

## ABSTRACT

Research on the effect of budgetary characteristic system which are budgetary participation, budget goal clarity, and budgetary feedback toward managerial performance, has resulted inconsistency and contradiction. One way to reconcile these conflicting results is to use motivation as a contingency approach (Govindarajan, 1986). The result of the previous study which using contingency approach (moderating or intervening) was unclear, especially inconsisting with measuring motivation variable.

This study examined empirically the effect of budgetary participation toward managerial performance using contingency approach, that is intrinsic and extrinsic motivation which has ever done by Mohan et al. (1995). Different with Mohan study, two characteristic variables budgetary system were added in this study, those are budget goal clarity and budgetary feedback. Data have been compiled from 200 officers of Local Government of Tegal City using Simple Random Sampling method. 114 answered questioners (57%) from those respondents have been then analyzed using Structural Equation Model (SEM) Multivariate Technique with AMOS program version 7 and SPSS version 15.

The result was that budgetary participation has significant and positive effect toward managerial performance through intrinsic motivation, and budgetary participation has direct effect significant and positive toward managerial performance. Mean while the study showed that the variable of budget goal clarity has significant and negative effect toward managerial performance through intrinsic motivation. The effect of budgetary participation through extrinsic motivation, budget goal clarity through extrinsic motivation, and budgetary feedback through intrinsic and extrinsic motivation toward managerial performace have unsuccessfully been showed. This indicated that there was pseudo participation in existing budgetary system and there was not enough reward to increase extrinsic motivation.

**Keyword: Budgetary System, Intrinsic and Extrinsic Motivation, Managerial Performance, and Pseudo Participation.**