The Impact of Abusive Supervision on Budgetary Slack: The Moderating Role of Locus of Control

FITRI MARETA

Universitas Nusa Putra

ALDINI NOFTA MARTINI

ITBis Lembah Dempo

ARYAN DANIL MIRZA. BR*

Universitas Gadjah Mada

Abstract: *Abusive supervision has many adverse effects on subordinates' attitudes and behavior. Evidence showed that abusive supervision could reduce subordinates' commitment to the organization, which leads to workplace deviant behavior. The higher the abusive supervision is, the higher the cheating behavior frequency by subordinates. On the other hand, the achievable of the budget become a mandatory thing for the employee because employee performance is reviewed by the success of meet or exceed the set budget targets. To make budgeting easier to achieve, the employee usually creates budgetary slack. So, Abusive supervision can directly increase the occurrence of budgetary slack. However, our research tries to reduce budgetary slack caused by abusive supervision by considering the locus of control owned by an individual. An individual with a higher locus of control can control himself from harming the company, like budgetary slack. Using experimental research on 51 accounting master students, we found that locus of control significantly impacts generating budgetary slack. Furthermore, our research found that the propensity to create budgetary slack is also influenced by the interaction of abusive supervision and locus of control. We hope this result can be a consideration in the budgeting process for company stakeholders in the future.*

Keywords: *Abusive Supervision, Locus of Control, Budgetary Slack*

Abstrak— *Abusive Supervision memiliki banyak efek negatif pada sikap dan perilaku bawahan. Terdapat bukti yang menunjukkan bahwa Abusive Supervision dapat menurunkan komitmen bawahan terhadap organisasi dan menimbulkan perilaku menyimpang di tempat kerja. Semakin tinggi abusive supervision yang dirasakan oleh bawahan maka frekuensi perilaku kecurangan akan semakin tinggi. Di sisi lain, pencapaian anggaran menjadi hal yang penting bagi karyawan, karena kinerja karyawan ditinjau dari keberhasilannya dalam memenuhi atau melampaui target anggaran yang telah ditetapkan. Supaya target anggaran lebih mudah dicapai, karyawan biasanya menciptakan senjangan anggaran. Sehingga Abusive Supervision dapat secara langsung meningkatkan terjadinya budgetary slack. Penelitian kami mencoba mengurangi terjadinya senjangan anggaran yang disebabkan oleh Abusive*

Supervision dengan mempertimbangkan locus of control yang dimiliki oleh individu. Individu dengan locus of control yang lebih tinggi diyakini dapat mengendalikan dirinya dari melakukan tindakan yang merugikan perusahaan, seperti senjangan anggaran. Menggunakan penelitian eksperimen pada 51 mahasiswa magister akuntansi, kami menemukan bahwa locus of control memiliki dampak besar pada kecenderungan untuk menciptakan senjangan anggaran. Lebih lanjut, penelitian kami menemukan bahwa kecenderungan menciptakan senjangan anggaran dipengaruhi pula oleh interaksi antara abusive supervision dan locus of control. Kami berharap hasil penelitian ini dapat menjadi bahan pertimbangan dalam proses penganggaran bagi para pemangku kepentingan perusahaan di masa mendatang.

Kata Kunci: *Abusive Supervision, Locus of Control, Kesenjangan Anggaran*

1. Introduction

Abusive supervision is a subordinate's perception of the extent to which superiors engage in ongoing threatening verbal and nonverbal displays (Tepper, 2000). Rude supervision is considered a detrimental leadership style (Tong & Prompanyo, 2021). The pressure given to subordinates at work is the leading cause of negative subordinate behavior (Mitchell, Baer, Ambrose, Folger, & Palmer, 2018). This pressure can create uncomfortable conditions in the workplace. When subordinates are in negative emotions for a long time, they will gradually reduce their consideration of ethics and morality. They will more easily lead to unethical behavior (Kouchaki & Desai, 2015), which can encourage fraudulent behavior by subordinates that can threaten company performance.

In each subunit, the organization uses the budget to allocate money. The budget is an essential part of the company's management and control system. In addition, as a basis for resource allocation, the budget is usually used as a planning instrument. As part of performance management, the budget affects performance evaluation. Furthermore, this affects individual behavior in budgeting (BR & Khoirunisa, 2021). Top management also relies on subordinate-superior coordination to collect data on sub-unit resource requirements to distribute resources efficiently within the organization (Church, Kuang, & Liu, 2019). However, opportunistic behavior such as budgetary slack is implicit in budgetary practices (Mao & Zhu, 2009). Budgetary slack

occurs when a manager intentionally makes an excessive demand for resources by exceeding the real budget requirement, or a manager intentionally declares his productivity to be lower than actual productivity (Park & Kim, 2019). Thus, the budget will be more flexible, making the budget easier to achieve. The problem of budgetary slack is an agency problem and a violation of social norms and deviant behavior (Tong & Prompanyo, 2021). Therefore, how to prevent budgetary slack has always been one of the focus problems in budget research.

Abusive supervision has a detrimental impact on employees and the organization (Tepper, 2000). The view of decreased self-regulation (Thau & Mitchell, 2010) suggests that abusive supervision is a negative event that reduces self-control capacity leading to irrational behavior such as theft at work. From this Perspective, budgetary slack is thought to be the result of decreased self-control. Previous studies have highlighted the role of personality traits such as locus of control in buffering job stress and demonstrated an association with organizational outcomes such as job satisfaction (Dunn, Elsom, & Cross, 2007). In addition, the individual's locus of control can also influence decision-making at work (Kesavayuth, Ko, & Zikos, 2018). How to control budgetary slack has always been one of the focal issues in budget practice and research. However, locus of control has not been explicitly studied concerning budgetary gaps. According to the Resource Conservation Theory, people have a primary motivation to maintain, protect, and develop the resources they value (Hobfoll, 2001). Meanwhile, research on people's locus of control shows that differences in individual attribution styles can help alleviate various negative perceptions and behaviors that result from resource threats (Shanteau, 1987). Furthermore, this study proposes that locus of control serves as a buffer factor that reduces the relationship between abusive supervision on budgetary slack behavior by subordinates.

According to the locus of control theory, individuals with the different locus of control take different actions and adopt different strategies when facing threats from the workplace (Ding, Zhu, Gu, & Liu, 2012). Locus of control as a form of the individual trait (Judge & Bono, 2001) can be predicted as a buffer between abusive supervision and budgetary slack. In particular, individuals with external control may have relatively

positive responses to threats in the workplace, choosing more active coping strategies to defuse and control bad moods and deviant behavior (Wang et al., 2018)

This study investigates the effect of abusive supervision and locus of control on the propensity of individuals to commit budgetary slack. In addition, this study also examines the role of individual locus of control with abusive supervision on the tendency to budget gaps. This study uses an experimental method to examine and explain the causal relationship between harassing surveillance and budgetary slack locus. This study used a 2x2 factorial design consisting of two factors: rough control (low and high) and locus of control (internal and external). The results of this study successfully validated the impact of arbitrary (low and high) differences in the level of supervision on the creation of budgetary slack. This research is expected to contribute empirically and practically. Empirically, explaining the influence of abusive supervision and individual locus of control on the tendency to make gaps. Practically, it can be used as a basis for consideration in organizations to minimize employee budget gaps.

The remainder of this paper is organized as follows. The following section presents the development of the hypothesis, followed by the research methods used. The section is then followed by a discussion of the results and ends with a conclusion.

2. Theoretical Framework and Hypothesis Development

2.1. Abusive Supervision on Budgetary Slack

Abusive supervision is characterized as the understanding by the subordinates of the degree to which the superior is engaged in verbally and non-verbally exhibiting ongoing aggression, excluding physical contact (Tepper, 2000). Abusive supervision generates several undesirable effects, including decreased involvement (Tepper, 2000), decreased organizational constructive conduct (Zellars, Tepper, & Duffy, 2002), increased offender retribution, and deviant behavior against other organizations and individuals (Mitchell & Ambrose, 2007). Abusive supervision signals to workers that their supervisors doubt them, lack confidence in their abilities and are unlikely to have the appropriate support for career growth (Tepper, 2000). Abusive supervision may also

persuade staff that they lack the resources and capacity to attain job goals and overcome career challenges (Biemann, Kearney, & Marggraf, 2015). The situation leads workers with abusive leadership to question whether they are adequately qualified to fulfill the demands of their leaders and achieve their career objectives (Tepper, 2000).

Reciprocity is the fundamental concept of social exchange theory (Cropanzano & Mitchell, 2005). Thus by reducing work efficiency, subordinates may compensate for their superior's abusive treatment. Previous research has noted that workers appear to engage in deviant conduct, such as bribery, fraud, or work slower than normal in response to hostile supervision (Tepper, 2000). Abusive supervision encourages retaliatory actions based on the social exchange theory (Mitchell & Ambrose, 2007). Employees with coercive management respond to their supervisors' treatment by engaging in workplace deviations (Skarlicki & Folger, 2004). Based on self-determination theory, Lian, Lance Ferris, and Brown (2012) suggest that abusive supervision has a negative effect, especially on organizational deviation, because abusive supervision threatens the basic psychological needs of subordinates that causing negative consequences. The difference in the budget is one type of deviation in budget reporting. Managers are encouraged to make budget holes to increase their compensation and remuneration or ensure that their budget goals are met (Mirza. BR & Khoirunisa, 2021). Managers may also derive personal advantages from the budgetary slack. The following hypothesis is therefore postulated:

H1: Subordinates with high abusive supervision will be more likely to perform budgetary slack than subordinates with low abusive supervision

2.2. Locus of Control on Budgetary Slack

Kesavayuth et al. (2018) describe the locus of control as individual assumptions about the causes of events, situations, and outcomes in their lives and relies on their actions how people interpret these outcomes. This personality trait, in other words, reflects the degree to which a person assumes that the things they obtain in life are dependent on their actions (Haas & Yorio, 2019). A person who has a high locus of control, also known as an internal locus of control, believes that the outcome of life is

a function of one's efforts and behavior. In comparison, people with the low locus of control, also known as the external locus of control, assume that the outcome of life is beyond one's control but is more a function of external causes, such as fate, chance, and other individuals (Rotter, 1966).

Previous studies have shown that the locus of control can explain an individual's motivation, decisions, behavior, and personal objectives. Furthermore, there is also evidence that the locus of control is related to risky actions. Kesavayuth et al. (2018) show that individuals with a high locus of control tend to have risky assets. Individuals with a higher locus of control tend to take financial risks because they assume that their decisions will control future performance relative to those with a low locus of control. Protecting themselves and the company from instability is one of the critical reasons administrators indulge in budgetary slack (Cyert & March 1963). The budgetary slack has a role in protecting against environmental instability as a risk buffer and (Van Der Stede, 2000). The following hypotheses are also postulated:

H2: Subordinates who have an external locus of control will be more likely to perform budgetary slack than subordinates who have an internal locus of control

2.3. Abusive Supervision and Locus of Control on Budgetary Slack

Abusive supervision has been estimated to influence the tendency of subordinates to do budgetary slack, especially in high abusive supervision. The abusive situation is reinforced by social exchange theory, which states that transactions between parties give birth to reciprocal norms (Cropanzano & Mitchell, 2005). Employees respond according to how they perceive themselves to be treated by their superiors (Mearns, Hope, Ford, & Tetrick, 2010). The employees' response is supported by research by Tepper, Duffy, and Shaw (2001), which states that employees tend to engage in deviant behavior, such as theft, fraud, or work slower than usual as a reaction to abusive supervision. According to Resource Conservation Theory, people have a primary motivation to conserve, protect, and build resources that they value (Hobfoll, 2001). Leaders are essential resources for employees because they are role models for employees (Boekhorst, 2015). The relationship between an employee and a leader

provides the foundation for the emotional bond between an employee and their organization (Hon, Chan, & Lu, 2013), so any damage to this relationship inflicted through abusive supervision is likely to have a negative effect. Over time, employees who experience such hostile treatment will experience negative emotions and produce unwanted behavior (Wu & Hu, 2013).

In addition to abusive supervision, personal values still play a role in determining how a person takes action from every event (Hobson et al., 2011; Putra, et al., 2019), including various kinds of pressure to do budgetary slack (Mirza. BR & Adi, 2020). According to the locus of control theory, individuals with the different locus of control take different actions and adopt different strategies when facing threats and pressures from the workplace (Ding et al., 2012). As a form of the individual trait (Judge & Bono, 2001), locus of control can influence the relationship between threat and pressure (i. e., abusive supervision) and individual attitudes and behavioral outcomes. The study on Kesavayuth et al. (2018) has shown that locus of control also plays a role in individual action decisions, especially risk-taking actions. Someone with an internal locus of control will tend to be careful in taking risky actions. Individuals have confidence that each individual is responsible for having full control over their destiny (Haas & Yorio, 2019). Budgetary slack is a risky action for subordinates. Therefore, someone with a high locus of control (internal locus of control) is more likely not to do budgetary slack to avoid the risk of his actions. Thus, under high pressure from superiors and supported by subordinates who have a low external locus of control, subordinates tend to do budgetary slack.

H3: Subordinates with high abusive supervision will be more likely to perform budgetary slack when having an external locus of control than subordinates with high abusive supervision when having an internal locus of control

3. Research Method

3.1 Research Design

This research used experimental laboratory methods. The experimental method is used in this research because the researcher has high control over the confounding variable to produce high confidence about the causal relationship between the

independent variable and the dependent variable (Nahartyo, 2013). Laboratory experiments in this study used a 2×2 factorial design between subjects by testing two types of abusive supervision (high and low) and two types of locus of control (internal and external) on budgetary slack. Participants were randomly assigned to one of the four treatment groups.

Table 1.
Research Design

		Locus of Control	
		Internal	External
Abusive Supervision	Low	Group 1	Group 2
	High	Group 3	Group 4

3.2 Participants

This study used Master of Science in Accounting Gadjah Mada University who has taken or is currently taking Management Accounting courses. Thus, the sample is expected to understand the given instrument and internalize the cases contained in the instrument. The total number of participants in this experiment was 57 participants. The total participants who passed the manipulation check were 51 participants (89%); the total participants who did not pass the manipulation check were 6 participants (11%).

Table 2.
Participant Demographics

Characteristics		Freq	Percents (%)
Gender	Male	12	23.5
	Female	39	76.5
	Total	51	100
GPA	< 3,00	1	1.9
	3, 00 – 3,50	22	43.1
	> 3,50	28	55
	Total	51	100
Age	≤ 25 years	39	76.4
	>25 years	12	23.6
	Total	51	100
Work Experience	0 year	14	27.4
	1 - 2 years	26	50.9
	3 - 4 years	6	11.7
	5 – 6 years	5	10
	Total	51	100

3.3. Operational Definition

3.3.1. Manipulated Variable

Abusive Supervision

This study provided manipulation of the abusive supervision variable based on the abusive supervision scale developed by Tepper (2000). Abusive supervision in this study is defined as the attitude and treatment of superiors who are not good towards subordinates in providing supervision and direction. High abusive supervision means that superiors treat subordinates in an unprofessional way and can offend subordinates (for example, either directly or indirectly criticize by saying that the ideas given by subordinates are stupid, demeaning subordinates in front of colleagues or during meetings, often discuss past mistakes, and tell subordinates that they are incompetent). On the other hand, low abusive supervision is when the superior behaves and treats subordinates properly. Some of its forms include providing constructive criticism and direction to subordinates, rebuking subordinates personally (not at meetings), appreciating or appreciating the efforts of subordinates, and providing support to improve performance.

3.3.2. Measured Variable

Locus of control

Locus of control is measured by how employees believe in their ability to face various difficulties and challenges at work. The locus of control variable was measured using an instrument developed by Johnson and McGill (1988), namely:

- a. External locus of control is an individual's perception or view of sources outside himself that control events in his life, such as fate, luck, superior power, and the surrounding environment.
- b. Internal locus of control perception is an individual view of self-determination ability.

Locus of Control respondents was measured using ten questions developed by Robert, Lapdus, and Chonko (1997). Each question item will randomly distinguish the respondent whether he tends to have an internal or external locus of control.

Budgetary slack

The dependent variable in this study is budgetary slack. A proxy for the tendency to do budgetary slack is used in the measurement, which is still at the intention stage or not yet at the behavioral stage. This is because actual budgetary slack is difficult to measure (Maiga & Jacobs, 2008). The instrument used is based on Hobson et al. (2011) and Stevens (2002), which is complemented by a slack-inducing payment scheme which, in general, in practice, motivates subordinates to create budgetary gaps because of their bonuses for over-budget performance. The budgetary slack instrument is an assignment to determine the amount of slack made by the participants. This instrument is used to determine how much the tendency of subordinates to perform budgetary slack is measured by the difference between the best estimate of actual performance and the performance target set by the participants. This calculation refers to the definition of budgetary slack (Anthony, Robert N Govindarajan, 2007).

3.4 Experimental Procedures

Before the actual experiment was carried out, the researchers conducted a pilot test on the Master of Science in Accounting FEB UGM students. The implementation of this pilot test aims to determine the characteristics of the experimental respondents and the feasibility of the research instrument. After the instrument is judged to be feasible, judging by the participant's understanding of the experiment well (passing the check manipulation), the researcher can continue the actual experiment using the instrument. In carrying out experiments, researchers must pay attention to experimental procedures so that the experiment runs well. First, the experimenter opened the class by greeting the participants. Then, the experimenter explains the time required and the rules during the experiment. The experimental assistant distributed a map containing the research instruments randomly to the participants.

Each participant will receive one of four experimental design manipulations that the experimenter has designed. Furthermore, participants were given 2 minutes to read and sign the consent form stating that they were willing to become participants voluntarily without any coercion from any party. After signing the consent form, participants were given approximately 10 minutes to fill in 10 questions which were

assessed according to the respondent's personality. Furthermore, participants will be given approximately 5 minutes to read the general information in the experimental scenario. The general information explained that the participant served as a production manager at PT Emerald Translation. After that, participants will be given an assignment to translate letters into numbers and add up the total numbers. Each number that is successfully calculated correctly by the respondent is considered as the participant's actual performance. Each respondent will be given training once before doing the actual assignment. Furthermore, participants were given information about the manager's payment scheme and information about their superiors.

In the high abusive supervision experimental group, superiors will be described as not appreciating their subordinates and being rude to their subordinates. In the low abusive supervision experimental group, superiors will appreciate their subordinates and motivate their subordinates. After the participants read the information about the manager's payment scheme and information about his supervisor, the respondent will be asked to determine the performance targets. Next, participants filled out manipulation checks to ensure that participants understood the experimental scenario. The criteria for passing the manipulation check are that participants can answer all questions correctly. After that, participants were asked to fill in demographic data in the form of their name, gender, age, work experience, and others.

3.5. ANOVA Assumption Test

3.5.1. Homogeneity Test

The homogeneity test aims to determine the variance of observations in relatively the same cells. This test uses the Levene test with a significance level of 0.05. The data can be said to be homogeneous if the significance value is more than 0.05.

3.5.2. Randomization Test

Randomization is an essential element in experiments to ensure that the placement of experimental subjects is carried out randomly without regard to demographic characteristics (Nahartyo and Utami, 2016). The randomization test used the Chi-Square test for nominal-scale data, while for the ratio-scaled data using the One-Way ANOVA test. The level of significance in this test is 0.05. The data can be said that

there is no significant difference between groups related to demographic characteristics if the significance value is more than 0.05.

3.5.3. Experiment Error Test

The experimental error test aims to ensure that no factors interfere with the causal relationship between the independent and dependent variables. This test uses the Two-Ways ANOVA test with demographic characteristics as the independent variable and Budgetary Slack as the dependent variable. The level of significance in this test is 0.05. If the significance value is more than 0.05, then the demographic characteristics of the participants do not affect Budgetary Slack; on the contrary, if the significance value is less than 0.05, then the demographic characteristics of the participants affect budgetary slack. If the participant's demographic characteristic variable influences budgetary slack, then the demographic characteristic variable is used as a control variable.

3.6. Hypothesis Test

This study used the ANOVA test for hypothesis testing. The ANOVA test was used to compare the variance of the sample groups. The level of significance in testing this hypothesis is 0.05. The hypothesis can be said to be supported if the significance value is less than 0.05.

4. Results and Discussion

4.1. Respondents Profile

The experiment involved 51 participants from accounting master students of Universitas Gadjah Mada. The mean age of the participants was 24.23, with a minimum year was 21 and a maximum year was 30. Thirty-nine female participants and 12 male participants were the sex of the respondents—a minimum GPA of 2.75 with an average of 3.54 and a mean GPA of 3.90. Thirty-seven people (73 percent) had work experience, and 14 people (27 percent) had no work experience. This research used a simple instrument, so respondents' involvement from students who have no work experience but have taken management accounting courses is still quite relevant in working on the case in this instrument.

4.2. Descriptive Statistics

The table below shows that group 1 consists of 14 participants with an average slack of 110.35. Group 2 consists of 10 participants with an average slack of 137. Group 3 consists of 15 participants with an average slack of 90.33. Furthermore, Group 4 consisted of 12 participants with an average slack of 135.83.

Table 3.
Descriptive Statistical Results

Abusive Supervision	Locus of Control		Total
	Internal	External	
Low	Grup 1 N = 14 Average = 110.35	Grup 2 N = 10 Average = 137	N = 24 Average = 123.67
High	Grup 3 N = 15 Average = 90.33	Grup 4 N = 12 Average = 135.83	N = 27 Average = 113.08
Total	N = 29 Average = 100.34	N = 22 Average = 136.415	N = 51 Average = 106

4.3. Results

4.3.1. Homogeneity Test

Homogeneity testing aims to determine whether the sample data taken from the population varies homogeneously or not. Homogeneity of variance is known by doing a homogeneity test using Levene's test. The criterion in decision making is if the significance value is more than 0.05, then the variance of the group is the same; otherwise, if the significance value is less than 0.05, then the variance of the group is different.

Table 4.
Homogeneity Test

Dependent Variable	<i>Levene Statistic</i>	<i>Sig.</i>
Budgetary Slack	2.949	0.098

The test results show that the Levene statistic is 2,949; $p > 0.05$. Thus, the variance of the variable is homogeneous.

4.3.2. Randomization Test

The purpose of randomization testing is to ensure that each respondent in the experimental group has been randomly assigned. The randomization test was conducted by comparing the demographic data of the entire experimental group consisting of gender, age, GPA, and work experience. The criteria for decision-making are if the significance value is more than 0.05. There is no significant difference between the experimental groups related to the demographic characteristics of the respondents. On the contrary, if the significance value is less than 0.05, there are significant differences between the experimental groups related to the demographic characteristics of the respondents. The Chi-Square test is used to test nominal scale data, namely gender and work experience.

Table 5.
Chi-Square Test

Characteristics	<i>Pearson Chi-Square Value</i>	<i>Asymp. Sig. (2-sided)</i>
Gender	2.124	0.547
Work Experience	3.832	0.699

Table 6.
One Way ANOVA Test

Characteristics	F	Sig.
Age	0.915	0.438
GPA	0.543	0.654

The test results show that the sig value on the demographic characteristics of the participants is > 0.05 . Thus, there was no significant difference between the experimental groups about age, sex, work experience, age, and GPA.

4.3.3. Experiment Error Test

Experimental error testing is carried out to ensure that the results of hypothesis testing are not influenced by the demographic characteristics of the participants but are only influenced by the independent variables. This test was carried out using the Two-

Ways ANOVA test. This test uses budgetary slack as the dependent variable and the demographic characteristics of the participants as the independent variable. The criterion in decision making is if the significance value is more than 0.05, then the demographic characteristics of the participants do not affect the determination of the respondent's slack. On the contrary, if the significance value is less than 0.05, then the demographic characteristics of the participants affect the determination of the respondent's slack.

Table 7.
Experiment Error Test

Independent Variable	Budgetary Slack	
	F	Sig.
Gender	0.000	1.000
Age	0.685	0.531
GPA	1.738	0.208
Work Experience	0.789	0.487

The test results show that the sig value on the demographic characteristics of the participants is > 0.05 . Thus, the demographic characteristics of the participants have no significant effect on budgetary slack.

4.3.4. Hypothesis Test

Hypothesis 1 notes that budgetary slack would be more likely to be carried out by subordinates with high abusive supervision than by subordinates with low abusive supervision. The results of the Two-Ways ANOVA test with abusive supervision and locus of control as independent variables are summarized in Table 1. The findings show that the critical effects of abusive supervision are statistically significant ($F = 1.237$, $p = 0.272 > 0.05$). This result does not provide support for H1.

Hypothesis 2 notes that subordinates with an external locus of control would be more likely than subordinates with an internal locus of control to commit budgetary slack. The test results showed that the main impact of the locus of control was statistically significant ($F = 14.332$, $p = 0.000 < 0.05$).

Table 8.
Two Ways ANOVA Results

Source	df	Mean Square	F	Sig
LS	1	1397,002	1,237	0,272
LoC	1	16192,063	14,332	0,000
LS* LoC	1	1106,286	0,979	0,327
Error	47			

Hypothesis 3 notes that for subordinates who have an internal locus of control, slack would appear to be lower in low abusive oversight. The One-Way ANOVA test was used to test this hypothesis. Table 2 results show that $F = 2,949,475$, $p = 0.000 < 0.05$). These findings provide H3.

Table 9.
One Ways ANOVA Results

	F	t	Sig.
Equal variances assumed	2.949	- 4,311	0.000
Equal variances not assumed		- 4,180	0.000

4.3 Discussion

The findings of the first hypothesis test suggest that it does not support the main effect of abusive supervision on budgetary slack. The primary view of abusive supervision defines the harsh treatment of leaders that can facilitate unethical behavior. Watkins, Fehr, & He (2019), however, disclose that the image remains incomplete. Although current research indicates that abusive supervision is driven by a direct urge to attack individual workers, some leaders are motivated by more pro-organizational institutions and use coarse supervision as a means of achieving goals (Watkins et al., 2019). In particular, to achieve their objective of enhancing employee efficiency,

leaders often exercise harsh monitoring of their workers. In the current context, leaders often face tension when attempting to enhance performance while trying to treat their workers with dignity; leaders implicitly and specifically balance the advantages of performance when determining how to handle their employees against the costs of employee welfare. This implies that it is legal for leaders to act in this manner (i.e., abusive supervision) as an intermediary to deter fraud when rough supervision is required under such circumstances (e.g., budgetary slack).

Furthermore, abusive supervision could be explained by social learning theory. Individuals will respond to contextual stimuli by imitating their role model actions (Bandura, 1977). The theory of social learning suggests that if a middle-level leader encounters a senior leader who conducts rough supervision of organizational workers, the middle-level leader will infer that rough supervision is a normatively acceptable and beneficial way of guiding the organization in the sense of abusive supervision. So, it contributes to behaving kindly. Therefore, abusive supervision is not only interpreted in negative connotations, in line with the research of Watkins et al. (2019) but may also contribute to optimistic, pro-organizational behavior, for instance, tends to be low in carrying out budgetary slack.

The findings of the second hypothesis test show that subordinates with an external locus of control tend to commit budgetary slack than subordinates with an internal locus of control. In line with Mudrack's (1990) meta-analysis, the locus of control is negatively linked to the dispositional essence of Machiavellianism, indicating that the internal locus of control tends to rely on their efforts rather than coercion and deceit to achieve the desired target. Not surprisingly, the knowledge that directly or indirectly offers connotations relevant to self-esteem is more susceptible internally than externally (Phares, 1976). If employees assume that their job roles are produced and handled rather than their job roles are decided by their company, boss, or colleagues, they should feel more competent and mentally energized (Spreitzer, 1995). This optimistic appraisal of job roles can be correlated with more positive affective responses to the work environment, such as becoming more comfortable with their job and showing attitudes and behaviors that demonstrate commitment to the organization (i.e., the intention to

lower budgetary slack). Although the external locus of control is not addressed in detail in the organizational literature, it is more complex since it assumes that external forces control effects. The influence of those who are good, chance, destiny, opportunity, social structure, or the difficulty of the challenge may create these external forces (Rotter, 1966). External control locations tend to look at themselves as victims of the potential challenges and climate and have a passive role in deciding the results they would eventually achieve (Ng, Sorensen, & Eby, 2006). Therefore, budgetary slack is more likely to be carried out by subordinates with an external place of power.

Testing the third hypothesis shows that support the interaction effect of abusive supervision and locus of control on budgetary slack. Abusive supervision involves behaviors such as lying to subordinates, threatening, isolating, or behaving rudely towards subordinates, leading to negative consequences. This is supported by the theory of self-determination (Lian et al., 2012), which suggests that abusive supervision negatively influences subordinates because it threatens the psychological needs of subordinates. Therefore, organizations with high abusive supervision will increasingly make subordinates deviate at work (i.e., budgetary slack). In addition to high abusive supervision, deviations made by subordinates in the workplace can also be strengthened by the subordinate's locus of control. Locus of control can influence the relationship between threat and pressure (i.e., abusive supervision) and individual attitudes and behavioral outcomes, especially risk-taking actions (Kesavayuth et al., 2018). Subordinates who have an internal locus of control will tend to take risky actions because they believe that each individual is responsible for having full control over their destiny (Haas & Yorio, 2019). Therefore, subordinates who have an external locus of control and under high abusive supervision are more likely to do budgetary slack than subordinates who have an internal locus of control and under high abusive supervision.

5. Conclusion, Implication, and Limitation

Low Abusive Supervision is not an effective way to manage employees; on the contrary, high abusive supervision can encourage employees to be more obedient and disciplined to reduce fraud in work. High Abusive supervision that is carried out with

full attention and careful consideration can positively impact employee behavior. The possible positive impact of high abusive supervision is limited to a few outcomes, such as when an employee does something wrong, performs poorly, cheats on the leader, betrays the organization, or is late for work for no good reason. Abusive supervision can be a way for the leader to punish these employees for encouraging employees to be better (Zhang & Liu, 2018). There is more tendency to create budgetary slack on subordinates who have an external locus of control than subordinates with an internal locus of control.

In subordinates that have an internal locus of control and low abusive supervision. Slack appears to be lower. This corresponds to Haas & Yorio (2019), which reveals that individuals are confident and responsible for having complete control over their destiny. Thus, the individual is more likely to be careful in taking risky actions. The findings of this study also show that the relationship between abusive supervision and budgetary slack relies on the subordinates of the target and the leader's personality.

The results of this study have theoretical and practical implications. Theoretically, this study adds to the management accounting literature by understanding the effect of abusive supervision and locus of control on the tendency of subordinates to perform budgetary slack. Practically, this research provides knowledge to companies that abusive supervision and locus of control influence budgetary slack, which is useful for management to formulate strategies to prevent unethical behavior by applying morally legitimate abusive supervision and growing subordinates' internal locus of control.

There are some limitations in this research, which can be seen as a chance for further studies. This research used students as participants, mostly do not have job experiences. Therefore, future research can use participants from a professional accountant who can internalize the case better. The case instrument in this research is the simplified case for experimental needs, while practice in the work would be more complex than the case in the instrument. There are many other variables that we can not set in this study that might affect budgetary slack. Furthermore, future studies could use another internal factor variable: moral reasoning, religiosity, honesty, other personality

traits, or external factor variables, such as organizational culture, peer pressure, and compensation scheme.

Reference

- Anthony, Robert N Govindarajan, V. (2007). *Management Control Systems - Book - Harvard Business School*. McGraw-Hill/Irwin. Retrieved from <https://www.hbs.edu/faculty/Pages/item.aspx?num=48490>
- Bandura, A. (1977). *Social Learning Theory*. New Jersey: Prentice-Hall, Inc.
- Biemann, T., Kearney, E., & Marggraf, K. (2015). Empowering leadership and managers' career perceptions: Examining effects at both the individual and the team level. *Leadership Quarterly*, 26(5), 775–789. <https://doi.org/10.1016/j.leaqua.2015.03.003>
- Boekhorst, J. A. (2015). The role of authentic leadership in fostering workplace inclusion: A social information processing perspective. *Human Resource Management*. <https://doi.org/10.1002/hrm.21669>
- Church, B. K., Kuang, X. (Jason), & Liu, Y. (Sarah). (2019). The effects of measurement basis and slack benefits on honesty in budget reporting. *Accounting, Organizations and Society*, 72, 74–84. <https://doi.org/10.1016/j.aos.2018.05.005>
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874–900. <https://doi.org/10.1177/0149206305279602>
- Cyert, R., & March, J. (1963). Behavioral Theory of The Firm. *Organizational Behavior 2: Essential Theories of Process and Structure*. Englewood Cliffs, NJ. <https://doi.org/10.4324/9781315702001>
- Ding, G. F., Zhu, Y. Y., Gu, S. S., & Liu, J. X. (2012). The boss abusive supervision and mechanism of the performance of subordinates behavior and intervention strategies. *Advances in Psychological Science*, 20, 1347–1354.
- Dunn, K., Elsom, S., & Cross, W. (2007). Self-efficacy and locus of control affect management of aggression by mental health nurses. *Issues in Mental Health Nursing*. <https://doi.org/10.1080/01612840601096321>
- Haas, E. J., & Yorio, P. L. (2019). The role of risk avoidance and locus of control in workers' near-miss experiences: Implications for improving safety management systems. *Journal of Loss Prevention in the Process Industries*, 59(October 2018), 91–99. <https://doi.org/10.1016/j.jlp.2019.03.005>
- Hobfoll, S. E. (2001). The influence of culture, community, and the nested-self in the stress process: Advancing conservation of resources theory. *Applied Psychology*. <https://doi.org/10.1111/1464-0597.00062>

- Hobson, J. L., Mellon, M. J., & Stevens, D. E. (2011). Determinants of moral judgments regarding budgetary slack: An experimental examination of pay scheme and personal values. *Behavioral Research in Accounting*, 23(1), 87–107. <https://doi.org/10.2308/bria.2011.23.1.87>
- Hon, A. H. Y., Chan, W. W. H., & Lu, L. (2013). Overcoming work-related stress and promoting employee creativity in hotel industry: The role of task feedback from supervisor. *International Journal of Hospitality Management*. <https://doi.org/10.1016/j.ijhm.2012.11.001>
- Johnson, G. H., & McGill, G. . (1988). *An abbreviated locus of control measurement scale*. <https://doi.org/10.1093/benz/9780199773787.article.b00095316>
- Judge, T. A., & Bono, J. E. (2001). Relationship of core self-evaluations traits - Self-esteem, generalized self-efficacy, locus of control, and emotional stability - With job satisfaction and job performance: A meta-analysis. *Journal of Applied Psychology*, 86(1), 80–92. <https://doi.org/10.1037/0021-9010.86.1.80>
- Kesavayuth, D., Ko, K. M., & Zikos, V. (2018). Locus of control and financial risk attitudes. *Economic Modelling*, 72(December 2017), 122–131. <https://doi.org/10.1016/j.econmod.2018.01.010>
- Kouchaki, M., & Desai, S. D. (2015). Anxious, threatened, and also unethical: How anxiety makes individuals feel threatened and commit unethical acts. *Journal of Applied Psychology*. <https://doi.org/10.1037/a0037796>
- Lian, H., Lance Ferris, D., & Brown, D. J. (2012). Does taking the good with the bad make things worse? How abusive supervision and leader-member exchange interact to impact need satisfaction and organizational deviance. *Organizational Behavior and Human Decision Processes*. <https://doi.org/10.1016/j.obhdp.2011.10.003>
- Mao, H., & Zhu, B. (2009). Review on the Cause of Budgetary Slack Behavior: the Perspective Based on Four Major Theories [J]. *Scientific Decision Making*. Retrieved from http://en.cnki.com.cn/Article_en/CJFDTotat-KXJC200911014.htm
- Mearns, K., Hope, L., Ford, M. T., & Tetrick, L. E. (2010). Investment in workforce health: Exploring the implications for workforce safety climate and commitment. *Accident Analysis and Prevention*, 42(5), 1445–1454. <https://doi.org/10.1016/j.aap.2009.08.009>
- Mirza. BR, A. D. & Khoirunisa, K. R. (2021). Obedience Pressure VS Peer Pressure : An Explanation of Muslims' Religious Role In Budgetary Slack, *Journal of Indonesian Economy and Business*, 36 (2), 124–135.
- Mirza. BR, A. D. & Maria P. H. A, (2020). Truth Vs. Slack Inducing Paradox: How Does Compensation Scheme Mitigate Social Pressure on Budgetary Slack? *The Indonesian Journal of Accounting Research*. 23 (2), 183-212

- Mitchell, M. S., & Ambrose, M. L. (2007). Abusive Supervision and Workplace Deviance and the Moderating Effects of Negative Reciprocity Beliefs. *Journal of Applied Psychology*, 92(4), 1159–1168. <https://doi.org/10.1037/0021-9010.92.4.1159>
- Mitchell, M. S., Baer, M. D., Ambrose, M. L., Folger, R., & Palmer, N. F. (2018). Cheating under pressure: A self-protection model of workplace cheating behavior. *Journal of Applied Psychology*. <https://doi.org/10.1037/apl0000254>
- Mudrack, P. E. (1990). Machiavellianism and Locus of Control: A Meta-Analytic Review. *The Journal of Social Psychology*, 1(130), 125–126.
- Nahartyo, E. (2013). *Desain and implementasi riset eksperimen*.
- Ng, T. W. H., Sorensen, K. L., & Eby, L. t. (2006). Locus of control at work: a meta-analysis. *Journal of Organizational Behavior*, 27, 1057–1087. <https://doi.org/10.1002/job>
- Park, J., & Kim, H. J. (2019). How and when does abusive supervision affect hospitality employees' service sabotage? *International Journal of Hospitality Management*, 83(March 2018), 190–197. <https://doi.org/10.1016/j.ijhm.2018.10.014>
- Phares, E. J. (1976). *locus of control in personality*. Morristown, NJ: General Learning Press. Retrieved from <https://pdfs.semanticscholar.org/7219/b2d3bbece0beeb2fd399fa80c8513beb6383.pdf>
- Putra, Putu Y. P., Farah N. U. A., Christopher C. A. S. (2019). Reflections on Individual Personal Values in the Budgetary Slack Phenomenon. *The Indonesian Journal of Accounting Research*. 22 (1), 105-130.
- Rotter, J. B. (1966). Generalize D Expectancie S for Interna L Versus, 80(1). <https://doi.org/10.1037/h0092976>
- Shanteau, J. W. (1987). The relationship of locus of control and remembered stress to creativity as a cognitive process. *Dissertation Abstracts International*.
- Skarlicki, D. P., & Folger, R. (2004). *Broadening our understanding of organizational retaliatory behaviors*. New York: Jossey-Bass: In R. W. Griffin & A. M. O'Leary-Kelly (Eds.) *The dark side of organizational behavior*.
- Spreitzer, G. M. (1995). Psychological Empowerment in the Workplace: Dimensions, Measurement, and Validation. *Academy of Management Journal*, 38(5), 1442–1465.
- Stevens, D. E. (2002). The effects of reputation and ethics on budgetary slack. *Journal of Management Accounting Research*, *Journal of Management Accounting Research*, 14(1), 153–171.
- Tepper, B. J. (2000). Consequences of abusive supervision. *Academy of Management Journal*, 43(2), 178–190. <https://doi.org/10.2307/1556375>

- Tepper, B. J., Duffy, M. K., & Shaw, J. D. (2001). Personality moderators of the relationship between abusive supervision and subordinates' resistance. *Journal of Applied Psychology*, 86(5), 974–983. <https://doi.org/10.1037/0021-9010.86.5.974>
- Thau, S., & Mitchell, M. S. (2010). Self-Gain or Self-Regulation Impairment? Tests of Competing Explanations of the Supervisor Abuse and Employee Deviance Relationship Through Perceptions of Distributive Justice. *Journal of Applied Psychology*, 95(6), 1009–1031. <https://doi.org/10.1037/a0020540>
- Tong, Y., & Prompanyo, M. (2021). The Effect of Abusive Supervision on Budget Slack: The Mediating Role of Emotional Exhaustion. *Open Journal of Accounting*. <https://doi.org/10.4236/ojacct.2021.102003>
- Van Der Stede, W. A. (2000). The relationship between two consequences of budgetary controls: Budgetary slack creation and managerial short-term orientation. *Accounting, Organizations and Society*, 25(6), 609–622. [https://doi.org/10.1016/S0361-3682\(99\)00058-6](https://doi.org/10.1016/S0361-3682(99)00058-6)
- Wang, D., Li, X., Zhou, M., Maguire, P., Zong, Z., & Hu, Y. (2018). Effects of abusive supervision on employees' innovative behavior: The role of job insecurity and locus of control. *Scandinavian Journal of Psychology*. <https://doi.org/10.1111/sjop.12510>
- Watkins, T., Fehr, R., & He, W. (2019). Whatever it takes: Leaders' perceptions of abusive supervision instrumentality. *Leadership Quarterly*, 30(2), 260–272. <https://doi.org/10.1016/j.leaqua.2018.09.002>
- Wu, T. Y., & Hu, C. (2013). Abusive supervision and subordinate emotional labor: The moderating role of openness personality. *Journal of Applied Social Psychology*. <https://doi.org/10.1111/jasp.12060>
- Zellars, K. L., Tepper, B. J., & Duffy, M. K. (2002). Abusive supervision and subordinates' organizational citizenship behavior. *Journal of Applied Psychology*, 87(6), 1068–1076. <https://doi.org/10.1037/0021-9010.87.6.1068>
- Zhang, J., & Liu, J. (2018). Is abusive supervision an absolute devil? Literature review and research agenda. *Asia Pacific Journal of Management*, 35(3), 719–744. <https://doi.org/10.1007/s10490-017-9551-y>

APPENDIX

INSTRUMENT

Choose a or b by marking the questions that suitable for your value!

1. a. In the long run, people get the respect they deserve in this world.
 b. Unfortunately, one's efforts are often not rewarded no matter how hard they are.
2. a. What happened to me was the result of my actions.
 b. Sometimes, I feel that I have no control over the direction of my life.
3. a. In my opinion, what I gain has little or nothing to do with luck or bad luck.
 b. Repeatedly, I made decisions about what to do by doing the raffle
4. a. Who is the leader often depends on who has the good fortune, the right place, and the right opportunity.
 b. Getting people to complete the right jobs is dependent on ability, not luck.
5. a. Many unpleasant events in a person's life are caused by bad luck.
 b. A person's misfortune is due to one's fault.
6. a. When I make plans, I certainly believe I can carry them out.
 b. It is not always wise to plan too far because many things happen to be good luck or bad luck.
7. a. Without the right plan, one cannot be an effective leader.
 b. People who have abilities but fail to become leaders do not take advantage of opportunities.
8. a. No matter how good you try, some people still do not like you.
 b. People who fail in getting other people like them do not understand how to get along with other people.
9. a. Being successful is a matter of hard work; luck has nothing to do with it.
 b. Getting a good job depends on being in the right place at the right time.
10. a. Most people do not realize how much unforeseen events control their life.
 b. Actually, there is no such thing as luck.

WELCOME IN PT EMERALD TRANSLATION

PT Emerald Translation is a company engaged in code-breaking translation and analysis services. You have been with this company for six months and served as Production Manager of the VERBAL DIVISION, who is responsible for translating a series of codes into numbers to be added. The following are assignment instructions for the production department:

ASSIGNMENT INSTRUCTIONS

By using the HELP CARD provided, you will be asked to do the questions by:

- 1. Converts letters to numbers.
- 2. Add up the numbers without using a calculation tool.

EXAMPLE

CODE	TRANSLATION OF NUMBERS	TOTAL
C - A - R - D	= 14 + 67 + 83 + 34 =	<u>198</u>
M - O - U - S - E	= 17 + 24 + 48 + 91 + 41 =	<u>221</u>

HELP CARD*

LETTER CODE	SCORE		LETTER CODE	SCORE		LETTER CODE	SCORE
A	67		K	35		U	48
B	23		L	74		V	66
C	14		M	17		W	39
D	34		N	57		X	88
E	41		O	24		Y	37
F	32		P	19		Z	28
G	47		Q	43			
H	72		R	83			
I	89		S	91			
J	68		T	29			

EXERCISE

PART I: TRUE SCORE @10

SCORE:

CODE	TRANSLATION OF NUMBERS	TOTAL
S - I - R		
Y - E - S		
L - I - E		
R - U - N		
F - I - N		
P - A - S		
D - O - N		
W - A - L - L		
O - P - P - O		
M - O - O - N		

PART II: TRUE SCORE @25

CODE	TRANSLATION OF NUMBERS	TOTAL
P - R - I - N - T		
D - I - R - T - Y		
R - U - L - E - R		
S - O - U - T - H		

STOP HERE! DO NOT OPEN THE NEXT PAGE BEFORE THE INSTRUCTIONS!

ACTUAL ASSIGNMENT

SCORE:

PART I: TRUE SCORE @10

CODE	TRANSLATION OF NUMBERS	TOTAL
C - A - R		
M - O - M		
S - I - R		
N - O - N - E		
H - I - G - H		
L - A - S		
P - I - E		
F - U - U - R		
G - O - O - D		
M - A - A - K		

PART II: TRUE SCORE @25

CODE	TRANSLATION OF NUMBERS	TOTAL
F - L - U - F - F		
A - L - I - G - N		
R - I - G - H - T		
S - H - E - E - T		

MANAGER PAYMENT SCHEME

The following are the terms of the applicable payment scheme:

- If actual **performance points** ≤ **target performance points**, the payout is **100,000**.
- If actual **performance points** > **target performance points**, then the payment will be earned **100,000 + an additional IDR 5,000 per performance difference point**.

Example:

Actual performance points	Target performance points	Payments earned
105	100	= 100.000 + (5 point x 5.000) = 100.000 + 25.000 = <u>125.000</u>
75	75	= <u>100.000</u> (nothing extra because actual performance points are equal to target performance points)
140	150	= <u>100.000</u> (there is no additional because the actual performance points are below the target performance points)

Calculate the payment earned!

Actual performance points	Target performance points	Payments earned
120	110	

Actual performance points	Target performance points	Payments earned
125	125	

Actual performance points	Target performance points	Payments earned
95	100	

STOP HERE! DO NOT OPEN THE NEXT PAGE BEFORE THE

High Abusive Supervision

INFORMATION ABOUT SUPERVISION

PAK DANIEL is your direct supervisor at **PT EMERALD TRANSLATION**. He has worked for the company for 15 years. Meanwhile, you have only been appointed as production manager for six months. PAK DANIEL is a person who always underestimates and even ridicules the thinking and performance of his subordinates if he feels it is bad or lacking. He strongly emphasized that performance evaluation is based on whether or not performance targets are achieved, not based on the amount of performance achieved. He likes to allude to past mistakes or failures of subordinates for not meeting specific performance targets. Suppose someone makes a mistake or experiences a failure. In that case, PAK DANIEL often reprimands subordinates who are guilty of failing in front of the forum, for example, in front of their colleagues. He also frequently offends and interferes with the privacy of subordinates, likes to blame others for avoiding embarrassment, and often does not keep his promises to subordinates. Below are examples of your communication with PAK DANIEL in two situations.

Conversation in his room

PAK DANIEL asks you to prepare several reports that are similar to what you have done many times. After completing the report, you enter his office and present the report to be signed. He flipped through it and saw some mistakes. He raised his voice, *"There are many mistakes and missed targets! How many times do I have to tell you? What do you think? Why don't you pay attention to what I suggest? Two months ago, you made mistakes and failures too!"* He said sarcastically, *"I have serious doubts about your competence and contribution. Do not disappoint us, okay?"* Once again, things like this can happen when subordinates do not reach their targets regardless of how much performance has been achieved.

In an office meeting

PAK DANIEL gets very upset when he does not get the answer he wants in an office meeting. He asked questions in the meeting. You cannot answer quickly because it sounds vague. As you think about how to answer his question, he makes a sarcastic (scathing) comment in front of your colleague at the meeting, "*Don't you have a business degree? You graduated from XYZ University, right? "* He shook his head and muttered, "*What a waste of time!*". But your colleagues can hear it.

STOP HERE! DO NOT OPEN THE NEXT PAGE BEFORE THE

Low Abusive Supervision

INFORMATION ABOUT SUPERVISION

PAK DANIEL is your direct supervisor at **PT EMERALD TRANSLATION**. He has worked for the company for 15 years. Meanwhile, you have only been appointed as production manager for six months. PAK DANIEL is a person who always appreciates the thoughts and performance of his subordinates. Because of its character, PAK DANIEL's focus in evaluating performance is more on increasing the performance from the previous period rather than achieving or not achieving the target. He prefers to focus on the future orientation, so he does not like to mention past mistakes or failures of employees to maintain employee motivation. Even if some make mistakes or failures, PAK DANIEL never reprimands subordinates who are guilty of failing in front of the forum, for example, in front of their colleagues. He also highly values the privacy of his subordinates, does not blame others for avoiding embarrassment, and always keeps his promises to subordinates. Below are examples of your communication with PAK DANIEL in two situations.

Conversation in the room

PAK DANIEL asks you to prepare several reports that are similar to what you have done many times. After completing the report, you enter his office and present the report to be signed. He flipped through it and saw some mistakes. He tells you, *"There were some targets that were not met. Give it a better effort in the future. But, do not be afraid that you will fail again. You have succeeded in generating increased performance compared to the previous period. You seem to have noticed what I suggested. You've made improvements in the last few months."* He said excitedly, *"I appreciate your contribution and competence to deliver high-quality work. Don't give up because of failure; keep trying your best!"*

In an office meeting

PAK DANIEL is usually patient even if he doesn't get the answers he wants in an office meeting. He asked questions in the meeting. You can't answer questions quickly because

they sound vague. As you think about how to answer his question, he says, “*Maybe my question isn't clear. All right, let me go over it again,*”and he continued by speaking to your colleagues at the meeting,“ *I appreciate your input. Feel free to give your Perspective. ”*

STOP HERE! DO NOT OPEN THE NEXT PAGE BEFORE

DETERMINATION OF FURTHER PERFORMANCE TARGETS

You are free to set your production target. You know that the best performance points you can get (which you write down on the Assignment Result Recap) cannot be known by your supervisor, so the setting of production targets is entirely your authority.

Furthermore, by paying attention and understanding:

1. **Your actual (best performing) points. These points are the best estimates you can achieve.**
2. The payment scheme you accept.
3. The information on the previous page relates **to the characteristics of your leader.**

If you are asked to propose your production target with the same task as a production manager within 2 minutes (as you have done before), what is the production target that you will propose to your boss for the next period?

..... Working Points

(in nominal numbers 0-200)

CHECK MANIPULATION

1. What is your position in **PT EMERALD TRANSLATION**?
 - a. Production manager
 - b. Employees
 - c. Boss
 - d. Accounting Manager
2. Do you get incentives (extra pay) when actual performance exceeds your target (actual performance > performance target)?
 - a. Yes
 - b. Not
3. Your boss is someone who ...
 - a. Appreciates Subordinates
 - b. Underestimates Subordinates