
Enhancing the task performance of bank employees: relevance of trust, self-efficacy, and budget participation

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Abstract: This study investigates the extent to which participation in budgeting leverages task performance through trust and self-efficacy. To achieve the goal of this research, we conducted a survey involving the service industry, particularly among banks listed on the Indonesian stock exchange. We distributed questionnaires to bank employees and received 97 completed and usable responses. We performed SmartPLS statistical analysis and determined that the participation in the budgeting process, directly and indirectly, leverage task performance through self-efficacy. The result indicates that self-efficacy mediates between budget participation and task performance. However, trust does not stimulate the relationship between the two processes. This research contributes to the field of management accounting for the service sector and low-level employees.

Keywords: participatory budgeting; employee trust; self-efficacy; task performance; banking industry; management accounting.

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1 Introduction

Indonesian banks have adopted several strategies to improve their performance (e.g., through competitive credit and control costs) (Yuliansyah et al., 2016; Yuliansyah, 2015). The performance of each bank is crucial to Indonesia's financial system because such performance reflects the country's economic growth. The banking sector is a prominent indicator of economic growth through the provision of funds (Menicucci and Paolucci, 2016). One important element of bank performance is to achieve its target performance indicators (Balkovskaya and Filneva, 2016). Bank employees should participate in the process of budget preparation to develop their mental and professional capabilities and enhance their sense of trust, control, and commitment to achieve organisational goals (Saidu and Musa, 2017). Thus, bank employees are an important segment of human capital that the banking sector should leverage to achieve excellent growth performance in the future.

Budget participation could encourage bank employees to perform efficiently and survive in the changing business environment. Participation in setting budget targets is meaningful because such involvement fosters improved communication and provides broad hierarchical levels of control relationships of management and employees (Reid, 2002). Studies on budgetary participation and its effects on individual attitude and behaviours have attracted the attention of numerous researchers (Agbejule and Saarikoski, 2006; Brownell and Dunk, 1991; Jermias and Yigit, 2013; Lau and Lim, 2002; Leach-López et al., 2007, 2009; Uyar and Bilgin, 2011). However, the research results on this topic seem inconsistent (Frucot and White, 2006; Jermias and Yigit, 2013; Shields and Young, 1993). Accordingly, the mixed results have stimulated the attention

of scholars to use various indicators to clarify the relationship between budgetary participation and aspects of individual behaviour.

Moreover, previous studies revealed that budgetary participation has a positive effect on job satisfaction (Chong et al., 2006; Frucot and White, 2006; Leach-López et al., 2009), organisational commitment (Jermias and Yigit, 2013; Noor and Othman, 2012), trust (Ni et al., 2009; Sholihin et al., 2011), and self-efficacy (Ni et al., 2009; Yuliansyah and Khan, 2017), thereby leading to the improvement of managerial performance. Leach-Lopez et al. (2009) explored the relationship between budgetary participation and manager performance in South Korea. They determined that budgetary participation improves job satisfaction and subsequently impacts the improvement of managerial performance. However, most studies on budgetary participation, particularly in the manufacturing industry, have been conducted in developed countries (Jermias and Yigit, 2013; Noor and Othman, 2012). The current study aims to investigate the effect of budgetary participation on individual work behaviour in the banking sector in a developing country, such as Indonesia. This study also analyses the potential mediating role of trust and self-efficacy between participatory budgeting and task performance of bank employees in Indonesia. We conducted our study in this sector because it received minimal research attention (Chenhall, 2003; Kihn, 2010; Shields, 1997; Uyar and Bilgin, 2011; Yuliansyah and Khan, 2015b).

The results of the study contribute to the development of the literature on management accounting, particularly in the context of employees because most customer services are performed by bank branch employees. Most of the organisational strategies in the service or manufacturing sector are executed in the managerial context (Burney and Widener, 2007; Hall, 2008; Kihn, 2010). The service quality of bank employees toward their customers influences the image of the bank, thereby possibly affecting organisational performance. Hence, the current study provides information to the field of management accounting on the role of budgeting in the banking industry.

The rest of this paper is organised as follows. Section 2 presents the literature review and hypothesis development. Section 3 discusses the research methodology. Section 4 presents the results and explanation. Section 5 presents the conclusion.

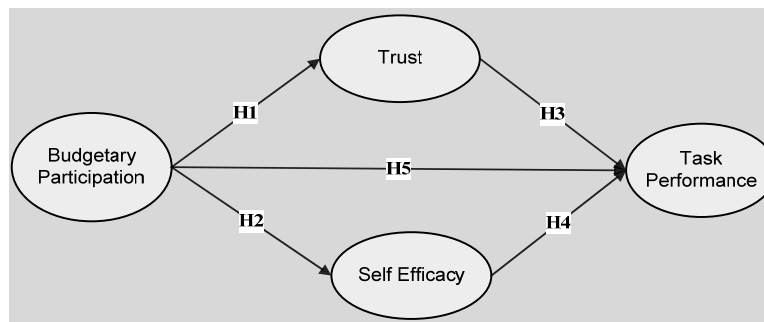
2 Literature review and hypothesis development

Budgets can be used to assist in management planning and control, including problem identification, coordination of the various parts of the whole, delegated authority to spend, controlling and measuring performance, and motivation (Brownell and Dunk, 1991; Chenhall and Brownell, 1988; Hussein et al., 2016). A budget is often viewed from two perspectives, namely, as a means of control and authorisation (Reid, 2002). Employees in the banking industry are expected to participate in the budget process to achieve the expected performance outcomes. Participation in the process of budget target setting has traditionally meant the active involvement of the budget holders and goes beyond simple consultation (Reid, 2002). Moreover, participation in the budget process is considered a means to motivate staff members to 'own' the budget and achieve targets. Chenhall and Brownell (1988) argued that if employees are able to participate in setting budgetary targets, their job performance evaluation can be emphasised unlike those who are unable to participate.

Employees strive to maintain their superior's trust by doing what they should do and avoid actions that can break such trust. The task performance of employees is enhanced when they accomplish what their supervisor entrusts to them. Interpersonal trust is built among members of an organisation to participate in the budget decision-making process (Bakay et al., 2016; Lau and Tan, 2006). This situation results in considerably high confidence to achieve the goal. Employee performance will be substantially effective if they can prepare their budget well. Therefore, participation in budgeting creates interpersonal trust, thereby leading to an increased task performance.

In addition, budgeting enhances task performance through self-efficacy. Zimmerman (2000, p.83) recapitulated Bandura's (1977) self-efficacy as "personal judgments of one's capabilities to organise and execute courses of action to attain designated goals, and he sought to assess its level, generality, and strength across activities and contexts." Tims et al. (2014) claimed that the success of individual performance may also be influenced by individual self-efficacy. An individual who has substantial self-efficacy may perform well (Tim et al., 2014). By contrast, low self-efficacy may cause poor job performance among employees. Employees who participate in the budgeting process may enhance their self-efficacy. This enhancement can form individual beliefs that they can accomplish tasks, thereby leading to an improvement in job performance.

Figure 1 Research framework



The prior research utilised various theoretical models borrowed from management and psychology to explain the importance of budget participation on performance (e.g., Otley, 1978; Chenhall and Brownell, 1998; Chong et al., 2006, Hussein et al., 2016). Budget participation has been investigated for decades and determined that such factors as individuals, organisations, and the environment have linked a complex model of performance. We seek to identify individual variables that may be deemed critical in explaining how budget participation could influence task performance in the service sector, such as banking. This study presents a model (see Figure 1) that proposes that individual factors will influence task performance. We use this model as a basis to propose that interpersonal trust and self-efficacy mediate between budgetary participation and task performance. We believe that an employee involved in budgeting is trusted by his or her supervisor. A manager trust subordinates who are skilled in certain areas. Thus, participation in budget decision-making can enhance interpersonal trust between the supervisor and employee.

The detailed proposition of the conceptual framework of this study is explained in the following section.

2.1 Participation in budgeting and trust

Trust has been defined in many ways. Rousseau et al. (1998, p.395) explained trust as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intention or behaviour of another.” In accounting studies, trust is a prominent element that explains the achievement of inter-organisational goals (Hartmann and Slapničar, 2009). Previous studies noted that in a transactional relationship, trust originates from the result of one’s belief in someone (Van der Meer-Kooistra and Vosselman, 2000; Vosselman and Meer-Kooistra, 2009). The accounting literature suggests that trust is regarded as the outcome of individual commitment to engage in a relationship based on voluntary local choices (Vosselman and Meer-Kooistra, 2009). Employee participation in budgeting enhances the transparency of the budget-setting process. Transparency in how budget targets are established likely reduces suspicion and mistrust, thereby improving the relationship between the employees and their superiors (Lau and Tan, 2012).

Selvina and Yuliansyah (2015) noted that successful participation depends on individual attitudes. In an organisation, the prior literature suggests that trust is an essential factor of budget participation and cooperative work (Maiga and Jacobs, 2007; Liao et al., 2004). Lau and Buckland (2001) contended that budgetary participation has a positive association with trust because superiors who ask subordinates to participate in budgeting trust the latter. Several factors, such as competence, closeness to managers (Jermias and Yigit, 2013), and position, contribute to the involvement of employees in budget decision-making.

Empirical evidence in the management accounting context revealed the positive relationships between budgetary participation and trust (e.g., Lau and Buckland, 2001; Ni et al., 2009; Otley, 1978). Lau and Buckland (2001) indicated a positive association between budgetary participation and trust. These explanations led us to propose the following hypothesis.

H1 Budgetary participation has a positive effect on trust.

2.2 Participation in budgeting and self-efficacy

Self-efficacy is an individual’s confidence to take on the opportunity to accomplish and succeed at certain tasks (Bandura, 1984; Eccles and Wigfield, 2002; Kinicki and Kreitner, 2003). Participation in budgeting leverages self-efficacy and is influenced by several factors. An individual’s confidence is gained from previous performance (Bandura, 1984). Individuals who participate in decision-making may be convinced of their success in accomplishing previous tasks. Given that the actions or opinions of employees are supported by their superiors or the meeting committee, the confidence of employees to accomplish their tasks substantially increases.

The high self-efficacy of individuals as participants enhances job satisfaction among employees involved (Chong et al., 2006; Jermias and Yigit, 2013). Job satisfaction leads to high morale (Jermias and Yigit, 2013). In addition, a subordinate involved in budgeting experiences a considerably close relationship with his or her supervisor (Jermias and Yigit, 2013). Their engagement in the budgeting process increases their self-efficacy to achieve the target (Latham et al., 1994; Ni et al., 2009). Ni et al. (2009)

also supported the empirical evidence of the positive relationship between budgetary participation and self-efficacy. Hence, we propose the following hypothesis.

H2 Budgetary participation has a positive effect on self-efficacy.

2.3 Trust and task performance

Interpersonal trust is believed to be an important aspect in the accomplishment of employee task (Hartmann and Slapničar, 2009). Sholihin and Pike (2009) stated that interpersonal trust can result in improved quality of decisions, thereby leading to the improvement of performance. Interdependence in organisations requires a high-level trust within groups to accomplish tasks and support organisational goals (Mayer et al., 1995). Similarly, Lau et al. (2008, p.126) noted that “a high level of trust in the superiors is likely to be translated into a favourable attitude towards the organisation.” One of the significant contributions of trust is its enhancement of individual performance because such faith motivates employees. Therefore, employee motivation affects task performance (Chenhall and Langfield-Smith, 2003; Sholihin et al., 2010). Another aspect of the improvement of individual behaviour that is influenced by the trust is the involvement of individual value to behave and act toward others (Chenhall and Langfield-Smith, 2003).

Several studies determined that trust has a positive effect on individual behaviour (Kennedy et al., 2009; Lau and Moser, 2008). Chenhall and Langfield-Smith (2003) revealed that trust can lead to a considerably high confidence. Lau and Sholihin (2005) argued that trust can lead to an improved quality of decision-making and implementation. Thus, we formulated the following hypothesis.

H3 Trust has a positive effect on task performance.

2.4 Self-efficacy and task performance

We are convinced that a positive relationship exists between self-efficacy and task performance. Bandura (1977) noted that self-efficacy can be perceived as a cognitive process that generates and preserves a new performance model. Self-efficacy is a key indicator of the motivation of people in terms of alternative behaviour and individual effort to accomplish tasks (Zimmerman, 2000). Self-efficacy can lead to considerably high individual performance because of the strong beliefs in accomplishing individual tasks with sufficient task-related effort (Tims et al., 2014). Similarly, efficacious individuals may choose several alternatives to achieve their tasks and innovate to solve problems systematically with high confidence, thereby resulting in significant accomplishments (Ouweneel et al., 2013). The internal factors that can influence individual achievement suggest that self-efficacy has the power to motivate individuals to improve their performance (Ouweneel et al., 2013).

Previous studies revealed that self-efficacy has a positive effect on task performance (Ouweneel et al., 2013; Tims et al., 2014). Stajkovic and Luthans (1998) performed a meta-analytic study and indicated a positive relationship between self-efficacy and task performance. Tierney and Farmer (2002) determined that self-efficacy has a positive effect on job performance. These arguments led us to propose the following hypothesis.

H4 Self-efficacy has a positive effect on task performance.

2.5 Participation in budgeting and task performance

An increase in individual participation may be positively linked to an increase in individual performance (Leach-López et al., 2015). Individuals believe that they can successfully accomplish their task through proactive methods (Tims et al., 2014). Individuals often find various tasks that they feel can be accomplished or are challenging. When individuals are involved in budget decision-making, they may perceive various tasks as achievable. Uyar and Bilgin (2011) explained motivation as a factor in participatory budgeting; in which members who are involved in the budget decision-making process have the high morale to achieve the budget goals. Lau and Tan (2012) mentioned that such motivation improves employee performance.

Empirical evidence revealed a positive relationship between participation in budgeting and task performance. Leach-López et al. (2015) revealed that participation in budgeting increases individual performance. Thus, we propose the following hypothesis.

H5 Participation in budgeting has a positive effect on task performance.

3 Methodology

This study uses a questionnaire as the data collection tool to measure the perception of bank employees. This section describes the survey conducted.

3.1 Sample of the study

The banking sector was selected for this study because the banking industry is “a reflection of a ‘successful’ organisation.” (Johnston et al., 2002). This study contributes to the literature on the enhancement of the performance measurement system aspects of individual behaviour throughout an organisation. In addition, the current study selected the banking industry as a component of financial institutions because the former is “actively debating their choice of value drives and performance measures” [Ittner et al., (2003), p.722]. We focused on banks listed on the Indonesia Stock Exchange because “all the largest and most advanced companies in Indonesia companies are listed in this directory. This permits our sample to include these largest and most advanced companies and may be advantageous because large companies are more likely to employ multiple [...] measures than small companies.” [Lau and Sholihin, (2005), p.401].

For the questionnaire distribution strategy, we followed the suggestion of O’Connor et al. (2011, p.368) and Lau and Sholihin (2005) to send more than one questionnaire to each bank to reduce bias. This strategy is supported by Van der Stede et al. (2005, p.666), who believed that “using one respondent weakens the validity of the study because a single individual often cannot reasonably reflect the beliefs of an entire organisation.”

A total of 97 usable responses (48.5%) out of the 200 questionnaires distributed were returned. Gudono and Mardiyah (2000) indicated that this response rate is relatively good because the average response rate in Indonesia is below 20%. Table 1 presents the demographic information of the current study.

Table 1 Demographic information of respondents

<i>Respondents' characteristics</i>		<i>'n'</i>	<i>Cumulative</i>	<i>%</i>	<i>Cumulative (%)</i>
Gender	Men	44	44	45,4	45,4
	Women	53	97	54,6	100,0
Age	< 30	38	38	39,2	39,2
	31–40	40	78	41,2	80,4
	41–50	13	91	13,4	93,8
	> 51	5	96	5,2	99,0
	Missing	1	97	1,0	100,0
Education	Senior high school	11	11	11,3	11,3
	Diploma/Bachelor's	77	88	79,4	90,7
	Master's/Doctorate	9	97	9,3	100,0
Position	Head of division	3	3	3,1	3,1
	Head of sub-division	5	8	5,2	8,2
	Head of unit	11	19	11,3	19,6
	Staff	77	96	79,4	99,0
	Other	1	97	1,0	100,0
Division	Marketing	6	6	6,2	6,2
	Customer service	6	12	6,2	12,4
	Human resources	7	19	7,2	19,6
	Other	78	97	80,4	100,0

3.2 Variable measurements

- *Participation in budgeting.* Participation in budgeting applies a construct that was developed by Milani (1975). This variable has been applied by such scholars as Chong et al. (2006) and Lau and Tan (2006). The respondents were asked to rate their perception of a six-item questionnaire using a 5-point Likert scale anchored from 1 (strongly disagree) to 5 (strongly agree).
- *Trust.* We adopted the trust questionnaire of Cook and Wall (1980). This variable consists of five-item questions. The respondents are asked to rate their agreement on each item using a 5-point Likert scale anchored from 1 (strongly disagree) to 5 (strongly agree).
- *Self-efficacy.* The self-efficacy instrument was developed by Bandura (1984). This instrument has eight items asking respondents about self-efficacy using a 5-point Likert scale anchored from 1 (very disagree) to 5 (very agree).
- *Task performance.* The task performance in this study was developed by Williams and Anderson (1991). We generated the questionnaire from Burney et al. (2009). Seven items ask the respondents to rate their task performance in the current period compared with that of the last period using a 5-point Likert scale anchored from 1 (far below average) to 5 (far above average).

3.3 *Validity*

The questionnaire was reviewed and pilot tested prior to the distribution of the survey. All questions were analysed to ensure their appropriateness and clarity. Several items were reworded and restructured after receiving the responses from a few senior bank employees and management lecturers. Following the pre-test, a pilot test was conducted on 13 employees from various organisations to determine the reliability of the questionnaire.

4 **Results**

We employed SmartPLS to analyse the data. Several studies argued that SmartPLS is considerably advantageous in prediction and allows reflective and formative computations (Akbar et al., 2012; Chenhall et al., 2011; Chin et al., 2003; Gudergan et al., 2008; Hair et al., 2011; Hulland, 1999; Kramer and Hartmann, 2014; Ringle et al., 2012; Wetzels et al., 2009). Anderson and Gerbing (1988), Hulland (1999), and Smith and Langfield-Smith (2004) explained that running SmartPLS requires two concurrent steps: assessment of the model and the structural model. Both measurements are explained in the following section.

4.1 *Assessment of the model*

The model using SmartPLS was evaluated using the reliability and validity tests. Reliability is indicated by Cronbach's alpha and composite reliability. Table 2 shows that Cronbach's alpha ranged from 0.732 to 0.947, while the composite reliability ranged from 0.829 to 0.957. Hulland (1999) explained that 0.7 is a good reliability. Therefore, the reliability test in the current study, including Cronbach's alpha and composite reliability, is sufficiently good.

Measurement validity using SmartPLS can be conducted using two methods: convergent and discriminant validity. Convergent validity was tested using the average variant extracted (AVE). AVE is favourable if the score of the construct is above 0.5. Table 2 shows that all construct scores are above 0.5. Thus, the convergent validity of the study is satisfactory.

Another validity test is discriminant validity, which can be accomplished using the Fornell-Larcker criterion. The discriminant validity is good if AVE^2 , which can be seen from the diagonal line, is higher than the vertical and horizontal lines. Table 3 shows that the AVE^2 of each item (bold) is higher than all the vertical and horizontal scores of the row and column items. Another validity test is cross-loading. The cross-loading of this study is adequate. In general, the assessment of the model of this study, including reliability and validity, is good. The next step is the assessment of the structural model.

Table 2 Loadings and t-statistic, composite reliability, Cronbach's alpha, and AVE

No.	Variable	Items	Loading	t-statistic (bootstrap)
1	<i>Participation in budgeting</i> (Composite reliability = 0.956, Cronbach's α = 0.946, AVE = 0.786)	PIB 1	0.909	46.068
		PIB 2	0.803	15.623
		PIB 3	0.922	49.186
		PIB 4	0.923	48.343
		PIB 5	0.946	91.025
		PIB 6	0.807	14.606
2	<i>Trust</i> (Composite reliability = 0.826, Cronbach's α = 0.722, AVE = 0.545)	Trust 2	0.723	8.727
		Trust 3	0.740	13.694
		Trust 4	0.834	23.246
		Trust 5	0.645	68.295
3	<i>Self-efficacy</i> (Composite reliability = 0.908, Cronbach's α = 0.883, AVE = 0.555)	Self-efficacy 1	0.679	11.843
		Self-efficacy 2	0.628	6.721
		Self-efficacy 3	0.659	9.695
		Self-efficacy 4	0.802	18.150
		Self-efficacy 5	0.835	22.213
		Self-efficacy 6	0.753	18.310
		Self-efficacy 7	0.831	21.229
		Self-efficacy 8	0.742	11.817
4	<i>Task performance</i> (Composite reliability = 0.951, Cronbach's α = 0.940, AVE = 0.737)	Task Performance 1	0.822	16.862
		Task Performance 2	0.860	23.452
		Task Performance 3	0.910	38.919
		Task Performance 4	0.904	44.443
		Task Performance 5	0.783	16.020
		Task Performance 6	0.857	28.190
		Task Performance 7	0.864	23.836

Table 3 Discriminant validity (Fornell-Larcker)

	<i>Participation in budgeting</i>	<i>Trust</i>	<i>Self-efficacy</i>	<i>Task performance</i>
Participation in budgeting	0.887			
Trust	0.462	0.738		
Self-efficacy	0.449	0.657	0.745	
Task performance	0.479	0.549	0.639	0.858

4.2 Assessment of the structural model

The structural model can be assessed using R^2 to evaluate the coefficient determination. A tolerable R^2 is 0.1 (Camisón and López, 2010; Falk and Miller, 1992; Yuliansyah and Khan, 2015a, 2015b; Yuliansyah et al., 2016). Consequently, the coefficient

determination in the current study is tolerable. In evaluating the structural model, the strong relationships between models can be tested using coefficient testing (β). A good path coefficient is above 0.100 (Urbach and Ahlemann, 2010). After testing the structural model, the next step is the hypothesis test.

4.3 Hypothesis test

H1 states that participation in budgeting has a positive effect on trust. Table 4 shows that budgetary participation has a positive effect on trust ($\beta = 0.462, t = 5.824, p < 0.01$). This result supports our theoretical argument that budgetary participation enhances the trust level of employees. Hence, H1 is supported. In addition, H2 states that participation in budgeting has a positive effect on self-efficacy. Table 4 shows that budgetary participation has a positive effect on self-efficacy ($\beta = 0.449, t = 5.597, p < 0.01$). This result indicates that the respondents have considerable confidence in performing their tasks when they are actively involved in the budgeting process. Hence, H2 is supported.

Table 4 Result of the PLS structural model: path coefficient, t-statistics, and R^2

Dependent variables	Independent variables			R^2
	Participation in budgeting	Trust	Self-efficacy	
Trust	0.462 (5.824)***			0.213
Self-efficacy	0.449 (5.597)***			0.449
Task performance	0.205 (2.516)**	0.167 (1.648)*	0.438 (4.337)***	0.470

Notes: ***Significant at 1% (one-tailed), **Significant at 5% (one-tailed) and *Significant at 10% (one-tailed).

H3 states that trust has a positive effect on task performance. Table 4 shows that trust has no significant positive effect on task performance ($\beta = 0.167, t = 1.648, p > 0.1$). This result indicates that a high level of trust alone will not improve the task performance of the respondents. Hence, H3 is not supported. H4 states that self-efficacy has a positive effect on task performance. Table 4 shows that self-efficacy has a significant positive effect on task performance ($\beta = 0.438, t = 4.337, p < 0.01$). Unlike trust, the result of self-efficacy demonstrates the positive significant relationship between self-efficacy and task performance. This result indicates that the respondents with a high level of self-efficacy perform well. H5 states that participation in budgeting has a positive effect on task performance. Table 4 shows that budgetary participation has a significant positive effect on task performance ($\beta = 0.205, t = 2.516, p < 0.05$). The relationship between budget participation and task performance is significant. Hence, H5 is supported. These results indicate that budgetary participation, directly and indirectly, enhances task performance through self-efficacy. Accordingly, although participation in the budgeting process enhances individual trust, such participation cannot improve task performance.

5 Conclusions

This study aims to analyse the extent to which participation in budget decision-making improves individual task performance. To confirm our hypotheses, we conducted a survey study involving Indonesian stock exchange-listed banks. We analysed the data using SmartPLS. Previous studies on management accounting have been focused considerable attention on the investigation of individual task performance in the managerial level (e.g., Chong et al., 2006; Lau and Tan, 2012; Selvina and Yuliansyah, 2015). Unlike previous studies, the current study is conducted at the employee level, particularly in the banking sector, because organisational success in this sector is achieved by low-level employees. Thus, the positive brand image of the banking sector is highly influenced by low-level employees.

Psychological studies on employee performance indicate that an individual act is influenced by individual behaviour in response to the environment (Ni et al. 2009; Sholihin et al., 2011; Tamta and Rao 2017). Consistent with previous studies, such as Chenhall and Brownell (1988) and Agbejule and Saarikoski (2006), participation in the budgeting process increases individual performance. The results indicate that our propositions are true except for the one involving trust. Thus, participation in budgeting can directly and indirectly influence task performance through individual self-efficacy. This study implies that employees involved in budget planning can boost their self-efficacy, thereby possibly improving task performance. This study also supports the idea that participation in planning can also enhance interpersonal trust.

Consequently, if an employee is involved in the design and development of the organisational plan, such as participation in budget decision-making, then the interpersonal trust between the superior and subordinates is strengthened and the self-efficacy of the employee to perform his or her task is increased. Thus, both factors can motivate the employee to improve individual performance. Accordingly, we believe that participation in budgeting can lead to interpersonal trust and self-efficacy among employees, thereby enabling the enhancement of task performance. This belief is consistent with those of previous studies that support the enhancement of trust and self-efficacy of employees to improve performance (Ni et al. 2009; Sholihin et al., 2011).

Our results have practical implications for bank managements that are involved in designing their budgetary systems. Bank employees should be involved in the budget decision-making process because this process enhances their self-efficacy. Furthermore, the complex budgetary process should be understood because it is mediated by self-efficacy to influence performance. This knowledge can assist management in selecting the appropriate level of budgetary participation to motivate employees. Budget participation is necessary for quality improvement programs to generate the high productivity of task performance in banks. The appropriate integration of organisational support and self-motivation will further enhance the efficiency and effectiveness of human resource capability, thereby resulting in substantial competitiveness in the business market. The banking industry is highly competitive and complex, in which many banks are forced to merge or dissolve. To excel in business, bank employees should remain motivated with high self-efficacy and trust to improve their performance.

This study has several limitations. First, our focus was the context of employees. Thus, the results cannot be generalised to top management. We likewise attempted to differentiate employees based on their positions. However, the number of division heads was insufficient for comparison with the staff members. Thus, succeeding studies may

consider the comparison of employees based on the positions of managers and employees to determine the employees who have a substantial influence on task performance. Second, this study was conducted in a single industry, namely, the banking sector. Moreover, this study focuses on selected management approaches for individual staff members using structured questions. Further study can be conducted for a comparative analysis among different types of banks (e.g., public and private sector banks because of the different practices involved in the budgeting process. A large sample size covering other areas in Indonesia would provide comprehensive and interesting inferences of findings. Similarly, extensive participation from the middle management of the banking sector would provide a comprehensive understanding on how trust and self-efficacy influence performance. These initiatives could enhance our understanding of the performance of bank employees. The current study can also be expanded to employ a qualitative research design (Nuseir and Madanat, 2017) which is crucial to gain an in-depth understanding of how top management acts toward enhancing the involvement of employees in the budgeting process.

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