



Simposium Nasional Akuntansi XIII
Universitas Jenderal Soedirman



SNA XIII Purwokerto

*"Dampak IFRS pada Dunia Usaha,
Profesi Akuntan dan Pendidikan"*

Purwokerto, 13-14 Oktober 2010



Proceeding



ISBN : 978-602-97876-1-0

Copyright © Simposium Nasional Akuntansi XIII 2010

Jurusan Akuntansi Fakultas Ekonomi
Universitas Jenderal Soedirman

Ikatan Akuntan Indonesia

PROCEEDING
SIMPOSIUM NASIONAL AKUNTANSI XIII
PURWOKERTO

*Dampak IFRS Pada Dunia Usaha, Profesi Akuntan dan
Pendidikan*

13-15 Oktober 2010

Edisi Pertama

Purwokerto, 2010

ISBN: 978/602/97876/1/0

Editorial team:

Ikatan Akuntan Indonesia Kompartemen Akuntan Pendidik (IAI-KAPd)

Diterbitkan oleh: UPT Percetakan dan Penerbitan Unsoed

Jl. Prof. Dr. Bunyamin, Grendeng, Purwokerto 53122

SNA XIII

Simposium Nasional Akuntansi XIII Purwokerto 2010
Universitas Jenderal Soedirman Purwokerto
www.sna13purwokerto.com

DAFTAR ISI

Sambutan Ketua Panitia	1
Sambutan Dekan FE Universitas Jenderal Soedirman	2
Sambutan Rektor Universitas Jenderal Soedirman	3
Daftar isi	5

PENDAHULUAN

Latar Belakang	13
Nama, Bentuk, dan Tema Kegiatan	14
Tujuan kegiatan	15
Waktu dan Tempat	15
Susunan Acara	16
Jadwal Paper Presentation	19
Identitas Pemakalah	35

ABSTRAKSI ARTIKEL

ARTIKEL KUANTITATIF NASIONAL

AKMEN (AKUNTANSI MANAJEMEN)

1. Pengaruh Tekanan Ketaatan dan Tanggung Jawab Persepsian pada Penciptaan *Budgetary Slack*
2. Pengaruh *Locus of Control* terhadap Hubungan antara Justice dan Tingkat Eskalasi Komitmen dalam Penganggaran Modal
3. Kemanfaatan Capacity Cost Reports Dalam Peningkatan Kinerja Laba: Suatu Studi Eksperimen
4. Peran Kepemimpinan dalam Pencapaian Kinerja Organisasi Melalui Budaya, Strategi, dan Sistem Akuntansi Manajemen Organisasi
5. Pengaruh Profitabilitas, Leverage, dan Growth Terhadap Kebijakan Dividen dengan Good Corporate Governance sebagai Variabel Intervening

AKPM (AKUNTANSI KEUANGAN DAN PASAR MODAL)

6.	<i>Corporate Social Responsibility</i> (CSR) dan Kinerja Perusahaan.....	77
7.	Pengaruh <i>Corporate Governance</i> pada Hubungan <i>Corporate Social Responsibility</i> dan Nilai Perusahaan	78
8.	Kepemilikan Manajemen, Kepemilikan Institusi, <i>Leverage</i> dan <i>Corporate Social Responsibility</i>	79
9.	Pengaruh Konservatisme terhadap Asimetri Informasi dengan Menggunakan Beberapa Model Pengukuran Konservatisme	80
10.	Analisis Pendekatan Nilai Wajar dan Nilai Historis dalam Penilaian Aset Biologis pada Perusahaan Agrikultur: Tinjauan Kritis Rencana Adopsi IAS 41	81
11.	Menguji Kualitas Standar Akuntansi Hasil Adopsi IFRS: Studi Empiris pada PSAK No. 55 (Revisi 2006).....	82
12.	Pengaruh Kualitas Pelaporan Keuangan terhadap Informasi Asimetri.....	83
13.	Pengaruh Sistem Hukum terhadap Manajemen Laba dengan Kepemilikan Institusional sebagai Variabel Pemoderasi: Studi Perbandingan Inggris dan Perancis.....	84
14.	Praktik Manajemen Laba Terkait Peringkat Emisi Obligasi.....	85
15.	Pengujian Peran Perlindungan Investor dan Kultur terhadap Perilaku Manajemen Laba pada Perusahaan Keluarga: Studi Internasional...	86
16.	Pengaruh Status Internasional, Diversifikasi Operasi, dan Legal Origin terhadap Manajemen Laba (Studi Perusahaan Asia Yang Terdaftar di NYSE).....	87
17.	Karakteristik Pribadi Komite Audit dan Praktik Manajemen Laba...	88
18.	Efek <i>Entrenchment</i> dan <i>Alignment</i> pada Manajemen Laba	89
19.	Peningkatan Obligasi Perdana sebagai Pemicu Manajemen Laba: Bukti Empiris dari Pasar Modal Indonesia	90
20.	Masalah Keagenan Kas Bebas, Manajemen Laba, dan Relevansi Nilai Informasi Akuntansi.....	91
21.	Pengaruh Profitabilitas, Risiko Keuangan, Nilai Perusahaan, dan Struktur Kepemilikan terhadap Praktek Perataan Laba: Studi Empiris Perusahaan Manufaktur yang Terdaftar di BEI.....	92
22.	Perbedaan Perilaku <i>Earnings Management</i> Berdasarkan pada Perbedaan <i>Life Cycle</i> dan Ukuran Perusahaan	93
23.	<i>The Real and Accruals Earnings Management</i> : Satu Perspektif dari Teori Prospek.....	94
24.	Hubungan Karakteristik Dewan Komisaris dan Perusahaan Terhadap Pengungkapan <i>Risk Management Committee</i> (RMC) Pada Perusahaan <i>Go Public</i> Indonesia	95
25.	Eksplorasi Kinerja Pasar Perusahaan: Kajian Berdasarkan Modal Intelektual (Studi Empiris pada Perusahaan Keuangan yang Terdaftar di Bursa Efek Indonesia).....	96
26.	Pengaruh Order Effect dan Pola Pengungkapan dalam Pengambilan Keputusan Investasi	97

SNA XIII

Simposium Nasional Akuntansi XIII Purwokerto 2010
Universitas Jenderal Soedirman Purwokerto
www.sna13purwokerto.com

27. Implikasi Intellectual Capital terhadap Financial Performance, Growth dan Market Value: Studi Empiris dengan Pendekatan Simplistic Specification	98
28. Intellectual Capital dan Abnormal Return Saham (Studi Peristiwa Pada Perusahaan Publik Di Indonesia)	99
29. Return Saham, <i>Value at Risk</i> , dan Aktivitas <i>Trading</i> pada Kelompok Harga Terendah (<i>Low Tick Size</i>) di Bursa Efek Indonesia.....	100
30. <i>Equity Risk Premium</i> Perusahaan yang Terdaftar di Bursa Efek Indonesia dan Faktor-Faktor yang Mempengaruhinya	101
31. Apakah Kinerja Jangka Panjang Penawaran Umum Perdana di Indonesia underperformed? Bukti Baru	102
32. Reksa Dana di Indonesia: Analisis Kebijakan Alokasi Aset, Pemilihan Saham, dan Tingkat Risiko	103
33. Pengaruh <i>Ownership Retention</i> , Investasi dari <i>Proceeds</i> , dan Reputasi Auditor terhadap Nilai Perusahaan dengan Kepemilikan Manajerial dan Institusional sebagai Variabel Pemoderasi.....	104
34. Pengaruh Keputusan Investasi, Keputusan Pendanaan, dan Kebijakan Dividen terhadap Nilai Perusahaan.....	105
35. Hubungan antara Kesalahan Prediksi Laba Manajemen dan Aktual dengan Ketidakpastian Lingkungan sebagai Variabel <i>Moderating</i> . 106	
36. Kepemilikan Manajerial, Konservatisme Akuntansi, dan <i>Cost of Debt</i>	107
37. Kinerja Akuntansi dan Kinerja Pasar sebagai Anteseden dan Konsekuensi atas Pergantian <i>Chief Executive Officer</i> (CEO): Kasus dari Indonesia	108
38. Pengaruh <i>Corporate Governance</i> dan Konsentrasi Kepemilikan terhadap Daya Informasi Akuntansi	109
39. Hubungan antara <i>Growth Opportunity</i> dengan <i>Debt Maturity</i> dan Kebijakan <i>Leverage</i> serta Fungsi <i>Covenant</i> dalam Mengontrol Konflik Keagenan antara <i>Shareholders</i> dengan <i>Debt holders</i> "	110

AKSR (AKUNTANSI SYARIAH)

40. Kinerja Akuntansi dan Kinerja Pasar Modal pada Perusahaan-Perusahaan dalam <i>Jakarta Islamic Index</i>	112
41. Pengaruh Penerbitan Obligasi Syariah (Sukuk) Perusahaan terhadap Reaksi Pasar (Survey terhadap perusahaan - perusahaan yang menerbitkan obligasi syariah dan terdaftar di Bursa Efek Indonesia tahun 2002-2009).....	113
42. Analisis Pengaruh <i>Dividen Payout Ratio</i> dan <i>Capital Structure</i> terhadap Beta Saham: Studi pada Saham Syariah dan Nonsyariah Perusahaan Nonkeuangan di Bursa Efek Indonesia	114
43. Islam dan Tanggung Jawab Sosial: Studi Perbandingan Pengungkapan Berdasarkan <i>Global Reporting Initiative</i> dan <i>Islamic Social Reporting</i> Indeks	115

44. Faktor-Faktor yang Mempengaruhi Jumlah Penghimpunan Dana Pihak Ketiga (Deposito Mudharabah 1 Bulan) Bank Muamalat Indonesia (BMI)..... 116

ASP (AKUNTANSI SEKTOR PUBLIK)

45. Dampak Desentralisasi Fiskal terhadap *Outcomes* Bidang Kesehatan: Studi Empiris di Kabupaten/Kota Propinsi Sumatera Barat 118
46. Nilai Relevan Informasi Laporan Keuangan Terkait *Financial Distress* Pemerintah Daerah 119
47. Kepercayaan dan Implementasi Peraturan Perundang-Undangan Penyusunan dan Pengelolaan Keuangan Daerah di Kabupaten Batang 120
48. Pengaruh Kapasitas Sumber Daya Manusia, Politik Penganggaran, Perencanaan dan Informasi Pendukung terhadap Sinkronisasi Dokumen APBD dengan Dokumen KUA-PPAS di Lingkungan Pemerintah Kota Tanjungpinang 121
49. Apakah Incumbent Memanfaatkan Anggaran Pendapatan dan Belanja Daerah (APBD) Untuk Mencalonkan Kembali Dalam Pemilihan Umum Kepala Daerah (Pemilukada) 122
50. Implementasi Sistem Pengukuran Kinerja Satuan Kerja Perangkat Daerah (SKPD) di Kota Bengkulu..... 123
51. Pengaruh Faktor Keperilakuan Organisasi terhadap Kegunaan Sistem Akuntansi Keuangan Daerah di Subosukawonosraten 124
52. Determinasi Hubungan Pengetahuan Dewan tentang Anggaran dengan Pengawasan Dewan pada Keuangan Daerah (APBD) (Studi Empiris pada DPRD Se-Karesidenan Kedu)..... 125
53. Analisis Faktor-Faktor yang Mempengaruhi Kualitas Hasil Audit di Lingkungan Pemerintah Daerah 126
54. Pengaruh *Moral Reasoning* dan Skeptisisme Profesional Auditor Pemerintah terhadap Kualitas Audit Laporan Keuangan Pemerintah Daerah 127
55. Studi Eksploratif terhadap Laporan Hasil Pemeriksaan atas Laporan Keuangan Kabupaten/Kota yang Memperoleh Opini Wajar dengan Pengecualian Menggunakan *Content Analysis*..... 128
56. Pengaruh Independensi, Gaya Kepemimpinan, Komitmen Organisasi, dan Pemahaman Good Governance terhadap Kinerja Auditor Pemerintah (Studi pada Auditor Pemerintah di BPKP Perwakilan Bengkulu) 129
57. Pengaruh Sumber Daya Manusia dan Pemanfaatan Teknologi Informasi terhadap Keterandalan dan Ketepatanwaktuan Pelaporan Keuangan Pemerintah Daerah dengan Variabel Intervening Pengendalian Intern Akuntansi (Studi Empiris di PEMDA Subosukawonosraten) 130
58. Kebutuhan Investor dan Kreditor Atas Informasi dalam Pelaporan Keuangan Pemerintah Daerah 131

SNA XIII

Symposium Nasional Akuntansi XIII Purwokerto 2010
Universitas Jenderal Soedirman Purwokerto
www.sna13purwokerto.com

59. Identifikasi Faktor-Faktor Penyebab Terjadinya Keterlambatan dalam Penyusunan APBD (Studi Kasus Kabupaten Rejang Lebong Tahun Anggaran 2008-2010) 132
60. Analisis Pengaruh Lingkungan Strategi, Budaya, dan Perencanaan Strategi terhadap Kinerja Perusahaan Daerah (Studi Kasus Perusahaan Daerah Air Minum (PDAM) di Sulawesi Selatan) 133

AUD (AUDITING)

61. Mengapa Perusahaan Manufaktur yang Terdaftar di BEI Melakukan Pergantian Kantor Akuntan Publik 135
62. Pengaruh Tenor Kantor Akuntan Publik (KAP) dan Reputasi KAP terhadap Kualitas Audit: Kasus Rotasi Wajib Auditor di Indonesia 136
63. Analisis Empiris Pergantian Kantor Akuntan Publik Setelah Ada Kewajiban Rotasi Audit 137
64. Analisis Faktor yang Mempengaruhi Job Satisfaction Auditor dan Hubungannya dengan Performance dan Keinginan Berpindah Kerja Auditor (Perbandingan Pada KAP Besar, KAP Menengah, dan KAP Kecil)..... 138
65. Analisis Penerimaan Auditor atas *Dysfunctional Audit Behavior*: Sebuah Pendekatan Karakteristik Personal Auditor 139
66. Pengaruh Tekanan Waktu dan Tindakan Supervisi terhadap Penghentian Prematur atas Prosedur Audit 140
67. Faktor Nonkeuangan pada Opini *Going Concern* 141
68. Pengaruh Independensi, Pengalaman, *Due Professional Care* dan Akuntabilitas terhadap Kualitas Audit (Studi pada Auditor di KAP "Big Four" di Indonesia) 142
69. Manajemen Laba Riil dan Berbasis Akrua: Dapatkah Auditor yang Berkualitas Mendeteksinya 143
70. Analisis Penggunaan Benford's Law dalam Perencanaan Audit pada Direktorat Jenderal Bea dan Cukai 144

PAK (PENDIDIKAN AKUNTANSI)

71. Kajian tentang Pengaruh Pengembangan Kurikulum Akuntansi terhadap Kompetensi Lulusan Program Studi Akuntansi (Penelitian pada Auditor Junior Kantor Akuntan Publik di Jakarta)..... 146
72. Pengaruh Pendidikan Tinggi Akuntansi terhadap Kecerdasan Emosional dengan On-The Job Training Sebagai Variabel Moderating 147
73. Pengaruh Pelatihan Logika terhadap Pertimbangan Audit (Sebuah Kuasi Eksperimen)..... 148
74. Analisis Tingkat Pemahaman Mahasiswa Akuntansi terhadap Konsep Dasar Akuntansi (Studi Empiris Pada Mahasiswa Akuntansi S1 Uin Suska Riau yang Berasal Dari Latar Belakang Sekolah Menengah yang Berbeda)..... 149

75. Komitmen Organisasional pada Dosen Akuntansi di Jawa Tengah	150
76. Pengaruh Ketersediaan Sarana Pendidikan dan Kecerdasan Emosional terhadap Tingkat Pemahaman IFRS dengan Minat sebagai Variabel Moderating di Fakultas Ekonomi UNSOED.....	151
77. Analisis Faktor-Faktor yang Mempengaruhi Minat untuk Mengikuti Program Pendidikan Profesi Akuntansi (PPAk) (Survey pada Mahasiswa dan Alumni Program Studi S1 Universitas X Bandung)	152

PPJK (PERPAJAKAN)

78. Penggunaan Komponen-Komponen Pembentuk Pajak Tangguhan dalam Mendeteksi Manajemen Laba: Sebuah Pendekatan Baru di Indonesia	154
79. Manajemen Laba sebagai Respon Atas Perubahan Tarif Pajak Penghasilan Badan di Indonesia	155
80. Faktor-Faktor yang Mempengaruhi Kemauan untuk Membayar Pajak Wajib Pajak Orang Pribadi yang Melakukan Pekerjaan Bebas (Studi Kasus pada KPP Pratama Gambir Tiga)	156
81. Pengaruh Book-Tax Differences terhadap Peringkat Obligasi di Pasar Kredit Indonesia.....	157
82. Konservatisme Akuntansi dan Sengketa Pajak Penghasilan: Suatu Investigasi Empiris.....	158
83. Karakteristik Kepemilikan Perusahaan, <i>Corporate Governance</i> , dan Tindakan Pajak Agresif.....	159

SIA (SISTEM INFORMASI AKUNTANSI)

84. Adaptasi Model <i>Delone & Mclean</i> yang Dimodifikasi Guna Menguji Keberhasilan Implementasi Software Akuntansi Bagi Individu Pengguna: Studi Empiris pada Perusahaan dalam Industri Barang Konsumsi yang Terdaftar di BEI.....	161
85. Pengelolaan Knowledge Management Capability dalam Memediasi Dukungan Information Technology Relatedness terhadap Kinerja Perusahaan: Pendekatan Reflective Second Order Factor (Penelitian terhadap Perusahaan Perbankan di Jawa Tengah)	162
86. Faktor-Faktor yang Mempengaruhi Pengendalian Diri Akuntan dan Pengaruhnya Kepada Kekhawatiran Persepsian melalui Risiko Persepsian Akuntan dalam Situs Jejaring Sosial	163
87. Pemrediksian Peningkatan Manfaat Penggunaan Situs Pajak: Model Kesuksesan Sistem dengan Pengindusian Orientasi Tujuan Pembelajaran dan Norma Subyektif	164

ARTIKEL KUANTITATIF-INTERNASIONAL

AKMEN (AKUNTANSI MANAJEMEN)

88. Corporate Control and Firm Performance: Does the Type of Owners Matter? 167
89. The Impact of Target Setting on Managerial Motivation and Performance..... 168

AKPM (AKUNTANSI KEUANGAN DAN PASAR MODAL)

90. Strategic Disclosure of Multiple Benchmarks in Earnings Announcements: An Experimental Study of Investors' Behavior in Evaluating of Company Performance 170
91. The Effect of Degree Of Convergence to IFRS and Governance System to Accounting Conservatism: Evidence From Asia 171
92. The Preliminary Study of Accounting Professional's Perceptions towards IFRS Implementation in Indonesia 172

ASP (AKUNTANSI SEKTOR PUBLIK)

93. The Analysis of Entrepreneurial Leader on Local Government Performance..... 174

AUD (AUDITING)

94. The Presence of Earnings Manipulation Incentive as a Prerequisite for the Benefits of Higher-Quality Audit to be Realized: The Case of Indonesia 176

ARTIKEL KUALITATIF NASIONAL

AKMEN (AKUNTANSI MANAJEMEN)

95. Konstruksi Sosial Pengukur Kinerja Entitas Bisnis: Studi Kasus UKM di Kudus 179
96. Pengaruh Budaya dan Sosial Politik terhadap Tampilan Situs Laporan Pertanggungjawaban Sosial Perusahaan: Studi Perbandingan Perusahaan Migas Indonesia dan Perusahaan Migas Amerika Serikat. 180

AKPM (AKUNTANSI KEUANGAN DAN PASAR MODAL)

97. Tafsir "Keuntungan" bagi Profesi Dokter dengan Pendekatan Hermeneutika Intensionalisme 182

AKSR (AKUNTANSI SYARIAH)

98. Zakat terhadap Aktiva Konsepsi, Aplikasi, dan Perlakuan Akuntansi' 184

99. Akuntansi Syariah: Tinjauan Kritis Penyajian Zakat (UU No. 38/1999) dalam Pajak Penghasilan Orang Pribadi (UU No. 17/2000).....	185
100. Reformulasi Akad Pembiayaan Murabahah dengan Sistem Musyarakah sebagai Inovasi Produk Perbankan Syariah.....	186
101. <i>The Bottom Line</i>	187
102. Penguatan Sharia Governance melalui Reformasi Akuntansi.....	188
ASP (AKUNTANSI SEKTOR PUBLIK)	
103. Studi Fenomenologi Akuntabilitas Non-Governmental Organization	190
104. Menguak Fenomena Penolakan Pembangunan dengan Daerah Dana Anggaran Pendapatan dan Belanja Daerah (APBD): Sebuah Studi Interpretif.....	191
PAK (PENDIDIKAN AKUNTANSI)	
105. Metamorfosis Kesadaran Etis Holistik Mahasiswa Akuntansi Implementasi Pembelajaran Etika Bisnis dan Profesi Berbasis Integrasi IESQ	193
106. Tafsir Ujian Komprehensif Menurut Civitas Akademik Universitas Trunojoyo Studi Interpretif)	194
107. Tafsir Perilaku Etis Menurut Mahasiswa Akuntansi Berbasis Gender	195
108. Pemetaan Perilaku Mahasiswa Ekonomi Ditinjau dari Perspektif Etika Teleologi (Studi Intepretif).....	196
ARTIKEL KUALITATIF-INTERNASIONAL	
AKPM (AKUNTANSI KEUANGAN DAN PASAR MODAL)	
109. Financial Reporting Practice as a Ritual: Understanding Accounting within Institutional Framework	199
INFORMASI KOTA PURWOKERTO.....	202
PANITIA SIMPOSIUM NASIONAL	
AKUNTANSI XIII	211
PENDUKUNG ACARA.....	214

**THE IMPACT OF TARGET SETTING
ON MANAGERIAL MOTIVATION AND PERFORMANCE**

By :

Amalia Rachma Sari
Universitas Islam Sultan Agung, Semarang
amaliarachmasari@gmail.com

Muhammad Ja'far S.
Universitas Islam Sultan Agung , Semarang
mjafarsyah@yahoo.com

ABSTRACT

This research has done examining managerial perceptions of the relationship between target setting system (TSS) and managers' attitudes and behavior. On the basis of the Expectancy-Valence (E-V) theory of motivation, a model is developed and a number of propositions are advanced about the interactive effect of participation, target attainability, target specificity and commitment on managerial motivation and performance. We set this research by using a partial least squares (PLS) methodology, there are 47 samples, was collected directly and used clustered random sampling. The perceptions of 47 middle managers in a Central Java manufacturing companies are analysed. The results partially support the model. They show that participation tends to affect the perceived commitment to the targets directly, through the perceived commitment tends to managers' performance. Target specificity has a significant influence to be attainable for setting the targets, however, target attainability doesn't have a significant influence on managers' motivation and subsequent performance. Further, managerial perceptions of the specificity and attainability of targets appear, not to contribute to target commitment, which have a negative effect on managers' performance. Overall, the study's findings are different from the consistence of conclusions of goal setting theory about the motivational potential to be attainable on performance targets. However, as well as with the literature on the participation in the target setting process has important implications for the way targets are set within the performance measurement, evaluation and reward system (PMERS).

Key word : middle management motivation, incentives, target setting, performance.

INTRODUCTION

Background

Management control theory prescribes that the motivational impact of any incentive scheme for middle managers depends largely on the correlation of the ex-post measurement and evaluation of managerial performance with a desirable reward carries some value for managers (Hopwood, 1976; Otley, 1987; Kominis and Emmanuel, 2007). Within agency theory, the conflict of interests and goals between the self-interested middle managers and the organisation is considered to be bridged through performance-related contracts (Baiman, 1982, 1990). That is tightly fastened systems of performance measures, which identify the scopes that are essential for the organisation's success , such as targets, which define the organisationally desirable level of achievement in all these essential parts ; and rewards, which are expected to stimulate managers' motivation and performance.

However, we see (Locke et al., 1988; Locke and Latham, 1990) argue that there is a different argument that the majority of people are innately goal-oriented, even when target achievement is not linked with monetary rewards, widely spread in the organisational behavior literature, this is based on the fundamental premise may serve as an external standard against which personal success is judged (Merchant, 1989), it means that through which the individual's conscious intentions are channelled and motivation is activated (Latham and Yukl, 1975).

There is an extant literature on the impact of target setting on managerial behavior which has concentrated mainly on three issues. One of research has looked into the effects of target specificity, which is specific to the targets (Latham and Yukl, 1975) ; another has been focused by (Hofstede, 1967; Hopwood, 1976) on the impact of target difficulty, while a third one has examined the role of participation in the target setting process (Hopwood, 1973; Brownell, 1982; Lau et al., 1997). The empirical results on the relationships between these

variables and managerial motivation and performance remain inconclusive (Brownell and McInnes, 1986; Dunk, 1989). Integration of the fragmented literature and examining the whole network of direct and indirect relationships among these variables has been recognised (Merchant, 1981; Shields et al., 2000). These results can be important for company maturation (especially in strategy development for middle managers, while the production area is the most managers here).

Problem Formula and Research Goals

Comparing the definitions of motivation and commitment reveals an obvious similarity. Both have been described as energizing forces with implications for behavior. However, that (Pinder, 1998) described motivation is a set of energizing forces. Also, that (Meyer, 2001; Herscovitch, 2001) defined commitment as a force that binds an individual to a course of action. This implies that motivation is a broader concept than commitment and that commitment is one among a set of energizing forces that contributes to motivated behavior. On the linking of managerial perception on motivation and performance, a statement (Baiman, 1982, 1990) that the relationship of middle managers and the organisation is in conflict, that's not in seriously management control, the accomplishment of targets can't be setting. Whereas, the need to focus on three views in participating of managers' on designing the change development, specify these targets effectively, and getting strategy scope to accomplish them. In this era, some companies tries to be aware in obtaining their target largely, these are managerial behavior and their decision can act as a bridge for. Thus, based on that statement, the research questions we explain are:

1. Is participation occurring a significant effect on the perception of target specificity, while through this perception has a positive relationship with motivation?
2. Is participation occurring a significant effect on the perceived target as attainable, while through this perception has a positive relationship with motivation?

3. Is participation occurring a significant effect on motivation directly?
4. Does participation have positive effect on perceived target to commit directly?
5. Do both the perceptions of target specificity and target obtaining to be attainable occur the significant effect on target commitment, through this perception can affect the managers' motivation and performance?
6. Can it be predicted that the perceived specificity to target have a positive effect on the perceived attainability to target?
7. Can it be predicted that the managers' motivation have a positive effect on the managers' perception to perform well?

Based on that background and problem formula, The purpose of this paper are:

1. To examine participation is occurring a significant effect on the perception of target specificity, while through this perception has a positive relationship with motivation.
2. To explore participation is occurring a significant effect on the perceived target as attainable, while through this perception has a positive relationship with motivation.
3. To examine how significant participation is occurring an effect on motivation directly.
4. To explore participation have a positive effect on perceived target to commit directly.
5. To examine both the perceptions of target specificity and target obtaining to be attainable occur the significant effect on target commitment, through this perception can affect the managers' motivation and performance.
6. To examine prediction of the perceived specificity to target have a positive effect on the perceived attainability to target.
7. To examine prediction of the managers' motivation have a positive effect on the managers' perception to perform well.

Also, this is to report the findings of an empirical study aimed at filling these gaps in the existing literature. A model the interactive effect of participation, target attainability,

target specificity on managers' commitment, motivation and performance is developed from previous management control and organisational behavior research. A partial least squares methodology is used to test the propositions derived from the model with data gathered from 47 middle managers in a Central Java manufacturing companies.

The findings are then reported, followed by a final section which discusses issues for future research relative to the theoretical model of the study.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Motivation

E-V theory (Emmanuel et al., 2008) provides a conceptualisation of the motivation process. The theory is essentially a behavioral version of the rational choice model in economic decision making which predicts that individuals always act to optimise the expected value (or valence) of the rewards that they expect to receive. In its simplest form (see, for instance, Lawler and Porter, 1967; Snead 1991), E-V states that an individual's motivation (M) to pursue an action is a positive monotonic function of

- i) the valence (perceived value) of an outcome, and
- ii) the expectancy (perceived probability) of achieving that outcome.

Higher motivation (M) is thus associated with greater perceived values for the various rewards in one's job (V), and greater perceived likelihoods that effort will lead to these rewards ($E \rightarrow R$) (Kren, 1990). $M = f [V (E \rightarrow R)]$ (1) (Emmanuel et al., 2008).

Target Setting and Managerial Motivation

A concept of target setting revolves around two central issues (Otley, 1999) from a motivational point of view, the concept : what type of targets, and what process of setting these targets, are likely to maximise the impact on managerial motivation.

Target Specificity

Target specificity refers to set aside to which the targets setting are specific and clear, so that they are understood by those responsible for meeting them (Emmanuel et al., 2008). Locke's Goal-Setting theory holds that specific and clear goals indicate behavior and result in greater effort (that is, higher levels of motivation) than do more general goals (Locke et al., 1988; Locke and Latham, 1990). According to Steers and Porter (1974) setting the specific targets can serve to focus attention and effort, then lead to improve task performance. The setting of a target that is specific leads to increase the motivation and performance because it makes clear to the individual what to do (Latham and Baldes, 1975). The basic motivational view on the setting of specific targets is that effort (to perform) is increased by providing individuals with clear targets toward which to direct their energies. In contrast, Emmanuel et al.(2008) stated that ambiguously stated, open-ended exhortations to 'do your best' are not usually desirable, as they can lead to confusion, tension and dissatisfaction, and reduce motivation.

The expectancy-valence framework, giving a manager a set of targets that are clear, explicit and specific in nature increases the knowledge of what is expected on the job, and theoretically reduces the unnecessary search for job-relevant behaviors in the work setting (Emmanuel et al., 2008). This interpretation assumes that specific targets, through such cognitive mediators as increased effort and appropriate perceptions of one's role in the work setting, indicate behavioral objectives around which instrumental behavior is organised well and motivational force is maximised (Salancik, 1977).

There is very little evidence of the effect of target specificity on motivation (Steers, 1975). Reviews of the limited literature in the scope of organisational psychology, however, indicate that laboratory, field and correlational studies provide consistence of evidence that target specificity tends to result improving performance (Locke et al., 1981). Besides, several

research studies have provided evidence of a positive effect of target specificity on target commitment and target achievement (Latham and Yukl, 1975; Steers, 1976).

Perceived target specificity is hypothesised in this study to have a positive effect on managers' motivation (H1) and their commitment to the target (H2), through these variables, an effect on managers' performance (H3 and H4). In addition, target specificity is predicted to affect managers' perception about the attainability of targets (H5).

Target Attainability

Emmanuel et al. (2008) rightly emphasises that "if we accept that the setting of targets can increase (managerial) motivation, we must then consider at what level of difficulty the targets should be set" (p.628). Targets may range from very loose and easily attainable to very tight and unattainable. Easily attainable targets are failed to present a challenge to managers, therefore, are unlikely to have any significant motivational impact (Kenis, 1979). The basic theoretical content that increasing target difficulty increases the perceived challenge of a goal, which increase the amount of efforts for target achievement (Steers and Porter, 1974).

Based on E-V theory (Vroom, 1964), targets that are objectively very difficult to obtain, or perceived as such, are likely to be associated with low ($E \rightarrow R$) expectancies that task behaviors will lead to desirable consequences with relatively low levels of motivation and performance (Motowildo et al., 1978). If, however, the target is perceived as virtually impossible to obtain, it is likely to be perceived as unrealistic and unfair, leading those responsible for attaining it either to give up pursuing it (motivation loss), or even compensate for the perceived unfairness of the target by deliberately distorting the PMERS in order to make it appear as if the target has been met (dysfunctional behavior) (Emmanuel et al., 2008). The latter indicates also that target commitment varies inversely as a consequence of target attainability (Motowildo et al., 1978). Latham and Yukl (1975) argue that the manager's

perception that the goal is reasonable to influence target commitment. When targets are perceived as difficult, that is accepted by the managers as their own targets. For motivational purposes, targets should be tight but attainable. Research on the impact of target attainability on motivation and performance has failed to provide clear evidence. Blumenfeld and Leidy (1969) and Tosi (1970) also found a positive relationship between perceived target attainability and managers' performance. On the other hand, however, have failed to provide the evidence of the positive effects of target attainability on either motivation or performance (Steers, 1975). Reviews of the empirical, mainly experimental, research in the area of organisational psychology (Locke et al., 1981) report strong evidence of a positive relationship between perceived goal difficulty and task performance. With regard to the relationship between target attainability and target commitment, a number of studies have argued from an expectancy theory point of view that one's choices are influenced by one's perceived chances of performing well on a task (Vroom, 1964; Dachler and Mobley, 1973), and have found that target commitment is likely to decline as the target becomes more objectively difficult, and / or as the person's perceived chances of reaching it decline (Emmanuel et al., 2008). These results aren't always replicated by subsequent study. In this study, the perceived attainability of targets is predicted to have a positive effect on managerial motivation (H6) and on managerial commitment to the targets (H7), through these, an indirect effect on managers' performance (H3 and H4).

Participation in Target Setting

Target participation refers to the extent to which managers are allowed the opportunity to influence the targets within the targets setting process (Kenis, 1979). Early theoretical literature in management control has proposed that participation enhances managerial performance through managerial motivation. This is based on the assumption that participation encourages managers to identify with the targets and their achievement

(Dunbar, 1971; Erez et al., 1985). Mia (1989) argues that a participative target setting process has the potential to increase managers' feelings of 'ownership' of the targets, and the personal responsibility they feel to achieve them. In this way, (Emmanuel et al., 2008) participation can facilitate the 'internalisation' of the established targets and maximise their motivational impact. When a manager is allowed to play a central role in the determination of task goals, s/he may place a higher intrinsic value on goal attainment. Assuming constant expectancies, participation should increase a manager's valence for potential rewards and lead to increased effort.

Apart from its effect on motivation through valence, participation in the target setting process is also seen to reinforce the manager's perceived expectancy in at least two ways. First, due to the increased information exchange associated with participatively set targets, participation helps managers achieve and process more information about the tasks they have to perform, and specify clearer the targets that they have to accomplish (Hopwood, 1976; Galbraith, 1977). Second, participation provides managers with an opportunity to negotiate targets that are more attainable than would be set without participation, by increasing the probability perceptions that effort expenditure will result in the expected outcomes (Brownell and McInnes, 1986).

On the empirical level, the findings regarding the alleged benefits of participation is mixed. A number of studies have indicated a positive relationship between participation and motivation (Vroom, 1964; Hofstede, 1967; Merchant, 1981), while others have failed to find any significant relationship between the two variables (Brownell, 1983; Brownell and McInnes, 1986). The evidence about the effect participation has been on target commitment is also equivocal. Although most of the early research failed to detect significant differences in target commitment when targets are set participatively (Latham and Yukl, 1976; Latham et al., 1978; Latham and Saari, 1979; Latham and Marshall, 1982; Latham et al., 1982; Latham

and Steele, 1983), there is some experimental evidence indicating an effect of participation on target commitment (Emmanuel et al., 2008). Both reviews of the participation literature in general (Locke and Sweiger, 1979; Locke et al., 1980), reviews of participation in target setting in particular (Latham and Yukl, 1975; Latham and Lee, 1986), as well as relevant analysis (Tubbs, 1986; Mento et al., 1987).

Participation in this study is hypothesised to have a positive effect on the perceived specificity of targets (H8) and the perceived attainability of targets (H9), through these perceptions, an effect on managers' motivation (H10) and their commitment to the targets (H11).

Target Commitment

Locke et al. (1988) stated that the motivational effectiveness of targets presupposes the existence of target commitment, without managerial commitment to targets, target setting is likely to have little impact on managerial motivation and performance (Locke, 1968; Latham and Yukl, 1975; Locke and Latham, 1984). Based on Steers and Porter (1974), target commitment represents the degree to which a subject agrees with and accepts his task targets in preference to other potential targets. Instead, it includes a strong positive attitude toward the targets which may be likened to target ownership. Target commitment (Emmanuel et al., 2008) is viewed in terms of a congruence between assigned task targets and individual aspiration level with respect to these targets.

Vroom (1960) manages that participation has the potential to increase ego involvement in task outcomes on the part of the managers involved, and increasing the perceived ownership of the targets and their acceptance. According to Emmanuel et al. (2008), participation serves to adjust personal aspiration level toward that of the task targets and presumably such target commitment leads to greater effort and performance. From an E-V theory point of view, individuals are more likely to accept or choose a fixed target when they

have high rather than low expectations of obtaining it (Mento et al., 1980). It is therefore reasonable to expect a positive relationship between the perceived attainability of a target and managers' commitment to this target. Further, the perceived specificity of targets is seen as a prerequisite for target commitment, without target specificity it may be difficult for the manager to process the probability of reaching the target and decide whether to commit to it or not.

There is sufficient evidence to suggest that target commitment and performance are strongly related (Locke et al., 1984; Erez and Zidon, 1984; Earley, 1985; Earley and Kanfer, 1985; Erez et al., 1985; Erez, 1986), therefore, that is why the empirical facts of target commitment is inconclusive. A number of experimental research, however, have failed to identify any relationship between target commitment and performance (Oldham, 1975; Frost and Mahoney, 1976; London and Oldham, 1976; Organ, 1977; Ivancevich & McMahan, 1977; Latham et al., 1978; Yukl and Latham, 1978; Dossett et al., 1979; Latham and Saari, 1979a, 1979b; Mento et al., 1980). Positive relationships between target commitment and motivation (H12), and target commitment and performance (H4) are predicted in this study.

Managerial Motivation and Performance

In general, managers who are highly motivated are much more likely to be high performers is widespread both in the management control and in the organisational psychology literature. Lawler (1994) and Buchanan and Huczynski (1997) maintain that, although a variety of idiosyncratic factors (such as the individual's abilities, skills, personal traits and understanding of his role), as well as a number of situational and environmental parameters (for example, the size, structure and culture of the organisation, the management, control, and leadership systems and styles in place) exert some effects on the way individuals perform in the organisational setting, motivation still seems to be the single most important determinant of individual job performance. Merchant (1989) adds another dimension in the

importance of motivation at the middle management level. He argues that particularly in the context of the contemporary multidivisional decentralised company, the considerable distance between the organisation's top- and lower-level management, and the consequent information asymmetry, makes direct monitoring of the actions of middle-level managers expensive and, occasionally, infeasible. In this context, any attempt on the part of top management to control and increase the middle manager's effectiveness is likely to be indirect, aiming mainly at an increase in motivation.

Comparable results can be found in the organisational behavior literature (Lawler and Porter, 1967; Porter and Lawler, 1968; Lawler and Suttle, 1973). In this research, a positive relationship is predicted between managerial motivation and performance (H13). This review of the literature on target setting attempts to uncover the processual determinants of managerial motivation utilising both the organisational psychology and the management control systems literatures. The relationships are complex, (Emmanuel et al., 2008) interactive and dynamic (an aspect this study cannot address, being limited by a specific time frame). Nevertheless, an inclusive approach is taken in that target setting perceptions of specificity and attainability, the adoption of participation, and target commitment are admitted and specifically addressed simultaneously.

The model shown in (Figure 1), illustrating the positive effects or relationships between these variables, is tested by data from middle managers of a Central Java manufacturing companies in the subsequent sections.

Based on that explanation above, the hypotheses can be described below:

Hypothesis 1 : there is a significant influence of the targets are specified and managerial motivation.

Hypothesis 2 : there is a significant influence of the targets are specified and managerial perception to commit.

- Hypothesis 3 : it is predicted of the relationship between managers' motivation and managers' effort to perform.*
- Hypothesis 4 : a positive effect of target commitment toward managerial performance.*
- Hypothesis 5 : there is a positive relationship between target specificity and attainability directly.*
- Hypothesis 6 : there is a positive relationship between target attainability and the perceived motivational of managers directly.*
- Hypothesis 7 : there is a positive relationship between target attainability and the perceived target of managers' commitment.*
- Hypothesis 8 : a significant effect of participating in target toward the target specificity.*
- Hypothesis 9 : a significant effect of participating in targets toward the target attainability.*
- Hypothesis 10 : there is a positive relationship between participating in targets and the perceived motivational of managers directly.*
- Hypothesis 11 : a significant effect of participating in targets toward the target commitment.*
- Hypothesis 12 : through this perception above (participation and commitment), it is predicted that can affect of managerial motivation.*

RESEARCH METHOD

Sample

Data for the study are collected by means of an analytic questionnaire administered to a sample of middle managers in a Central Java manufacturing companies. The questionnaire was written in Indonesian language then, translated to analyze the results into English (see Attachment 1). Requests for involvement came from the human resource department of the enterprise after an initial approach from the research team and in total 130 questionnaires were distributed in July 2010. In order to be eligible, all managers were subject to the same PMERS, held their current positions for at least 2 years and were classed as middle managers. In total, 47 completed responses were received by the researchers and those provided fully

completed questionnaires, giving a response rate of 37%. (Table 1 presents some demographics of the sample of the study).

Variable Measurement

All variables in the questionnaire are measured by instruments previously developed and tested in practice, the study's construct validity and its comparability with previous research.

Independent Variables

The long tradition in expectancy theory research concerning the collection of data on personal beliefs, preferences and estimations (Hackman and Porter, 1968; Matsui and Ikeda, 1976), all the independent variables in the study are measured through a self-reported questionnaire. The questionnaire requires managers to indicate their personal judgements regarding specific features of the target setting process related to i) the specificity of performance targets, ii) the attainability of performance targets, iii) the level of participation in target setting (Rensis Likert, 1961), and iv) their level of commitment to the performance targets (developed by Ganesan et al., 1996). (Emmanuel et al., 2008) Scores for these four variables are obtained by having respondents rate on a five-point, verbally anchored response scale, ranging from 'very disagree' (1) to 'very agree' (5), how agree (Emmanuel et al., 2008) they felt that

- the performance targets they were required to achieve were clearly stated and defined
- the performance targets they were required to achieve were attainable
- they contributed to the setting of the targets of performance they were required to achieve
- they could commit to the performance targets established within the PMERS

Dependent Variables

Managerial motivation is regarded throughout E-V research as being most directly reflected in the manager's effort, which most closely corresponds to the motivational component that is presumed to affect performance (Emmanuel et al., 2008). To measure motivation, the Hackman and Porter (1968) three-dimension self rating scale was used, which requires each respondent to rate on a five-point, verbally anchored response scale of 'not a lot' (1) to 'very much' (5), the amount of effort put into, the enthusiasm for, and the importance of job responsibility to others with similar management duties in the organisation.

Then, in the second part of the questionnaire, the seven-item self-rating measure developed by Heneman (1974) is employed in a five-point, Likert-scaled form to provide scores for managerial performance (P), whereas Emmanuel (2008) measured with four indicators from Heneman (1974). Each manager uses a verbally anchored response scale ranging from 'low' (1) to 'high' (5) to rate performance relative to others with similar management duties in the organisation (Emmanuel et al., 2008).

Further, Emmanuel et al., (2008) used of the Mahoney et al. (1963; 1965) research instrument is supported because a self-rating rather than a superior-rating measure is considered to overcome the problem of 'halo error', that is, the tendency to evaluate on only one cognitive dimension, which seems to occur with superiors' ratings (Nealy and Owen, 1970), the nine-dimensional structure of the measure captures the multidimensional structure of performance without introducing the problem of excessive dimensionality (Brownell, 1982). The eight performance dimensions of the instrument are behaviorally meaningful and applicable to managerial functions across organisations (Heneman, 1974), and previous research provides evidence of the measure's construct, criterion validity, and reliability (Penfield, 1974; Govindarajan, 1986).

RESULTS

SmartPLS 1.4.2, a latent variable path modeling software utilising a partial least squares (PLS) approach to structural equation model (SEM) estimation (Wold, 1982, 1985; Lohmoller, 1989), is used to test the causal model summarised in Figure 1. The PLS procedure has been gaining interest and use among social science researchers in recent years (Aubert et al., 1994; Compeau and Higgins 1995; Chin and Gopal 1995) because of its ability to model latent constructs under conditions of nonnormality and small to medium sample sizes. Being a components-based structural equations modeling technique, PLS is similar to regression, but simultaneously models the structural paths (that is, theoretical relationships among latent variables) and measurement paths (that is, relationships between a latent variable and its indicators). It is considered as more appropriate for the majority of the studies and data sets typically used in social science research, as it places much less restrictions on matters such as sample size and data distributions than covariance-based approaches (Chin and Newsted, 1999; Falk and Miller, 1992). More specifically, (Emmanuel et al., 2008) the PLS method has an advantage over the variance-covariance based structural equation modeling techniques in at least three aspects : since its iterative ordinary least squares (OLS) regression-like estimation proceeds block by block, it requires smaller sample size; it imposes less severe requirements about the distribution assumptions; and it allows for the use of both formative and reflective variables in the models it tests. Furthermore, the PLS algorithm allows each indicator to determine how much it contributes to the composite score of the latent variable (Chin et al., 1996). This assures that indicators with weaker relationships to related indicators and the latent construct are given lower weightings, which makes PLS preferable to techniques such as regression that assume error free measurement (Wold 1982, 1985, 1989; Emmanuel et al., 2008).

Measurement Model

An important step prior (Emmanuel et al., 2008) to evaluate the structural model is assessing the accuracy of the measurement model in terms of the individual item reliability, construct reliability, convergent and discriminant validity of the composite variables in the model (Bagozzi, 1994). The goals for the accuracy of the measurement model are to demonstrate that the measures used are valid and that they reflect the underlying theoretical constructs (Teigland and Wasko, 2003). The model presented in Figure 1 is essentially a MIMIC (multiple effect indicators for multiple causes) model (Tenenhaus et al., 2005), composed of four variables measured by one indicator (participation, target specificity, target attainability and commitment to targets) and two reflective variables (motivation and performance) measured by three and seven indicators respectively.

Individual item reliability is considered adequate when an item has a factor loading that is greater than 0.70 on its respective construct, which implies that more than 50 percent of the variance in the observed variable is shared with the construct (Chin, 1998). As shown (in Table 2), the factor loadings for the two reflective variables in the model, that is, managerial motivation and performance, exceed the 0.70 threshold providing evidence of satisfactory individual item reliability. The only exceptions are three indicators for performance (coordination, evaluation, and delegation) and one indicator for motivation (enthusiasm), which has nevertheless been included in the analysis because they satisfy the minimum standard for acceptable construct reliability (Dillon-Goldstein's $\rho > 0.7$) identified by Tenenhaus et al. (2005).

To assess (Emmanuel et al., 2008) the internal consistency of the two composite scales in the study, convergent and discriminant validity of the two composite constructs is assessed by the average variance extracted (AVE), which represents the average variance shared between a construct and its indicators (Fornell & Larcker, 1981). AVE greater than 0.50 indicates satisfactory convergent validity, whereas discriminant validity is assessed by cross-

loadings and comparisons of AVE to the variance shared between any two constructs. As shown (in Table 3), the AVE values for both the motivation and the performance measures are greater than the 0.5 cut-off point, indicating acceptable levels of convergent validity. Table 4 provides the PLS structural analysis and Figure 2 provides a diagrammatic representation of the significant structural paths in the proposed model (Figure 1). To evaluate the model, R^2 values are calculated for endogenous constructs. In addition, the predictive validity of the parameter estimates is assessed via a cross-validated redundancy index or so called Stone-Geisser Q^2 test (Geisser 1974; Stone 1974). PLS models lack an index that can provide the goodness of fit statistics as in variance-covariance based SEM-ML. Tenenhaus et al. (2005) and Vandenberg (1996) argue that next to the reliability and validity of constructs, the significance of the variance explained (R^2 values) and the sign of the redundancy indexes (Q^2 values) for all constructs provide an assessment of model fit. Interpreted like multiple regression results, the R^2 values indicate the amount of variance explained in each of the latent variables in the model (Chin, 1998). At first sight, all constructs appear to be significantly explained by at least one of the predicted antecedent variables. In more detail, the overall model explains 29% of the variance in managers' motivation and 84.5% of the variance in their performance. Moreover, the model explains 69.2% of the variance in managerial commitment to targets, 15.9% of the variance in managerial perceptions of target attainability and 4.2% of the variance in managerial perceptions of target specificity. The estimated path regression coefficients (see Table 6 and Figure 2) indicate the strength and the direction of the relationships among the specified latent variables. The PLS analysis shows support for hypothesis 8 and 9 about no effect of participation on the perceived specificity ($b=1.119$, $p<.05$, $t\text{-statistic}<1.96$) and attainability of targets ($b=0.974$, $p<.05$, $t\text{-statistic}<1.96$).

Support is found for hypothesis 5 that managers who perceive the targets to be specific are more likely to perceive these targets as attainable and ($b=1.662$, $p<.05$, $t\text{-statistic}>1.64$), in contrast, there is no evidence of managers who perceive the targets to be specific are more likely to perceive these targets commit to them by hypothesis 2 ($b=0.965$, $p<.05$, $t\text{-statistic}<1.96$). Hypothesis 10, no effect of participation on managers' motivation. However, contrary to expectations in hypothesis 11 about the positive effect of participation on their commitment to the targets is observed. In contrast, there is no evidence of a relationship between the perceived specificity of targets and managerial motivation as predicted by hypothesis 1. Hypothesis 6 and 7 that perceptions of target attainability result in lower levels of target commitment ($b=1.301$, $p<.05$) and managerial motivation ($b=1.3222$, $p<.05$) are confirmed. We find support for the positive effect of target commitment on managerial performance ($b=19.805$, $p<.05$) predicted by hypothesis 4 with the result in higher level, however the positive relationship between target commitment and managerial motivation proposed by hypothesis 12 is not supported. Finally, the evidence provides support to hypothesis 3 that managers who experience high levels of motivation aren't also likely to exhibit high job performance ($b=0.094$, $p<.05$).

CONCLUSION

The purpose of this study was to investigate the complex pattern of interrelationships among a number of characteristics of the target setting system which have been suggested by previous literature to affect managerial motivation and performance (Emmanuel et al., 2008). The results presented above principally underline the importance of participation for the commitment to targets and the performance impact. Managerial perceptions of specificity in particular appear necessary if targets are to be specified by managers and to be used to influence the perceived these targets as attainable. This finding is not consistent (Emmanuel

et al., 2008) with the conclusions of goal setting theory which contends that commitment to targets and increased motivation occur when targets are perceived to be moderately difficult, yet attainable. The perceived specificity of targets appears to be equally important, as it affects managers' effort to the targets as attainable directly. Overall, it appears that the setting of a target that is both specific and attainable is not likely to lead to increases in motivation and performance, there's no effect of both of them on managers' motivation and performance directly. The attainability of targets doesn't have important implications for the way performance targets are set within the PMERS. The results of this study indicate that the participation of managers in the target setting process can contribute to their perceptions to commit them. At the conceptual level therefore, the expectation of a positive relationship between target commitment and motivation is intuitively logical. Thus, it's failure to find empirical support for the commitment-motivation link may relate to the limitations of conducting a positive study in the field and the difficulty to observe how these variables change over time. In general, while considerable care was taken to collect valid and reliable data for this research, a number of limitations associated with the measurement of the variables need to be considered when interpreting the study's results.

Variables such as the target attainability and specificity, level of participation in the target setting process, and the managers' commitment to targets are effectively measured through a single questionnaire item in each case, making the assessment of the reliability of these measures problematic. In addition, although the questionnaire is deemed as an appropriate method to collect managerial perceptions, the present research suffers from the inherent threats to internal and external validity associated with the cross-sectional, survey-based research design adopted (Emmanuel et al., 2008)). The use of questionnaires for the collection of the data does not allow conclusions regarding the existence and direction of causality between the identified variables in the study, although the use of prior literature to

identify the variables and the causal paths in the proposed model provides substantive meaning to the hypothesised relationships. The small size of the sample and the fact that it comes from a single organisation in a Central Java manufacturing companies are potential threats to the study's population validity. On the other hand, the fact that all managers operated under the same PMERS and had on average under 5 years experience in their current position offers some assurance regarding the validity of the study's results.

Those limitations highlight several potential directions for future research. Future studies should refine the measurement of the variables explored in this research. Replicating the present study in different environmental and cultural settings, in different industry sectors, and over different time periods could also provide the confidence in the generalisability of the relationships identified in this research. Future research may also step the scope up the theoretical framework of target setting impact presented here by considering the direct and indirect effect to set aside the individual's characteristics (such as the individual's self-efficacy and locus of control). This will allow a better understanding of these variables and processes through, that the targets effect managerial motivation and performance.

REFERENCES

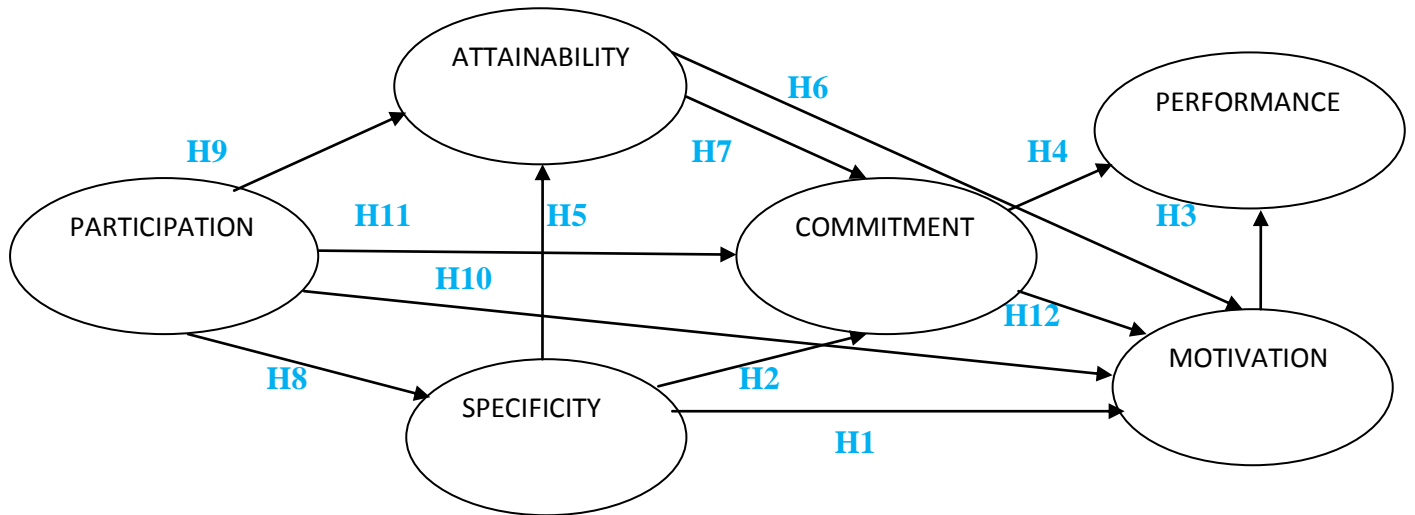
- Arvey, R.D and Dunnette, M.D. 1970. Task Performance as a Function of Perceived Effort-Performance and Performance-Reward Contingencies. Minneapolis: University of Minnesota, The Center for the Study of Organization Performance and Human Effectiveness. September, Technical Report No. 4003.
- Atkinson, J.W. 1964. An Introduction to Motivation. Princeton, New Jersey: Van Nostrand.
- Aubert, B.A., Rivard, S. And Party, M. 1994. Development of Measures to Assess Dimension of IS Operation Transactions, in DeGross, J.I., Huff, S.L. and Munro, M.C.(editors). Proceedings of the Fifteenth International Conference on Information Systems. Vancouver: British Columbia. pp.13-26.
- Baiman, S. 1982. Agency Research in Managerial Accounting: A Survey. Journal of Accounting Literature. Vol.1. pp. 154-213.
- _____. 1990. Agency Research in Managerial Accounting: A Second Look. Accounting Organization, Organization and Society. Vol.15. No.4. pp. 341-371.

- Barrett, R.S. 1963. Performance Suitability and Role Agreement: Two Factors Related to Attitudes. *Personnel Psychology*. Vol.16.pp. 345-357.
- Bassett, G.A. 1979. A Study of the Effects of Task Goal and Schedule Choice on Work Performance. *Organizational Behavior and Human Performance*. Vol. 24.pp 202-227.
- Becker, S.W. and Green, D. 1962. Budgeting and Employee Behavior. *Journal of Business*. pp.3-8.
- Blumenfeld, W.S. and Leidy, T.R. 1969. Effectiveness of Goal Setting as a Management Device: Research Note. *Psychological Reports*. June. pp. 752.
- Brownell, P. and McInnes, M. 1986. Budgetary Participation, Motivation, and Managerial Performance. *The Accounting Review*. Vol. 61. No.4. October. pp. 587-600.
- _____. 1982. The Role of Accounting Data in Performance Evaluation, Budgetary Participation and Organizational Effectiveness. *Journal of Accounting Research*. Vol. 20. No.1. Spring. pp. 12-27.
- _____. 1983. The Motivational Impact of Management-By-Exception in a Budgetary Context. *The Journal of Accounting Research*. pp. 456-472.
- Bryan, J.F., and Locke, E.A. 1967. Goal Setting as a Means of Increasing Motivation. *Journal of Applied Psychology*. Vol. 51. pp. 274-277.
- Buchanan, D. and Huczynski, A. 1997. *Organisational Behavior: An Introductory Text*. 3rd Edition. London : Prentice Hall.
- Chin, W.W. and Newsted, P.R. 1999. Structural Equation Modeling Analysis with Small Samples Using Partial Least Squares. in Hoyle, R. (Editor). *Statistical Strategies for Small Sample Research*. Sage Publications. pp. 307-341.
- Drury, C. 1996. *Management and Cost Accounting*. 4th Edition. London : International Thomson Business Press.
- Dunbar, R.L.M. 1971. Budgeting for Control. *Administrative Science Quarterly*. March. pp. 88-96.
- Earley, P.C. 1985. Influence of Information, Choice and Task Complexity upon Goal Acceptance, Performance, and Personal Goals. *Journal of Applied Psychology*. Vol. 70. pp. 481-491.
- Erez, M., Earley, P.C. and Hulin, C.L. 1985. The Impact of Participation on Goal Acceptance and Performance - A Two-Step Model. *Academy of Management Journal*. Vol. 28. pp. 50-66.
- Frost, P.J. and Mahoney, T.A. 1976. Goal Setting and the Task Process : An Interactive Influence on Individual Performance. *Organizational Behavior and Human Performance*. Vol. 17. pp. 328-350.
- Hackman, R.J. and Porter, L.W. 1968. Expectancy Theory Predictions of Work Effectiveness. *Organizational Behavior and Human Performance*. Vol. 3. pp. 417-426.
- Heneman, H.G., III 1974. Comparisons of Self and Superior Ratings of Managerial Performance. *Journal of Applied Psychology*. October. pp. 638-642.
- Hofstede, G.H. 1967. *The Game of Budget Control*. Van Gorcum.

- Hopwood, A.G. 1973. *An Accounting System and Managerial Behaviour*. Westmead, Farnborough, Hants : Saxon House Ltd.
- Kominis, G. and Emmanuel, C.R. 2007. *The Expectancy-Valence Theory Revisited : Developing an Extended Model of Managerial Motivation*. *Management Accounting Research*. Vol. 18. No. 1. March. pp. 49-75.
- Latham, G.P. and Lee, T.W. 1986. *Goal Setting*. in Locke, E.A. (Editor). *Generalizing from Laboratory to Field Settings*. pp. 101-117. Lexington, MA : Lexington Books.
- Lawler, E.E., III 1994. *Motivation in Work Organizations*. San Francisco : Jossey-Bass Inc., Publishers.
- Likert, R. 1961. *New Patterns in Management*. New York : McGraw-Hill.
- Locke, E.A. and Latham, G.P. 1984. *Goal Setting - A Motivational Technique that Works*. Englewood Cliffs, NJ : Prentice-Hall.
- _____. 1990. *A Theory of Goal Setting and Task Performance*. Englewood Cliffs, NJ : Prentice-Hall.
- Mahoney, T.A., Jerdee, T.H. and Carroll, S.J. 1965. *The Jobs of Management*. *Industrial Relations*. February. pp. 97-110.
- March, J.G. and Simon, H.A. 1958. *Organizations*. New York : Wiley.
- Matsui, T. and Ikeda, H. 1976. *Effectiveness of Self-Generated Outcomes for Improving Prediction in Expectancy Theory Research*. *Organizational Behavior and Human Performance*. Vol. 17. pp. 289-298.
- Otley, D.T. 1987. *Accounting Control and Organizational Behavior*. William Heinemann Ltd.
- Porter, L.W., Lawler, E.E., III and Hackman, J.R. 1975. *Behavior in Organizations*. New York : McGraw-Hill, Inc.
- Vroom, V.H. 1964. *Work and Motivation*. New York : John Wiley and Sons, Inc.
- Wold, H. 1982. *Soft Modeling - The Basic Design and Some Extensions*. in Jöreskog, K. and Wold, H. (Editors). *Systems Under Indirect Observation II*. Amsterdam: North-Holland Press. pp. 1-53.
- _____. 1989. *Introduction to the Second Generation of Multivariate Analysis*. in Wold, H. (Editor). *Theoretical Empiricism*. New York : Paragon House. pp. vii-xl.
- Yukl, G.A. and Latham, G.P. 1978. *Interrelationships among Employee Participation, Individual Differences, Goal Difficulty, Goal Acceptance, Goal Instrumentality, and Performance*. *Personnel Psychology*. Vol. 31. pp. 305-323.

APPENDIX

Figure 1: Framework for the Study



Attachment 1: Administered Questionnaire

DATA RESPONDEN

Nama : _____

Perusahaan/ Instansi : _____

Alamat Perusahaan/Instansi : _____

Lama Kerja : _____ tahun

Manajer Bagian : _____

Jenis Kelamin : _____

Pendidikan : D3/ S1/ S2/ S3 *)

*) harap lingkari yang perlu saja.

Dimohon untuk menjawab pernyataan di bawah ini dengan sejujur-jujurnya. Jika **sangat tidak setuju** maka beri tanda (√) pada kolom “1”, Jika **tidak setuju** maka beri tanda (√) pada kolom “2”, Jika **kurang setuju** maka beri tanda (√) pada kolom “3”, jika **setuju** maka beri tanda(√) pada kolom “4”, dan Jika **sangat setuju** maka beri tanda (√) pada kolom “5”.

➤ **PARTISIPASI MANAJERIAL**

No	Pernyataan	1	2	3	4	5
1.	ada informasi yang diberikan kepada karyawan baik tentang kondisi organisasi saat ini maupun rencana perubahan yang diusulkan.	1	2	3	4	5
2.	Ada sebagian informasi organisasi yang disampaikan namun tidak menyangkut tentang rencana perubahan, dan perubahan-perubahan organisasi terjadi secara tiba-tiba.	1	2	3	4	5
3.	Pemberitahuan singkat tentang usulan perubahan disampaikan segera sebelum perubahan dilaksanakan.	1	2	3	4	5
4.	Pemberitahuan singkat tentang usulan perubahan disampaikan segera sebelum perubahan dilaksanakan dengan alasan-alasan perubahan.	1	2	3	4	5
5.	Dibutuhkan laporan tentang karyawan yang menghadapi masalah dalam melaksanakan pekerjaan mereka.	1	2	3	4	5
6.	Pemberitahuan tentang rencana perubahan dan penjelasan alasan perubahan diberikan sebelumnya dalam waktu yang cukup.	1	2	3	4	5
7.	Karyawan diberitahu tentang usulan perubahan sebelum terjadi dan karyawan diberi kesempatan untuk memberikan tanggapan dan saran terhadap usulan perubahan.	1	2	3	4	5
8.	Biasanya dilakukan pencarian gagasan-gagasan dari karyawan.	1	2	3	4	5
9.	Karyawan diberitahu tentang usulan perubahan dan kemudian diadakan diskusi kelompok sehingga karyawan	1	2	3	4	5

	dapat memberikan pendapatnya.					
10.	Karyawan diberitahu tentang masalah yang ada dan diadakan diskusi kelompok untuk mencari cara yang tepat menangani masalah sesuai dengan saran-saran yang diberikan oleh kelompok.	1	2	3	4	5
11.	Atasan dan anak buah mengambil tindakan untuk menyelesaikan masalah setelah mempertimbangkan saran-saran dari diskusi kelompok, tetapi pimpinan punya wewenang (hak) veto (menerima/menolak).	1	2	3	4	5
12.	Pimpinan dan bawahan berfungsi sebagai kelompok untuk menangani masalah dan menyelesaikannya dengan menggunakan metode terbaik yang ada.	1	2	3	4	5

➤ **SPEKIFIKASI DALAM PENCAPAIAN TARGET**

No	Pernyataan	1	2	3	4	5
13.	Pimpinan mempunyai spesifikasi dalam menargetkan usulan perubahan organisasi.	1	2	3	4	5
14.	Pimpinan mempunyai spesifikasi dalam menargetkan anggaran.	1	2	3	4	5

➤ **PENCAPAIAN TARGET**

No	Pernyataan	1	2	3	4	5
15.	Ada kejelasan capaian target kinerja.	1	2	3	4	5
16.	Target kinerja yang disepakati tercapai.	1	2	3	4	5

➤ **KOMITMEN TERHADAP KINERJA**

No	Pernyataan	1	2	3	4	5
17.	Saya dapat berkomitmen terhadap target kinerja.	1	2	3	4	5

18.	Saya bersedia bekerja melebihi dari yang biasa diharapkan untuk mencapai target anggaran yang telah disepakati.	1	2	3	4	5
19.	Saya bersedia menerima risiko apabila target anggaran yang telah disepakati tidak tercapai.	1	2	3	4	5
20.	Seringkali sulit bagi saya untuk menyetujui kebijakan-kebijakan penting terkait target anggaran yang akan disepakati bersama karyawan.	1	2	3	4	5
21.	Saya sangat peduli dengan pencapaian target anggaran yang disepakati.	1	2	3	4	5
22.	Saya memutuskan untuk bertanggung jawab menerima risiko apabila target anggaran tidak tercapai.	1	2	3	4	5

➤ **MOTIVASI MANAJERIAL**

No	Pernyataan	1	2	3	4	5
23.	Saya sangat berusaha dalam pencapaian target dan perubahan organisasi.	1	2	3	4	5
24.	Saya selalu antusias dalam melaksanakan tanggung jawab saya dalam organisasi ini.	1	2	3	4	5
25.	Kepentingan organisasi menjadi prioritas tanggung jawab saya.	1	2	3	4	5

➤ **KINERJA MANAJERIAL**

No	Pernyataan	1	2	3	4	5
26.	Saya selalu menentukan tujuan, sasaran, kebijakan, dan tindakan.	1	2	3	4	5
27.	Saya selalu mengumpulkan dan menyiapkan informasi, biasanya dalam bentuk laporan, catatan, dan rekening.	1	2	3	4	5
28.	Pertukaran informasi dengan orang dalam organisasi tidak hanya dengan anak buah, tetapi juga pihak lain untuk menyesuaikan program-program.	1	2	3	4	5

29.	Saya mengevaluasi dan menilai proposal, laporan, dan kinerja (prestasi kerja).	1	2	3	4	5
30.	Saya mengarahkan, memimpin, dan mengembangkan anak buah.	1	2	3	4	5
31.	Saya memelihara dan mempertahankan anak buah dalam unitnya atau beberapa unit.	1	2	3	4	5
32.	Saya menyampaikan informasi tentang visi, misi, kegiatan-kegiatan organisasi dengan cara pidato, konsultasi, dan lain-lain kepada pihak luar organisasi.	1	2	3	4	5

Table 1: Sample Demographic

No.			Total	Percentage (%)
1	Gender	Male	34	72.3
		Female	13	27.7
		Group Total	47	100
2	Academic Background	D3	6	12.8
		S1	25	53.2
		S2	15	31.9
		S3	1	2.1
		Group Total	47	100
3	Working Time (year)	Between 1-5 years	23	48.9
		Between 6-10 years	10	21.3
		Between 11-15 years	3	6.4
		Over 15 years	8	17.0
		Other	3	6.4
	Group Total	47	100	
4	Position	HRD	2	4.3
		Accounting	9	19.1
		Internal Auditor	6	12.8

	Production	16	34.0
	Personnel	6	12.8
	Marketing	3	6.4
	Other	5	10.6
	Group Total	47	100

Table 2: Outer Loadings (Measurement Model)

	original sample estimate	mean of subsamples	Standard deviation	T-Statistic
PARTICIPATION				
PM1	0.881	0.874	0.057	15.506
PM4	0.880	0.881	0.038	23.113
PM7	0.855	0.854	0.049	17.557
PM10	0.870	0.861	0.049	17.738
ATTAINABILITY				
A1	0.930	0.934	0.046	20.070
A2	0.813	0.769	0.174	4.671
SPECIFICITY				
S1	0.907	0.907	0.066	13.791
S2	0.946	0.936	0.042	22.375
COMMITMENT				
C1	0.853	0.845	0.052	16.318
C5	0.839	0.837	0.070	12.031
PERFORMANCE				
P1 (planning)	0.883	0.879	0.057	15.522
P2 (investigation)	0.726	0.720	0.097	7.485
P5 (supervision)	0.847	0.850	0.052	16.151
P6 (staffing)	0.861	0.854	0.070	12.280
MOTIVATION				
M1 (energy)	0.959	0.950	0.034	28.330
M3 (importance)	0.843	0.853	0.067	12.581

Source : Output SmartPLS (after elimination)

Table 3: Quality Criteria

	AVE	Composite Reliability	R Square
Participation	0.760	0.927	
Attainability	0.762	0.865	0.159
Specificity	0.858	0.924	0.042
Commitment	0.716	0.834	0.692
Performance	0.691	0.899	0.845
Motivation	0.815	0.898	0.290

Source : Output SmartPLS

Table 4: Result of PLS Analysis

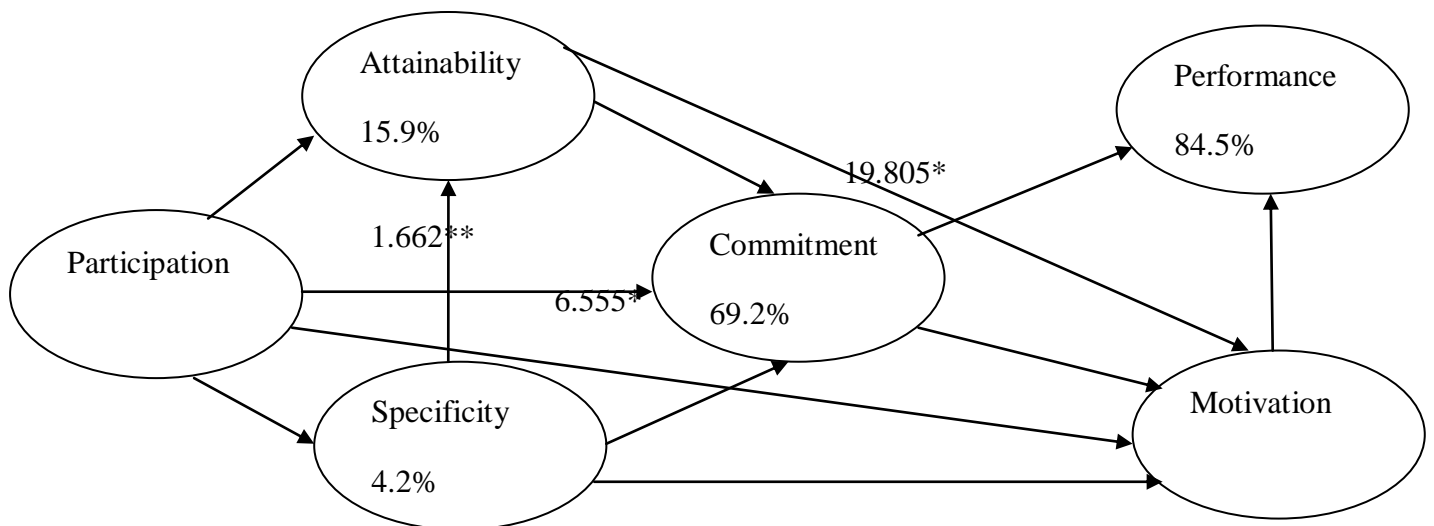
	original sample estimate	mean of subsamples	Standard deviation	T-Statistic
PARTICIPATION -> ATTAINABILITY	0.194	0.202	0.199	0.974
SPECIFICITY -> ATTAINABILITY	0.311	0.309	0.187	1.662**
PARTICIPATION -> SPECIFICITY	0.205	0.186	0.184	1.119
PARTICIPATION -> COMMITMENT	0.787	0.770	0.120	6.555*
ATTAINABILITY -> COMMITMENT	0.176	0.202	0.136	1.301
SPECIFICITY -> COMMITMENT	-0.082	-0.084	0.085	0.965
COMMITMENT -> PERFORMANCE	0.921	0.913	0.047	19.805*
MOTIVATION -> PERFORMANCE	-0.007	0.005	0.069	0.094
PARTICIPATION -> MOTIVATION	0.184	0.197	0.234	0.788
ATTAINABILITY -> MOTIVATION	0.278	0.290	0.210	1.322
SPECIFICITY -> MOTIVATION	0.249	0.235	0.166	1.495
COMMITMENT -> MOTIVATION	0.039	0.026	0.263	0.147

Source : Output SmartPLS (results for inner weights)

* $p < .05$, two-tailed test.

** $p < .01$, two-tailed test.

Figure 2: Significant Paths



CURRICULUM VITAE

I.

Nama : Amalia Rachma Sari
Pekerjaan : Mahasiswi
Institusi : Fakultas Ekonomi Universitas Islam Sultan Agung
Alamat : Kantor : FE UNISSULA, Jl. Kaligawe Raya Km. 4 Semarang
Rumah (mail post) Jl. Lintang Trenggono IV no. 12 Tlogosari
Semarang, 50196
Kontak Person: 0856 406 737 80

II.

Nama : Muhammad Ja'far S., SE, SSi, MSi
Pekerjaan : Dosen
Institusi : Fakultas Ekonomi Universitas Islam Sultan Agung
Alamat : Kantor : FE UNISSULA, Jl. Kaligawe Raya Km. 4 Semarang
Rumah (mail post) Jl. Kauman Rt 03 Rw 03 No. 113/551 Mranggen
Demak, 59567
Kontak person: 081 2291 4799