

Linking Strategic Planning Participation to Budgetary Slack: Evidence from Procedural Justice and Affective Commitment

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Abstract

This study explores how managerial involvement in strategic planning influences the tendency to create budgetary slack, focusing on the mediating roles of perceived procedural justice and affective commitment. Addressing a gap in the budgeting literature which often prioritizes participative budgeting over strategic-level involvement the research surveyed mid- to upper-level managers across various industries in Indonesia who were engaged in both strategic planning and budgeting activities. Using Partial Least Squares Structural Equation Modeling (PLS-SEM), five hypothesized relationships were tested. The results reveal that participation in strategic planning significantly enhances managers' perceptions of procedural justice and their affective commitment to the organization. In turn, these two factors negatively affect the inclination to create budgetary slack, indicating that fairness and emotional attachment play critical roles in curbing opportunistic behavior during budgeting. All hypotheses were statistically supported, reinforcing the theoretical framework. By integrating social exchange theory and self-determination theory, this study contributes to the management accounting field by providing a deeper understanding of the ethical dynamics underlying budgeting practices. Practically, the findings suggest that organizations should embed inclusive and fair processes in strategic decision-making to foster commitment and reduce dysfunctional budgeting behaviors.

Keywords: Affective Commitment; Budgetary Slack; Management Control; Procedural Justice; Strategic Planning Participation

INTRODUCTION

In today's dynamic business environment, characterized by globalization, intensified competition, rapid technological advancement, and increasingly shorter product life cycles, organizations must continuously adapt their internal systems, particularly in the areas of budgeting and cost control. Budgeting, as a core component of the management control system, plays a crucial role in planning, coordination, resource allocation, and performance evaluation (Chen, 2012; Walker & Johnson, 1999). However, budgeting effectiveness is often compromised by the practice of budgetary slack where managers deliberately overstate resource needs or understate performance expectations to ensure easier budget attainment (Anthony & Govindarajan, 2007; Hartmann & Maas, 2010; Young, 1985). Such behavior can distort performance, reduce efficiency, and raise ethical concerns.

While participative budgeting has been widely examined as a factor influencing slack, empirical findings remain inconsistent. Traditional budgeting studies tend to focus narrowly on budget participation, overlooking the broader strategic context in which managers operate. More recently, scholars have suggested that strategic planning participation defined as higher-level managerial involvement in formulating long-term organizational direction could influence ethical behavior by enhancing goal alignment, ownership, and decision-making integrity (De Baerdemaeker & Bruggeman, 2015; Frezatti et al., 2011; Nohong et al., 2024). However, empirical research remains scarce on the specific mechanisms through which strategic participation affects budgeting behavior, particularly in relation to budgetary slack. This represents a critical research gap, as understanding these mechanisms can inform the design of more effective control systems that mitigate dysfunctional budgeting practices.

To address this gap, the present study examines how managers' participation in strategic planning influences their perceptions of procedural justice and affective commitment, and subsequently, their propensity to create budgetary slack. Procedural justice defined as the perceived fairness of decision-making processes—has been shown to foster trust and reduce deviant behavior in organizations (Greenberg, 1990; Langevin & Mendoza, 2013; Leventhal, 1980; Kusumawati, et al., 2024). Similarly, affective commitment, or emotional attachment to the organization, is associated with ethical conduct and reduced opportunism (Meyer & Allen, 1991).

Grounded in social exchange theory (Blau, 1964) and self-determination theory (Deci & Ryan, 2000), this study employs a direct-effects model using Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the relationships among strategic planning participation, procedural justice, affective commitment, and budgetary slack.

Research Objectives and Contributions

This study pursues three key objectives: (1) to investigate the direct effects of strategic planning participation on perceived procedural justice and affective commitment; (2) to assess how these psychological mechanisms influence the creation of budgetary slack; and (3) to provide empirical evidence on the interplay between strategic participation and ethical budgeting behavior. By addressing these aims, the study contributes to the

management accounting literature by expanding the discourse beyond participative budgeting to include strategic-level involvement. It also offers practical implications for organizations seeking to reduce budgetary slack by embedding fairness and fostering emotional commitment through inclusive strategic processes.

LITERATURE REVIEW

Participation in Strategic Planning and Perceived Procedural Justice

Participation in strategic planning refers to the active involvement of managers in shaping the organization's vision, objectives, and long-term direction (De Baerdemaeker & Bruggeman, 2015). When managers are meaningfully engaged in strategic decision-making, they gain a sense of voice, influence, and ownership, which contributes to their perception of fairness in organizational processes. According to the organizational justice literature, procedural justice is defined as the perceived fairness of formal procedures used to reach decisions (Greenberg, 1990; Leventhal, 1980).

Empirical research indicates that when managers are involved in discussions that impact their roles and outcomes, they are more likely to perceive these processes as fair (Kinicki, 2020). Moreover, Lemons and Jones (2001) emphasize that participation enhances managers' evaluation of procedural justice by fostering trust and inclusion. Accordingly, this study posits:

H1: Managers' participation in strategic planning positively influences their perception of procedural justice.

Perceived Procedural Justice and Affective Commitment

Procedural justice has consistently been linked to positive attitudinal outcomes, notably affective commitment the emotional attachment and identification an individual holds toward the organization (Meyer & Allen, 1991). Dispositional characteristics such as need for affiliation and positive affectivity also influence affective commitment through relational quality and perceived fairness in leadership interactions (Linando & Halim, 2024). From the lens of social exchange theory (Blau, 1964), fair treatment by the organization fosters reciprocal loyalty and commitment among employees. When managers perceive decision-making procedures as consistent, unbiased, and transparent, they are more likely to internalize a sense of respect and dignity, which enhances their emotional bond with the organization (Forret & Love, 2008). Therefore, perceived procedural justice is not only a fairness judgment but also a precursor to affective commitment:

H2: Perceived procedural justice positively influences managers' affective commitment.

Participation in Strategic Planning and Affective Commitment

Participation in strategic planning may also directly foster affective commitment. Grounded in self-determination theory (Deci & Ryan, 2000; Ryan & Deci, 2000), affective commitment arises when individuals' psychological needs for autonomy,

competence, and relatedness are fulfilled. Job autonomy and participative environments enhance affective commitment by fulfilling intrinsic motivational needs (Linando et al., 2022). Participative environments empower managers to exert choice (autonomy), demonstrate expertise (competence), and feel connected to broader organizational goals (relatedness) (Greguras & Diefendorff, 2009; Vansteenkiste et al., 2010). Research suggests that when managers contribute to shaping strategic objectives, they experience greater acceptance of organizational goals and heightened emotional attachment (Mathieu & Zajac, 1990). Hence, the following hypothesis is proposed:

H3: Managers' participation in strategic planning positively influences affective commitment.

Affective Commitment and Budgetary Slack

Budgetary slack refers to the intentional overstatement of costs or understatement of revenue by managers to make budget targets more attainable (Dunk, 1993; Young, 1985). While often framed as a dysfunctional behavior, affective commitment serves as a psychological control mechanism that may reduce such opportunism. Emotionally committed managers are more likely to act in the best interests of the organization and avoid behaviors that compromise performance integrity (Rousseau & Aubé, 2010). Recent findings show that affective commitment can be further reinforced by psychological ownership and conscientiousness, which contribute to ethical decision-making (Halim et al., 2024). Prior studies affirm that high affective commitment is associated with reduced likelihood of budgetary slack, as it aligns managerial behavior with organizational values and ethical standards (De Baerdemaeker & Bruggeman, 2015; Nouri, 1994). Therefore:

H4: Managers' affective commitment negatively influences their tendency to create budgetary slack.

Perceived Procedural Justice and Budgetary Slack

Procedural justice is instrumental in guiding ethical behavior and reducing information asymmetry within organizations. Managers who perceive the budgeting and decision-making process as fair are less inclined to engage in budget manipulation or slack creation (Little et al., 2002; Wentzel, 2004). Empowering environments characterized by procedural fairness may mitigate emotional strain and unethical budgeting practices (Linando & Halim, 2023). A fair control system strengthens relational trust and fosters transparency, which discourages opportunistic behavior (Langevin & Mendoza, 2013). Moreover, fairness in procedures enhances willingness to disclose accurate information, mitigating the conditions that typically enable budgetary slack (Chiao et al., 2015). Thus, the following hypothesis is formulated:

H5: Perceived procedural justice negatively influences managers' tendency to create budgetary slack.

METHODOLOGY

Population, sampling and procedure

The population for this study comprised managers enrolled in the Executive Program of the Master of Management at Universitas Gadjah Mada, Indonesia. This study obtained ethical clearance from the research ethics committee of Universitas Gadjah Mada, ensuring that the research adhered to ethical standards regarding informed consent, confidentiality, and voluntary participation. Respondents were briefed on the study's purpose, assured anonymity, and provided written consent prior to completing the questionnaire. While the sample was drawn from managers enrolled in the Executive Program of the Master of Management at Universitas Gadjah Mada, it is important to note that these participants represent a diverse range of mid- to upper-level managers across various industries and organizations in Indonesia. Their strategic roles and budgeting responsibilities span multiple sectors, enhancing the heterogeneity of managerial perspectives captured in this study. Nonetheless, reliance on a purposive sample from a single academic institution may introduce potential biases related to educational background and managerial exposure. To mitigate this, the study emphasized industry diversity during participant selection and recommends that future research replicate the model across broader and more varied institutional contexts to enhance generalizability.

A purposive sampling technique was applied to ensure that respondents met two essential criteria: (1) involvement in or awareness of strategic planning processes, and (2) direct responsibility or engagement in budgeting activities. These inclusion criteria reflect prior studies emphasizing the significance of managerial roles in both strategic and financial decision-making (De Baerdemaeker & Bruggeman, 2015; Merchant, 1985). Data collection was conducted through the offline distribution of printed questionnaires. Respondents were briefed on the study's purpose and assured of anonymity and confidentiality. The questionnaire was structured into four sections, covering demographic information and items corresponding to the study's key constructs: participation in strategic planning, perceived procedural justice, affective commitment, and budgetary slack. This mode of administration allowed for effective targeting and improved response accuracy.

A total of 58 completed questionnaires were collected. Data quality screening included checks for outliers and missing values. Following Hair et al. (2019), a Z-score threshold of ± 2.5 was used to identify multivariate outliers, leading to the exclusion of five responses. Additionally, four cases exceeding the acceptable 5% threshold for missing data were removed (Hair et al., 2019, 2022). The final sample size of 53 valid responses was deemed sufficient based on the "ten-times rule" for PLS-SEM, which requires a minimum sample size of ten times the largest number of structural paths directed to a single construct (Hair et al., 2022).

To test the hypotheses and examine structural relationships, this study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using WarpPLS 6.0. This technique is suitable for small to medium sample sizes and does not assume multivariate normality. It is especially appropriate for models involving multiple mediators and both

reflective and formative constructs. WarpPLS offers advanced features such as estimation of linear and non-linear paths, visual analysis through scatter plots, and automated calculation of indirect effects, total effects, average variance extracted (AVE), and composite reliability, enhancing the robustness and interpretability of the model outputs (Kock, 2017).

Measurement of Variables

The study employed validated multi-item scales from established literature to operationalize all constructs. Each variable was measured using a five-point Likert scale, ranging from 1 (“strongly disagree”) to 5 (“strongly agree”), allowing for standardized quantification of respondent perceptions across constructs.

Participation in Strategic Planning was measured by capturing the degree of managerial involvement in the formulation of the organization's strategic vision, direction, and objectives. This construct reflects the extent to which managers contribute to long-term planning processes and was adapted from De Baerdemaeker & Bruggeman (2015), who emphasize the relevance of participatory strategic decision-making in shaping managerial behavior.

Perceived Procedural Justice represented managers’ perceptions of fairness in organizational procedures, particularly in how decisions are formulated and implemented. This construct draws from Leventhal (1980) and Greenberg (1990) conceptualization of procedural fairness, focusing on consistency, neutrality, ethical standards, and the opportunity for voice in decision-making processes.

Affective Commitment was defined as the emotional bond and psychological attachment that managers feel toward their organization. This dimension of organizational commitment includes feelings of belonging, identification, and personal investment in organizational goals. It was measured using items developed by Meyer & Allen (1991), widely recognized for their reliability and construct validity in organizational behavior research.

Budgetary Slack was assessed by evaluating the perceived ease with which managers could achieve assigned budget targets. Following Dunk (1993) definition, this construct captures the degree to which managers intentionally underestimate their performance capacity when involved in budget setting, potentially creating a cushion to improve the likelihood of budget attainment.

Each construct was modeled as a reflective latent variable, and the items were tested for reliability and validity prior to inclusion in the structural model. Detailed psychometric properties, including factor loadings, Cronbach’s alpha, and composite reliability, are reported in the results section.

RESULTS

Measurement Model Results

Before testing the structural relationships, the measurement model was assessed to establish construct validity and reliability, following Anderson and Gerbing (1988).

Convergent validity was evaluated by inspecting item loadings, average variance extracted (AVE), and internal consistency measures. As shown in Table 1, most item loadings exceeded the threshold of 0.60, with several items above 0.70, demonstrating acceptable item reliability. AVE values ranged from 0.53 to 0.61, exceeding the minimum recommended level of 0.50 (Hair et al., 2022; Sarstedt et al., 2022), indicating that each construct captured more than half of the variance of its indicators.

Table 1. Result of measurement model, reliability and validity

Constructs	Items	I_i	α	CR	AVE
Budgetary Slack	BS_2	0.64	0.62	0.80	0.58
	BS_3	0.51			
	BS_4	0.72			
	BS_5	0.77			
	BS_6	0.64			
Participation in Strategic Planning	PSP_1	0.68	0.86	0.90	0.61
	PSP_2	0.68			
	PSP_3	0.78			
	PSP_4	0.79			
	PSP_5	0.82			
	PSP_6	0.58			
	PSP_7	0.84			
	PSP_8	0.59			
	PSP_9	0.80			
	PSP_10	0.84			
	PSP_11	0.82			
	PSP_12	0.78			
Perceived Procedural Justice	PPJ_1	0.66	0.82	0.87	0.53
	PPJ_2	0.67			
	PPJ_3	0.71			
	PPJ_4	0.64			
	PPJ_5	0.70			
	PPJ_6	0.75			
	PPJ_7	0.70			
	PPJ_8	0.76			
	AC_1	0.54		0.80	0.58
	AC_2	0.53			
	AC_3	0.70			
	AC_5	0.76			
	AC_6	0.78			
	AC_7	0.66			
	AC_8	0.76			

Notes: I_i = factor loadings; CR = composite reliability; α = Cronbach's alpha; AVE = Average Variance Extracted

Composite reliability (CR) values for all constructs were well above the 0.70 benchmark, ranging from 0.80 to 0.90, and Cronbach's alpha values ranged from 0.62 to 0.86, supporting the internal consistency reliability of the scales. Despite a few lower-loading items (e.g., BS_3 = 0.51; PSP_6 = 0.58; AC_2 = 0.53), the overall construct-level indicators remain robust, with reliability metrics within acceptable ranges.

Table 2. Discriminant validity

Fornell-Larcker Criterion	1	2	3	4
1. Budgetary Slack	.76			
2. Participation in Strategic Planning	-.02**	.78		
3. Perceived Procedural Justice	-.28	.56	.73	
4. Affective Commitment	-.15	.46	.45	.76

Notes: Fornell-Larcker Criterion: Diagonal elements in bold are the square root of AVE. Off-diagonal elements are the correlations between constructs. To have discriminant validity, diagonal values should be larger than off-diagonal values. HTMT Criterion: Off-diagonal elements are the correlations between the constructs. Discriminant validity, which measures the distinctiveness of a construct, is achieved if elements are lower than the cutoff score of 0.90.

Discriminant validity was assessed using the Fornell-Larcker criterion (Fornell & Larcker, 1981). According to this approach, a construct should share more variance with its associated indicators than with other constructs. This is established when the square root of the AVE for each construct is greater than its correlations with all other constructs. As shown in Table 2, the diagonal values (representing the square root of AVE) are greater than the corresponding inter-construct correlations in each row and column, thereby confirming that discriminant validity has been achieved for all constructs.

Structural Model Results

The structural model was examined using Partial Least Squares Structural Equation Modeling (PLS-SEM) with WarpPLS 6.0 to test the hypothesized relationships among variables. All five hypotheses were supported with statistically significant path coefficients. Participation in strategic planning had a positive and significant effect on perceived procedural justice ($\beta = 0.59$, $p < 0.01$), supporting the idea that involvement in strategic decision-making fosters perceptions of fairness. Perceived procedural justice also had a positive effect on affective commitment ($\beta = 0.30$, $p < 0.01$), indicating that fairness in organizational processes enhances managers' emotional attachment to the organization. In addition, participation in strategic planning directly influenced affective commitment ($\beta = 0.38$, $p < 0.01$), highlighting the motivational benefits of participatory practices.

With regard to budgetary slack, both affective commitment and perceived procedural justice were found to have significant negative effects. Affective commitment reduced the tendency to create budgetary slack ($\beta = -0.28$, $p = 0.01$), suggesting that managers with strong emotional ties to the organization are less likely to engage in opportunistic budgeting behavior. Similarly, perceived procedural justice also negatively affected budgetary slack ($\beta = -0.26$, $p = 0.02$), reinforcing the importance of fairness in mitigating slack behavior.

The model's explanatory power was assessed using the coefficient of determination (R^2). The results showed that 35% of the variance in perceived procedural justice, 38% in affective commitment, and 18% in budgetary slack were explained by the respective predictors. These values are considered acceptable in behavioral accounting research and indicate that the proposed model has moderate explanatory power.

DISCUSSION

The findings provide robust empirical support for the theoretical framework grounded in social exchange theory (Blau, 1964) and self-determination theory (Deci & Ryan, 2000). Specifically, the significant relationship between participation in strategic planning and perceived procedural justice underscores the value of involving managers in high-level decision-making to foster fairness perceptions. This is consistent with previous work suggesting that participation increases perceived fairness and improves ethical behaviors by enhancing employees' sense of voice and inclusion (Behraves et al., 2021; Goñi-Legaz & Ollo-López, 2017; Kumar et al., 2023; Liu & Yin, 2020). It also aligns with prior research (Behraves et al., 2021; Halim & Umaroh, 2024), who demonstrate that employee participation in decision-making (PDM) enhances positive psychological capacities such as hope and self-efficacy, which translate into more favorable work outcomes like job satisfaction. The evidence also resonates with Linando and Halim (2023), who found that affective commitment—like justice—is a key psychological resource that can buffer against negative workplace outcomes like emotional exhaustion. This highlights that involving managers in strategic planning is not only a governance mechanism but also a psychological intervention to enhance fairness perceptions and ethical behavior within organizations.

Perceived procedural justice was also found to significantly enhance affective commitment, confirming earlier findings (Forret & Love, 2008; Halim & Umaroh, 2024; Lines et al., 2005; Tjahjono et al., 2020) and extending them by linking fairness with ethical budgeting behavior. Managers who perceive fair procedures are more likely to exhibit organizational loyalty and emotional attachment, thereby discouraging opportunistic behaviors such as budgetary slack. This aligns with the view that ethical climates and justice perceptions strengthen affective bonds and moral conduct in organizations (Liu & Yin, 2020). Behraves et al. (2021) further confirm that in participative environments, perceived fairness strengthens employee optimism and retention. Thus, fostering procedural justice serves a dual purpose: it enhances commitment while building a workforce that is less prone to engaging in unethical budgeting practices.

The direct positive relationship between strategic planning participation and affective commitment also reinforces the self-determination perspective. When managers are included in strategic decisions, it satisfies their basic psychological needs for autonomy, competence, and relatedness (Greguras & Diefendorff, 2009; Halim et al., 2024; Ryan & Deci, 2002), thereby boosting emotional engagement. This participative environment nurtures intrinsic motivation, which can have downstream effects on ethical budgeting practices. This finding is consistent with Behraves et al.'s (2021) results showing that employee participation not only enhances hope and self-efficacy, but also serves as a motivational resource under pressure. This suggests that managers' direct involvement in strategic processes fulfills intrinsic needs, which organizations can leverage to build a committed leadership core resistant to opportunistic behaviors.

Beyond statistical validation, the findings offer important interpretive insights into the dual mechanisms through which strategic participation shapes budgeting behavior. Specifically, the results suggest both a cognitive pathway (through perceived procedural

justice) and an emotional pathway (through affective commitment) that jointly influence managers' budgeting ethics. This dual effect implies that while fairness perceptions foster compliance, emotional attachment can promote deeper internalization of organizational goals. An important managerial dilemma arises here: participation that appears routine or symbolic may enhance perceptions of fairness but fail to generate genuine commitment. Conversely, substantive involvement in strategic planning seems to foster stronger emotional investment, as reflected in the relatively strong direct effect on affective commitment.

Furthermore, organizations may face trade-offs between broad inclusion and decision-making efficiency. While participation reduces slack, excessive procedural complexity or ambiguity in role clarity could dilute the intended outcomes. Managers might experience "participation fatigue" when engagement mechanisms become time-consuming or detached from actual decision influence. Therefore, participatory control systems should be carefully designed to be both procedurally just and psychologically meaningful. The interplay between fairness and emotional resonance in budgeting deserves closer attention in future studies, especially in volatile or fast-paced environments.

Importantly, both affective commitment and perceived procedural justice were negatively associated with budgetary slack. These results support prior studies suggesting that emotional investment and perceptions of fairness inhibit the inclination to manipulate budget estimates (De Baerdemaeker & Bruggeman, 2015; Langevin & Mendoza, 2013; Dharsana et al., 2024). These findings are also in line with prior research (Liu & Yin, 2020) that ethical leadership and participative cultures reinforce obligation and collective goals, reducing self-serving behaviors. Behraves et al. (2021) further support this view by showing that participatory climates reduce job search behaviors and encourage organizational loyalty through enhanced psychological resources. Likewise, prior studies (Linando & Halim, 2023, 2024; Hermansyah et al., 2025) emphasize how affective commitment, as a situational resource, can serve as a powerful buffer in managing emotional stress and unethical outcomes, particularly when paired with empowerment strategies. For practitioners, this underscores the importance of cultivating both fairness and emotional engagement as complementary levers in controlling budgetary slack.

Overall, this study contributes to contemporary management accounting literature by highlighting how procedural justice and affective commitment—both influenced by strategic participation—are key levers in curbing dysfunctional budgeting behavior. Embedding justice and participative mechanisms within strategic planning and control systems offers a practical pathway to promote ethical budgeting. In summary, the findings advocate for an integrated approach to management control that combines participative strategic planning, procedural justice, and commitment-building initiatives to foster ethical budgeting cultures. However, the study's cross-sectional design and limited industry scope invite future longitudinal or experimental research to enhance generalizability and infer causality.

CONCLUSION

This study aimed to investigate how managers' participation in strategic planning influences their perceptions of procedural justice, affective commitment, and subsequent tendencies to create budgetary slack. Using PLS-SEM analysis on data collected from Indonesian executive-level managers, the results provide empirical support for all proposed hypotheses. Specifically, strategic planning participation significantly enhances both perceived procedural justice and affective commitment. In turn, these two factors independently and negatively influence managers' propensity to engage in budgetary slack.

These findings offer important theoretical and practical contributions. Theoretically, the study integrates social exchange theory and self-determination theory to highlight how cognitive (justice) and emotional (commitment) mechanisms operate simultaneously to reduce dysfunctional budgeting behavior. Participation is not merely a governance tool – it functions as a motivational and ethical catalyst when designed meaningfully.

Practically, the study emphasizes that effective budget control systems should go beyond procedural formalities. Organizations must create participative environments where managers feel genuinely heard and empowered, rather than symbolically involved. Procedural justice should be experienced as authentic and impactful, while strategic participation must satisfy managers' psychological needs for autonomy, competence, and relatedness. For instance, involving managers in co-developing strategic goals or reviewing budgets collaboratively can foster both fairness and ownership—key deterrents to slack creation. Furthermore, control system designers should be mindful of managerial fatigue from excessive or hollow participatory rituals that fail to influence real outcomes.

Given its cross-sectional design and the single-institution sample, the study's generalizability is naturally limited. However, the diversity of industries represented in the sample enhances its contextual relevance. Future research is encouraged to replicate the findings using longitudinal or experimental designs to better establish causality and assess how these relationships evolve over time. Additionally, future studies could explore boundary conditions such as symbolic participation or the interaction between procedural and interactional justice dimensions in shaping budgeting ethics. Finally, exploring additional dimensions of organizational justice, such as interactional and distributive justice, and examining other potential mediators like psychological ownership or ethical climate, could provide a more comprehensive understanding of the mechanisms reducing budgetary slack.

In summary, this research advocates for an integrated approach to strategic control that balances inclusiveness with psychological empowerment, and fairness with emotional engagement, to cultivate ethical budgeting practices.

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Appendix A. Measurement Instruments

All items were measured using a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). *Reverse-coded items are marked with an asterisk.*

Variables	Items	Sources
Participation in Strategic Planning	PSP1: I am involved in developing the company's vision.	Adopted from Baerdemaeker and Bruggeman (2015)
	PSP2: My supervisor provides very logical reasons when reviewing the company's long-term goals.	
	PSP3: I frequently express my opinions and suggestions regarding the company's long-term goals.	
	PSP4: I have significant influence over the final decisions that determine the company's long-term goals.	
	PSP5: I make a very important contribution to the company's long-term goals.	
	PSP6: My supervisor frequently asks for my input and suggestions when making decisions about the company's long-term goals.	
	PSP7: I am involved in developing the company's strategic position.	
	PSP8: My supervisor provides very logical reasons when reviewing the company's strategic position.	
	PSP9: I frequently express my opinions and suggestions regarding the company's strategic position.	
	PSP10: I have significant influence over the final decisions that determine the company's strategic position.	
	PSP11: I make a very important contribution to the company's strategic position.	
	PSP12: My supervisor frequently asks for my input and suggestions when making decisions about the company's strategic position.	
Perceived Procedural Justice	PPJ1: Budgeting procedures are applied consistently across all areas of responsibility.	Adopted from Wentzel (2002), originally developed by Magner and Johnson (1995) and Leventhal (1980)
	PPJ2: Budgeting procedures are applied consistently over time.	
	PPJ3: Budget decisions for my area of responsibility are based on accurate	

	<p>information and well-informed opinions.</p> <p>PPJ4: Current budgeting procedures include provisions that allow me to request a review of the budget set for my area of responsibility.</p> <p>PPJ5: Current budgeting procedures align with my ethical and moral standards.</p> <p>PPJ6: Budget decision-makers strive to be fair to all areas of responsibility.</p> <p>PPJ7: Current budgeting procedures adequately represent the interests of all areas of responsibility.</p> <p>PPJ8: Budget decision-makers adequately explain the budget allocation for my area of responsibility.</p>	
Affective Commitment	<p>AC1: I would be very happy to spend the rest of my career with this company.</p> <p>AC2: I enjoy discussing my company with people outside the organization.</p> <p>AC3: I feel that the company's problems are also my problems.</p> <p>AC4*: I could easily become attached to another organization. (reverse item)</p> <p>AC5*: I do not feel like a 'part of the family' in this company. (reverse item)</p> <p>AC6*: I do not feel 'emotionally attached' to this company. (reverse item)</p> <p>AC7: This company means a lot to me.</p> <p>AC8*: I do not feel a strong sense of belonging to this company. (reverse item)</p>	Adopted from Allen and Meyer (1990)
Budgetary Slack	<p>BS1: The standards set in the budget do not encourage high productivity in my area of responsibility.</p> <p>BS2: The budget set for my area of responsibility is easy to achieve.</p> <p>BS3: I do not carefully control costs in my area of responsibility.</p> <p>BS4: The budget for my area of responsibility is not very demanding.</p>	Adopted from Dunk (1993)

BS5: Budget targets do not make me
overly concerned with improving
efficiency in my area of responsibility.

BS6: The targets in the budget are not
difficult to achieve.

Sources: Allen and Meyer (1990), Baerdemaeker and Bruggeman (2015), Dunk (1993), Leventhal (1980),
Magner and Johnson (1995), Milani (1975), Onsi (1973), and Wentzel (2002).
Items marked with an asterisk are reverse-coded questions.