

**THE IMPACT OF PARTICIPATIVE BUDGETING  
ON MANAGERIAL PERFORMANCE  
AND WORK MOTIVATION**

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## ABSTRACT

This research is a study of the participative budgeting practices in Industrial Malaysian Companies . The objectives of this study are : (1) to use data collected by questionnaires and interview sessions to determine whether the participative budgeting is being practiced by Malaysian Industrial Companies located in Klang Valley, and (2) a quantitative analysis to examined the interactive impact of participation managerial performance and work motivation in a budgetary context.

In support of the above objectives, the research formulated and tested the following hypotheses : (1) The participative budgeting can give positive impact on work motivation (2) The participative budgeting can give a positive impact on managerial performance.

The research hypotheses were tested using primary and secondary data. The study involved departmental managers of industrial companies located in Klang Valley. Primary data were collected by distributing the questionnaires personally, through mail questionnaires and interviewing to the respondents who were selected at random.

Chi - Square Analysis was used to test the relationship between participative budgeting with work motivation and managerial performance and Cramer's V. Statistics was used to test the degree of the relationship.