

Abstract

This research aimed to examine and analyze the task uncertainty variables as antecedent of budgetary participation, as well as the emergence of positive and negative consequences as a result of the participation of subordinates in the budget setting process. The goal-setting theory is used to describe the influence of task uncertainty of the budgeting participation and budgetary participation influence on budget goal commitments and manager's performance. This research also uses the theory of X (Mc Gregor) to explain the emergence of a budget slack in anticipation of the task uncertainty and the budget slack influence on the manager's performance.

The research was conducted using a survey method upon the mid-level managers and lower level managers who work in manufacturing companies. Companies were scattered in the area of Jakarta, West Java, Banten and East Java. From the total 750 copies which were distributed, 165 were completed and returned, and only 163 are used in the analysis. The response rate was 22%. Data analysis was performed with structural equation model with the assist of the program AMOS version 16.0.

The research finding showed that task uncertainty has positive influence to budgetary participation. Budgetary participation has positive influence to budget slack and budget goal commitment but budgetary participation do not have positive influence to manager's performance. The budget goal commitment has positive influence to manager's performance. The budget slack do not have negative influence to manager's performance.

Key words: *Task Uncertainty, Budgetary Participation, Budget Slack, Budget Goal Commitment, Manager's Performance.*

