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BUDGET PARTICIPATION, JOB PERFORMANCE, JOB SATISFACTION, AND YADDA, YADDA, YADDA ...

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Measurements of the variables budget participation, job performance, job satisfaction, and yadda relevant information were obtained at a manufacturing plant located in South East United States. The plant manager expected a report card of 'Excellent' but the results indicated that there was a lot of room for improvement at this plant. This study is a great reminder to managers that they must not become complacent. If they believe that management is about people, then they must remain vigilant in order to motivate their employees. It was found that the budget participation process was not working properly and that the job performance and job satisfaction was not as expected.

INTRODUCTION

"Oh, no, not another paper about budgeting! It has been done already." I can hear the comments now. Luft and Shields (2003) summarize research to date of the relationship between budget participation and job performance and the moderating variables that affect this relationship. The extensive research thus summarized by Luft and Shields (2003) has been incorporated into managerial accounting textbooks. Accounting instructors then share with their students the importance of the participative budget process so that this paradigm is widely accepted in academia and the business world.

Research about the budgeting process brings to mind thoughts of 'been there, done that,' but it bears repeating why companies are willing to commit the necessary resources to craft a successful budget. The budgeting process is very important in a firm's success because it forces managers to think and plan for the future, it allows for resource allocation, it provides coordination of activities and motivation of employees. In order for the budgeting process to be successful, there must be understanding, participation, and commitment of those involved. Budgets give managers the means to communicate their plans in an orderly manner throughout the organization, and thus the ability to coordinate the activities of the entire organization. A successful budget process allows managers at all levels of the organization to be involved in preparing their own budgets so that a participative budget process would be the expected norm.

Given that the paradigm discussed above is widely accepted, it would be expected that most firms, particularly multinational, publicly traded firms, would encourage managers to participate in the budget process. Based on prior findings, the process of budget participation would then translate into positive job satisfaction, positive job performance and the acquisition of job relevant information (see Brownell and McInnes, 1986; Locke et al., 1986; Kren, 1992 among others). This paper presents the case of a company where this paradigm was not evident.

Purpose of Study

The recently hired manager of a manufacturing plant located in the South East United States was aware that management is always about people. He was curious about the

level of coordination and motivation of his direct reports. It was suggested that evaluating the budget participation process in the plant might provide an answer. To this end, a questionnaire was prepared that included survey instruments measuring variables tested and used by earlier researchers. The advantage of using these instruments was that they had already been tested and validated.

Literature Review

Management accounting no longer exists in the old, stable, business environment, where the key to competitiveness was having good machines and making good decisions concerning their use. In today's environment, success largely depends on the quality and ability of the employees. For a firm to enjoy continuous improvement, management control systems must incorporate an awareness of the effect of the various systems on the employees of the organization since they are the ultimate source of improvements in quality and productivity. Budget participation, the management control system of interest in this paper, should be used to encourage all employees to move toward the strategies developed and endorsed by top management. Therefore, one of the most basic elements of today's management accounting research must be a behavioral focus (Hiromoto 1991).

There has been much research into the effect of budget participation on performance and job satisfaction in the United States (starting with Argyris, 1952, up to Luft and Shields, 2003; and beyond i.e. Agbejule and Saarikoski, 2006; and Parker and Kyj, 2006 to name a few). The findings are not conclusive, but the consensus is that a positive relationship exists between budget participation and both managerial performance and job satisfaction. Using a contingency approach, researchers have introduced moderating variables to try to explain the conflicting results in these relationships (Brownell 1982a, 1983; Licata et al. 1986; Mia 1989; Chenhall and Brownell 1988; Kren 1992).

Brownell (1981) found that the personality of the manager moderates the relationships between budget participation and performance and job satisfaction. Locus of Control (LOC) (Rotter, 1966) is the most widely used operational variable for personality. Individuals are classified as either internals or external. Internals feel in control of their destiny, while externals feel controlled by external forces such as luck and

chance. Individuals classified as internals have a positive attitude towards budgets. Internals usually prefer high participation, while externals usually prefer low participation.

Another moderating variable used by researchers is job relevant information (JRI). JRI is a decision facilitator, and communication of job relevant information is seen as an important variable in performance and job satisfaction. Kren (1992) theorized and found evidence that increased budget participation leads to increased job relevant information and that increased job relevant information leads to increased performance. The moderating effect of JRI on the budget participation-satisfaction relationship does not appear to have been previously studied.

Budget participation and level of decentralization in a firm creates a trade off between delegation and coordination of corporate wide goals. Because corporations face a world of limited resources and resource allocation tradeoffs, budgetary participation conflict arises whenever a firm is decentralized, and this is especially true for multinational corporations that must coordinate divisions in more than one geographic area.

Libby (1999) argues that one of the assumptions made in many experimental participative budgeting studies is the existence of a world of infinite resources. In reality, scarce resources and conflicting goals force managers to make resource allocation tradeoffs. In a fully participative budgeting process, the subordinate would unilaterally determine the final budget. In a consultative budgeting process, the subordinates are involved but a manager higher up makes the final decision. The subordinate may view this process as pseudo-participative. It is important to avoid the perception that the budget process is pseudo-participative because such perception can have negative motivating effects on subordinates (Pasewark and Welker, 1990).

From the above literature review, one can see that budget participation can affect employees' job performance and job satisfaction. Prior research has found significant moderating variables in the relationships between budget participation and job performance, and between budget participation and job satisfaction. The intervening variables used in this study were the personality of the employee, the level of job relevant information obtained by the employee, and the difference between the actual level of participation and the desired level of participation. Thus, by measuring the variables of interest and the correlations among them the plant manager gained a better understanding of the budget process in this plant.

Data Collection

The manufacturing plant involved in this study is located in the South East United States. The parent company is a leading provider of decorative and functional surfaces, coatings and specialty chemicals with plants in the United States, and joint ventures throughout Europe and Asia.

The questionnaire used in this study aided in measuring the key variables of budget participation, job satisfaction, job performance, and job relevant information, the respondent's personality, as well as demographic data of the respondents. These variables were selected because of the wide support

found by prior researchers (Brownell 1981, 1982a, 1982b, 1983; Licata et al. 1986; Mia 1988; Chenhall and Brownell 1988; Mia 1988, 1989; Nouri and Parker 1998; Kren 1992; Harrison 1992, 1993; Tsui 2001; Parker and Kyj (2006); to name a few). The instruments are readily available in the existing literature, but are presented in Appendix A for the reader's convenience.

The level of budget participation (BPP) was measured with a six-item scale developed by Milani (1975). This measure sums each item scored with a seven-point Likert-type scale. This scale has been widely used in participative budget research (Brownell 1982a, 1982b, 1983; Chenhall and Brownell 1988; Mia 1989; Nouri and Parker 1998; Tsui 2001). This scale has consistently produced reliable Cronbach (1951) alpha coefficients from 0.71 (Chenhall and Brownell 1988) to 0.91 (Mia 1989). Milani's (1975) scale was used to ask the plant managers to report the level of budget participation that they were currently experiencing (BPP). The same questions were modified to ask the level of budget participation they would like to experience (BPD). These questions were further modified so that the accounting managers could report the level of budget participation that the various plant managers were given (BPA) as perceived by the accounting manager.

Performance (PER) was measured with an eight-dimensional scale developed by Mahoney et al. (1963). The Mahoney et al. scale measures eight performance dimensions: planning, investigating, coordinating, evaluating, supervising, staffing, negotiating, and representing. PER is the sum of these eight individual measures. The appropriateness of using self-reported measures of performance and the reliability of the Mahoney et al. scale are well documented (Heneman 1974). This scale has been widely used in participative budgeting research (Brownell 1982b, 1983; Brownell and McInnes 1986; Tsui 2001).

The level of job satisfaction (SAT) was measured with the short-form of the Minnesota Satisfaction Questionnaire (MSQ) (Weiss et al. 1967). Dunham et al. (1977) found that the MSQ measurement provided the highest convergent validity among the several measures they evaluated. Scarpello and Campbell (1983) judged the MSQ the most successful facet-based measure of predicting overall job satisfaction. The short-form version of the MSQ has been supported for its reliability and validity (Weiss et al. 1967), and has been used extensively in both applied psychology (Pulakos and Schmitt 1983; Butler 1983) and managerial accounting research (Brownell 1982a, 1982b; Harrison 1992, 1993). The modified rating categories advocated by Weiss et al. (1967) were used. The modified ratings anchor on "not satisfied" and "extremely satisfied." This modification overcomes the "ceiling effect" of response means located close to the maximum possible score when the categories are anchored on "very dissatisfied" and "very satisfied," and centered on "neither satisfied nor dissatisfied."

The level of job relevant information (JRI) was measured with a scale developed by Kren (1992). The objective of this variable is to measure the manager's perception of the availability of information for effective job-related decisions. Kren reported concurrence on the face validity of this measurement and used factor analysis to confirm the single-

factor structure of the scale. His reliability coefficient was 0.72. JRI consists of the sum of three questions answered on a scale of one to five, with anchors of "strongly disagree" and "strongly agree."

The respondent's personality was measured using Rotter et al. (1966) locus of control instrument. Locus of control (LOC) is measured with a refined version of the additive scale developed by Rotter et al. (1962). The refined scale includes filler items to disguise the purpose of the test (Phares, 1976). The refined version of the Rotter scale includes twenty-three internal/external items, six filler items, and remains the most widely used test of individual differences in locus of control beliefs. Rotter et al. (1962) describes the "locus of control" personality construct as distributing individuals according to the degree to which they accept personal responsibility for what happens to them. Locus of control classifies the individual as either internal or external.

For ease of interpretation, BPP, BPD, BPA, PER, SAT, and JRI were measured so that higher scores indicate higher levels of budget participation, performance, job satisfaction, and job relevant information. Locus of control (LOC) was measured so that higher scores indicate a more external personality. For descriptive purposes, the managers were asked their age range, their tenure in the company and their tenure in their current position. The questionnaires were sent via electronic mail and they were returned directly to me in order to protect the respondent's privacy and to ensure anonymity.

Results

A review of table 1 gives a profile of the average respondent. The first variable listed in table 1 is the personality value for the respondents. The scale used in this study was Rotter's I/E scale (Rotter, 1966). Under this scale, each answer given by the respondent is assigned a value of one or zero. The

values for each answer are then summed for a total personality score. A respondent who receives a total personality score of zero is classified as having an extreme 'Internal' personality, whereas a respondent who receives a total personality value of 23 is classified as having an extreme 'External' personality. The average personality value for all the respondents was 7.3. All the respondents in this study were classified as 'Internal' in Rotter's I/E scale (Rotter, 1966). Since all respondents in this study have similar personalities, this variable was not a consideration in the effect of budget participation on job performance and job satisfaction.

It appears that this company promotes individuals from within. This can be deduced from the respondents' firm tenure and position tenure (table 1). The average tenure with the firm for all respondents is almost 15 and one half years, and yet the average position tenure for all respondents is a little over 5 years. On average, the accounting managers are younger than the non-accounting managers. The results listed in table 1 show that the average reported job satisfaction of the non-accounting managers is slightly higher (70.2) than the job satisfaction reported by the accounting managers (64.4) with an overall average job satisfaction of 68.7. The highest possible job satisfaction value is 100, with a midpoint of 60.

Table 1 also shows the job performance reported. The average job performance reported by accounting managers is higher (52.2) than the job performance reported by non-accounting managers (45.0). The average overall job performance reported was 46.9. A value of 72 is the highest possible value for job performance, with a midpoint value of 40. Table 1 includes the JRI values reported. JRI measures the extent to which managers perceive availability of information for effective job-related decisions. The average JRI reported by both groups is close to each other (14.8 for accounting managers and 15.6 for non-accounting managers). The highest possible value for JRI is 21, with a midpoint value of 12.

Table 1: Average Respondent Profile

Variable	Range	Mid-value	Respondents average responses:		
			Accounting	Non-accounting	All
Personality+	0-23	12	8.6	6.8	7.3
Firm Tenure			12 yrs, 1 month	16 yrs, 5 months	15 yrs, 5 months
Position Tenure			5 yrs, 10 months	3 yrs, 6 months	5 yrs, 2 months
Average Age			30	40	Mid 30's
Job Satisfaction++	20-100	60	64.4	70.2	68.7
Job Performance*	8-72	40	52.2	45.0	46.9
Job Relevant Information**	3-21	12	14.8	15.6	15.4

+ 0 = Extreme internal, 23 = Extreme external

++ 20 = Lowest job satisfaction; 100 = Highest job satisfaction

* 8 = Poorest job performance; 72 = Best job performance

** 3 = Least amount of JRI; 21 = Greatest amount of JRI

From a manager's viewpoint, the less than stellar job satisfaction, job performance and JRI values reported by the respondents are a concern. The average values reported fall somewhere between the best possible value and the midpoint value. What could account for the middling job satisfaction, job performance, and JRI reported by the respondents? An analysis

of the reported budget participation might help explain the values reported. Results reported in table 2 indicate that at the time of this study budget participation was not ideal. A value of 42 for budget participation would indicate full participation of respondents with a possible mid-value of 21. The average budget participation value reported by non-accounting

managers is 20.18, slightly less than the mid-value for budget participation. These same managers report that they would like a budget participation level of 29.36. The poor results of low budget participation seem to be compounded by the low desired level of participation. Not only are the managers not participating in the budget process, they also do not want a high level of budget participation.

The accounting managers report that the level of participation for non-accounting managers is 26.40. This reported value is quite low thus indicating that the accounting

department is aware that low budget participation is the norm. These results indicate that lower management does not understand the corporate philosophy of decentralization, or that upper management is not fully committed to this managerial style. This confusion might explain the low participation reported. If centralization of decision-making is the preferred management style, causing low budget participation, management needs to evaluate the behavioral ramifications that influence the poor responses obtained related to job performance, job satisfaction and job relevant information.

Table 2: Average Actual and Desired Budget Participation Reported

BUDGET PARTICIPATION (BP)		
Range: 6-42		Mid-Value = 24
		<u>Average</u>
BP reported by Accounting managers (Accounting reported)		26.4
BP reported by Non-accounting managers (Individual Actual)		20.18
BP desired by Non-accounting managers (Individual Desired)		29.36

The low participation reported by the accounting managers is reflected in the level of participation reported by the non-accounting managers. As shown in table 2, the non-accounting managers' average reported level of budget participation is 20.18 (with 42 being the highest level of budget participation and 24 the mid-value). The non-accounting managers reported that they desire an average level of budget participation of 29.36, which is not much higher than the average level of budget participation they are currently experiencing.

Given the low level of actual reported budget participation, it would be expected that the respondents would prefer a much higher level of participation, but interestingly this was not the case. Assuming that historically this firm has not encouraged budget participation, coupled with the fact that the respondents' tenure in the firm is long, could it be that the managers in this firm would prefer not to feel responsible for staying within the budget? Lack of commitment relieves one of responsibility, does it not?

Table 3: Correlations of Variables Used in This Study

CORRELATIONS									
	PER	SAT	JRI	BPD	LOC	AGE	FRTN	JBTN	
BPP	0.397	-0.147	0.661	0.744	0.042	-0.370	-0.467	-0.443	
Sig	0.055	n.s.	0.000	0.000	n.s.	0.082	n.s.	n.s.	
PER		0.404	0.055	0.466	-0.144	0.065	-0.146	-0.120	
Sig		0.050	n.s.	0.044	n.s.	n.s.	n.s.	n.s.	
SAT			-0.108	-0.147	-0.290	0.442	0.187	-0.210	
Sig			n.s.	n.s.	n.s.	0.035	n.s.	n.s.	
JRI				0.358	-0.238	-0.187	-0.676	-0.455	
Sig				n.s.	n.s.	n.s.	0.000	0.025	

Significant correlations shown in **bold**.

Variables:

Budget participation	BPP	Budget Participation Desired	BPD
Job Performance	PER	Locust of Control	LOC
Job Satisfaction	SAT	Firm Tenure	FRTN
Job Relevant Information	JRI	Job Tenure	JBTN

Despite the dysfunctional results presented in table 2, the beneficial effects of budget participation can be observed in the results presented in table 3. Budget participation (BPP) has a positive, significant, correlation with job performance (PER) and job relevant information (JRI). It also has a positive

relationship with the desired level of budget participation (BPD) so that, as managers experience more budget participation, they prefer to participate more in the process. There is a negative correlation between budget participation and age, which indicates that the older managers participate

less in the budgeting process than do the younger managers. Could this indicate that the organization does not appreciate the wisdom of age? Or could it be that the organization prefers to have input from the younger managers? The older managers indicate that they have higher job satisfaction, though.

Job performance is positively correlated to job satisfaction and the desired level of budget participation. So, it seems, the better performers are more satisfied. Or could it be that the more satisfied managers perform better. The higher performer managers also report a higher desired level of budget participation.

Based on Kren's (1992) findings, budget participation should be correlated to the job relevant information (JRI) obtained by the managers. This was not the case in this study.

JRI did not correlate to the other variables of interest, except negatively to the tenure of the manager. An inverse correlation was detected between JRI and how long the manager has been with the company or in his current position. This might be explained by the correlation between the age of the manager and BPP. The older managers participate less, so it would follow that less participation decreases the JRI obtained by the manager.

Table 4 presents the differences in the budget participation averages. The largest difference is found between the levels of budget participation currently experienced by non-accounting managers and the levels they would like to experience. It is puzzling that the average respondent does not desire to have full participation.

Table 4: Differences in Budget Participation Averages

COMPARISON OF BUDGET PARTICIPATION			
		Difference	% Difference
Individual Actual compared to Individual desired:	20.18 vs. 29.36	9.18	26
Individual Actual compared to Accounting reported:	20.18 vs. 26.40	6.22	17
Individual Desired compared to Accounting reported:	29.36 vs. 26.40	2.96	8

Before this study was undertaken, it was expected that there would be a difference between the levels of budget participation (BPP) reported by production, non-accounting, managers and the level of BPP the accounting managers believed production managers have. It was expected that the accounting managers would think that the actual level of budget participation was higher than the level reported by non-accounting managers. This expectation was based on personal observations while employed at a manufacturing firm. It is easy for accountants to 'fill in the blanks' when developing budgets and pass that as 'participation' by the production managers. It is understandable that the accountant wants to expedite the process, but this reduces the production managers' participation in the budget process. The results were as expected, the accounting managers believed that the level of actual budget participation of production managers was higher than the production managers reported. The average values reported and the differences can be seen in table 4.

The difference between the actual budget participation reported by production managers (20.18) and the participation reported by the accounting managers (26.40) is close to the difference in the actual participation reported by production managers (20.18) and their desired level of budget participation (29.36). Clearly, these averages are too low.

Conclusions, Limitations, and Future Research

As Luft and Shields (2003) indicate in their comprehensive analysis of budget participation studies, prior research has found that budget participation (BPP) has a positive effect on job performance (PER) and job satisfaction (SAT), and that budget participation increases the level of job relevant information (JRI) of managers. In addition, Brownell (1981)

reported that a manager's personality (LOC) serves as an explanatory variable for a manager's preference for a participative budgeting process. The same results as those found by prior researchers were expected. The plant manager was very confident that the level of budget participation reported would be high. He expected high marks in job performance and job satisfaction. Given that this is a multinational firm, I expected to find all the positive effects of budget participation reflected in the results. I also expected to find no difference in the level of budget participation reported by the managers (BPP) and the level of budget participation desired (BPD) since I was told that the organizational culture is one of decentralized decision making.

Based on the results obtained, it appears that managers want more participation but they do not want to be full participants in the budget process. The results seem to indicate that upper management is sending mixed signals. It would be wise for upper management to determine whether they are using the budget process and budget evaluation as a 'club' or as a planning and control tool. The low level of desired budget participation reported might be explained if upper management is using the budget as a manipulative tool so that the managers studied would prefer not to be fully responsible for their budgets.

The budget process is a collective activity and as such will generate different opinions from each participant since each individual will have different budget priorities. Conflict in the budget process creates friction that slows down the process and ultimately might prevent the firm from attaining its goals. If you are one of your firm's management accountants involved in the budget process, you must see the process as an opportunity to learn what the production manager's concerns and priorities are. By taking the time to communicate and learn

from the non-accounting managers, accountants will be able to provide a better service. Accountants must keep in mind that they are not in charge of the budget, that the budget is the production manager's budget and it will be he or she that will have to be responsible for the results.

The moral of this story is to remind upper management to be ever vigilant when encouraging budget participation. The process itself is mechanical and repetitive with several revisions. It is easy to forget the behavioral aspects of the budget process. In order to enjoy the full benefits of a participative budgeting process, upper management must keep the channels of communication open and encourage participation and teamwork.

Managers should revisit the budget participation process every so often. The important part of management is that it is always about people. Because it is about people, upper management should investigate whether the budgeting process is behaviorally sound in their firm. Managers must keep in mind that budgeting, and budget participation, involves coordinating and motivating people.

This study suffers from common limitations found in this type of research. Each variable is measured with an established scale, but each of these scales contains some level of measurement error and each observation is dependant on the subject answering truthfully and accurately. There is also the potential weakness of using self-reported measures of budget participation and performance. Self-reported levels of participation may be more relevant than external measures of participation because it should be the subject's perception of budget participation that influences behavior. While external measures of performance have some documented benefits, self-reported measures of performance remain a common practice in the literature (Nouri and Parker 1998; Shields et al. 2000).

Even with these acknowledged weaknesses, the findings of this study may have important implications for upper management. Just like one takes note of personal health, management should be aware of their middle managers' work health. There is no need to hire expensive consultants. The wealth of available accounting research contains many instruments that firms may use at none or minimal cost. By using instruments like the one used in this study, upper management can get a sense of attitudes and possible concerns of lower managers. If indicated, the firm can then hire expensive consultants to do a more in-depth evaluation.

The findings of this study also suggest some avenues for future research. The information gathered in this study has implications for US companies operating in the US, but similar research could be undertaken across a variety of US and worldwide locations, and across a variety of cultures. Further research could also evaluate whether firm size generates different results. The results of this study were provided to the plant manager. He was not pleased with the findings. It is expected that this plant manager reacted to the results by increasing the production managers' involvement in the budget process. It would be interesting to measure the same variables at the same plant to see if any drastic changes occurred.

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Appendix A

Budget Participation

This section of the questionnaire tries to evaluate the degree of participation that exists in your company in the budgeting process. It has two sections. The **first** section requires that you answer **as things are currently** at work. The **second** section asks for your opinion of what you think is desirable, the way **you would want** things to be at work.

The following items can be used to describe the role which you play in the development of the budget for your department. Please respond by **selecting a number from 1 to 7** on the scale for each of the following items (1= Strongly Disagree, 7= Strongly Agree).

SECTION ONE: please answer the following six questions **as things are currently** at work.

	Strongly Disagree						Strongly Agree	
	1	2	3	4	5	6	7	
Q1. I am involved in setting all portions of my budget.	1	2	3	4	5	6	7	
Q2. The reasoning provided by my supervisor when budget revisions are made is very sound and/or logical.	1	2	3	4	5	6	7	
Q3. I very frequently state my requests, opinions and/or suggestions about the budget to my supervisor without being asked.	1	2	3	4	5	6	7	
Q4. I have a high amount of influence on the final budget.	1	2	3	4	5	6	7	
Q5. My contribution to the budget is very important.	1	2	3	4	5	6	7	
Q6. When the budget is being set, my supervisor seeks my requests, opinions and/or suggestions very frequently.	1	2	3	4	5	6	7	

SECTION TWO: please answer the following six questions **as you would want** things to be at work.

	Strongly Disagree						Strongly Agree	
	1	2	3	4	5	6	7	
Q1. I should be involved in setting all portions of my budget.	1	2	3	4	5	6	7	
Q2. The reasoning provided by my supervisor when budget revisions are made should be very sound and/or logical.	1	2	3	4	5	6	7	
Q3. I want to state my requests, opinions and/or suggestions about the budget to my supervisor without being asked	1	2	3	4	5	6	7	
Q4. I would like to have a high amount of influence on the final budget	1	2	3	4	5	6	7	
Q5. My contribution to the budget should be very important.	1	2	3	4	5	6	7	
Q6. When the budget is being set, my supervisor should seek my requests, opinions and/or suggestions very frequently.	1	2	3	4	5	6	7	

Budget Participation Questions for Accounting Managers

The following items can be used to describe the role which individual managers not part of the accounting department play in the development of the budget for your plant. Please respond by **selecting a number from 1 to 7** on the scale for each of the following items (1= Strongly Disagree, 7= Strongly Agree).

	<u>Strongly Disagree</u>						<u>Strongly Agree</u>	
	1	2	3	4	5	6	7	
Q1. The manager is involved in setting all portions of his or her budget.	1	2	3	4	5	6	7	
Q2. The reasoning provided by higher-level management when budget revisions are made is very sound and/or logical.	1	2	3	4	5	6	7	
Q3. In this plant, managers very frequently state their requests, opinions and/or suggestions about the budget without being asked.	1	2	3	4	5	6	7	
Q4. The manager has a high amount of influence on the final budget.	1	2	3	4	5	6	7	
Q5. The manager's contribution to the budget is very important.	1	2	3	4	5	6	7	
Q6. When the budget is being set, higher level management seeks the manager's requests, opinions and/or suggestions very frequently.	1	2	3	4	5	6	7	

Job Performance

Effective managerial performance may be regarded as depending on competence in the areas of managerial activity listed below. For each area of activity, please rate **your own recent performance** in each area. Please respond by placing a number from 1 to 9 in the appropriate space to rate **your own recent performance** in each area. The following scale should be used for reference:

PERFORMANCE

<u>Below Average</u>	<u>Average</u>	<u>Above Average</u>
<u>Performance</u>	<u>Performance</u>	<u>Performance</u>
1 2 3	4 5 6	7 8 9

	Number from 1 to 9
<p>1. Planning Determining goals, policies and courses of action; work scheduling, budgeting, setting up procedures, programming</p>	_____
<p>2. Investigating Collecting and preparing information for records, reports and accounts; measuring output; inventorying, job analysis</p>	_____
<p>3. Coordinating Exchanging information with people in other organizational units in order to relate and adjust programs; advising other departments, liaison with other managers</p>	_____
<p>4. Evaluating Assessment and appraisal of proposals or of reported or observed performance; employee appraisals, judging output records, judging financial reports; product inspection</p>	_____
<p>5. Supervising Directing, leading and developing your subordinates; counseling, training and explaining work rules to subordinates; assigning work and handling complaints</p>	_____
<p>6. Staffing Maintaining the work force of your unit; recruiting, interviewing and selecting new employees; placing, promoting and transferring employees</p>	_____
<p>7. Negotiating Purchasing, selling or contracting for goods or services, contacting suppliers, dealing with sales representatives; collective bargaining</p>	_____
<p>8. Representing Attending conventions, consultation with other firms, business club meetings, public speeches, community drives; advancing the general interests of your organization</p>	_____
<p>9. Overall Performance Includes all of the areas listed above</p>	_____

Job Satisfaction

The purpose of this section is to give you a chance to tell **how you feel about your present job**, what things you are **satisfied** with and what things you are **not satisfied** with.

Following the instructions you will find statements about your **present** job.

- Read each statement carefully.
- Decide **how satisfied you feel about the aspect of your job** described by the statement.

Keeping the statement in mind:

- if you feel that your job gives you **a lot more than you expected**, check "ES" (Extremely Satisfied);
- if you feel that your job gives you **more than you expected**, check "VS" (Very Satisfied);
- if you feel that your job gives you **what you expected**, check "S" (Satisfied);
- if you feel that your job gives you **less than you expected**, check "SS" (Somewhat Satisfied);
- if you feel that your job gives you **much less than you expected**, check "NS" (Not Satisfied).

Remember: Keep the statement in mind when deciding **how satisfied you feel about that aspect of your job**. Do this for **all** statements. Please answer **every** item.

On my present job, this is how I feel about:

	ES	VS	S	SS	NS
1. Being able to keep busy all the time	___	___	___	___	___
2. The chance to work alone on the job	___	___	___	___	___
3. The chance to do different things from time to time	___	___	___	___	___
4. The chance to be "somebody" in the community	___	___	___	___	___
5. The way my boss handles his workers	___	___	___	___	___
6. The competence of my supervisor in making decisions	___	___	___	___	___
7. Being able to do things that don't go against my conscience	___	___	___	___	___
8. The way my job provides for steady employment	___	___	___	___	___
9. The chance to do things for other people	___	___	___	___	___
10. The chance to tell people what to do	___	___	___	___	___
11. The chance to do something that makes use of my abilities	___	___	___	___	___
12. The way company policies are put into practice	___	___	___	___	___
13. My pay and the amount of work I do	___	___	___	___	___
14. The chances for advancement on this job	___	___	___	___	___
15. The freedom to use my own judgment	___	___	___	___	___
16. The chance to try my own methods of doing the job	___	___	___	___	___
17. The working conditions	___	___	___	___	___
18. The way my co-workers get along with each other	___	___	___	___	___
19. The praise I get for doing a good job	___	___	___	___	___
20. The feeling of accomplishment I get from the job	___	___	___	___	___

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Job Relevant Information

Please respond by **selecting a number from 1 to 7** on the scale for each of the following items (1= Strongly Disagree, 7= Strongly Agree).

	Strongly Disagree							Strongly Agree
Q1. I am always clear about what is necessary to perform well on my job.	1	2	3	4	5	6	7	
Q2. I have adequate information to make optimal decisions to accomplish my performance objectives.	1	2	3	4	5	6	7	
Q3. I am able to obtain the strategic information necessary to evaluate important decision alternatives.	1	2	3	4	5	6	7	

Locus of Control

This part of the questionnaire is to find out the way in which certain important events in our society affect different people. Each item consists of a pair of alternatives lettered **a** or **b**. Please select the one statement of each pair (and only one) which **you** more strongly **believe** to be the case. Be sure to select the one you actually believe to be more true rather than the one you think you should choose or the one you would like to be true. This is a measure of personal belief; obviously there are no right or wrong answers. Please answer these items carefully but do not spend too much time on any one item. Be sure to find and answer for every choice. For each numbered question make an **X** on the line beside either the **a** or **b**, whichever you choose as the statement most true. In some instances you may discover that you believe both statements or neither one. In such cases, be sure to select the one you more strongly believe to be the case as far as you're concerned. Also try to respond to each item independently when making your choice; do not be influenced by your previous choices.

REMEMBER: Select that alternative which you personally believe to be more true.

I more strongly believe that:

1. a. Children get into trouble because their parents punish them too much.
 b. The trouble with most children nowadays is that their parents are too easy on them.
2. a. Many of the unhappy things in people's lives are partly due to bad luck.
 b. People's misfortunes result from the mistakes they made.
3. a. One of the major reasons why we have wars is because people don't take enough interest in politics.
 b. There will always be wars, no matter how hard people try to prevent them.
4. a. In the long run people get the respect they deserve in this world.
 b. Unfortunately, an individual's worth often passes unrecognized no matter how hard he tries.
5. a. The idea that teachers are unfair to students is nonsense.
 b. Most students don't realize the extent to which their grades are influenced by accidental happenings.
6. a. Without the right breaks one cannot be an effective leader.
 b. Capable people who fail to become leaders have not taken advantage of their opportunities.
7. a. No matter how hard you try some people just don't like you.
 b. People who can't get others to like them don't understand how to get along with others.

8. ___ a. Heredity plays the major role in determining one's personality.
___ b. It is one's experiences in life which determine what a person is like.
9. ___ a. I have often found that what is going to happen will happen.
___ b. Trusting to fate has never turned out as well for me as making a decision to take a definite course of action.
10. ___ a. In the case of the well prepared student there is rarely, if ever, such a thing as an unfair test.
___ b. Many times exam questions tend to be so unrelated to course work that studying is really useless.
11. ___ a. Becoming a success is a matter of hard work, luck has little or nothing to do with it.
___ b. Getting a good job depends mainly on being in the right place at the right time.
12. ___ a. The average citizen can have an influence in government decisions.
___ b. This world is run by the few people in power, and there is not much the little guy can do about it.
13. ___ a. When I make plans, I am almost certain that I can make them work.
___ b. It is not always wise to plan too far ahead because many things turn out to be a matter of good or bad fortune anyhow.
14. ___ a. There are certain people who are just no good.
___ b. There is some good in everybody.
15. ___ a. In my case getting what I want has little or nothing to do with luck.
___ b. Many times we might just as well decide what to do by flipping a coin.
16. ___ a. Who gets to be the boss often depends on who was lucky enough to be in the right place first.
___ b. Getting people to do the right thing depends upon ability; luck has little or nothing to do with it.
17. ___ a. As far as world affairs are concerned, most of us are the victims of forces we can neither understand, nor control.
___ b. By taking an active part in political and social affairs the people can control world events.
18. ___ a. Most people can't realize the extent to which their lives are controlled by accidental happenings.
___ b. There really is no such thing as "luck."
19. ___ a. One should always be willing to admit his mistakes.
___ b. It is usually best to cover up one's mistakes.
20. ___ a. It is hard to know whether or not a person really likes you.
___ b. How many friends you have depends upon how nice a person you are.
21. ___ a. In the long run the bad things that happen to us are balanced by the good ones.
___ b. Most misfortunes are the result of lack of ability, ignorance, laziness, or all three.
22. ___ a. With enough effort we can wipe out political corruption.
___ b. It is difficult for people to have much control over the things politicians do in office.
23. ___ a. Sometimes I can't understand how teachers arrive at the grades they give.
___ b. There is a direct connection between how hard I study and the grades I get.
24. ___ a. A good leader expects people to decide for themselves what they should do.
___ b. A good leader makes it clear to everybody what their jobs are.

25. ___ a. Many times I feel that I have little influence over the things that happen to me.
___ b. It is impossible for me to believe that chance or luck plays an important role in my life.
26. ___ a. People are lonely because they don't try to be friendly.
___ b. There's not much use in trying too hard to please people, if they like you, they like you.
27. ___ a. There is too much emphasis on athletics in high school.
___ b. Team sports are an excellent way to build character.
28. ___ a. What happens to me is my own doing.
___ b. Sometimes I feel that I don't have enough control over the direction my life is taking.
29. ___ a. Most of the time I can't understand why politicians behave the way they do.
___ b. In the long run, the people are responsible for bad government on a national as well as on a local level.