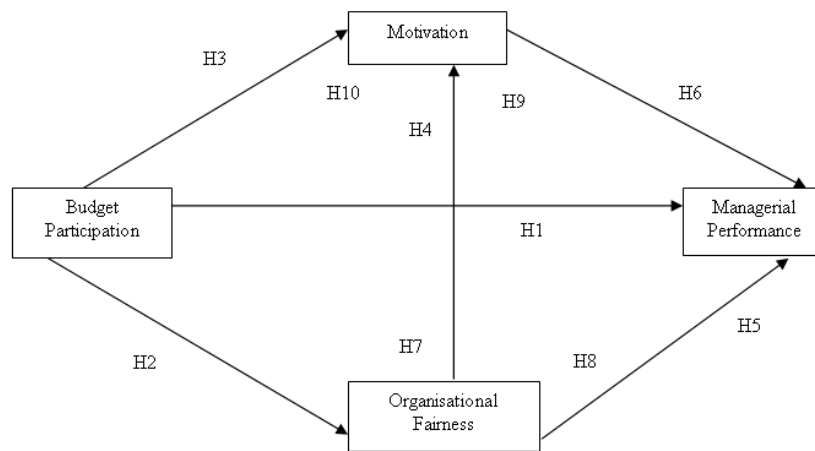
Figure 1 shows the theoretical framework for the study. The developments of the hypotheses are presented next.

**Budget Participation And Managerial Performance:**

Budget participation enables the involvement of managers in budgetary decision and provides possibilities for the influence of the final budget (Kenis, 1979; Shields and Shields, 1998). It encourages the dissemination and exchange of relevant knowledge and information to and from subordinates and superior, in fulfilling task requirement (Shields and Shields, 1998; Parker and Kyj, 2006; Agbejule and Saarikoski, 2006). Moreover it also ensures budget adequacy (Nouri and Parker, 1998), increase trust of subordinates (Lau and Tan, 2006), enhance organizational commitment (Nouri and Parker, 1998; Wentzel, 2002; Parker and Kyj, 2006) and promotes transparency (Lau and Lim, 2002).

All these positive effects of participation may lead to improve employee performance. Even though Bryan and Locke (1967), Cherrington and Cherrington (1973) and Locke and Schweiger (1979) found negative impact on participation, Kenis (1979) found unrelated association, while Milani (1975) found a weak relationship, subsequent literatures however provided empirical evidence for the benefit of participation in enhancing managerial performance (Merchant, 1981; Brownell, 1982; Brownell and McInnes, 1986; Chalos and Haka, 1989). As such, in this study it is also expected that budget participation can increase managerial performance. Hence, the following hypothesis is developed:

**H1:** *There is a positive relationship between budget participation and managerial performance*



**Fig. 1:** Theoretical framework.

**Budget Participation And Fairness Perception:**

There are two dimensions of fairness perceptions that are considered in this study; distributive fairness and procedural fairness. Distributive fairness is related to the fairness of the final budget prepared by the management. If employees have some influence in the budget that was set, the perception of distributive fairness may be enhanced. As participation involves the chances for subordinates to express their opinions, there is a highly likely chance for subordinates to influence the budget. The perception of distributive fairness should increase as the tendency to have more favorable budget is increased.

While distributive fairness is to ensure the achievement of attainable budget, procedural fairness deals with the fairness of procedures or processes applied to determine the final budget. Participation enables the exchange of information, in which managers can express the organization’s goals and expectation to employees and similarly employees may obtain information regarding their task and responsibilities (Tang and Sarsfield-Baldwin, 1996). In addition, the understanding of the way budget being distributed is enhanced by participating in the process. When they participate, the control over the processes is gained (Wentzel, 2002), then it can enhance their perception of procedural fairness.

Extant literatures have provided empirical evidence for the positive impact of participation on both distributive and procedural fairness (Wentzel, 2002; Maiga and Jacobs, 2007). Thus, the following hypothesis is further suggested:

**H2a:** *There is a positive relationship between budget participation and distributive fairness*

**H2b:** *There is a positive relationship between budget participation and procedural fairness*

**Budget Participation And Motivation:**

Participation in decision making enables the communication and agreement of organizational financial goal. Through participation, subordinates may have the opportunity to provide essential information regarding their task requirement. Subordinates normally are well-versed about their working environment than superior, then by

involving subordinates in the decision making process, will enable superior to design a better budget-goal, which motivate employee to achieve the budget (Shields and Shields, 1998).

In a budget-setting process, a clear, tight but attainable goal is the most preferred type of budget (Hofstede, 1968; Kenis, 1979). Budget specified by the management through participation process enables the creation of an attainable budget and it builds managers' motivation to achieve the targeted goal (Merchant, 1981). Bryan and Locke's (1967) experimental study proposed that by giving subjects specific goal to be achieved, favorable attitudes would be portrayed in the task assignments. This positive attitude is further supported by subsequent researchers (Searfoss and Monczka, 1973; Kenis, 1979; Merchant, 1981) who suggest that participation lead to increasing motivation of employees. In this study, similar relationship will be expected:

**H3:** *There is a positive relationship between budget participation and motivation*

#### ***Fairness Perception And Motivation:***

Organizational fairness is related to the fairness perception of the outcome or budget target employee received and the perception of procedures or processes involved. Positive feelings of the fairness in organizational affairs affect the employees' attitudes and behavior. Employees portray favorable evaluations to the managers if they perceive budgeting processes is fair (Magner *et al.*, 1995). In addition employees with better perception of the firm they work behave in organizations' best interest (Cropanzano *et al.*, 2007), show less absenteeism (McFarlin and Sweeney, 1992) and increase their work efficiency (Libby, 2001).

Previous studies also demonstrated meaningful organizational outcomes with favorable perception of fairness. It encourages the subordinates – superior relationship in terms of increasing trust (Alexander and Ruderman, 1987; Folger and Konovsky, 1989; Lau and Tan, 2006; Maiga and Jacobs, 2007) and a better relationship between individual and the organization itself, for instance enhancing organizational commitment (Folger and Konovsky, 1989; Wentzel, 2002; Maiga and Jacobs, 2007).

All these favorable effect of fairness impression suggests that fairness perception may serve as motivational factor for employees in performing their task requirement. While distributive fairness and procedural fairness may become determinant to motivate employees, to date there is no study that systematically evaluate the relationship. Further, previous studies have suggested that fairness lead to increase employee motivation (Libby, 1999; 2001), and yet no empirical study has been conducted. Thus in this study, based on the argument above, proposed that organizational fairness play a role in enhancing employee motivation. The following hypothesis is formulated:

**H4a:** *There is a positive relationship between distributive fairness and motivation*

**H4b:** *There is a positive relationship between procedural fairness and motivation*

#### ***Fairness Perception And Managerial Performance:***

Existing literatures provide empirical evidence for the direct relationship between both distributive fairness and procedural fairness, and performance. For instance, Libby (2001) and Byrne and Damon (2008) found a significant main effect in the relationship between perception of fairness and performance. In contrast, Lindquist (1995) and Libby (1999) were unable to demonstrate a significant influence of fairness perception and performance.

Even though there is a conflict in the findings of these researches, other literatures have provided empirical evidence for the positive impact of perceived fairness on organizational outcomes. For instance in the development of employees' satisfaction (Alexander and Ruderman, 1987; Folger and Konovsky, 1989; Lindquist, 1995; Tang and Sarsfield-Baldwin, 1996), enhancing job involvement (Tang and Sarsfield-Baldwin, 1996) and decreasing retaliation behavior (Skarlicki and Folger, 1997). These positive benefits arising from the fairness perception support the consequence favorable effect on managerial performance. As such the following hypotheses are proposed:

**H5a:** *There is a positive relationship between distributive fairness and managerial performance*

**H5b:** *There is a positive relationship between procedural fairness and managerial performance*

#### ***Motivation And Managerial Performance:***

Budget serves as a goal to be achieved at the organizational level. Specific and challenging goals resulted in better performance than general and easier goals (Bryan and Locke, 1967; Locke and Bryan, 1968; Locke and Latham, 1984). This motivation device can enhance manager's performance and consequently achieving favorable budget variance. It is proposed that improving employee motivation can increase managerial performance.

Previous researches have suggested the positive effects of motivation in enhancing performance (Brownell and McInnes, 1986; Shields and Shields, 1998). Locke and Schweiger (1979) also provided significant evidence in their empirical study in psychological domain for the relationship between motivation and performance. In this study, it is also proposed that motivation may increase the performance of employees.

**H6:** *There is a positive relationship between motivation and managerial performance*

***Intervening Effect Of Organizational Fairness In The Relationship Between Budget Participation And Motivation:***

Extant literatures provide evidence that the relationship between participation and motivation is mixed. The findings range from positive relationship (Searfoss and Monczka, 1973; Kenis, 1979; Merchant, 1981) to negative relationship (Brownell and McInnes, 1986), suggesting the possibility of indirect effect that participation has on motivation. One possible variable may be organizational fairness, which consists of distributive fairness and procedural fairness.

It is argued that when the employees participate in the decision making process, the possibility to influence the final budget set is increased, thus enhance the likelihood to have a more favorable budget. This in turn can increase employee's motivation in performing their task. Similarly, participation in budget creation may increase the perceived participation of procedural fairness, and consequently can improve motivation of employees.

Previous studies have provided evidence that budget participation has a significant effect on both distributive fairness and procedural fairness (Wentzel, 2002; Maiga and Jacobs, 2007). Even though there are no studies that have examined the effect of fairness perception on motivation, it is proposed that these fairness perceptions may increase employees' motivation. In fact, Libby (1999) and Libby (2001) assumed that fairness motivate employees, although no systematic evaluation has been conducted. Thus, this study aims to fulfill the gap by investigating the effect of fairness perception in the participation – motivation relationship. The following hypothesis is formulated:

***H7a: Distributive fairness mediate the relationship between budget participation and motivation***

***H7b: Procedural fairness mediate the relationship between budget participation and motivation***

***Intervening Effect Of Organizational Fairness In The Relationship Between Budget Participation And Managerial Performance:***

While Wentzel (2002) found the favorable effect of both fairness perceptions and goal commitment that mediate the relationship between participation and performance, the current study attempts to generalize Wentzel's findings in different settings by examining the role of fairness variables in the participation-performance relationship. As such it is expected that the perception of organizational fairness may intervene the relationship between budget participation and performance.

Moreover, since Wentzel (2002) and Maiga and Jacobs (2007) found a significant positive relationship between participation and both distributive and procedural fairness, and Byrne and Damon (2008) found a significant positive relationship in the relationship between fairness and performance, it is argued that both perception of fairness may mediate the relationship between budget participation and performance. Thus, the following hypotheses are developed:

***H8a: Distributive fairness mediate the relationship between budget participation and managerial performance***

***H8b: Procedural fairness mediate the relationship between budget participation and managerial performance***

***Intervening Effect Of Motivation In The Relationship Between Organizational Fairness And Managerial Performance:***

The findings for the association between fairness perception and managerial performance are also mixed. Some studies provided empirical evidence for the favorable effect of both fairness perceptions; distributive fairness and procedural fairness on performance (Libby, 2001; Byrne and Damon, 2008); others failed to show significant influence of fairness perceptions on performance (Lindquist, 1995; Wentzel, 2002).

These inconsistent results may suggest for the influence of other variables that may mediate the relationship between fairness perception and managerial performance. While various research have examined the effect of some variables in affecting fairness – performance relationship, for instance budget participation (Lindquist, 1995; Lau and Lim, 2002) and goal commitment (Wentzel, 2002), none of the studies examined the intervening effect of motivation in the relationship between organizational fairness and performance relationship. This study contributes to the existing literature by providing empirical evidence for the possibility of the motivation to mediate the relationship between organizational fairness and managerial performance. As such, the following hypotheses are further suggested:

***H9a: Motivation mediate the relationship between distributive fairness and managerial performance.***

***H9b: Motivation mediate the relationship between procedural fairness and managerial performance.***

***Intervening Effect Of Motivation In The Relationship Between Budget Participation And Managerial Performance:***

Previous scholars have argued that in the existence of mixed findings in the participation and performance relationship, it is very likely that the relationship to be indirect rather than direct (Brownell, 1982; Shields and Shields, 1998). One variable that may mediate the relationship is motivation.

There are various studies however that suggests the favorable effect of participation on motivation (Searfoss and Monczka, 1973; Kenis, 1979; Merchant, 1981) and the positive effect of motivation on performance (Brownell and McInnes, 1986). This argument suggests that participation in budgeting may increase motivation of employees and consequently can improve managerial performance. The following hypothesis is further suggested:

**H10:** *Motivation mediate the relationship between budget participation and managerial performance*

**Conclusion:**

Various studies examined the relationship between budget participation and performance revealed inconsistent findings. This paper attempts to extend the previous research by developing a more comprehensive model to provide better explanations related to budget participation behavioral consequences. This study aims to examine whether budget participation improve managerial performance in the presence of the perceptions of organizational fairness and motivation.

Even though many studies have investigated the role of fairness perception in affecting attitudes and behavior of employees, in accounting literature only a few studies have evaluated it systematically. As such, this study may provide more evidence in evaluating fairness perception's role in the contexts of management control system in organization. Further, while most of the studies in fairness literature assume that fairness enhances employees' motivation, in accounting literature no study have actually examined the relationship. Thus this study attempts to fill this gap by investigating the influence of fairness perception on motivation.

In short, this study is proposed for the development of a more comprehensive model of budget participation. It may contributes to the existing literature by offering new insight into the best process by which budget participation best operate to increase managerial performance.

**REFERENCES**

- Adams, J.S., 1965. Inequity in social exchange. In *Advances in Experimental Social Psychology*, 2, Ed., Berkowitz, L. New York: Academic Press, pp: 267-299.
- Agbejule, A. and L. Saarikoski, 2006. The effect of cost management knowledge on the relationship between budgetary participation and managerial performance. *The British Accounting Review*, 38: 427-440.
- Alexander, S. and M. Ruderman, 1987. The role of procedural and distributive justice in organizational behavior. *Social Justice Research*, 1(2): 177-198.
- Blumberg, M. and C.D. Pringle, 1982. The missing opportunity in organizational research: some implications for a theory of work performance. *Academy of Management Review*, 7(4): 560-569.
- Brownell, P., 1982. A field study examination of budgetary participation and locus of control. *The Accounting Review*, 57(4): 766-777.
- Brownell, P., 1985. Budgetary systems and the control of functionally differentiated organizational activities. *Journal of Accounting Research*, 23(2): 502-512.
- Brownell, P. and M. McInnes, 1986. Budgetary participation, motivation and managerial performance. *The Accounting Review*, 49(4): 587-600.
- Bryan, J. F. and E.A. Locke, 1967. Goal setting as a means of increasing motivation. *Journal of Applied Psychology*, 53(3): 274-277.
- Byrne, S. and F. Damon, 2008. To participate or not to participate? Voice and explanation effects on performance in a multi-period budget setting. *British Accounting Review*, 40(3): 207-227.
- Chalos, P. and S. Haka, 1989. Participative budgeting and managerial performance. *Decision Sciences*, 20(2): 334-347.
- Cherrington, D.J. and J.O. Cherrington, 1973. Appropriate reinforcement contingencies in the budgeting process. *Journal of Accounting Research*, 11: 225-253.
- Chong, V.K. and K.M. Chong, 2002. Budget goal commitment and informational effects of budget participation on performance: a structural equation modelling approach. *Behavioral Research in Accounting*, 14: 65-86.
- Cropanzano, R., D.E. Bowen and S.W. Gilliland, 2007. The management of organizational justice. *Academy of Management Perspectives*, 34-49.
- Folger, R. and M.A. Konovsky, 1989. Effects of procedural and distributive justice on reactions to pay raise decisions. *Academy of Management Journal*, 32(1): 115-130.
- Frucot, V. and W.T. Shearon, 1991. Budgetary participation, locus of control, and Mexican managerial performance and job satisfaction. *The Accounting Review*, 66: 80-99.
- Greenberg, J., 1990. Organizational justice: yesterday, today and tomorrow. *Journal of Management*, 16(2): 399-432.
- Hofstede, G.H., 1968. *The Game of Budget Control*. London: Assen Tavistock.

- Hollenbeck, J.R. and C.R. Williams, 1987. Goal importance, self-focus and the goal-setting process. *Journal of Applied Psychology*, 204-211.
- Kenis, I., 1979. Effects of budgetary goal characteristics on managerial attitudes and performance. *The Accounting Review*, 54(4): 707-721.
- Lau, C.M. and E.W. Lim, 2002. The intervening effects of participation on the relationship between procedural justice and managerial performance. *British Accounting Review*, 34: 55-78.
- Lau, C.M. and S.L.C. Tan, 2006. The effects of procedural fairness and interpersonal trust on job tension in budgeting. *Management Accounting Research*, 17: 171-186.
- Libby, T., 1999. The influence of voice and explanation on performance in a participative budgeting setting. *Accounting, Organizations and Society*, 24: 125-137.
- Libby, T., 2001. Referent cognitions and budgetary fairness: a research note. *Journal of Management Accounting Research*, 13: 91-106.
- Lindquist, T.M., 1995. Fairness as an antecedent to participative budgeting: examining the effects of distributive justice, procedural justice and referent cognitions on satisfaction and performance. *Journal of Management Accounting Research*, 7: 122-139.
- Locke, E.A. and J.F. Bryan, 1968. Goal-setting as a determinant of the effect of knowledge of score on performance. *The American Journal of Psychology*, 81(3): 398-406.
- Locke, E.A. and G.P. Latham, 1984. *Goal Setting: A Motivational Technique that Works!* Englewood Cliffs, NJ: Prentice-Hall.
- Locke, E.A. and G.P. Latham, 1990. *A Theory of Goal Setting and Task Performance*. Englewood Cliffs, NJ: Prentice-Hall.
- Locke, E.A. and D. Schweiger, 1979. Participation in decision making: one more look. In *Research in Organizational Behavior*, 1, Ed., Staw, B., Greenwich, CT: JAI Press, pp: 265-339.
- Magner, N., R.B. Welker and T.L. Campbell, 1995. The interactive effect of budgetary participation and budget favorability on attitudes toward budgetary decision makers: a research note. *Accounting, Organizations and Society*, 20(7/8): 611-618.
- Maiga, A.S. and F.A. Jacobs, 2007. Budget participation's influence on budget slack: the role of fairness perceptions, trust and goal commitment. *Journal of Management Accounting Research*, 5(1): 39-58.
- Merchant, K.A., 1981. The design of the corporate budgeting system: influences on managerial behavior and performance. *The Accounting Review*, 56: 813-829.
- McFarlin, D.B. and P.D. Sweeney, 1992. Distributive and procedural justice as predictors of satisfaction with personal and organizational outcomes. *Academy of Management Journal*, 35(3): 626-637.
- Milani, K., 1975. The relationship of participation in budget-setting to industrial supervisor performance and attitudes: a field study. *The Accounting Review*, 50(2): 274-284.
- Murray, D., 1990. The performance effects of participative budgeting: an integration of intervening and moderating variables. *Behavioral Research in Accounting*, 2: 104-123.
- Nouri, H. and R.J. Parker, 1998. The relationship between budget participation and job performance: the roles of budget adequacy and organizational commitment. *Accounting, Organizations and Society*, 23(5/6): 467-483.
- Parker, R.J. and L. Kyj, 2006. Vertical information sharing in the budgeting process. *Accounting, Organizations and Society*, 31: 27-45.
- Ronen, J. and J.L. Livingstone, 1975. An expectancy theory approach to the motivational impacts of budgets. *The Accounting Review*: 671-685.
- Searfoss, D.G. and R.M. Monczka, 1973. Perceived participation in the budget process and motivation to achieve the budget. *Academy of Management Journal*, 16: 541-554.
- Shields, J. F. and M.D. Shields, 1998. Antecedents of participative budgeting. *Accounting, Organizations and Society*, 23(1): 49-76.
- Skarlicki, D.P. and R. Folger, 1997. Retaliation in the workplace: the roles of distributive, procedural, and interactional justice. *Journal of Applied Psychology*, 82(3): 434-443.
- Tang T.L. and L.J. Sarsfield-Baldwin, 1996. Distributive and procedural justice as related to satisfaction and commitment. *SAM Advance Management Journal*, 61(3): 25-31.
- Thibaut, J. and L. Walker, 1975. *Procedural Justice: A Psychological Analysis*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Wentzel, K., 2002. The influence of fairness perceptions and goal commitment on managers' performance in a budget setting. *Behavioral Research in Accounting*, 14: 247-271.