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Participative Budgeting and Responsibility Accounting Practices: The Contribution to Managerial Performance

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ABSTRACT: *The scope of budgeting and accounting is highly relevant for further study due to its significant impact on the performance of state-owned companies in fulfilling their duties and obligations to the public. As a service-oriented company, PT. POS Indonesia in Bandung city aims to enhance its operational activities by ensuring accuracy in budget preparation. A key factor influencing this process is effective responsibility accounting across all management levels. This study seeks to empirically examine the relationship between participative budgeting and responsibility accounting on managerial performance. The variables analyzed include participative budgeting, responsibility accounting, as independent variables. Managerial performance as dependent variable. Using a random sampling technique, 56 respondents were selected as samples, with primary data gathered via questionnaires. The data analysis employed the Spearman rank correlation technique. The study results reveal that participative budgeting implementation does not significantly affect managerial performance, whereas responsibility accounting implementation shows a positive correlation. These findings imply the importance of prioritizing responsibility accounting practices to improve managerial performance, particularly in service-based state-owned companies. Furthermore, the results suggest that companies need to revisit and adapt participative budgeting approaches to better align with managerial goals and operational effectiveness. This highlights practical implications for corporate governance and strategic planning in similar organization.*

Keywords: *participative budgeting, responsibility accounting, managerial performance.*

INTRODUCTION

Budget is a key element in the planning and control system (Nwosu Moses et al., 2020). A budget is a statement of what is expected in a certain period in the future. In addition, the budget is not only a financial plan that determines the costs and revenues of the responsibility center in a company, but also a tool for top managers to control, coordinate, communicate, evaluate performance, and motivate their subordinates (Lunardi et al., 2019). Budget preparation is the process of determining the role of each manager in implementing a program, in the budget preparation process requires good cooperation between superiors and subordinates. The budget that has been prepared in a participatory manner is then approved by the managers of each division and responsibility center. In an organization, top management creates various responsibility divisions or known as responsibility centers. Responsibility accounting plays a role in measuring activities and their results including in the implementation of the budget that has been prepared with other responsibility centers (Nguyen, 2020).

Responsibility accounting, measures and evaluates a plan or budget with the actions or activities of management from each level of management in a company by determining certain income and costs for departments or divisions that have the relevant responsibilities. And if implemented properly, it will help company management in contributing to budgeting and assessing the performance of each responsibility center in order to make decisions and achieve overall company goals (Østergren & Stensaker, 2010). The responsibility structure of a company consists of responsibility centers that are periodically evaluated for their work results or activities. The results of the work evaluation will be used by company management for decision making in order to achieve company goals (Nguyen, 2020).

Good managerial performance is a company's demand to be able to maintain the existence or continuity of organizational operations. Achieving good performance is to be able to maintain the existence or continuity of organizational operations that have been determined at the beginning of the period through the budget preparation process with the results achieved during the period, including the implementation of the budget that has been prepared with other responsibility centers and the managerial performance of each responsibility center for the implementation of responsibility accounting (Lunardi et al., 2019).

As one of the companies engaged in the service sector, PT. POS Indonesia Bandung strives to improve the effectiveness of the company in improving its operational activities through accuracy in budget preparation. One of the factors that can influence this is good responsibility accounting from each level of management. One of the good performance measurement tools at PT. POS Indonesia Bandung can be seen from the extent to which the company makes costs efficient without reducing the quality of service to the community. Within a period of 3 months, namely from October to December in each budget year period, each section and service unit is required to make a report on the proposed costs budgeted for the next budget year period. However, within a period of several years, the budget that has been set does not match the realization (see Table 1).

Table 1. Cost Budget and Realization (in million IDR)

Year	Budget	Realization	Difference	Note
2016	15,005	15.196	-191	Unrealized
2017	16,673	16.841	-167	Unrealized
2018	17,159	17.259	-99	Unrealized
2019	17,737	17.660	77	Realized

Source: Secondary data – processed.

In Table 1, from 2016 to 2018 the target to minimize costs has not been achieved. However, there was an improvement in 2019 in realizing the budget that has been set. This shows the effectiveness and efficiency carried out by the management. The experience from 2016 to 2018 which showed that the budget that had been set had not been realized, at any time has the potential to be repeated. This encourages the management to make improvements in terms of effectiveness and cost efficiency while maintaining the quality of service. In addition, employee performance measurement still uses the old paradigm. Performance measurement is only based on the extent to which tasks and authorities are carried out by employees in each section without taking into account financial factors and cost efficiency. To support better performance, in addition to looking at the ability to carry out tasks and authorities, it is also necessary to take into account the extent to which each section and subsection carries out cost effectiveness and efficiency in accordance with the budget that has been determined based on their authority and responsibility. Budget and responsibility accounting are two dominant elements because the budget preparation process requires active participation from each responsibility center where they know more about the costs that must be budgeted for each section and responsibility center so that performance improvements are achieved properly.

From the results of research conducted by Mutmainah & Riharjo (2020), Sianipar et al., (2020), Setiawan & Rohani (2019), Pratiwi & Kartika (2019), and Nengsy (2019), it was concluded that the implementation of participative budgeting and good and effective responsibility accounting has an effect on managerial performance in the company. This is in line with Alderfer's motivation theory put forward by Alderfer (1969) which connects with 3 human needs, namely the need for existence, the need for relatedness and the need to develop which are related to the organizational work environment, namely the existence of superiors and subordinates who relate and cooperate in budget participation for better performance development. This is also in line with the Path Goal Theory by House & Mitchel (1974) which includes 4 types of leadership styles for good performance. But what really supports the implementation of participative budgeting, responsibility accounting for managerial performance is supportive, participatory and achievement-oriented leadership. Then specifically, Stogdill with the theory of group achievement will produce good performance according to its responsibility center (Stogdill, 1972). From the research and theory, it increasingly provides confidence that with the implementation of a good participatory budget, the implementation of good responsibility accounting will affect the improvement of performance.

LITERATURE REVIEW

Budgeting

Budget is a management plan, with the implicit assumption that positive steps will be taken by the budget maker and the manager who prepares the budget to make real activities related to the plan (Anthony et al., 2014). Meanwhile, according to Hansen et al. (2018), budget is a financial plan for the future that identifies goals and actions needed to achieve them. Before preparing a budget, the organization must first develop a strategic plan. The strategic plan identifies future activity and operation strategies with a certain time period. The organization can translate the overall strategy into short-term goals. These goals are the basis for preparing the budget. Participative budgeting according to Hansen et al. (2018), namely giving managers a part to participate in preparing the budget. In general, the overall purpose of the budget is communicated to managers, who then help develop a budget that can meet these goals. In participative budgeting, the emphasis is on meeting goals in general, not on the type of company.

Responsibility Accounting

In an organization, top management usually creates various divisions of responsibility, known as responsibility centers. A responsibility center is a business segment whose manager is responsible for organizing certain activities. Responsibility accounting plays a role in measuring activities and their results, and also determining the rewards that a person can receive. Responsibility accounting is a system that measures the results achieved by each responsibility center according to the information needed by managers to operate their responsibility centers (Hansen et al., 2018). Meanwhile, according to Horngren et al. (2018) responsibility accounting is an accounting system that recognizes various responsibility centers throughout the organization and reflects the plans and actions of each center by assigning certain income and costs to the center that has the relevant responsibility.

Managerial Performance

Performance is a level of role of organizational members in achieving an organizational goal. The role in question is every activity that produces one result, the implementation of a team in the level of completion of a job, and how employees act in carrying out the tasks given. That every activity that is prioritized by employees must produce something, but the results of the activity are not necessarily the performance expected by a business entity, for that the agency sets employee performance standards so that the goals of the business entity can be achieved. According to Mulyadi (2007), someone who holds a managerial position is expected to be able to produce managerial performance. Unlike employee performance which is concrete, managerial performance is abstract and complex. Managers produce performance by directing the talents and abilities and efforts of several other people who are in their area of authority or power. Furthermore, Mulyadi (2007) stated that the main purpose of performance appraisal is to motivate personnel in achieving organizational goals and in complying with previously established behavioral standards, in order to produce actions and results desired by the organization. Behavioral standards can be in the form of management policies or formal plans outlined in the organization's strategic plans, programs and budgets. Performance appraisals are used to suppress inappropriate behavior and to stimulate and enforce desired behavior through timely performance feedback and rewards, both intrinsic and extrinsic.

Participative Budgeting and Managerial Performance.

Based on Alderfer's motivation theory (Alderfer, 1969) and Path Goal Theory (House & Mitchel, 1974), leadership styles with subordinate participation models that can be used include supportive leadership, participative leadership and achievement-oriented leadership then implemented in the organization in this case to meet financial and budget goals, then the budget participation system to meet the obligations and duties of each responsibility center will be realized well. This leadership style, each part can show its participation to propose a budget for its department and responsibility center so that the company's performance will be realized well.

In line with the two theories, it has been proven by Setiawan & Rohani (2019) that there was a positive relationship between participation in budgeting and the performance of managers of PT Indonesia Power. They studied all employees of PT. Indonesia Power totaling 195 people and the sample was taken using the Proportionate Stratified Random Sampling technique, namely 35 people. Based on the results of descriptive analysis, Budget Participation, Responsibility Accounting and Managerial Performance can be described quite well. Furthermore, based on the results of the hypothesis test, Budget Participation has a significant effect on Managerial Performance. Pratiwi & Kartika (2019) examined the effect of budget participation on managerial performance of 21 manufacturing companies in South Bandung. The results of multiple regression analysis prove that budget participation has a significant positive effect on managerial performance. Nwosu Moses et al. (2020) suggested that participation in multidimensional budgeting that strickly adhere to regular and periodic reviews to detect discrepancies will enhance the efficiency of operation and managerial performance.

H1: Participative budgeting is associated with managerial performance.

Responsibility Accounting and Managerial Performance.
The implementation of responsibility accounting is closely related to manager performance. This can be explained in the Group Performance Theory according to Stogdill (1972), namely that existing theories about groups are generally based on the concept of interaction that has certain theoretical weaknesses. Therefore, Stogdill proposed his theory based on input, media variables and group performance (output). According to the group performance theory, responsibility accounting is closely related to performance. This can be seen from the theories developed which have 3 different orientations, namely: Reinforcement orientation, Field orientation, Cognitive orientation.

Journals and research discourses in line with the theory were put forward by Sianipar et al., (2020), who took the title in Bahasa: *Dampak Penerapan Akuntansi Pertanggungjawaban Terhadap Kinerja Manajerial Pada Perusahaan Daerah Air Minum (PDAM) Tirtauli Pematangsiantar* by revealing discourse on the relationship between the two variables. It was concluded that with the authority and responsibility of the responsibility center manager to control income in the responsibility center, the performance of the output (income) can be measured and at the same time an evaluation of the performance of the responsibility center manager can be carried out. Another study by Nengsy (2019) on the public sector managerial performance of SKPD Indragiri Hilir Regency found that responsibility accounting has positive significant influences on managerial performance.
H2: Responsibility accounting is associated with managerial performance.

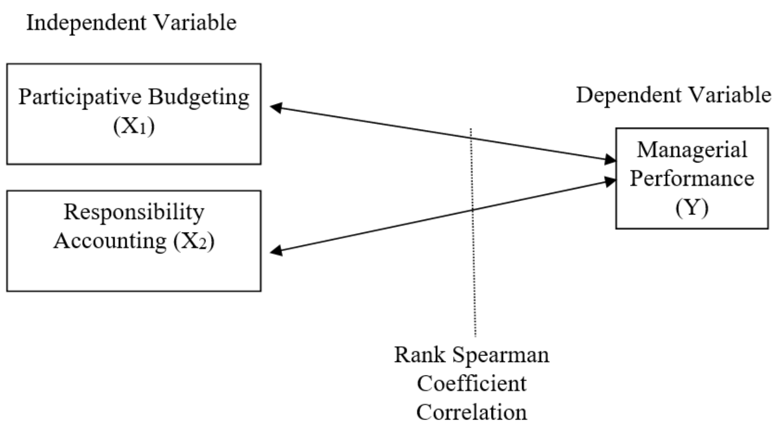

Figure 1. Research Framework

Figure 1 shows the relationship between independent variables (participative budgeting and Responsibility Accounting) with dependent variable (managerial performance). Rank Spearman coefficient correlation is used to test the relationship.

RESEARCH METHOD

This study is a descriptive quantitative study that aims to examine the relationship between independent variables and dependent variables, not to compare these variables that aim to find cause and effect (Yusuf, 2014: 63). This study aims to examine the relationship between participation budgeting and responsibility accounting on managerial performance. The objects of the study were managers at PT Pos Indonesia in Bandung. The sampling technique used purposive sampling and obtained 56 respondents whose data met the requirements to be processed with SPSS. The primary data was gathered using questionnaires. As mentioned in

Figure 1, to test the relationship between variables, Rank Spearman coefficient correlation is used.

RESULTS AND DISCUSSION

Results

Respondents' Answer Characteristics

The data source used in this study comes from the answers to the questionnaire distributed to 56 top and bottom level managers at PT. Pos Indonesia (Persero) in Bandung. The questionnaire consists of 35 statements divided into 3 parts.

Table 2. Participative Budgeting Respond

Item	Respond									
	1		2		3		4		5	
	Σ Resp	%	Σ Resp	%	Σ Resp	%	Σ Resp	%	Σ Resp	%
1	-	-	-	-	2	3,6	30	53.6	24	42.9
2	-	-	-	-	-	-	30	53.6	26	46.4
3	-	-	-	-	-	-	32	57.1	24	42.9
4	-	-	-	-	-	-	30	53.6	26	46.4
5	-	-	-	-	-	-	34	60.7	22	39.3
6	-	-	-	-	-	-	32	57.1	24	42.9
7	-	-	-	-	-	-	26	46.4	30	53.6
8	-	-	-	-	-	-	32	57.1	24	42.9
9	-	-	-	-	-	-	38	67.9	18	32.1
10	-	-	-	-	-	-	32	57.1	24	42.9
Mean	-	-	-	-	**2**	**0,36**	**316**	**56.43**	**242**	**43.21**

Source: Primary data – processed.

Participation in budget preparation is related to the extent to which managers are involved in determining or preparing the budget in their department or section.Based on Table 2, the highest average value (mean) is at a score of 4 or an agree answer of 56.43%, which means that the Participative Budget implemented by top and bottom level managers at PT. Pos Indonesia (Persero) Bandung has been implemented well.

Table 3. Responsibility Accounting Respond

Item	Respond									
	1		2		3		4		5	
	Σ Resp	%	Σ Resp	%	Σ Resp	%	Σ Resp	%	Σ Resp	%
1	-	-	-	-	-	-	28	50.0	28	50.0
2	-	-	-	-	-	-	34	60.7	22	39.3
3	-	-	-	-	-	-	26	46.4	30	53.6
4	-	-	-	-	-	-	34	60.7	22	39.3
5	-	-	-	-	-	-	28	50.0	28	50.0
6	-	-	-	-	-	-	26	46.4	30	53.6
7	-	-	-	-	-	-	18	32.1	38	67.9
8	-	-	-	-	-	-	20	35.7	18	64.3
9	-	-	-	-	-	-	24	42.9	32	57.1
10	-	-	-	-	-	-	12	21.4	44	78.6
11	-	-	-	-	-	-	10	17.9	46	82.1
12	-	-	-	-	-	-	10	17.9	46	82.1
13	-	-	-	-	-	-	8	14.3	48	85.7
14	-	-	-	-	-	-	10	17.9	46	82.1
15	-	-	-	-	-	-	10	17.9	46	82.1
Mean	**-**	**-**	**-**	**-**	**-**	**-**	**298**	**35.48**	**542**	**64.52**

Source: Primary data – processed.

The role of responsibility accounting is a role of an accounting system that is adjusted to the organizational structure that is arranged in such a way that costs are collected and reported based on the level of responsibility that exists within the organization, where each part of the organization is only burdened with costs that are its responsibility and that are within its control. Based on Table 3, the highest average value (mean) is at a score of 5 or a very agree answer of 65.42%, which means that top and bottom level managers can implement the responsibility accounting system well by reporting every cost incurred by each division in PT. Pos Indonesia (Persero) Bandung.

Table 4. Managerial Performance Respond

Item	Respond									
	1		2		3		4		5	
	Σ Resp	%	Σ Resp	%	Σ Resp	%	Σ Resp	%	Σ Resp	%
1	-	-	-	-	-	-	36	64.3	20	35.7
2	-	-	-	-	-	-	32	57.1	24	42.9
3	-	-	-	-	-	-	26	46.4	30	53.6
4	-	-	-	-	-	-	28	50.0	28	50.0
5	-	-	-	-	-	-	32	57.1	24	42.9
6	-	-	-	-	-	-	30	53.6	26	46.4
7	-	-	-	-	-	-	8	14.3	48	85.7
8	-	-	-	-	-	-	10	17.9	46	82.1
9	-	-	-	-	-	-	10	17.9	46	82.1
10	-	-	-	-	-	-	32	92.9	4	7.1
Mean	**-**	**-**	**-**	**-**	**-**	**-**	**264**	**47.14**	**148**	**52.86**

Source: Primary data – processed.

Managerial Performance is a result achieved by employees in a work organization that can provide enthusiasm to be more consistent with their work. This is because there are differences in each individual. The more aspects of the work that are in accordance with the individual's desires, the higher the level of satisfaction felt, and vice versa. Based on Table 4, the highest average value (mean) is at a score of 5 or a very agree answer, which is 52.86%, which means that the performance shown by the top and bottom level managers at PT. Pos Indonesia (Persero) Bandung is good.

Table 5. Participative Budgeting Validity Test Results

Item	Participative Budgeting (X_1) r_{count} (*Corrected Item - Total Correlation*)	Required	Note
1	0.585	0.300	Valid
2	0.550	0.300	Valid
3	0.513	0.300	Valid
4	0.524	0.300	Valid
5	0.774	0.300	Valid
6	0.617	0.300	Valid
7	0.361	0.300	Valid
8	0.617	0.300	Valid
9	0.698	0.300	Valid
10	0.513	0.300	Valid

Source: Primary data – processed.

Data Analysis Test Results

Validity Test

Based on Table 5, it shows that all statement items regarding Participative Budget, totaling 10 statement items, have an r hit value greater than 0.3 and a positive r value, in accordance with the provisions that have been set, then the question items are valid and can be used in research.

Table 6. Responsibility Accounting Validity Test Results

Item	Responsibility Accounting (X_2) r_{count} (*Corrected Item - Total Correlation*)	Required	Note
1	0.424	0.300	Valid
2	0.312	0.300	Valid
3	0.468	0.300	Valid
4	0.534	0.300	Valid
5	0.424	0.300	Valid
6	0.468	0.300	Valid
7	0.522	0.300	Valid
8	0.613	0.300	Valid
9	0.442	0.300	Valid
10	0.784	0.300	Valid
11	0.788	0.300	Valid
12	0.788	0.300	Valid
13	0.861	0.300	Valid
14	0.837	0.300	Valid
15	0.837	0.300	Valid

Source: Primary data – processed.

Based on table 6, it shows that all statement items regarding Responsibility Accounting, totaling 15 statement items, have an $r\text{-}_{count}$ value greater than 0.3 and a positive r value, in accordance with the provisions that have been set, then the question items are valid and can be used in research.

Table 7. Managerial Performance Validity Test Results

Item	Managerial Performance (Y) r_{count} (*Corrected Item - Total Correlation*)	Required	Note
1	0.521	0.300	Valid
2	0.537	0.300	Valid
3	0.471	0.300	Valid
4	0.572	0.300	Valid
5	0.443	0.300	Valid
6	0.458	0.300	Valid
7	0.707	0.300	Valid
8	0.672	0.300	Valid
9	0.672	0.300	Valid
10	0.388	0.300	Valid

Source: Primary data – processed.

Based on Table 7, all statement items regarding the assignment aspect, totaling 10 statement items, have an r-count value greater than 0.3 and a positive r_{count}, in accordance with the provisions that have been set, so the question items are valid and can be used in research.

Reliability Test Results

Based on Table 8, the Cronbach Alpha value for all variables, namely X1, X2, and Y, is greater than 0.60 in accordance with the provisions that have been set, so the question items are reliable and can be used in research.

Table 8. Reliability Test Results

Variables	Cronbach Alpha		Note
Participative Budgeting (X_1)	0.862	0.60	Reliable
Responsibility Accounting (X_2)	0.900	0.60	Reliable
Managerial Performance (Y)	0.838	0.60	Reliable

Source: Primary data – processed.

Normality Test Results

To find out whether the data follows a normal distribution, various Kolmogorov Smirnov methods can be used. Basis for decision making: If the significant value (probability value) is greater than 5%, then the distribution is normal (Yusuf, 2014:43). Using the Skewness and Kurtosis tests. The test shows that by using this test, the analysis results show that not all variables studied have a normal distribution (significance value is more than 0.05). From the results of the Skewness and kurtosis tests in Table 9, the skewness and kurtosis values (statistical values: std. error) lie between -2 and +2, so it can be concluded that all data is distributed Normally.

Table 9. Normality Test Results

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Participative Budgeting (X1)	56	.413	.441	-1.083	.858
Responsibility Accounting (X2)	56	-1.236	.441	.778	.858
Managerial Performance (Y)	56	-.432	.441	-.188	.858
Valid N (listwise)	56				

Source: Primary data – processed.

Hypotheses Testing

Spearman rank correlation analysis is an analysis to measure the degree of relationship or strength between Participative Budget (X1) and Responsibility Accounting (X2) with Managerial Performance (Y). Spearman Rank Analysis is used to determine whether there is a relationship between Participative Budget (X1) and Responsibility Accounting (X2) with Managerial Performance (Y). If the correlation coefficient value (r) produced is positive, it means that the relationship between Participative Budget (X1) and Responsibility Accounting (X2) with Managerial Performance (Y) is in the same direction. The analysis technique used is the Spearman Rank correlation analysis technique.

Based on the results in Table 10, the correlation coefficient between the Participative Budget variable (X1) and the Managerial Performance variable (Y) is 0.288, the correlation coefficient between the Responsibility Accounting variable (X2) and the Managerial Performance variable (Y) is 0.607. This shows that the correlation of Responsibility Accounting (X2) with Managerial Performance (Y) shows a positive sign (+) which means that the better the Responsibility Accounting applied in the company, the Managerial Performance tends to be better.

Table 10. Spearman Rank Correlation Results

			PB (X1)	RA (X2)	MP (Y)
Spearman's rho	PB (X1)	Correlation Coefficient	1.000	.395*	.208
		Sig. (2-tailed)	-	.037	.288
		N	56	56	56
	RA (X2)	Correlation Coefficient	.395*	1.000	.607**
		Sig. (2-tailed)	.037	-	.001
		N	56	56	56
	MP (Y)	Correlation Coefficient	.208	.607**	1.000
		Sig. (2-tailed)	.288	.001	-
		N	56	56	56

* Correlation is significant at the 0.05 level (2-tailed)
** Correlation is significant at the 0.01 level (2-tailed)

Source: Primary data – processed.

The significance probability value is 0.001 <0.05 indicating that the correlation between the variables is significant (there is a correlation between the two variables). This is also indicated by the strong correlation value between the variables, which is 60.7% (more than 50%). And the Correlation of Budget Participation (X1) with Managerial Performance (Y) shows a positive sign (+) which means that the higher the Budget Participation, the Managerial Performance tends to be better. The significance probability value is 0.288 > 0.05 indicating that the correlation between variables is not significant (there is no correlation between the two variables). This is also indicated by the weak correlation value of only 20.8% (less than 50%)

Discussion

The Relationship between Participative Budgeting and Managerial Performance

Alderfer's Motivation Theory (1972) introduces three core groups of needs, namely the need for existence as the need for the existence of employees, superiors and subordinates in the organizational structure, regulations and rules of the organization. The need to relate as the need for relationships and cooperation and active participation between employees, superiors and subordinates. One of them is the need for relationships and active participation from each part in preparing the budget and achieving organizational goals. The need to develop as the need for good development in managerial performance to support the development of the company as a whole.

Based on the research results, it is proven that there is a weak relationship between Participative Budgeting and Managerial Performance of top and bottom level managers of PT. Pos Indonesia (Persero) Bandung which is indicated by the Spearman rank correlation value of 0.288, this indicates that the lower the Participative Budgeting carried out by top and bottom level managers of PT. Pos Indonesia (Persero) Bandung, the Managerial Performance of top and bottom level managers of PT. Pos Indonesia (Persero) Bandung remains good. So, it can be concluded that budget preparation participation is not implemented at PT. Pos Indonesia (Persero) Bandung because the budget is only made by top management and middle and lower managers only implement the budget that has been made by top management. Although participative budgeting is not widely applied in the management of PT. Pos Indonesia (Persero) Bandung, the performance of the managers of PT. Pos Indonesia (Persero) Bandung remains good because in 2019 the management of PT. Pos Indonesia (Persero) bandung has realized the budget that was made well. This is not in accordance with the research results of Derfuss (2016), Pratiwi & Kartika (2019), and Saripudin & Siswantoro (2020), which concluded that based on the results of data analysis, participation in budget preparation could be proven to have a significant effect on managerial performance.

The Relationship between Responsibility Accounting and Managerial Performance

From the theory of group performance with three influencing factors including input from members (input sources), media variables namely operating and functioning of the group and group performance in the form of output further explains the relationship of this theory with the three research variables (Stogdill, 1972). Input from members in the form of input and suggestions from each section and responsibility center for the budget costs then operating and functioning of the group in this case the responsibility center according to its duties and responsibilities will produce output in the form of good performance in accordance with the goals of the organization so that it can be concluded that this theory is also related to the implementation of participative budgeting so that the implementation of participative budgeting, the implementation of responsibility accounting is very important for companies in manager performance. And the conclusion that can be drawn from the theory of group performance is that by increasing the participative budgeting system, responsibility accounting can affect manager performance.

The test results also show that there is a strong relationship between Responsibility Accounting and Managerial Performance of top and bottom level managers of PT. Pos Indonesia (Persero) Bandung as indicated by the Spearman rank correlation value of 0.608, this shows that the better the level of responsibility accounting of top and bottom level managers of PT. Pos Indonesia (Persero) Bandung, the higher the Managerial Performance will be, this indicates that with the existence of responsibility accounting, managers and assistant managers work better in completing tasks according to their divisions because the results of the tasks that have been done will be accounted for in accounting to top management. With the implementation of responsibility accounting, managerial performance will be higher because managers and assistants strive to achieve the targets and goals set by the company. This is in accordance with the results of Sianipar et al. (2020), that the implementation of responsibility accounting has a relationship with managerial achievement and performance motivation.

CONCLUSION

This study concludes that the implementation of participatory budgeting does not significantly influence managerial performance, whereas responsibility accounting demonstrates a positive relationship with managerial performance at PT. POS Indonesia Bandung. The findings highlight the necessity of emphasizing responsibility accounting practices as a critical tool for enhancing managerial effectiveness. However, the limited correlation between participatory budgeting and performance suggests that existing budgeting practices may require refinement to better align with operational goals and managerial needs.

The study's implications are multi-faceted. For practitioners, the results underscore the importance of cultivating robust responsibility systems to ensure efficient management and improved performance. For policymakers, these findings suggest the need to reassess budgeting frameworks in state-owned enterprises to foster more impactful participatory mechanisms. In terms of theoretical contribution, the research enriches the literature on managerial performance by emphasizing the distinct roles of responsibility accounting and participatory budgeting.

Nevertheless, the study has its limitations. First, the sample size, being restricted to a single company and geographical area, may limit the generalizability of the findings. Future research could explore similar relationships in different organizational or expand the scope to include other variables that may influence managerial performance. Second, there are differences in perception between each respondent, namely upper and lower level managers, in understanding the context of the questions presented in the questionnaire. Thus, the respondents' answers submitted in writing through the questionnaire do not necessarily reflect the actual situation. Despite these limitations, this study provides valuable insights for enhancing managerial practices and governance in service-oriented state-owned enterprises.

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