

### *Abstract*

*The purpose of this study was to investigate the effect of budgetary participation on managerial performance which was tested through five intermediary variables namely organizational justice, interpersonal trust, budget adequacy, organizational commitment and job tension..*

*The research was conducted in the perspective of goal setting theory, justice theory, and person-environment fit theory. The study used primary data collected using questionnaires which were distributed to manager of Catholic hospitals. Data were collected by a survey toward fungsional manager of Catholic hospitals listed in Persatuan Karya Dharma Kesehatan Indonesia (PERDAKHI). There were 82 hostpitals and 441 questionnaires were distributed. The number of returned questionnaires available for analysis were 267 with responsive rate of 60,54%. The data were statically analysed by using structural equation models and supported by SPSS 16 and AMOS 18.*

*The results of statistical analysis indicated that budgetary participation had a positive and significant effect on organizational justice, budget adequacy, and organizational commitment; had a negative and not significant effect on interpersonal trust; and a negative and significant effect to job tension. Further findings, however, indicated that organizational justice had a positive and significant effect on interpersonal trust, and a negative but not significant effect on job tension; interpersonal trust had a negative and significant effect on job tension, and a positive and significant effect on budget adequacy; and budget adequacy had a negative and significant effect on job tension, and a positive and significant effect on organizational commitment. The next further findings indicated that organizational commitment had a negative and significant effect on job tension; and job tension had a negative and significant effect on managerial performance. Test result of the role of mediating variables shows that oganizational justice, interpersonal trust, budgetary participation, organizational commitment and job tension mediate the effect of budgetary participation on managerial performance.*

*Key words: budgetary participation, organizational justice, interpersonal trust, budget adequacy, organizational commitment, job tension,, and managerial performance*